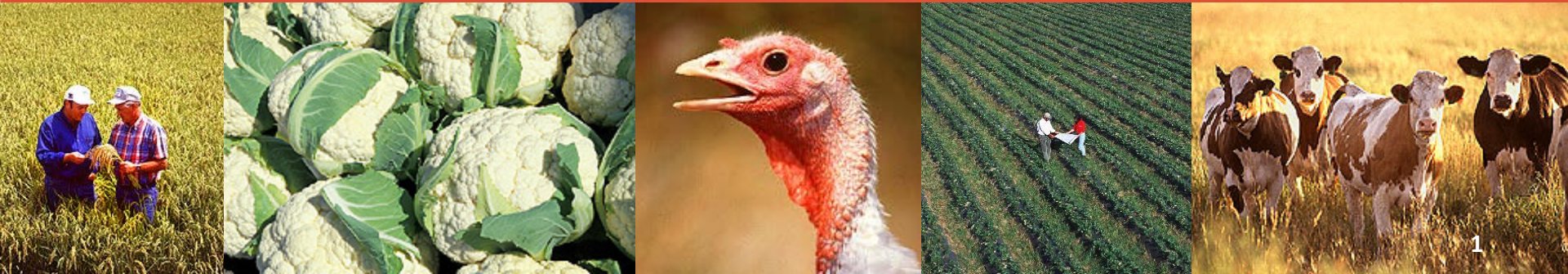




Agricultural Marketing Service (AMS) National Organic Program (NOP) Update

Jennifer Tucker, Ph.D.
Associate Deputy Administrator

Agricultural Marketing Service



Agenda



- Welcome!
- USDA Goals: Organic
- Organic Integrity Database
- Enforcement and Imports
- Office of Inspector General (OIG) Report
- Closing

Welcome to San Antonio!



Operation	Certifier	Info	Status	City	State/Province	Country	Certified Products
<input type="text"/>			Certified ▾	san antonio	TX-Texas ✕	<input type="text" value="Enter Country"/>	<input type="text"/>
Aspen Enterprises Ltd. Db Aspen Beverage Group	[CCOF] CCOF Certification Services, LLC		Certified	San Antonio	Texas	United States of America	HANDLING: Other: Coffee (Coffee Concentrate (bulk))... More
BLANCO CREEK FARMS	[TDA] Texas Department of Agriculture		Certified	SAN ANTONIO	Texas	United States of America	HANDLING: Fruits/Vegetables: Beans
Freshpoint South Texas	[TDA] Texas Department of Agriculture		Certified	SAN ANTONIO	Texas	United States of America	HANDLING: Processed Items: ... More
H.E. Butt San Antonio Milk & Culture Plant	[QAI] Quality Assurance International		Certified	San Antonio	Texas	United States of America	HANDLING: Other: 1% Low Fat Milk UHT... More
H.E.Butt Grocery Company	[QAI] Quality Assurance International		Certified	San Antonio	Texas	United States of America	HANDLING: Other: Ashlock Pitted Prunes... More
HEB PRODUCE WAREHOUSE	[TDA] Texas Department of Agriculture		Certified	SAN ANTONIO	Texas	United States of America	HANDLING: Fruits/Vegetables: Ready to Eat Foods (CERTIFIED TO STORE AND DISTRIBUTE ORGANIC PRODUCTS... More
HEB Snack Plant	[QAI] Quality Assurance International		Certified	San Antonio	Texas	United States of America	HANDLING: Other: Sea Salt Potato Chips
Kiobassa Provision Company	[QAI] Quality Assurance International		Certified	San Antonio	Texas	United States of America	HANDLING: Other: Beef Sausage, Beef Smokies, Jalapeno Sausage

14 Certified Operations In San Antonio
764 in Texas | 23 Certifiers Certifying in Texas

Welcome From USDA Leadership



- Secretary **Sonny Perdue**
- Deputy Secretary **Steve Censky**
- Under Secretary, Marketing and Regulatory Programs (MRP) **Greg Ibach**
- Acting AMS Administrator **Bruce Summers**

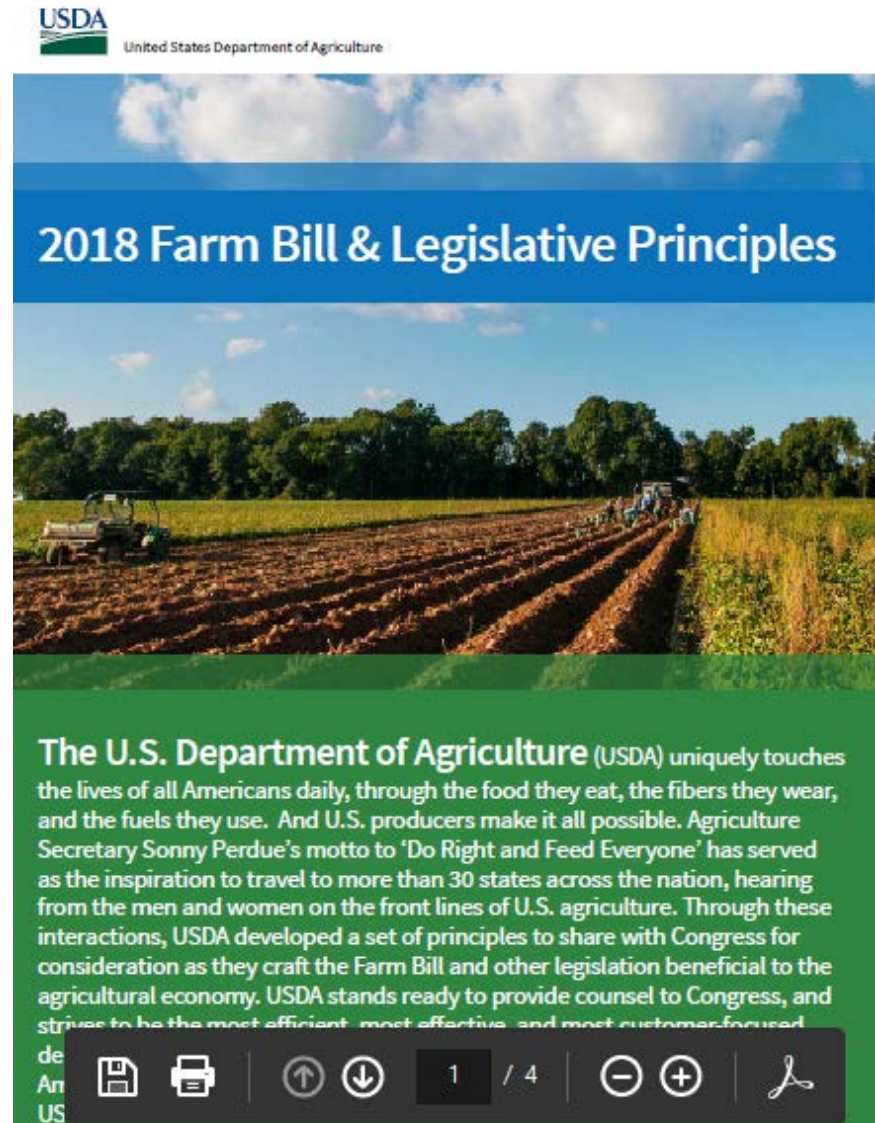
Hello from Under Secretary Ibach!

- Sworn in October 30, 2017
- Nebraska's Director of Agriculture since June 2005
- Inducted into the Nebraska Hall of Agricultural Achievement
- Former President of the National Association of State Departments of Agriculture



Secretary's Principles for Organic: Farm Bill

- Protect the integrity of the USDA organic certified seal.
- Deliver efficient and effective oversight of organic production practices, to ensure organic products meet consistent standards.



Core Themes



- Integrity of the Organic Seal
- Enforcement
- Efficiency and Customer Service
- Technology Innovation

Hello from Team NOP!



INTEGRITY - Development Complete!



- Development Complete!
- We are now in “Operations and Maintenance”
- **Many thanks to our Certifier User Group!**



Now, It's All About the Data

- INTEGRITY is a learning curve!
- Success = Data Quantity and Quality
- Key Examples:
 - Regular data updates
 - Use of taxonomy to classify products
 - Including acreage and livestock counts
 - Complete information (optional fields)

“Investing in INTEGRITY” Awards

- Technology innovation supports oversight, efficiencies, and effective customer service.
- Organic Integrity Database **Data Quality Dashboard**
 - Launched in Fall 2017
 - Certifiers can see what they are doing well with their data, and what they could improve on.
- “Investing in INTEGRITY” Awards:
 - Awarding to top 6 certifiers based on data quality and quantity at the start of 2018.

“Investing in INTEGRITY” Winners!

- CCOF: California Certified Organic Farmers
- County of Marin Organic Certified Agriculture
- New Jersey Department of Agriculture
- NOFA-NY - Northeast Organic Farming Association of New York
- One-Cert, Incorporated
- OTCO: Oregon Tilth Certified Organic





Let's Talk ACREAGE!

- Organic farm acreage is important information to deter fraud, identify market opportunities, and for data analysis and reporting.
- **Plan:** Acreage working session in late February:
 - If you are providing acreage, how do you do it?
 - If you are considering providing, learn ways to approach it!
- Interested? See Jenny at a break!
Or write to: Stacy.Swartwood@ams.usda.gov

Federal Organic Certificate

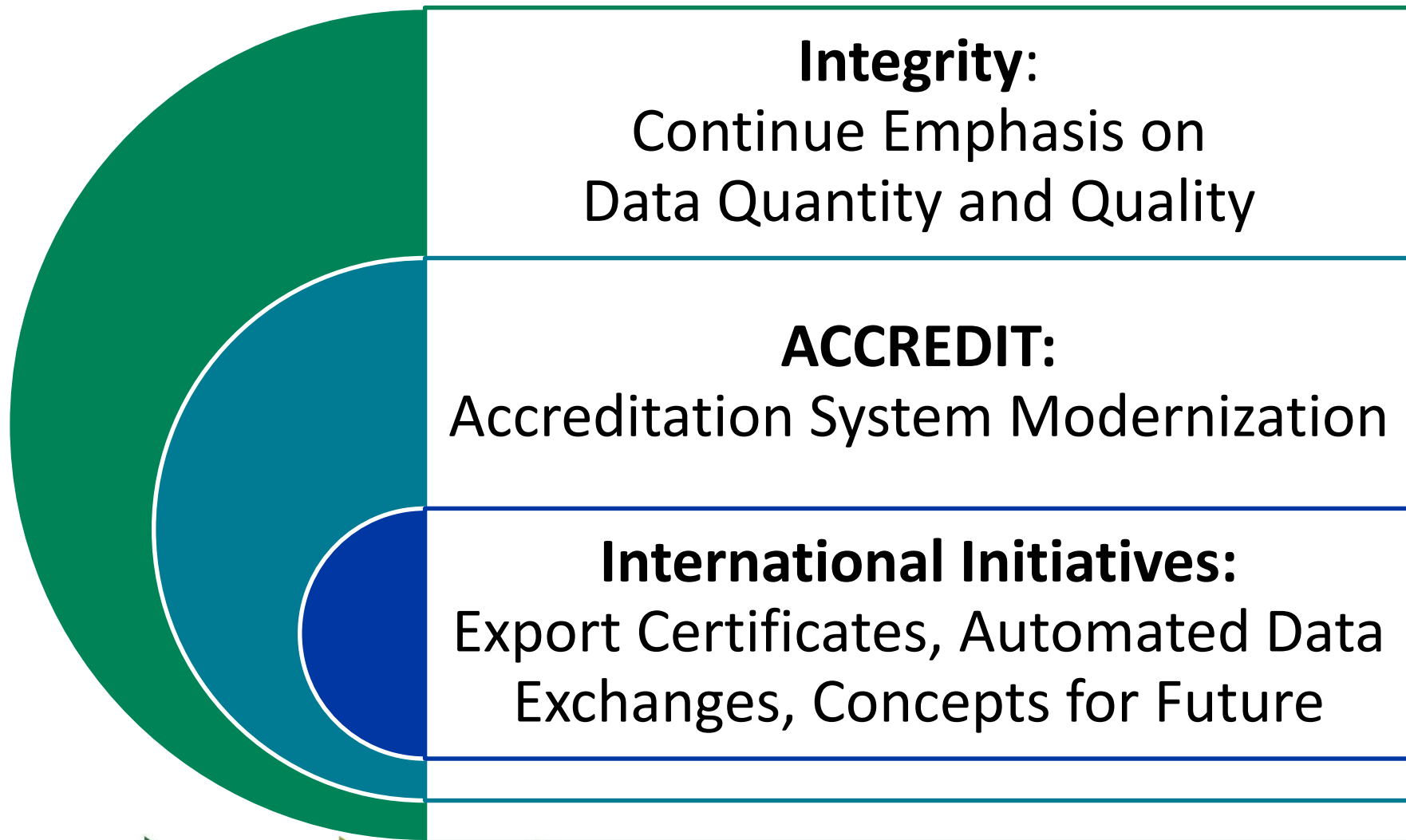


Rhode Island Department of Environmental Management		
401-222-2781 - matt.green@dem.ri.gov http://www.dem.ri.gov/programs/agriculture/orgcert.php 235 Promenade St.		
Providence, RI 02908, USA		
certifies that		
Arcadian Fields		
4015397043		
Mailing Address	Physical Address	
P.O. Box 1273	94 Blitzkrieg Trail	
Hope Valley, RI 02832, USA	Hope Valley, RI 02832, USA	
is certified to the USDA organic regulations, 7 CFR Part 205, for the categories of Crops		
Once certified, a production or handling operation's organic certification continues in effect until surrendered, suspended, or revoked. Status of this certification and specific certified organic products covered may be verified at https://organic.ams.usda.gov/Integrity/CP/OPP.aspx?cid=73&nopid=4830200205		
Certifier Client ID:	Not Available	
Certificate Number(s):	02-05	
NOP Operation ID:	4830200205	
Effective Date:	08/20/2002	
Anniversary Date:	4/14/2017	
Issue Date:	02/10/2017	

ORGANIC CERTIFICATE

For addenda to this Organic Certificate, such as certified item lists with additional details and other operation information, contact the Accredited Certifying Agent identified at the top of this Certificate.

Next Steps



Enforcement and Imports Update



Enforcement Update

Imports Update

41,217 Certified Operations

379

FY17 Incoming
Complaints

462

FY17 Completed Complaint
Reviews/Investigations

\$187,500

FY17 Civil
Penalties Levied

431

Newly Suspended/
Revoked Operations
from 2/2017-2/2018

Fraudulent Certificates: Searchable List

Fraudulent Organic Certificates Published by the US Department of Agriculture, Agricultural Marketing Service, National Organic										
Alleged Operation Name (Click for PDF Image of the Fraudulent Certificate)	Date Published by the USDA	Notes	Street Address/P.O. Box #	City	State or Province	ZIP or Postal Code	Country	Alleged Scope of Organic Certification (as listed on the fraudulent certificate)	Alleged Current Organic Certificate Issue Date	
Anima Mundi Herbals (show)	9/11/2017	At the time of posting, SunFood Corp. is certified by CCOF and is an operation in	23-23 Borden Ave.	Long Island City	New York	11101	USA	Handling	12/12/2004	
Anima Mundi Herbals (show)	9/11/2017	At the time of posting, Pacific Botanicals is certified by Oregon Tilth and is an operation in good	23-23 Borden Ave.	Long Island City	New York	11101	USA	Crops and Handling	4/1/2017	
Ndudike Import & Export	9/11/2017						Canada	The Manufacture, Processing, Packaging and Exportation of Kabuli Chickpeas .	2/12/2014	
Eskinler Insaat Gida San. Ve Tic. Ltd. Sti	8/31/2017		Ege Serbest Bolge Subesi, Zafer mah.	Gaziemir	Izmir		Turkey	Grape, plum, apricot, cherry orchards	2/15/2014	
Siripak Trading	8/10/2017		Nongtako-Khaopookong Road, Tambon Rangsal,				Thailand	Handling	11/27/2014	
Aphrodite	7/13/2017						Thailand	Handler of Organic Products	10/27/2014	
Dong Duong Export Company	7/13/2017		No 3 Lane 82 Nghia Tan	Cau Giay	Hanoi		Vietnam	Processor: Handler and Marketing of	10/25/2014	

<https://www.ams.usda.gov/services/enforcement/organic/fraudulent-certificates>

A Global Organic Control System



Standards

Accreditation

Certification

Enforcement

Imports Update

- Proposed and Final Adverse Actions of Operations
- Directives to Certifiers
- NOP Certifier Audits: Compliance, Satellite Offices
- Enforcement Collaboration with Federal Partners: Animal and Plant Health Inspection Service (APHIS), Customs and Border Protection (CBP)



NEW! Training on Investigations



THE INVESTIGATION

THE TRAIL OF EVIDENCE

For maximum benefit, we recommend playing through the entire module. If you are only looking for information on a specific topic, you may want to access the Topic Menu.

Start Interactive Movie

TOPIC MENU ABOUT



WILL >

<https://access.willinteractive.com/the-investigation/the-investigation/>

Instruction on Imports



Interim Instruction: Maintaining the Integrity of Organic Imports (NOP 4013) – 10/25/2017

- Regulatory requirements and best practices for certifiers overseeing organic imports.
- Certification and recordkeeping requirements: system plans, audit trails, onsite inspections.
- Certifier responsibilities for review/verification.

Next Steps

- Continued Investigations
- Increase Field Visits and Unannounced Inspections
- Follow-up on Certifier Directives
- Continue Certifier Audits
- Advance Collaboration with Federal Partners
- Plan New Technology Initiatives
- Support NOSB Work on Imports

Seeking Participants for NOSB Panel!

- We are inviting nominations for **certifier and industry representatives** to serve on a panel about imports
- We are specifically seeking handlers, brokers, or others **with experience and insights about protecting organic integrity in complex supply chains.**
- You can nominate yourself or someone else.
- Send nominations by email to Jennifer.Tucker@ams.usda.gov by February 28.
- Include name, contact information, why you or your nominee would be a good choice.

Core to All Enforcement



**Organic Foods
Production
Act**

**USDA
Organic
Regulations**

**Legally
Defensible
Evidence**

Enforcement Depends on All 3

Office of Inspector General (OIG) Report



- Published in September 2017
- Includes Audit Process, Findings, and AMS Response

National Organic Program - International Trade Arrangements and Agreements



Audit Report 01601-0001-21
September 2017

OFFICE OF INSPECTOR GENERAL

- USDA's Office of Inspector General (OIG) conducts independent audits and investigations of the Department's programs and operations
- Previous NOP Audits:
 - Program-Wide Audits (2005, 2010)
 - National List Audit (2012 – No Findings)
 - Organic Milk Audits (2012, 2013)

- **GOAL:** To evaluate AMS' controls over the approval and oversight of NOP's agreements for international trade and the import of organic products

Four OIG Findings

1. AMS' process for determining equivalency between the U.S. organic regulations and foreign countries' standards was not fully transparent.
2. NOP organic import documents were not verified at U.S. ports of entry.
3. Controls over organic products fumigated at U.S. ports of entry were inadequate.
4. Onsite audits for existing agreements were not conducted in a timely manner because AMS has no established requirements for frequency.

Finding 1: Transparency

OIG:

Develop and implement a procedure to document and disclose final resolution of all foreign country organic standards identified as having differences from USDA organic standards.

AMS:

AMS will document and disclose final variances from its side-by-side analysis of organic standards.

Finding 2: Import Verification (1 of 3)

OIG:

Execute a Memorandum of Understanding (MOU) between AMS and Customs and Border Protection (CBP) to obtain assistance in reviewing import certificates from countries with established equivalence arrangements at U.S. ports.

AMS:

- AMS supports expanding the MOU with CBP.
- CBP officials have limited capacity and no current authority to review organic imports or NOP import certificates.
- AMS will develop a report outlining how AMS and CBP could collaborate.

Finding 2: Import Verification (2 of 3)

OIG:

Request that CBP update the Automated Commercial Environment (ACE) system message sets to provide CBP officials with instructions for reviewing NOP import certificates at U.S. ports of entry and the actions to take if they are not found.

AMS:

- NOP import certificates are only required from the European Union, Switzerland, Korea, and Japan.
- AMS will request access to additional areas of ACE.
- AMS has submitted organic message set proposals to CBP.

Finding 2: Import Verification (3 of 3)

OIG:

Develop and implement a plan to verify NOP import certificates at U.S. ports of entry, identify fraudulent import certificates, and capture organic import data.

AMS:

- AMS will prepare a needs assessment for an organic verification system that validates organic import certificates, identifies fraudulent certificates and captures data.
- Would create a baseline for future technology development work.

Background: Fumigation

A fruit shipment arrives in Florida

APHIS conducts risk-based inspection of container

APHIS finds pest that could harm Florida orchards

Shipment must be treated (fumigated) to enter Florida

The importer is notified of the requirement

An organic importer has two options:

- Accept fumigation - Sell the fruit, but not as organic
- Re-export shipment to place where pest isn't a risk

Finding 3: Fumigation Controls (1 of 3)

OIG:

Execute an MOU between AMS and APHIS to ensure that APHIS officials notify NOP officials when imported agricultural products are treated with NOP-prohibited substances at U.S. ports.

AMS:

- In January 2017, AMS and APHIS executed an MOU to document collaborative efforts to identify imported organic shipments of agricultural products that are treated for plant pests or are treated as a condition of entry.

Finding 3: Fumigation Controls (2 of 3)

OIG:

Request CBP to update the ACE system message sets to ensure APHIS officials are notified of steps to take when organic agricultural imports are treated with NOP-prohibited substances at U.S. ports.

AMS:

- AMS is working with APHIS to develop mechanisms within the APHIS systems to identify, track, and ensure that treated organic products are not sold, labeled or represented as organic.

Finding 3: Fumigation Controls (3 of 3)

OIG:

Develop and implement a plan for creating and implementing procedures for tracking organic products treated with NOP-prohibited substances at U.S. ports and ensuring those products are not sold, labeled or represented as organic.

AMS:

- AMS and APHIS are establishing procedures to notify importers and certifiers when organic products are treated and can no longer be sold, labeled, or represented as organic.

Finding 4: Timely Audits (1 of 2)

OIG:

Develop and implement performance measurements to collect, analyze, and report to management regarding the timeliness of onsite reviews for foreign countries that maintain a recognition agreement or equivalency arrangement with USDA.

AMS:

- AMS has a system to monitor audit frequency for accredited certifiers. This system will be used to track and report timeliness of onsite reviews AMS conducts with its recognition or equivalence partners.

Finding 4: Timely Audits (2 of 2)

OIG:

Revise NOP Handbook NOP 2100 (Equivalency Determination Procedure) to include the requirement that NOP officials conduct onsite audits of foreign countries that maintain equivalency arrangements with USDA every 2 years.

AMS:

- AMS will revise NOP 2100 to require NOP officials to conduct onsite audits of foreign countries that maintain equivalency arrangements every 2 years.

In Closing ...

- AMS accepted all findings and responded to all recommendations.
- AMS actions will be in place by July 2018.
- **OIG reports have helped AMS shape NOP into the program that it is today – we thank them for their work and feedback.**



United States Department of Agriculture



Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

www.ams.usda.gov/nop

