

USDA Agricultural Marketing Service National Organic Program (NOP) U.S.-India Recognition Arrangement Transition Update for Trade

**Jennifer Tucker, Ph.D. – NOP Deputy Administrator
March 31, 2021**



Webinar Agenda



- **Overview and Transition Timeline**
- Transition Mechanics
- Organic Integrity Database
- Current Dynamics
- Next Steps

Overview



- In January 2021, the USDA notified India's Agricultural and Processed Food Products Exports Development Authority (APEDA) that we are ending U.S.-India Organic Recognition.
- NOP took action as India's organic control system was determined to be insufficient to adequately protect the integrity of the USDA organic seal.
- The 18-month transition period allows organic operations currently certified by APEDA-accredited certifiers to apply for direct certification with USDA-accredited certifiers.
- Once transition is complete, organic certification in India will operate like any country that does not have a trade arrangement with the United States.

Timeline

Starting Now:

USDA certifiers are to report any certification **applicants** in **India** in Organic Integrity Database (Will be Public Data) – Only report applicants who are currently certified by an APEDA certifier

July 12, 2022:

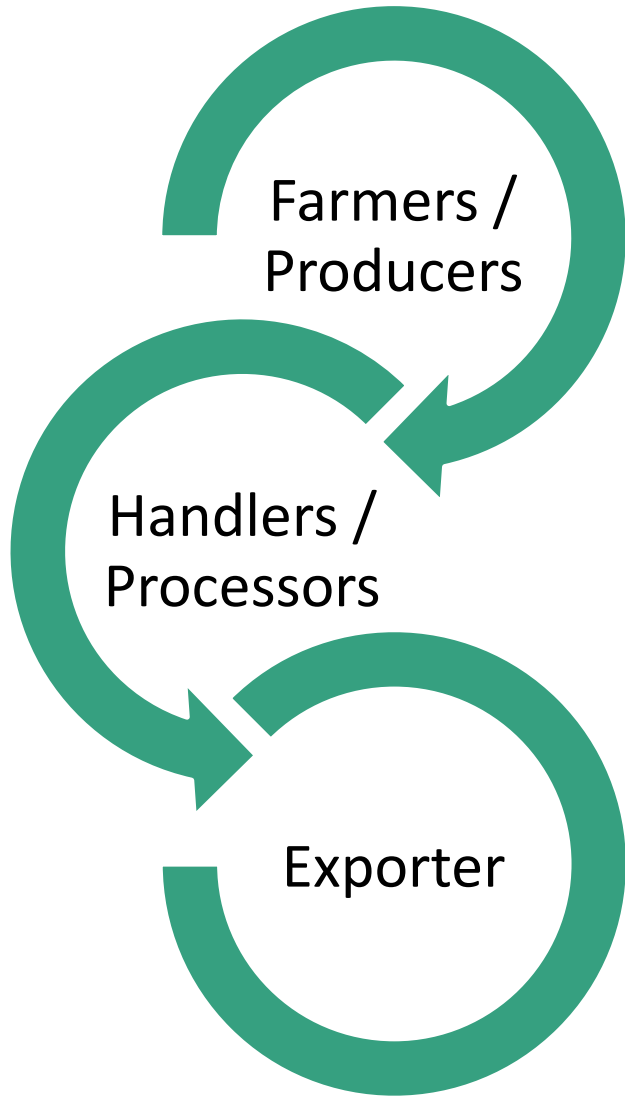
To export to U.S., ALL India organic products/ ingredients across supply chain must be certified USDA organic with USDA/NOP certificate

July 12, 2021:

Any India organic business in a supply chain exporting to the U.S. needs to have APPLIED to a USDA/NOP certifier
(**TIP:** Maintain your certification throughout USDA process!)

Throughout this period, USDA-accredited certifiers may issue USDA/NOP certification to any organic business verified to fully comply with the USDA organic regulations

Timeline Applies to ALL in the Organic Supply Chain!



For Sellers:

- Any supplier certified organic by an APEDA-accredited certifier **must apply** for certification with a USDA-accredited certifier before July 12, 2021 to continue to sell within a supply chain destined for the U.S.
- If you are already certified organic by a USDA-accredited certifier, your certifier will communicate any changes you need to make to apply for/receive a USDA organic certificate.
- If you have existing commodity stocks purchased before the July 12, 2021 deadline that were certified organic by an APEDA-accredited certifier (but without a USDA certification application in place), you may use them until exhausted, as long as YOU have applied for USDA certification.

For All Buyers in a Supply Chain Destined for U.S:

- After July 12, 2021, you may only source (buy) USDA-certified organic products or commodity stocks from an operation in India that is listed in the Organic Integrity Database as “Certified” or as “Applied.”

Summary: As of July 12, 2021....



As of July 12, 2021

1. All previously-certified operations in the supply chain of products destined for the U.S. must be certified organic under APEDA **and** have APPLIED for certification with USDA.
2. New applicants for USDA organic certification would apply directly to a USDA-accredited certifier, not to an APEDA-accredited certifier.
3. Any certified organic product (under APEDA) that is IN or anywhere ALONG the supply chain as of July 12 can CONTINUE to move between buyers/sellers in the supply chain until used up.
4. No NEW organic products from India may enter the supply chain as of July 12 without it being bought/sold by operations meeting #1 above.

Webinar Agenda



- Overview and Transition Timeline
- **Transition Mechanics**
- Organic Integrity Database
- Current Dynamics
- Next Steps

Requirements for USDA-Accredited Organic Certifiers



- **Existing USDA-accredited organic certifiers may provide certification services in India IF they:**
 - Can demonstrate the administrative capacity to do so.
 - Notify the NOP if they intend to open or operate out of a satellite office to provide services.
 - Update the Organic Integrity Database with information about new applicants and certified organic operations.
 - Provide NOP with a plan for ensuring full compliance by all certified organic operations.
 - Recognize that NOP will issue Directives to help protect the market.
 - Agree to follow India government requirements for organic exports (e.g., NPOP certification, TraceNet).

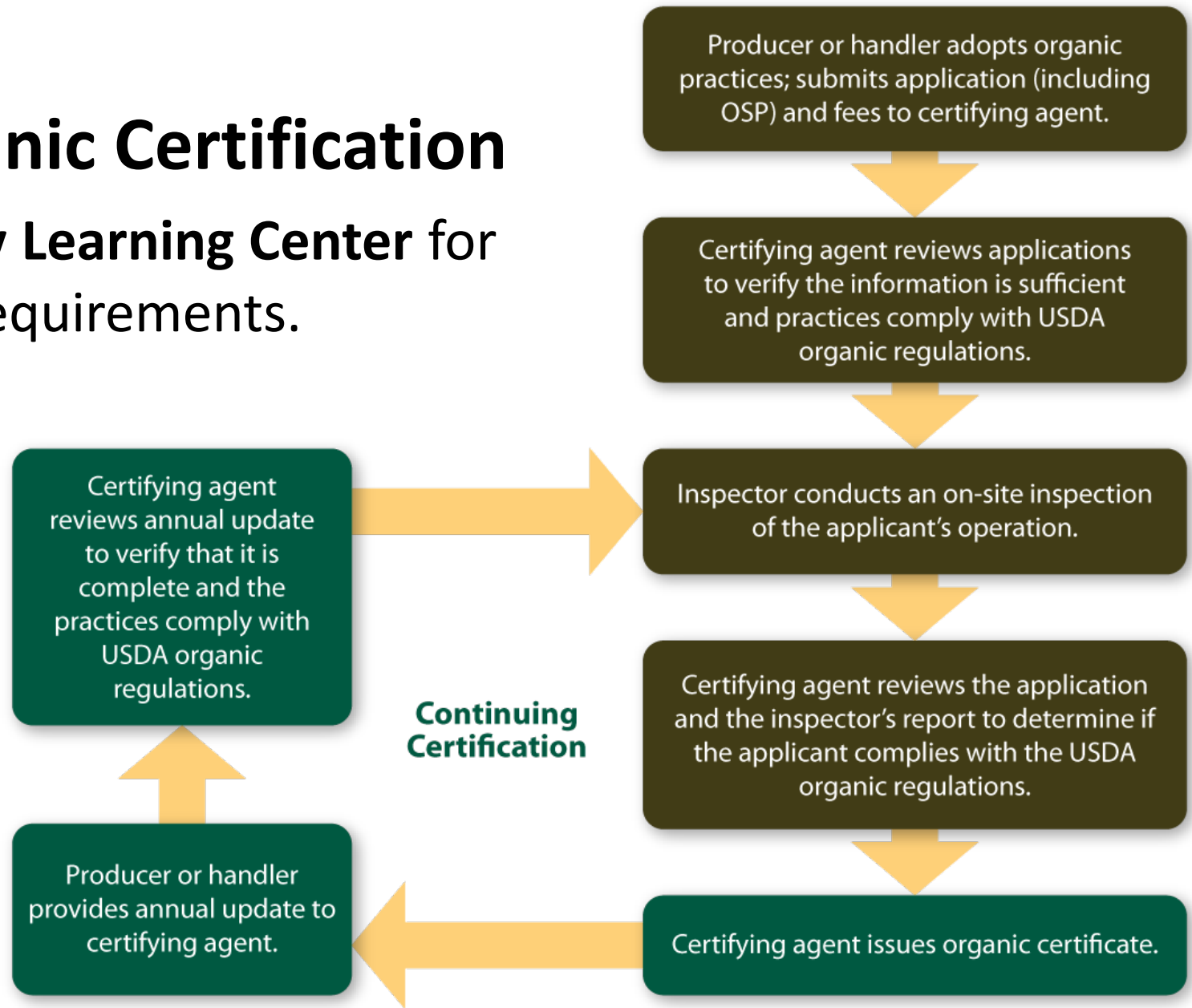
Requirements for USDA-Accredited Organic Certifiers



- **USDA certifier capacity to certify in India will drive the availability of USDA organic certification services.**
- Certifiers are third-party organizations, so USDA cannot mandate that they provide organic certification services in India nor guarantee adequate certification capacity.
- **The USDA's top priority is ensuring organic compliance for a fair marketplace.**

Steps to USDA Organic Certification

Visit the **Organic Integrity Learning Center** for courses on certification requirements.





For APEDA-Accredited Organic Certifiers

- APEDA-accredited organic certifiers may apply for direct accreditation to the USDA National Organic Program at any time.
- Information on how to apply for USDA organic accreditation is on the AMS website:
www.ams.usda.gov/organic-accreditation
- Questions about APEDA's oversight of its organic certifiers, and its plans with respect to NPOP or NOP certification, should be directed to APEDA.

What About NPOP and COR Certification in India?

- The U.S. does have an organic equivalence arrangement with Canada.
- Questions about new or ongoing APEDA organic certification to the NPOP/NOP or COR certification need to be directed to those governments.
- Indian organic businesses may be certified by multiple certifiers certifying to different standards to meet different export market requirements. This is the case in many countries.

TraceNet Certificates Required

- Organic certifiers and operations in India are responsible for complying with any additional Government of India export requirements, including TraceNet reporting and documentation.
- A TraceNet certificate, issued by an accredited certification agent, must accompany all organic exports from India, including all imports from India that ultimately enter the U.S.
<https://apeda.gov.in/apedawebsite/TracenetOrganic/TraceNet.htm>
- U.S. importers of organic products from India are to maintain TraceNet certificates as part of their required recordkeeping procedures.

U.S. Importer Responsibilities

- Organic handlers/importers need to have monitoring practices and procedures that demonstrate compliance with 7 C.F.R. § 205.201 (a)(3): “Organic production and handling system plan.”
- Procedures need to be scaled appropriately to account for the risk in any given market.
- NOP expects all importers to maintain TraceNet certificate records for 5 years, with other records necessary to show compliance.
- Check the Organic Integrity Database for the status of your suppliers!
As of July 12, 2021, they must be listed as “Applied” or “Certified.”
- Maintain certificates and documentation for your certifier!

Webinar Agenda



- Overview and Transition Timeline
- Transition Mechanics
- **Organic Integrity Database**
- Current Dynamics
- Next Steps



The Organic INTEGRITY Database

- USDA's publicly available registry of all USDA-accredited certifiers and certified organic operations.
- The organic industry has used INTEGRITY for years to:
 - Look up the certification status of organic operations
 - Find organic certifiers operating in specific locations.
- To support oversight during the transition, USDA organic certifiers will report operations to INTEGRITY that are already certified by an APEDA accredited-certifier and have **applied** and/or been **certified** to the USDA organic regulations in India.
- Let's take a look at INTEGRITY...

Has a Business Applied for Certification in India?

- Select the status from the dropdown menu. (The database shows the list of certified organic operations as a default)
- You can export the list of *Applied; APEDA Certified* operations to a spreadsheet.

The screenshot shows the USDA Organic Integrity Database interface. At the top, there is a navigation bar with 'Home', 'Search', and 'Reports' buttons. The main header includes the USDA logo and 'United States Department of Agriculture Agricultural Marketing Service'. The title 'ORGANIC INTEGRITY DATABASE' is prominently displayed. Below the header, there is a search area with a 'Certifier' dropdown menu and a 'Reset' button. An 'Advanced Search' button is highlighted with a red lightning bolt. Below the search area, there is a table of certified organic operations. The table has columns for 'Operation', 'Certifier', 'Info', 'Status', 'City', 'State/Province', 'Country', and 'Certified Products'. A dropdown menu is open over the 'Status' column, showing options: 'All', 'Certified', 'Surrendered', 'Suspended', 'Revoked', and 'Applied; APEDA Certified'. The 'Applied; APEDA Certified' option is circled in red and highlighted with a red lightning bolt. Below the table, there is an 'Export To Excel' button.

Operation	Certifier	Info	Status	City	State/Province	Country	Certified Products
" DAYLESFORD MERCHANT" LLC	[EKOAGROS] Ekoagros	i	All	Moscow	Enter State/Province	Enter Country	HANDLING: Other: barley, rape seeds... More
"7" Walkers Farm	[NMDA] New Mexico Department of Agriculture, Organic Program	i	Certified	...	New Mexico	United States of America	CROPS: Other: Triticale, Corn, Millet, Haygrazer
"ART SEED" LTD	[EKOAGROS] Ekoagros	i	Surrendered	Kherson	Kherson region	Ukraine	HANDLING: Other: Wheat, Corn, Rapeseed, Peas, Barley, Sunflower, Soybeans

For USDA Certifiers Reporting Operations



Certifiers: We have a new status for Applicants (already APEDA-certified)!

- The INTEGRITY data submission template and web-based form have been updated for certifiers.
- Certifiers will add APEDA-certified operations as they apply for USDA organic certification and change their status to **certified** or **denied** when process is complete.
- Download the new [data submission template](#) from the [INTEGRITY "About" page](#).
- The operation must have a physical address in India to use this status.
- Once certifiers publish their data, the data will be visible under the new status in all *INTEGRITY* search and report interfaces.

Webinar Agenda



- Overview and Transition Timeline
- Transition Mechanics
- Organic Integrity Database
- **Current Dynamics**
- Next Steps

Current Oversight Dynamics

- **APEDA continues to have oversight responsibility for its accredited organic certifiers and operations.**
- Market sources suggest that a significant number of farms in India have recently lost certification under APEDA due to poor organic control systems. While these farms may reapply for certification, they would need to demonstrate full compliance with the USDA organic regulations, including a 3-year transition with no prohibited substances applied to the land.
- Recently, APEDA temporarily blocked two certifiers from issuing certificates from TraceNet. Those restrictions have since been lifted.

Recent Trade Data: Soybeans

Trade data from India is limited due to the absence of organic trade codes and the lack of real-time data. This makes it difficult to project future supply and demand for products and certification.

Source: USDA
Global
Agricultural Trade
System (GATs)

Area/Partners of Origin And Consumption Commodities Imported				January - December Cumulative To Date Values in dollars				
				2020	Jan - Jan 2020	Jan - Jan 2021	Period/Period % Change (Value)	
Partner		Product		Value	Value	Value		
<input type="checkbox"/>	1 -	World Total	1	1201900010 - ORG SOYBEANS OTH	168,095,956	12,276,180	8,770,273	-29
<input type="checkbox"/>	1.1	Argentina	1	1201900010 - ORG SOYBEANS OTH	39,173,956	1,024,994	132,084	-87
<input type="checkbox"/>	1.2	Russia	1	1201900010 - ORG SOYBEANS OTH	38,227,229	0	4,792,500	--
<input type="checkbox"/>	1.3	Ukraine	1	1201900010 - ORG SOYBEANS OTH	33,714,627	5,776,349	0	--
<input type="checkbox"/>	1.4	India	1	1201900010 - ORG SOYBEANS OTH	25,375,554	3,789,061	2,602,855	-31
<input type="checkbox"/>	1.5	Canada	1	1201900010 - ORG SOYBEANS OTH	16,374,624	1,418,456	1,074,078	-24
<input type="checkbox"/>	1.6	Togo	1	1201900010 - ORG SOYBEANS OTH	5,873,323	0	0	--
<input type="checkbox"/>	1.7	Mexico	1	1201900010 - ORG SOYBEANS OTH	4,462,616	251,457	168,756	-33
<input type="checkbox"/>	1.8 +	Ethiopia(*)	1	1201900010 - ORG SOYBEANS OTH	1,907,023	0	0	--
<input type="checkbox"/>	1.9	Paraguay	1	1201900010 - ORG SOYBEANS OTH	1,436,709	0	0	--
<input type="checkbox"/>	1.10	Benin	1	1201900010 - ORG SOYBEANS OTH	653,423	0	0	--
<input type="checkbox"/>	1.11	Uruguay	1	1201900010 - ORG SOYBEANS OTH	599,413	0	0	--
<input type="checkbox"/>	1.12	China	1	1201900010 - ORG SOYBEANS OTH	177,941	15,863	0	--
<input type="checkbox"/>	1.13	Brazil	1	1201900010 - ORG SOYBEANS OTH	119,518	0	0	--
		Grand Total			168,095,956	12,276,180	8,770,273	-29

Recent Trade Data: Soybean Imports

The NOP monitors overall trade data on key imported commodities to understand global trends. Soybean meal and soybean meal cake do *not* have organic trade codes and therefore are not represented in the GATS data. Below is full data on U.S. soy and soybean product imports, which show no declines.

U.S. soy imports worldwide

- Jan 2021 Worldwide soy imports: \$43.7 million
- Feb 2021 Worldwide soy imports: \$44.15 million
- March (thru March 28) Worldwide soy imports: \$43,928,592

U.S. soy imports from India

- Jan 2021 soy imports from India: \$23.58 million
- Feb 2021 soy imports from India: \$23.8 million
- March (thru March 28) soy imports from India: \$24,860,289

Source: U.S. Customs and Border Protection Import Data, March 29, 2021

Organic Imports into India



- Some importers bringing USDA organic product into India have experienced challenges.
- APEDA reports this is in accordance with India's Organic Food Regulation which requires products to comply with India's national organic standards or be produced under a standard recognized as equivalent. India has not recognized the NOP as equivalent.
- We encourage importers or exporters with questions about this issue to contact APEDA or USDA's Foreign Agricultural Service (FAS) office in India.

Webinar Agenda



- Overview and Transition Timeline
- Transition Mechanics
- Organic Integrity Database
- Current Dynamics
- **Next Steps**

Immediate Next Steps

- Certification by an APEDA-accredited organic certifier AND TraceNet certificates are required for any organic export destined to the U.S.
- Organic operations that want to continue participating in organic supply chains destined for the U.S. need to apply for certification by July 12, 2021.
- A number of USDA-accredited organic certifiers are currently evaluating their administrative capacity to begin certifying in India.



As of July 12, 2022 - After Transition Ends

- To come to the U.S., India organic products/ingredients, across the full supply chain, are to be certified as USDA organic.
- All products and all ingredients in a product being shipped as organic to the U.S. from India are to be certified to NOP.
- This means all ingredients in all products from multiple suppliers: **all must be certified by a USDA-accredited certifier.**
- This process is the same as for any country without an organic trade arrangement with the U.S.
 - Any business can apply for USDA organic certification at any time during or after this transition, just like in any other country.