

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

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Welcome to Pittsburgh!



Operation	Certifier	Info	Status	City	State/Province	Country	Certified Products
			Certified	Pittsburgh	PA-Pennsylvania ×	Enter Country	
Alpha Aromatics	[OTCO] Oregon Tilth Certified Organic	1	Certified	Pittsburgh	Pennsylvania	United States of America	HANDLING: Other: Fragrance Blend (4736-1) More
Chris Candies, Inc.	[CCOF] CCOF Certification Services, LLC	•	Certified	Pittsburgh	Pennsylvania	United States of America	HANDLING: Other: Chocolate (73% Super Dark Chocolate Bar) More
Garden Dreams Urban Farm & Nursery	[PCO] Pennsylvania Certified Organic	1	Certified	Pittsburgh	Pennsylvania	United States of America	CROPS: Nursery/Starts/Flowers/Trees: Transplants (Transplants)
HVL, LLC	[QCS] Quality Certification Services	•	Certified	Pittsburgh	Pennsylvania	United States of America	HANDLING: Health Products: Multivitamins
Iceland Inc.	[OTCO] Oregon Tilth Certified Organic	•	Certified	Pittsburgh	Pennsylvania	United States of America	HANDLING: Other: Storage and Distribution
La Prima Espresso Company	[PCO] Pennsylvania Certified Organic	1	Certified	Pittsburgh	Pennsylvania	United States of America	HANDLING: Beverage Related Products: Coffee (Blend - Bar Italia Espresso Blend (16oz)) More
Pittsburgh Distilling Company, LLC	[PCO] Pennsylvania Certified Organic	•	Certified	Pittsburgh	Pennsylvania	United States of America	HANDLING: Alcohol: Bitters (Bitters - Aromatic (4oz)) More

1,591 Certified Organic Farms & Businesses in Pennsylvania

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

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Epartment of Justice

ABOUT NEWS MEET THE U.S. ATTORNEY DME S. Attorneys » Northern District of Iowa » News Department of Justice U.S. Attorney's Office Northern District of Iowa

R IMMEDIATE RELEASE

Field of Schemes Fraud Results in Over a Dec for Leader of Largest Organic Fraud Cas

> ant and Three Others Sentenced to Federal Priso More Than \$120,000,000 in Grain Falsely M

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.

Visits
Investigations

Training

Rulemaking

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

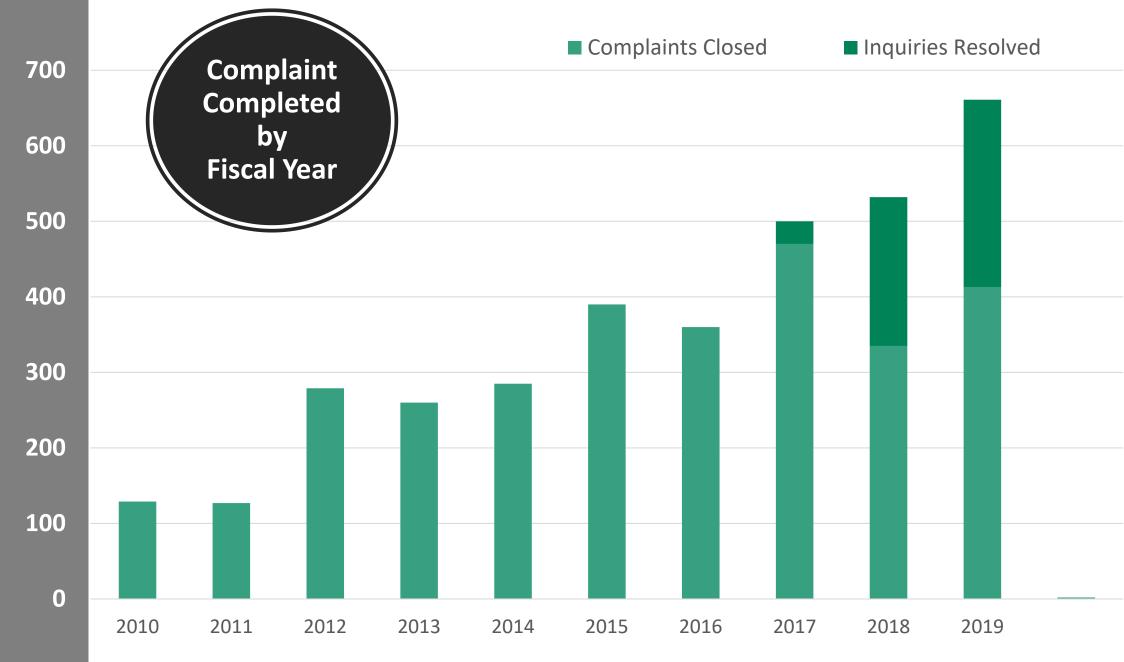
Suspensions & settlement agreements ensure sound systems

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 Training Programs
Webinars and Fact Sheets
Enforcement Updates

Information

Regional Directives

Surveillance

Company-Specific Alerts

Country-Commodity Activities

Evidence

Certifier Non-Compliances, Settlements, Suspensions

Operation Level Non-Compliances,
Settlements, Suspensions/Revocations

Civil Penalties/Prison

Capability Development

Enforcement



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Strengthening Organic Enforcement: New Rule



- 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

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





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Expanding the NOP Organization







National Organic Program



International Activities



Trade Systems



Standards



Accreditation



Compliance & Enforcement

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 <u>www.USAJobs.gov</u>.
- 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



Appeals	 Appeals of NOP-issued adverse actions are decided by
	people outside the program

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.

