National Organic Standards Board Meeting
Fall 2019: National Organic Program Update

Jennifer Tucker, Ph.D.
Deputy Administrator
National Organic Program
October 2019
Welcome to Pittsburgh!

<table>
<thead>
<tr>
<th>Operation</th>
<th>Certifier</th>
<th>Info</th>
<th>Status</th>
<th>City</th>
<th>State/Province</th>
<th>Country</th>
<th>Certified Products</th>
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<tbody>
<tr>
<td>Alpha Aromatics</td>
<td>[OTCO] Oregon Tilth Certified Organic</td>
<td>i</td>
<td>Certified</td>
<td>Pittsburgh</td>
<td>PA-Pennsylvania</td>
<td>United States of America</td>
<td>HANDLING: Other: Fragrance Blend (4736-1)... More</td>
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<tr>
<td>Chris Candies, Inc.</td>
<td>[CCOF] CCOF Certification Services, LLC</td>
<td>i</td>
<td>Certified</td>
<td>Pittsburgh</td>
<td>PA-Pennsylvania</td>
<td>United States of America</td>
<td>HANDLING: Other: Chocolate (73% Super Dark Chocolate Bar)... More</td>
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<tr>
<td>HVL, LLC</td>
<td>[QCS] Quality Certification Services</td>
<td>i</td>
<td>Certified</td>
<td>Pittsburgh</td>
<td>PA-Pennsylvania</td>
<td>United States of America</td>
<td>HANDLING: Health Products: Multivitamins</td>
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<tr>
<td>Iceland Inc.</td>
<td>[OTCO] Oregon Tilth Certified Organic</td>
<td>i</td>
<td>Certified</td>
<td>Pittsburgh</td>
<td>PA-Pennsylvania</td>
<td>United States of America</td>
<td>HANDLING: Other: Storage and Distribution</td>
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<tr>
<td>La Prima Espresso Company</td>
<td>[PCO] Pennsylvania Certified Organic</td>
<td>i</td>
<td>Certified</td>
<td>Pittsburgh</td>
<td>PA-Pennsylvania</td>
<td>United States of America</td>
<td>HANDLING: Beverage Related Products: Coffee (Blend - Bar Italia Espresso Blend (16oz))... More</td>
</tr>
</tbody>
</table>
NOP Update Agenda

• Goals and Priorities
• Enforcement Updates
• Strengthening Organic Enforcement Proposed Rule
• NOP Organization Update
• Other Updates
National Organic Program Goals

1. **Strong Organic Control Systems**
   - Trusted People, Processes, and Rules

2. **Farm to Market Traceability**
   - Worldwide Supply Chain Integrity

3. **Robust Enforcement**
   - A Level Playing Field for All

4. **Support the Standards; Collaborate with Community**
   - Engagement and Transparency
FY 2020 Priorities

• **Rules**: Strengthening Organic Enforcement, Origin of Livestock, National List

• **Enforcement**: Investigations and Surveillance

• Import Certificates

• International Arrangements

• Federal Partnerships

• Certifier and Other Partner Training

• Launch Noncompliance Library and Certifier Portal

• Building the Organization
NOP Update Agenda

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Robust Enforcement: A Level Playing Field

• Complaint Investigations
• Market Surveillance
• Coordination with Federal Enforcement Agencies

• Import Oversight
• Livestock Compliance
• Grain and Oilseed Handling
Risk-Based Analysis and Projects

FARM–LEVEL YIELD ANALYSIS STUDIES
TRADE DATA TREND ANALYSIS
COUNTRY-COMMODITY STUDIES
SHIP-SPECIFIC SURVEILLANCE

Where Organic Grows, We Go!
Livestock Compliance: Continuing Focus

• **Unannounced visits** continuing across U.S. - Risk-based selection.
• **Investigations** have led to certifier and operation adverse actions
• **Training** available now to improve certifier and inspector consistency!
• **Origin of Livestock Rule** Comment period reopened - **Closes Dec. 2.**
Grain & Oilseed Fraud: Continuing Focus

Multi-million dollar problem

• Organic grains & feedstuffs have high price premiums
• Bulk commodities: hard to trace – long shelf lives, open storage, long supply chains
• **Import Challenges:** High-volume from Black Sea, Argentina, and India
• **Domestic Challenges:** Processors represent non-organic product as organic
• **Investigations & Surveillance** increasing
Many Hands Beyond NOP....

- USDA Office of Inspector General
- Foreign Agricultural Service
- Foreign Governments
- Other Federal Agencies (CBP, DOJ, FTC)
- Certifiers
- State Organic Program (CA)
- Public
Risk-Based Control System Oversight

**Inspections**
(Annual Certification, Unannounced Visits, Random Checks)

Farm > Aggregator > Processor > Broker > Shipper > Wholesaler > Retailer > Consumer

*Certifier Information Sharing Speeds Fraud Detection!*

**Surveillance**
(Supply Chain Monitoring, Mass Balance Checks, Targeted Visits for High Risk Areas/Activities)
Outcomes

>275 operations have lost certification in Black Sea Region

High profile criminal & appeals cases are deterrents

Suspensions & settlement agreements ensure sound systems

Certifiers improving around the world – more denials, actions

Completed 412 investigations

Resolved >250 inquiries

>600 C&E customers
Continuous Improvement

Scale

Broad-Based, Industry-Level

Certifier Level

Operation Level

Capability Development

Enforcement

Information

Training Programs
Webinars and Fact Sheets
Enforcement Updates

Region Directives
Surveillance
Company-Specific Alerts

Evidence

Country-Commodity Activities

Certifier Non-Compliances, Settlements, Suspensions
Operation Level Non-Compliances, Settlements, Suspensions/Revocations
Civil Penalties/Prison

Goal

15
NOP Update Agenda

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• Organic has grown! So has supply chain complexity...
• Proposed Rule shaped by:
  – Farm Bill, Program Experience, Stakeholder Feedback
  – National Organic Standards Board Recommendations

This rule is a game-changer
Strengthening Organic Enforcement Rule

Transforming the organic regulations to meet market needs: Increasing accountability and visibility

- Fewer Exemptions
  - Increase Handler Certifications

- Import Certificates
  - Electronic Certificates for all Imports

- Enhanced Oversight
  - Strengthen Accreditation and Certification Oversight
Strengthening Organic Enforcement

Robust Inspections
- Unannounced Inspections
- Inspector Training
- Traceback and Mass Balance Audits
- Grower Groups

Confirming Organic Status
- Nonretail Labeling
- Standardized Organic Certificates
- Data Reporting
- Certifier Information Sharing

Overseeing Certifiers
- 90-day Notification: New Offices
- Equivalency Reviews
- Adverse Action Processes

Look for Proposed Rule for Comment: Late 2019
Next Steps

- **Publication**, proposed rule – Late 2019

- **Comment Period** - 60 days. Businesses affected encouraged to submit comments during this period

- **Best Practices** for comments:
  - Describe concern and impact
  - Offer alternative solutions
  - Respond to questions in rule

- All comments will be **public and viewable** at [www.regulations.gov](http://www.regulations.gov)
Import Certificates: Technology Steps

Early Pilot Testing: 2020

Data Entry/Approvals
- Operations
- Certifiers
  (Use Existing Import Filing Processes)

Import Certificate
- CBP Automated Commercial Environment (ACE)

USDA Data Access
- Data Analytics
  Visualization

Decisions and Action
- Reporting & Trends
  Investigations
- Risk-Based Surveillance

USDA Agricultural Marketing Service | National Organic Program
NOP Update Agenda

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Expanding the NOP Organization

National Organic Program

International Activities

Trade Systems

Standards

Accreditation

Compliance & Enforcement

USDA Agricultural Marketing Service | National Organic Program
We Are Hiring!

Recruiting for Multiple Positions – Fall 2019:

• National List Manager – Washington, D.C. only
• Auditors – may be based anywhere in the continental U.S.
• Accreditation Managers – Washington, D.C. only
• Compliance & Enforcement Specialists – Washington, D.C.

Interested?

• All jobs will post on www.USAJobs.gov.
• Set up a search and daily alerts for positions in USDA Agricultural Marketing Service.
• NOP job titles are often: “Agricultural Marketing Specialist” or “Compliance Officer.”
• APPLY EARLY – Federal job announcements are typically open for 7 days and may have a cap on the number of applicants.
**As We Grow: Avoiding Conflicts of Interest**

| Recruiting/Hiring                      | • Office of Personnel Management rules drive the recruiting process  
|                                       | • Human Resources screens all candidates before NOP receives list of qualified people  
|                                       | • All Federal employees take Oath of Office and commit to avoiding conflicts of interest  
|                                       | • Employees bound by Ethics Rules and Code of Conduct  |
| Certifier and Enforcement Case Assignments | • No NOP staff member is assigned to cases or certifiers they used to work with  
|                                          | • Three year minimum (one accreditation audit cycle), but in practice, lasts much longer |
### As We Grow: Avoiding Conflicts of Interest

<table>
<thead>
<tr>
<th>Appeals</th>
<th>• Appeals of NOP-issued adverse actions are decided by people outside the program</th>
</tr>
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</table>
| Contracting | • NOP follows Federal Acquisition Regulations for all contracting activities; prohibits conflicts of interest  
• All contract staff must review and sign Non-Disclosures to ensure confidentiality and Conflict of Interest declarations |
| Certifier Oversight of Operations | • NOP reviews certifier adverse action processes and issues noncompliances to certifiers when needed  
• We also check for COIs across certifier staff/leaders  
• **415 operations suspended or revoked** since Jan. 2019 |
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National List Updates

• Sunset 2019 Renewals: Published

• National List Proposed Rule in Response to October 2018 NOSB Recommendations: Open for Comment until December 17

• National List Final Rule in Response to April 2018 NOSB Recommendations: Published Today!

• Biodegradable Mulch Study
Organic Integrity Learning Center

• Enrollment Update:
  >1,500 Accounts
  >200 Completions per Lesson
• Coming Upgrade:
  – Introduce Course Certificates
• Upcoming Courses:
  – Advanced Investigations
  – Fraud Prevention (OTA)
  – Certification Administration
  – Material Reviews (OMRI)
  – Tools for Traceability

Public Sign-Up Process
Individual or Group Requests:
USDA-NOP@apvit.com
Include: User Name, First Name, Last Name, Organization, Email
Gene Editing

• Many public comments for this NOSB meeting focused on gene editing in organic agriculture.

• The Excluded Methods definition in the USDA organic regulations does not allow for gene editing: it is prohibited.

• USDA encourages continued robust dialogue about the role of new technologies and innovations in organic agriculture.

• Changing the definition of Excluded Methods is not on the USDA regulatory agenda.
Containers

- June 2019 Memo upheld existing USDA regulations for organic container systems.
- Increased consistency across certifiers.
- Certifiers evaluate land use histories for compliance with the regulations.
- Prohibited substances are not allowed in organic production.
Questions from the Board?