

USDA REVIEW OF JAPAN: U.S. - JAPAN EQUIVALENCY AGREEMENT, LIVESTOCK SCOPE ADDITION

I. REPORT DATE

- November 14, 2019

II. DATES OF ONSITE REVIEW

- October 28 – November 1, 2019

III. REVIEW TEAM

- Cheri Courtney, Director, International Activities Division, USDA-AMS-NOP; attended opening and closing meetings by video
- Renée Gebault King, International Specialist, International Activities Division, USDA-AMS-NOP
- Kelly Strzelecki, Senior Trade Advisor, Foreign Agricultural Service, USDA-FAS

IV. INTRODUCTION

On September 26, 2013, the U.S. Department of Agriculture (USDA), Agricultural Marketing Service (AMS) National Organic Program (NOP) and Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) entered into an organic equivalency arrangement. This equivalency

arrangement allows for organic plant and processed plant products to be sold, labeled and represented as organic in each country's respective marketplace without separate in-country certification. USDA organic livestock products were outside the scope of this arrangement but continued to have access to the Japanese marketplace. In April 2018, Japan notified the U.S. that they were expanding the scope of their organic regulations to include livestock. Considering Japan's regulatory change, Japan and the U.S. entered into discussions about expanding the equivalency arrangement to include organic livestock. The ongoing discussions included a side-by-side comparison of both countries' organic livestock standards and onsite reviews of certified livestock operations. This report is an account of these activities and the U.S. onsite review in Japan.

A. REVIEW OBJECTIVES

The objectives of the review were to verify Japan's organic livestock regulations through technical discussions, and a review of MAFF and the Food and Agricultural Materials Inspection Center (FAMIC) oversight of accredited certifiers for livestock certification.

B. REVIEW SCOPE

The scope of the audit included activities related to the following:

- Technical discussions and clarifications of the JAS organic regulations and oversight of organic livestock certification activities.
- A witness audit of a JAS-accredited certifier during an organic livestock inspection;
- MAFF and FAMIC accreditation and oversight of certifying bodies that certify organic livestock operations under the technical standards of JAS Law.

C. LEGAL BASIS FOR THE REVIEW

The review was conducted at the invitation of the Japan and was not part of a legal or regulatory enforcement function of the USDA.

The following statutes, regulations, and standards were considered in the review:

- Conformity of the Law Concerning Standardization, etc. of Agricultural and Forestry Products,” hereafter JAS Law
- U.S. Organic Foods Production Act (OFPA) of 1990
- 7 U.S. Code of Federal Regulations (CFR) Part 205, National Organic Program
- ISO/IEC 17065 Conformity assessment – Requirements for bodies certifying products, processes and services

V. ONSITE REVIEW PROCESS

In advance of and in conjunction with the onsite audit, technical discussions about the side-by-side technical were held. During the onsite audit, the USDA team observed one witness audit of an organic beef operation and interviewed one certifier about organic livestock certification processes.

On October 28, 2019, an opening meeting was conducted with MAFF and FAMIC representatives at MAFF headquarters in Tokyo.

On October 29, 2019, the USDA review team was accompanied by members of MAFF and FAMIC for the witness audit of an inspection at an organic beef operation in Hokkaido, Japan. The certification body is Association of Certified Organic Hokkaido (ACOH), based in Sapporo.

On October 30, 2019, the organic inspection began with an opening meeting where the inspector introduced himself, explained the purpose of the inspection and outlined the general plan for the day. The inspector explained that this inspection is conducted during the grazing season, of which today was the last day because the cattle are being moved indoors for the winter. Prior to today’s visit, the inspector conducted inspections at this operation in 2015 and 2016. The farm has 220 animals (cows, calves, bulls) and the inspector verified numbers against records.

During the inspection, the inspector visited pastures and verified borders based on the map,

including a new pasture that was added this year. The inspector documented various aspects of the facility and records with photographs. The inspector reviewed a variety of records to verify compliance per the JAS organic standards:

- Organic System Plan: verified annual updates or changes, including added pasture, maps and facilities
- Herd records: calving dates and counts, animal ID- ear tag numbers (calf, cow, bull), weaning, movement (indoors vs. pasture), medical treatments and animal identification, alterations process and age (dehorning, castration), breeding (artificial insemination vs. natural service), bum calves sold as conventional
- Health records: medical treatments (e.g. drenches, vaccines, parasiticides, antibiotics) and veterinary prescriptions, dates given, and withdrawal intervals
- Feed records: feed sources, pasture access and roughage intake (dry matter), calculations for onsite hay and silage production quantities, no external feed purchases
- Transport and truck sanitation records for livestock (to slaughter facility), ear tag numbers cross-checked against sales/shipping/receiving records, slaughter dates, transfer of ownership, JAS Seal use on carcasses
- Materials: labels and use, wood chip bedding, sanitation/cleaning, medical treatments, manure handling and composting
- Followed up on request from ACOH to obtain/verify documentation that no treatments are used in wood chips (sawdust) bedding

During the closing meeting (exit interview), the inspector summarized the information verified and items or issues where the operation needs to provide more information to ACOH (animal monitoring records during confinement, grading manager reviews of records/labels before shipping for slaughter). The inspector and farm manager agreed to timelines for information submission to the certifier, which was documented on the closing meeting form and signed/dated by both parties.



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A post-inspection interview with the farm manager indicated that ACOH provides regulatory updates and other communications, such as approved products/materials, via fax and paper newsletter a few times per year.

On October 31, 2019, the USDA review team interviewed representatives from a JAS-accredited certification body. The USDA team interviewed the inspector from the Association of Certified Organic Hokkaido (ACOH) to verify expertise and MAFF/FAMIC oversight related to organic livestock certification. The inspector demonstrated a thorough knowledge of the JAS organic standards and over 20 years of experience in the organic industry. ACOH was formed in 1999 and has been involved in organic agriculture for over 20 years. It is an organization composed of producer members. ACOH is registered by MAFF/FAMIC for organic certification to JAS organic standards. The ACOH vice president reported that they are audited annually by FAMIC for compliance as a certification body. FAMIC also conducts review audits of certification bodies and the frequency of review audits is based on risk-assessment (certifiers with more noncompliances receive more frequent review audits). ACOH management said they have not received a noncompliance in 10 years.

ACOH has a total of 170 certified operations, of which 120 are on Hokkaido. Japan currently has six certified organic livestock operations and ACOH certifies three of them (1 beef, 1 dairy, 1 poultry). Operations on Hokkaido range in size from 1-50 hectares (approximately 2.5-123 acres) in size but tend to be much smaller elsewhere in Japan. Avian influenza (AI) is a prominent issue for Japan's poultry producers. ACOH representatives and MAFF officials explained that producers house organic poultry in barns and provide an additional covered barn or greenhouse for exercise to meet the requirement for "open air runs" while preventing potential contact with AI-infected birds. ACOH also certifies the organic abattoir used by the organic beef operation.

ACOH representatives noted that sourcing organic feed ingredients, such as corn for poultry rations, is sometimes an issue. To address this, operations import organic feed from the U.S. (under existing equivalency) or source ingredients from domestic human food supplies.

JAS Law requires that inspectors and decision makers be registered. MAFF officials provided the

list from ACOH showing registered inspectors and decision makers. The ACOH vice president is also an inspector, livestock leader and trainer. He explained that after he conducts inspections, he submits his report to the ACOH committee who make the certification decision. ACOH provides courses and on-the-job training for organic inspectors.

ACOH noted they receive regular communications from MAFF, typically via email. ACOH does not currently conduct unannounced inspections. However, under the updated JAS organic regulations, certification bodies are now required to conduct unannounced inspections, and MAFF issued a directive to certifiers about this requirement. MAFF hosts annual training seminars for certification bodies and entry-level inspectors; training for ISO 17065, etc. is typically outsourced to professional entities. ACOH offers regional training and information on regulatory updates to operations in Japan at least once per year.

VI. CLOSING MEETING

On November 1, 2019, technical discussions continued, and the closing meeting was held in the FAMIC office in Sapporo, Japan. (See annexes for information that was verified and/or resolved by the USDA based on the technical discussions and witness audit.)

The U.S. team obtained additional details and information during the closing meeting to ensure accurate reporting for the peer review. MAFF clarified that the “cow tracking law” in Japan is managed by an incorporated administrative agency, but it tracks every beef and dairy animal by ID (number) and DNA to ensure accurate tracking and prevent fraud. This database is publicly accessible and used by organic inspectors to verify animal movement and traceability in the supply chain. MAFF also explained that there is no organic pork production in Japan currently; organic livestock is limited to poultry, dairy and beef. MAFF confirmed that they manage and maintain the online list (Japanese only) of approved livestock veterinary drugs.

VII. CONCLUSIONS

A. GENERAL COMMENTS

Throughout the peer review, representatives from MAFF, FAMIC, ACOH and the beef operation were responsive, forthright, and supportive to ensure the U.S. team was able to meet audit objectives. The scale of the organic livestock industry in Japan is small compared to the U.S., but Japan clearly has strong organic livestock regulations and is working to boost domestic production and capacity. Although there are some procedural or technical differences, the U.S. team observed that MAFF and FAMIC have a robust and thorough system for oversight of organic certification bodies to ensure compliance with the JAS organic livestock standards.

B. DIFFERENCES

Item	NOP Standard	JAS Standard
1	205.237(a) The producer of an organic livestock operation must provide livestock with a total feed ration composed of agricultural products, including pasture and forage, that are organically produced and handled...	Feeding: 5. Nonorganic feeds (limited to feeds produced without recombinant DNA technology, and free from antibiotics and synthetic antibacterials) may be provided ... only for a certain period when necessary amount of feeds for organic livestock cannot be provided in case that feeds for organic livestock are difficult to obtain.
2	205.238(c)(1) Sell, label, or represent as organic any animal or edible product derived from any animal treated with antibiotics...	Health Control: 3. In case that veterinary drugs are used, veterinary drugs other than prescribed drugs or antibiotics shall be used.