

Notice to Trade Community
Comments Needed on Coming Supply Chain Changes
Proposed Rule Requires More Businesses to be Certified USDA Organic

Organic agriculture is one of the fastest growing sectors in the food market. Protecting the integrity of the organic label is more important than ever, as the industry continues to grow. An upcoming proposed rule may impact members of the trade community who are involved in the supply chain for products labeled as organic. Organic products include food, fiber and feed, in packaged and bulk form, all of which are regulated by the Agricultural Marketing Service (AMS) at USDA. This proposed rule may require your business to obtain USDA organic certification. Your feedback is needed during the public comment period in summer 2020. The proposed rule will improve farm-to-market traceability of organic products, deter fraud, and bolster confidence in the USDA organic label.

Information on organic labeling is available on the USDA [National Organic Program](#) webpage and you can also sign up for the USDA [Organic Insider](#), a free electronic newsletter to get updates about the upcoming rule.

Could my businesses be impacted?

Certification to the USDA organic regulations may be required if you:

- Import or export organic goods;
- Assist others in meeting Federal import/export rules (U.S.);
- Buy or sell organic products (non-retail transactions);
- Negotiate sales between buyers and sellers, even if no physical custody or ownership;
- Are a company that loads or unloads organic products from transport vehicles.

Your business may not be affected if you:

- Are a retailer only;
- Are a carrier that only transports products; or
- Only provide storage of products.

We are committed to:

- Protecting confidential and proprietary supply chain information
- NOT slowing trade as it crosses the border
- Maximizing the use of existing import processes

Why would the new rule require my business to be certified?

- Certification closes potential vulnerabilities in the supply chain, increasing the speed to detect attempted fraud and protecting product value for those who play by the rules.
- Supply chain traceability from farm to market protects the value of the organic-certified products and bolsters trust in your buyers.
- At over \$55 billion in market value, the organic supply chain has become more complex, requiring new tools to ensure the integrity of the system.

When will this happen?

- The proposed rule is publishing in the Federal Register in summer 2020, opening a public comment period.
- A final rule is expected to be published after USDA considers public comments (2021).
- USDA anticipates a 12-month phase-in period for those who need to be certified to the USDA organic regulations for handlers.

What should I do next?

- Provide feedback, so USDA understands the impact the proposed rule changes will have on industry. Watch for the open comment period.
- Learn more: Information on organic certification is available on the [USDA website](#).
- Sign up for the [USDA Organic Insider](#) for updates and free webinars on the proposed changes.

What is the legal basis for the new rule?

- The [2018 Agricultural Improvement Act](#) (2018 Farm Bill) directed USDA to further tighten certification requirements in the [Organic Foods Production Act](#).

Importers, Exporters, and Brokers Domestic/International
Organic 101

What must be labeled organic?

- Use of the term “organic” is federally regulated in the United States by USDA’s Agricultural Marketing Service.
- Organic regulations apply to agricultural products like food, fiber, or feed in packaged and bulk form.

Who must be USDA Certified?

- Businesses that market agricultural products as organic must be certified unless specifically excepted.
- Retailers are exempt.

How does a non-farm business get certified?

1. A business selects a [USDA-accredited certifier](#) and applies for certification.
2. The certifier reviews the application package and performs an on-site inspection.
3. Once determined compliant, the business is certified organic.
4. Certified businesses are inspected at least annually.

After I apply for certification, how long does it take?

- Time needed for certification varies based on complexity and location of an operation.
- Certification typically takes 4 to 12 months.

How much does organic certification cost?

- Certifiers determine the cost of certification based on factors like complexity and location. See the [USDA-accredited certifier](#) database for contacts and details.
- Once certified, your business may be eligible for a rebate of some certification fees through the [USDA Organic Certification Cost-Share Program](#).

Where can I find more information?

- Sign up for the free USDA [Organic Insider](#) email newsletter.
- Visit the [National Organic Program](#) on the USDA website to learn about the organic label.

What happens if I don't get certified?

- Selling organic without certification may affect relationships with your buyers who require it.
- Civil penalties can be assessed against businesses that market organic products.
- Anyone involved in a fraudulent scheme may be subject to further penalties, including prison time.

Who monitors organic claims in the United States?

- Regulators, law enforcement, organic certifiers, other businesses, farmers and the public may confirm a business's certification status in the USDA Organic INTEGRITY database.
- The National Organic Program has a team of compliance and enforcement specialists that review and investigate complaints alleging misuse of the organic label. More information on how complaints are filed is available on the [USDA Organic Website](#).
- All organic imports will require a NOP Import Certificate; the data will be entered into CBP's ACE portal as part of the normal entry summary details and later used for traceability.