UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURE MARKETING SERVICE (AMS)
NATIONAL ORGANIC PROGRAM (NOP)

MEETING OF THE NATIONAL ORGANIC
STANDARDS BOARD (NOSB)

MONDAY
OCTOBER 25, 2010

The National Organic Standards Board convened at 8:00 a.m. at the Best Western InnTowner, 2424 University Avenue, Madison, Wisconsin, Daniel G. Giacomini, Chairman, presiding.

MEMBERS PRESENT
DANIEL G. GIACOMINI, Chairman
STEVE DEMURI
JOE DICKSON
KRISTINE "TINA" ELLOR
KEVIN K. ENGELBERT
JAY FELDMAN
BARRY R. FLAMM
JOHN FOSTER
WENDY FULWIDER

JENNIFER M. HALL
KATRINA HEINZE
TRACY MIEDEMA
JEFFREY W. MOYER
JOSEPH SMILLIE
STAFF PRESENT

MILES McEVOY, Deputy Administrator, National Organic Program

MELISSA BAILEY, Director, Standards Division, National Organic Program

LISA BRINES, Standards Division, National Organic Program

MARK LIPSON, Organic and Sustainable Agriculture Policy Advisor, Office of the Secretary

ARTHUR NEAL, Director of Program Administration, National Organic Program

EMILY BROWN ROSEN, Agricultural Marketing Specialist

VALERIE FRANCIS, Standards Division

LISA AHRAMJIAN, NOSB Executive Director
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MR. GIACOMINI: Good morning, everyone. I officially call this meeting of the National Organic Standards Board to order. The Board Members who are able to be here are seated and we have a quorum.

I'd like to move directly on to the business of the Board. The first business this morning is the approval of the agenda. The agenda has been posted for the public and has been presented to the Board and the program. After we have a motion to accept the agenda, we can deal with any necessary motions to amend.

Do I have a motion to accept -- to approve the agenda of the meeting?

MR. MOYER: I'll make a motion.

I'll make a motion that we accept the agenda.

MS. MIEDEMA: Second.

MR. GIACOMINI: Okay. It's been moved and seconded to accept the agenda for
this meeting. Mr. Maker of the Motion, do you
have a discussion and then do we have any
other amendments?

MR. MOYER: Yes, Mr. Chairman,
I've got one suggested change to the agenda
and that is on Thursday, October 28th at 4:45.
We have listed in the agenda the selection of
NOSB officers and committee chairs.

My understanding is that we do not
select committee chairs at this meeting, but
that is up to the officers once they're in
place. So, I suggest that -- I make a motion
that we strike the words committee chairs from
that line.

MR. GIACOMINI: And since you made
the motion, we will assume that's a friendly
amendment and we'll proceed with this as an
amended motion to amend the agenda.

Any further discussion? Seeing
none, proceed to vote. Those in favor of
approving the agenda as amended say aye.

Tina says wait. I wait. Let's
get all the changes at once. I apologize.

We need -- everybody needs to turn off their mikes when they're done. Even I'm going to have to be wacko at the --

MS. ELLOR: Are we going to do all the amendments at one time?

MR. GIACOMINI: Yes.

MS. ELLOR: Okay. There are two materials on the Crops Committee agenda both on Tuesday and Thursday that we need to have come off and that's chlorine materials and copper materials. Those were on the agenda in hopes we would get technical material in time and we did not.

So, I'd like to or maybe Jeff could make the motion. That would make it so much less complicated.

MR. GIACOMINI: So, that's chlorine and what?

MS. ELLOR: Copper materials.

MR. MOYER: I'd like to amend the agenda to strike chlorine and copper materials
from the Crops Committee agenda for Tuesday, October 26th and Thursday under the voting.

MS. ELLOR: I'll second that.

MR. GIACOMINI: All right. I assume again that that's a friendly amendment. So, we will proceed with the amended motion that includes the dropping of those two items from both days.

Okay. Try it again. Any further amendments to the agenda?

Seeing none proceed to vote.

Those in favor of accepting the agenda as amended say aye.

(Chorus of ayes.)

MR. GIACOMINI: Those opposed?

The motion passes.

Okay. I'd like to welcome everyone here to the meeting this morning. It's nice being this time here in the State of Wisconsin.

I'm happy to make -- I've decided to make a special announcement as the Chair in
honor of this being home of America's Dairyland and home of the Cheese Heads that anyone wearing a Cheese Head to the meeting will receive free admittance. So, you won't have to pay your admission fee if you wear a Cheese Head during the meeting. So, hopefully, that will bring out the Wisconsin faithful.

As far as Internet service, I believe you need to sign up on the CBHI connection. That may be all -- everybody already done on that, but I just want to make that official for anybody that's struggling to get on.

Also, I remind everyone to please turn off your sound for your cell phones and any other devices. Ringers going off during the meeting, the owner of that device will be responsible for one round of drinks after the meeting that day of the meeting for all the Board Members.

So, also please refrain from
calling or texting -- yes, actually, if you
call a Board Member and their phone is off,
then they can get it good, but please refrain
from calling and texting and otherwise
electronically communicating with Board
Members during the meeting while we're in
session.

It's been my pleasure to have the
Board Members introduce themselves now. The
amount of work that each and every Board
Member does on this committee has grown so
substantially just in the time that I've been
on.

At my first meeting, the first-half day was -- this is a FACA Board, Federal
Advisory Committee. First-half day was FACA
training. The afternoon was a pasture
symposium. The second day was a pasture
symposium and following that including all the
public comment for the pasture symposium was
only a day and a half meeting. We are now up
to a four and a half -- a four-day meeting and
we are hoping that we don't go tremendously overtime at that and that is representative in the amount of work that this committee does.

Many of the committees that we're on have weekly calls. Everyone is putting in hundreds and hundreds of extra -- additional hours both in those calls and in their own time and working on the committee work, doing committee work and I'm extremely privileged and honored to have worked with such a great group of people.

Everyone on the Board is on at least somewhere between two and five committees including the Administration Team and Executive and all the work that everyone does is very much appreciated.

So, if we could please start with each of the members introducing themselves. We'll start on this side of the room and we'll just work around the table.

MR. FOSTER: My name is John Foster. I'm a handler representative. I work
for Earth Bound Farm. I manage organic compliance and deal with food safety and quality issues.

How much more detail would you like?

MR. GIACOMINI: That is the briefest you will be all meeting. So, that was just fine.

MR. DeMURI: Good morning. My name is Steve DeMuri. I live in Carmichael, California which is near Sacramento. I'm a handler representative. I work for the mm mm good Campbell Soup Company.

In my spare time, I'm Chairman of the Handling Committee and also on the Policy Development Committee and the Executive Committee.

MR. FLAMM: Hi, I'm Barry Flamm from Montana. I'm in one of the environmental slots. This is my third year and sixth meeting and it's great to be here in Madison and the Chair gave some current history about
the great State of Wisconsin and Madison, but
I would like to bring up a little history.

There's nothing like Madison and
this area for the history of conservation in
this country. So, if you haven't recently
read Sand County Almanac, I brought it along
to re-read. So, if you want to borrow my
copy, you may.

Getting back to NOSB direct
business, I chair the Policy Committee and I
serve on the Crops Committee and the
Certification Compliance Committee.

MR. DICKSON: Good morning. My
name is Joe Dickson. I'm from Austin, Texas.
I manage organic programs and certification
systems for Whole Foods Market. I am the
retail representative on the Board and I serve
on the Compliance, Livestock and Handling
Committees.

MR. SMILLIE: My name's Joe
Smillie. I'm the certifier rep on the Board.
I'm from Burlington, Vermont. I work for
Quality Assurance International in my spare
time and I'm the Chair of the Certification
and Accreditation Compliance Committee and on
the Handling Committee as well as the
Executive Committee.

And since we're talking about
Madison, being one of the radical students of
the '60s, Madison was one of the centers of
great radical activity in the late '60s for
those of you who remember. If you don't
remember, then you weren't there.

MS. MIEDEMA: Good morning,
everyone. My name is Tracy Miedema. I am
from Philomath, Oregon and I am beginning my
last year here on the Board. I work for Earth
Bound Farm. Started there about five months
ago and for the last 12 years, have been in
the organic produce industry working for both
big and large companies.

Thanks for making the trip out
here to Madison. I think these Board meetings
really give us a great opportunity to all be
pulling in the same direction to democratize organic at the farm and all the way to consumers.

MS. ELLOR: My name is Tina Ellor and I am one of the environmentalists serving on the Board. I also serve as secretary of the Board and am in charge of the timers. Just a little suggestion as to who you should be nice to.

I work for Phillips Mushroom Farms as a mycologist and yes, I'm starting my last year on the Board I think or ending my fourth. Not sure which way to look at that. Half full/half empty and I chair the Crops Committee and serve on the Livestock Committee, the Executive Committee and also the Admin Team.

MR. MOYER: I'm Jeff Moyer. I'm one of the producer reps on the Board. I'm the Farm Director for the Rodale Institute in Pennsylvania.

In terms of the Board, I'm a past
Board Chairman. Currently, I'm the Vice Chairman of the Crops Committee, sit on the Livestock and the Materials Committee and I have my own small farm at home.

MS. HALL: Good morning. I'm Jennifer Hall. I'm a consumer rep on the Board and live in Spokane, Washington.

I over the past several years have helped to design and open a consumer food coop there which is the first and only one there. So, we're proud of that and continue with the community building in town doing consumer education and it has have been tough, but a great thing to do in tandem with being on this Board to have that knowledge and being able to convey that directly to the consumers we work with.

So, I serve on both the Livestock Committee and the Certification and Compliance Committee.

MR. ENGELBERT: Good morning. I'm Kevin Engelbert. I'm an organic dairy farmer
from Nichols, New York. We have about 120
cows and 60 beef animals. We finish off a few
hogs each year and we also have a grain
business along with our retail meat and cheese
businesses.

I'm a proud member of the class of 2011. This is my last meeting and as is my
normal procedure, I want to publicly thank my sons for taking over the workload and allowing me to serve on this Board. There's no one more happy than they are that this is my last meeting.

I serve on the Policy and Development Committees, the Crops Committee and I'm Chair of the Livestock Committee and it's been an honor and a pleasure to be on this Board the last five years.

MS. FULWIDER: I'm Wendy Fulwider and I'm a producer rep. I work for Organic Valley as a livestock care specialist and I have a pastured livestock farm by Ripon, Wisconsin.
MS. HEINZE: Good morning. I'm Katrina Heinze. I hold the scientist slot on the Board and am Chair of the Materials Committee. Also serve on the Handling Committee and the Executive Committee and I'm completing my fourth year.

I am the Manager of Quality and Regulatory Operations for Small Planet Foods. It's our organic division at General Mills. There I have responsibility for food safety, regulatory compliance and product quality for our Cascadian Farm, Muir Glen and LaraBar Brands and most importantly for me, I am the mother of two budding organic consumers, a ten-year-old girl and a six-year-old boy.

MR. FELDMAN: Thank you, Katrina.

Good morning. I'm Jay Feldman, Executive Director of Beyond Pesticides based in Washington, D.C. We're a national grassroots public health and environmental organization.

I serve on the Policy and
Development Committee, the Crops Committee,
Vice Chair of the Materials Committee.

Thanks.

MR. GIACOMINI: And last, but not least. My name is Dan Giacomini. I was going
to say last standing, but no, my name is Daniel Giacomini. I'm Chairman of the Board
this year and I have a consumer seat on the Board.

In the past, I also was three and a half years as Material Chairman. I serve on
the Livestock and Materials Committee as well as the Executive and Administration Team.

I've been part of the organic industry for nearly 20 years and I live in the Bay Area of California and it's been my pleasure to serve on this Board and with all the great people that I've had the opportunity to do that with.

We have one further announcement relative to Board and if Miles would please make that.
MR. MCEVOY: Good morning. Miles McEvoy, Deputy Administrator, National Organic Program. Great to have you all here this morning. Thanks for your service.

And one of the Board Members, Annette Riherd has resigned from the Board last week or within the last couple of weeks. So, that's a new announcement. She just found that changes in her work situation made it that she was not available to participate in the Board.

So, we want to thank her for her service last year, but that position is now unfilled and we'll see about how we're going to fill that position.

MR. GIACOMINI: Thank you. Miles, if you can keep your mike on there and please introduce us to the intrepid crew of NOP staff people that you've brought with you.

MR. MCEVOY: All right. On my left here and on your right is Mark Lipson. He's the Organic Policy Director for the U.S.
Department of Agriculture. So, Mark's been with the Department for what? Three months now? Four months now.

It's really fantastic to have him with USDA. He does an amazing amount of things that free up our time to focus on the National Organic Program and regulatory and enforcement issues. So, Mark will describe a lot of those activities during his presentation later this morning, but we're very, very happy to have him in the leadership of USDA to help out with organic issues.

Next I have Arthur Neal the Associate Deputy Administrator of the National Organic Program. Arthur has been with the program -- well, he has actually the most institutional memory here at the table at this time because he was with the program from 2000 to 2007 and took a little hiatus from the program and we grabbed him back in the spring and it's really, really great to have him there and his leadership.
Next I have Emily Brown Rosen who's with the Standards Division. A lot of you know her well. She's been a frequent participant in National Organic Standards Board meeting. She worked with AMRI for a number of years, with Pennsylvania Certified Organic more recently. One of the foremost experts on materials issues. So, somebody I rely on a lot for expertise.

Next on my right is Melissa Bailey who's the Standards Director. She's been with the program for I think three months now, maybe four. So, she's the person that takes care of all the rule development, the program handbook, the draft guidance. That's all under her shop. She's a new Ph.D. from Tufts University and very, very happy to have her there to run that division.

Next I have Lisa Brines, Dr. Lisa Brines, from Washington State. Previously worked with the Washington State Department of Agriculture and Materials Review, the
Materials Review Program under the WSDA program. She handles the National List and petition process.

And then next I have Valerie Frances who you know quite well. The former Executive Director for the National Organic Standards Board and now in the Standards Division writing rules and guidance.

And then finally, Lisa Ahramjian who's the new NOSB Executive Director over at the table on the right. She comes from the National Institutes of Health. Has worked with panels at the National Institutes of Health. So, she's somewhat familiar with this kind of format, though everything about organic is somewhat unique.

So, that's our crew here. Thanks.

MR. GIACOMINI: Thank you, Miles.

One further announcement,

introduction of someone in attendance Joe Smillie.

MR. SMILLIE: Yes, I'd like
Michael Hankin to stand up. Where is Michael?

There he is. Michael Hankin was one of the early leaders of the National Organic Program and was very, very much involved in -- I can't remember his exact title. I think he held more than one over the few years, but Michael was really much involved in the writing of the regulation that we're all working on and did a fabulous job and was one of the real early leaders of the National Organic Program.

MR. GIACOMINI: Welcome, Michael.

You can have a chance hopefully to take a look at us and see what we've become and see whether it was anything that you imagined.

A tradition has developed at the start of these meetings for the chairperson to read the vision and mission statement of this Board and I'd like to do that now.

The NOSB vision statement. The NOSB's vision is an agricultural community rooted in organic principles and values that instills trust among consumers, producers,
processors, retailers and other stakeholders.

Consistent and sustainable organic standards

guard and advance the integrity of organic

products and practices.

Our statutory mission is to assist

in the development of standards for the

substances to be used in organic production

and to advise the Secretary on other aspects

of implementation of this title.

The NOSB mission statement is to

provide effective and constructive advice,

clarification, and guidance to the Secretary

of Agriculture concerning the National Organic

Program and the consensus of the organic

community in carrying out the mission.

Key activities of the Board

include assist in the development and

maintenance of organic standards and

regulations, review petition materials for

inclusion on or deletion from the National

List of approved and prohibited substances,

recommend changes to the National List,
communicate with the organic community
including conducting public meetings,
soliciting and taking public comments, provide
timely information and education on the NOP,
making responsible use of a variety of
communication channels and to communicate,
support and coordinate with the NOP staff.

This is the mission and vision of
this Board and the Members of this Board bring
a tremendously diverse history and experience
to this task, but we each strive to fulfill
that mission and vision in our own best way.

Moving on with the agenda, now, I
turn to the Secretary for the Secretary's
Report.

Madam Secretary, your report
please.

MS. ELLOR: We just have two items
of bookkeeping that we need to take care of.

We need to vote to accept or
reject the April 2010 meeting transcripts
which I'm sure you have all read back to back.
Right? Front to back. And the voting results as the official record.

So, that's all we need to do.

MR. GIACOMINI: Do you have a motion to accept one or either of those, Madam Secretary?

MS. ELLOR: I will make that motion. To accept -- we can do this as a block, I think. To accept the April 2010 meeting transcripts and voting results as official record of the April 2010 meeting.

So, there's the motion.

MR. MOYER: I'll second the motion.

MR. GIACOMINI: It's been moved and seconded to accept the April 2010 meeting transcripts and voting record. Is there any debate? Madam Maker of the Motion, do you have any further debate on that?

MS. ELLOR: No, I do not.

MR. GIACOMINI: Any further debate? Seeing none, proceed to vote.
Those in favor signify by saying aye.

(Chorus of ayes.)

MR. GIACOMINI: Opposed. Motion passes.

I believe we are back live and in color. Yes, thumbs up from our Executive Director and that's good because now is when we were going to be needing the projector.

Just so at some point in time, Lisa, we cannot really see that up here at all. If we could possibly get that twisted back just a little bit this way. Maybe at a break. Not right now, but at a break or if it gets too disruptive, maybe we'll have to do it during the -- can you see it at all, Joe?

Okay. Tracy, are you guys okay? All right.

Back to the presentation on the National Organic Program, Miles McEvoy.

MR. MCEVOY: It's been a very humbling experience to lead the National
Organic Program. I've learned a lot. I've learned that I guess a lot of the things that we thought we could get done very quickly, the Federal process kind of slows that down more than I initially thought. So, a lot of things that we thought we could get done are taking longer than we thought.

But, we are getting a lot of things done and it is very nice to have the support and input from the organic community and working with the National Organic Standards Board has been great. A very cooperative process and look forward to continuing that in the future.

So, part of what we did in this last year is we developed a strategic plan for the program and came up with this vision statement: Organic integrity from farm to table. Consumers trust the organic label and we really feel like this is the key of what it is about for the National Organic Program is verifying organic standards from the farm all
the way to the market, and we do that to make
sure that consumers have confidence in the
organic label and if they have confidence in
the organic label, then the organic industry
will continue to prosper and grow.

Okay. So, the priorities for the
program, upholding and enforcing the
standards. There's two parts of that.

Upholding the standards. We have
standards. They need to be examined on a
continuous basis to make sure that we're
meeting the standards that are already in
place and then enforcing the standards when
people deviate from those standards.

Implementing and enforcing the
access to pasture final rule. That's one of
our priorities, our focuses this year. To
make sure that after the publication of it,
that certifiers and producers are implementing
the rule and complying with the standards so
that by June of next year, we'll have full
implementation or full compliance.
Implementing the strategic plan:

I'll get into that a little bit more about what the components of the strategic plan are.

Implementing the NOSB recommendations: It's pretty hard to keep up with the NOSB and there's a lot of old NOSB recommendations that we still need to work on to get those into either guidance or rulemaking over the next couple of years.

Quality management system is really important. We spent a lot of time on this. Developing a quality manual. Where in the process of being evaluated by the National Institute of Standards and Technology to bring the program into compliance with ISO 17011. A very important component of our work at this point.

Increasing oversight over foreign operations. We've done some things this year. We're going to continue that focus to make sure that foreign operations meet with NOP regulations just like domestic ones.
And then training and accountability of certifiers. A lot of work to do with consistency of the application of the standards.

Some of the accomplishments: We completed the quality manual, the program handbook early September and the strategic plan. We just recently published the draft guidance on five draft guidance documents. We've increased oversight of the domestic and foreign certifying agents by doing additional assessments in Ghana, China, and Mississippi and then looking at access to pasture and some poultry operations in Ohio and Maine.

We've strengthened enforcement procedures and then we've worked on transparency and communication with the publication of the NOP report to try to describe some of the activities that the NOP is up to so that people know what we're doing. Then publicizing the suspended, reinstated, and revoked operations and then also official
responses to the NOSB recommendations.

One of the things that we did recently this is an example of how we're trying to communicate with the organic communities is the NOP report from October of 2010. The first article is about organic officials assessing certifiers in China.

We have a team, Ruihong Guo and Lars Crail that were over in China for almost a month. They did audits of four certifying agents and they went from the farm all the way to the port looking at all the different parts of the distribution chain and they took samples that are currently being analyzed at the Gastonia, North Carolina lab. So, a very comprehensive assessment of what's going on in China.

The reports that they have haven't been fully evaluated, but so far, they found a very good system in place. There's certainly a lot more work to do, continuing monitoring that needs to occur, but this is an
example, I guess, of some of the activities that we're doing to provide more oversight over foreign certifiers.

A little bit about the Office of Inspector General report. They did the audit of the National Organic Program in March of 2001. So, a little bit of feedback in terms of how we've done on our corrective actions. There were seven findings in that report.

The first one was the NOP needs to improve enforcement. The second one processing of complaints needs to be more timely. The third one, oversight of California's State Organic Program was inadequate. The fourth was periodic residue testing was not implemented as required by the Organic Food Production Act. The fifth was peer review of the NOP accreditation had not been performed. The sixth was inconsistent program requirements and the seventh was audits of foreign certifiers had not been conducted.
So, in terms of the 14 recommendations that came out of those seven findings, for recommendations 1 to 6, all of those are complete. They have to do with enforcement and timeliness of handling complaints.

So, we haven't pursued all the enforcement actions that were identified on the audit. We've issued eight civil penalties. We've improved the complaint reporting and timeliness. We've implemented procedures for monitoring and continuing compliance with the regulations.

So, once there is a noncompliance that's determined, we don't just forget about them. We go back and look to make sure that they're continuing to be in compliance in the subsequent year and we've resolved all the old complaints.

For number seven, the seventh recommendation, that was concerning the California State Organic Program, that's been
completed. We completed an audit in December of 2009. Had a number of findings that California had to fix in their program. They did that over the spring and we approved California, their new program, in spring of 2010.

Number eight, periodic residue testing, that's in process. We were hoping to have the certifiers implement that this summer, but we found that we have to do that through rulemaking. So, we're working on proposed rules to require periodic residue testing by certifiers. We should have something out early next year.

And we also are working with the Science and Technology Program to conduct some pesticide residue testing this fall. They're looking at six various commodities. We have the results early next year on that. So, we've increase surveillance for residue testing.

Number nine, peer review panel.
This one has also been processed. The National Institute of Standards and Technology is conducting an assessment of the NOP Quality Management System. That's a first step in the relatively long process. That's a desk audit to start with to look at our quality manual and then they'll follow that up with some onsite witness audits over the next year.

Number ten, accreditation process. That's complete. We revised the NOP audit review criteria that's used by the ARC auditors to do the onsite audits of accredited certifiers and we've implemented an annual review process of the NOP audits. We're doing about 40 audits a year. So, what we do is we look at those audit reports to see what are the common patterns there, what are the common violations that certifiers are -- are being found during that accreditation audit. So, we can focus on that in terms of training or possibly clarification through guidance.

And then number 11, clarifying
program requirements. That's the program handbook and the draft guidance that's been published to provide more consistency and clear message about what the regulations mean.

Number 12, organic certificates.
That's complete. We've published instructions on organic certificates in the program handbook and we've responded to the NOSB recommendations on standardizing certificates and expiration dates on certificates and then we have had to do rulemaking to actually require expiration dates on certificates. That's further down the road. Sometime in the next couple of years, we'll get to that.

Number 13, disseminating guidance in a standardized method. That's complete. That's the program handbook, the draft guidance and the policy memos.

And then number 14, improving oversight of foreign certifying agents. That's complete. All foreign audits of foreign certifying agents has been completed
at this point and we also did additional
audits down in China.

We're not quite done with the last audit. So, they decided even though we're not quite done with the last audit, they'd start on another audit for us. So, last week, they started on a new OIG audit for organic milk. So, they're going to be looking at evaluating whether milk marketed as organic meets the NOP requirements and then assess the adequacy of the AMS, the Agricultural Marketing Services, oversight provided by the certifying agents.

So, some certifying agents will be contacted by the Office of the Inspector General over the next few months to see that they're properly certifying to the NOP requirements. So, that's -- the fun never stops at the NOP.

The strategic plan: It's on our website. It really spells out kind of what our goals and objectives are for the program. It's a relatively short strategic plan, 2010
through 2012. A lot of different activities in there.

So, as our vision statement or mission to the program is that NOP facilitates trade and insures integrity of organic agricultural products by consistently implementing organic standards and enforcing compliance with the regulations throughout the world. So, that important focus is consistently implementing the regulations, enforcing compliance and this is a global program. So, a lot of things to do with 30 staff members.

So, the first goal is quality management. As I said, quality management is really important in terms of implementing a very comprehensive quality management system for the program. A lot of work still needs to be done there, but we've done a lot of work in this area. So, that's the quality manual alliance with ISO 17011.

The peer review by NIST and we're
doing this so that we're effective,
consistent, efficient and also that this is scalable. Because the organic industry will continue to grow and we want to be able to continue to do the work in a quality fashion for a long period of time.

The second goal is around standards and consistency, developing and communicating clear and consistent NOP standards in a uniform manner. So, that's the program handbook. Guidance and instructions in the handbook.

Our policy memorandums. When we make a policy decision, we want to inform everybody, the certifiers, the state organic programs, the foreign recognized governments of the equivalency agreements all at the same time and also more training of certifying agents and we'll try to do that more through a webinar type format rather than having to always have certifiers go to a meeting. Do it through a webinar format so that they can get
access to that information at anytime.

The third major goal is around the accreditation and oversight, enhancing compliance with and enforcement of the organic regulations. These are the audits of the certifying agents, the concept of continuous improvement. During a quality system audit, you always find things that are identified. The certifiers have things that they need to improve in terms of their system.

Training and technical assistance since the other thing we're trying to provide is also technical assistance to certifiers so that they can be successful in their work.

The other side of that is also accountability, consistent application and implementation of the standards. So, that's where we go out and do the audits, do the additional assessments to make sure that certifiers are consistently applying the standards.

The fourth major goal is around
compliance and enforcement and ensuring consistent application of the NOP regulations by the ACAs, the certifiers, the state organic programs and via the international agreements. So, this is the complaint handling. A very important part of the process.

We only have 30 people. We need the help of the organic community to, when they identify things that don't look quite right, file a complaint and we'll investigate.

Then there's the investigation side of that. Civil penalties and penalty matrix when there are significant violations of the standards and also the whole due process part. Appeals, hearings, and making sure that people have their rights to defend themselves. That's all handled under that particular goal.

And then finally, a management strategy. Effectively managing the human resources, communication, and administrative activities of the NOP. So, that's working
with the National Organic Standards for the
cost-share programs, our human resources that
we have in the program, being cognizant of
civil rights. A very important goal of the
Vilsack Administration.

The Freedom of Information Act,
making sure that when we get FOIA requests
that we get the information out to people that
are requesting that information. Trying to be
as transparent as possible.

Just one little note about FOIA,
we basically have one full-time staff that
that's all they do. They work on FOIA
requests. It's a very important part of our
goals, our mission I guess as public servants,
but it is a lot of work to go through the
documents and get the information for the
public.

A little bit about the structure
of the program. We have the U.S. Department
of Agriculture. There's Secretary Vilsack.

There are six mission areas within
USDA. We're in the Marketing and Regulatory Programs Mission Area. There are three agencies within the Marketing and Regulatory Program Mission Area. That's the Agricultural Marketing Service where the NOP is, the Animal Plant Health Inspection Service, APHIS, and the Grain Inspection, Packers, Stockyards Administration, GIPSA.

So, within AMS, the Agricultural Marketing Service, there are ten programs. The National Organic Program is the newest program within the Agricultural Marketing Service and also the smallest program within the Agricultural Marketing Service.

So, that's a little bit about the overarching structure of the National Organic Program.

This is a little small, but this shows the organizational structure of the National Organic Program. So, I report to the Administrator of the Agricultural Marketing Service and then you have a number of people
within the Office of the Deputy Administrator.

We have the National Organic Standards Board off to the upper left.

We have the Appeals Program which is separate from the programs. When there's an appeal from a proposed revocation or suspension, that goes into a separate part of the Agricultural Marketing Service and then we have the three divisions: Standards Division, Accreditation and International Activities, and Compliance and Enforcement Division.

Within the Accreditation and International Activities Division, they work very closely with the Audit Review and Compliance Branch of the Livestock and Seed Program. Those are the ones that do the audits of the certifying agents and we also have a Compliance Officer that works strictly on NOP issues in the AMS Compliance Program.

The budget of the program has grown significantly over the last few years. We've up to $7 million for 2010. We're
operating under a Continuing Resolution through December 3rd. So, it's anybody's guess of what's going to happen in terms of the budget for this year. The President's budget includes $10 million for the National Organic Program. So, that would be a $3 million enhancement, but it's really anybody's guess of whether or not we'll get that money this year or not. We could be operating under a Continuing Resolution for quite some time. So, could be a $7 million budget again for 2010.

New staff includes Melissa Bailey as the Standards Director, Betsy Rakola the Cost-Share Program Manager. Patricia Atkins is a new secretary that's starting with the program. We also have some details. John Punzi from Science and Technology is helping write the rules on pesticide residue testing and Lee Clyburn is back working with the program in the Accreditation Division to help out with quality system management.
Public affairs: We get most of the media attention in the Agricultural Marketing Service -- well, maybe about half of the media attention in the Agricultural Marketing Service comes through the organic programs. So, we have a full-time stuff, Soo Kim that just works on organic issues for AMS and then Jeff Sotosky is the AMS Compliance Officer that works on NOP issues.

A little bit about the Organic Certification Cost-Share Program: Eligibility is all certified organic producers and handlers within the U.S. The mechanism that the Cost-Share Program operates under are cooperative agreements with state agencies. The total funding was $6 million for this particular fiscal year. That's how much we potentially are providing to the states through the Cost-Share Program. That's the two different programs and it pays for 75 percent of certification costs to a maximum of $750 annually.
The two programs are the Agricultural Management Assistance and the National Cost-Share Programs. The AMA has about -- well, has $1.5 million annually from the Federal Crop Insurance Act. That's for, I think, around 11 states or 13 states that are part of that program and then the National Cost-Share Program has $22 million allocated through the 2008 Farm Bill and so, both of those programs are operating.

Betsy Rakola has put a lot of energy into that and our goal is to increase awareness and participation. So, we're working with the National Association of State Departments of Agriculture and the National Association of State Organic Programs to try to get the word out about the program and to increase participation.

Currently, only about 45 percent of certified organic operations in the U.S. participate in the program. So, we're trying to significantly increase participation in
both of those programs.

New projects for the NOP: We're working with ATTRA on developing new organic system plans. As I mentioned, we have the pesticide residue testing and I guess we have an administrative conference call coming up.

So, yes, six commodities through that pesticide residue testing project.

Results will be available in early 2011.

We're working with another contractor on a business process analysis. This is kind of developing the background information so we can develop a comprehensive database for the National Organic Program.

We've developing a penalty matrix.

We have a new contract for technical reports. So, we're not just relying on Science and Technology. We have another contractor that we're working with. So, we should be able to -- there's been a lot of requests from the NOSB for additional technical reports. So, we have some more
resources that will be available this year to
try to crank out additional technical reports.

We also have a contract to assist
with rulemaking. We hope that will help us
speed up the rulemaking process for a lot of
the practice standards that we're working on.

And then we've been working with
FDA -- collaborating with FDA on cosmetics.
Trying to explore that issue and we've been
looking at doing a market study later this
year to look at the organic labeling of
cosmetics issue.

Standards Division, Melissa Bailey
is the Director. They do the rulemaking for
practice standards in the National List. The
program handbook comes out of that division.
The National List, there's a lot of different
components of that. There's a petition
process. There's the technical reports and
there's the sunset review process which the
National Organic Standards Board does.

So, they're responsible for
interpretations, providing consistency to
certifiers and also to certified operations.

That program handbook has two
major parts. The guidance part which is a
clarification on existing regulations. So,
that includes things like the organic
certificates and liquid fertilizer guidance.

Then it has an instructions or
procedures part, and that's information to
certifiers concerning for instance
accreditation requirements or certification
procedures. Those instructions include
responsibilities of certified operations when
they're changing certifying agents,
accreditation procedures, how a certifier
would apply for accreditation and our
enforcement policy.

So, it's a guidance. The process
is that if it was an old guidance, it went
immediately into the program handbook, but new
guidance we publish as a draft guidance, 60-
day comment period, evaluate those comments
and then it goes into the manual as final guidance.

    If it's an instruction or procedures, then it goes immediately into the handbook.

    How do we determine whether it's guidance or instructions or procedures? We do the best we can. We figure what is it that's an interpretation of the standard that needs public comment versus what is just explaining what already is a procedure that just needs to be explained. So, it's not pure science, but it's how we do it.

    Draft guidance. As I said, we have five new draft guidance items out, wild crop certification, compost, chlorine, commingling and access for poultry and that comment period I think is open until mid-December and then under development, nutrient, vitamins and minerals and made with organic ingredients are the two big ones. We also have a number of other ones that we're working
on, but those are the two big ones that we hope to have out by early next year.

They're both in clearance now.

Right? Yes, both of those, nutrient, vitamins and minerals and made with organic ingredients are in clearance.

Rulemaking. As I said, pesticide residue testing is probably the next one that's going to come out on the National List docket.

Origin of livestock will be the primary focus for 2011. We certainly hope to get a proposed rule out on origin of livestock in 2011.

We're also working on streamlining the appeals process -- and I'll talk about that a little later -- and then we have some larger practice standard dockets: apiculture, mushrooms, pet food, aquaculture in greenhouses. They all need to be worked on.

It's unknown of when we're going to get to those particular items.
Access to pasture implementation.

We notified certifiers that full assessments for compliance with the new pasture rule needs to occur during the 2010 grazing season. I think that organic dairy producers, organic ruminant operations really need to have that full assessment of whether or not they're in compliance this year, whether or not they have an adequate grazing season, whether the records are adequate, whether or not they're meeting the 30 percent dry matter intake requirement. They really need to get that information this year. So, if they're not meeting it, they can make changes to their operation prior to June of 2011.

So, certifiers have been notified that they need to do that and, as far as we can tell, they are.

The NOP is also conducting assessments during this implementation period. We've been out to a few different operations around, mostly in the Northeast and Midwest.
We'll continue that through the winter to see how the implementation of the new pasture rule is going.

In terms of made-with organic labeling, last year when I reported on this, we talked about organic and the brand name on the principal display panel for made-with organic labeling. We tried to develop guidance for that and we determined that we can't address that issue through guidance. That's going to have to be rulemaking.

So, we are coming out with made-with organic labeling guidance, but it's only going to address two issues, and that's the guidance for percentage claims on the principal display panel and what goes into that 30 percent. So, that will come out early next year.

And in terms of organic in the brand name, that's going to be a separate rulemaking docket. I'm not sure when we're going to get to that one.
Moving on to the Accreditation and International Activities Division, Ruihong Guo is the new director. We did do a switch earlier this summer. Ruihong Guo used to be with the Compliance and Enforcement Division. She's now the Director of Accreditation, and Mark Bradley is now the Division Director, Compliance and Enforcement.

There's about 95 accredited certifying agents. They do the audits of the certifying agents. There's a number of different audits that are done: Pre-decisional, post-decisional, midterm, renewal audits and also compliance audits. Where there are significant findings or noncompliances during an audit, we'll do additional compliance audits.

They also are responsible for the state organic programs -- or for the California State Organic Program, because that's the only one at this point.

They also do reinstatements and
temporary variances. Temporary variances are probably going to become a little more critical with the Access to Pasture Rule.

They also handle the recognition agreements and their equivalency arrangements. We have six recognition agreements, and they need to be assessed every two years.

We also have the equivalency arrangement with Canada. We conducted an assessment of Canada in September, and they're coming to assess the NOP in December. So, that's a peer-review type of assessment.

Some of the new initiatives in this division -- audits prior to new accreditation. So, there are pre-decisional audits being conducted. Additional audits were done.

Increase the accountability of certifiers in terms of their annual updates, their adverse action notices. We're reviewing them for compliance with the procedures, and the lists of certified operations need to be
submitted on time, and we also have the organic harmonized trade codes.

Mark, are you going to address that in more detail? Okay. So, Mark will talk more about the organic harmonized trade codes.

Moving on to the Compliance and Enforcement Division, Mark Bradley's the Director.

New and revised procedures for complaint handling. The goal is to close cases within 180 days. We still have a lot of work to do to reach that goal, but that is the goal. To close those complaints within 180 days.

Enforcement policy. Enforcement actions. Follow-up monitoring, civil penalty procedures and publication of penalty matrix developments. I already covered a lot of those things.

So, age of enforcement. We're still in the age of enforcement. Eventually,
we'll be in some other age -- beyond the age of enforcement. But, we still have a lot of enforcement types of things to do. So, I'd say at least probably another year of enforcement. Then we'll move on to assistance. Slack off a little bit or something. We'll never slack off.

Okay. So, we are doing more civil penalties. We have three additional compliance officers. We revised the enforcement procedures, and we have a proposal to streamline the appeals process. So, part of the problem in enforcement is that there's this very lengthy appeals process.

So, one of the parts of the rule in 681 is that certifiers -- when the NOP takes action to propose suspension or revocation against a certifier, they can appeal to NOP Appeals. The odd thing there is that the NOP is basically part of the AMS administration, and we're proposing to revoke or suspend that certifier's accreditation, and
that appeal goes to the same agricultural marketing service.

When other USDA programs are taking action against an operation, they don't have a separate appeals process. They immediately go to the complaint process and administrative hearings process.

So, what we're proposing is to eliminate that step. It still allows the certifier to appeal and have an administrative hearing, but it would streamline the process, eliminate one of the steps in the process. So that when a certifier is not properly implementing the NOP regulations, we can get them suspended or revoked more quickly. So, that's a proposal that we're working on.

In terms of civil penalties, any operation that knowingly sells or labels a product as organic except in accordance with the Act shall be subject to a civil penalty of not more than $11,000 per violation. Per violation may be defined as, but not limited
to, per regulatory citation violated per
purchase order, per invoice, per bill of
lading, per shipment, per box, per product,
per package.

So, even though it's $11,000 per violation, if we have multiple invoices and we see that an operation has made multiple fraudulent sales of conventional products as organic, the civil penalty could be quite significant.

And how we determine how we count those violations and how we propose what the penalty will be is based on how significant the violation is. How much product did they willingly sell, label or represent as organic that is not?

So, a minor noncompliance. We define a minor noncompliance as a violation that is correctable. That's the part of the process of the notice of noncompliance where the operation can propose corrective actions or can rebut the noncompliance. It does not
affect the integrity of the organic system or
the organic product and does not preclude the
certification or continued certification of an
otherwise qualified organic producer or
handler.

Examples of minor noncompliance
include failure to submit information on time.
Very common. Failure to update the organic
system plan and inadequate recordkeeping.

So, certifiers are issuing many
notices of noncompliance for basically
administrative violations, and that's a very
important part of the process, but that's a
minor noncompliance. It doesn't affect the
integrity.

A major noncompliance is defined
as a violation of the standard that does
affect the integrity of the organic system or
the organic product and precludes the
certification or continued certification of
the producer or handler.

Examples include the application
of a prohibited substance. You can't correct that. You apply a prohibited substance — that's a major violation.

Commingling of organic and nonorganic products would be a noncorrectable violation.

Contamination of organic products with prohibited substances and the failure to correct a minor noncompliance can lead to a major noncompliance.

And then finally, there's a — we want to make a distinction around a willful violation. It refers to the intentional violation of the Act or plan, or plain indifference to the requirements. And for willful violations, that's where we're using the civil penalties.

So, we issued eight civil penalties in 2010. Six were issued to noncertified operations for making organic claims. Two were issued to certified operations. One was using nonorganic seeds in
an organic sprouting operation, and the other
one was using organic ingredients with a
falsified certificate.

So, our enforcement policy -- the
NOP has noted that there were problems with
the investigations and enforcement procedures
that certifiers were taking. We saw that some
certifiers -- when we get a complaint, if it's
against a certified operation, in the past,
what we did was we referred it to the
certifier, and the certifier would do the
enforcement action. What we found is that
some certifiers were doing inadequate
investigations, and they weren't following the
standard procedures. They were making
mistakes in the adverse action procedures.

So, what we decided to do was to
monitor more closely how this process works.
So, when we get a complaint, we will normally
refer it to the certifier. We'll have the
certifier have a report of investigation back
to us. We'll determine whether or not there
is willful or egregious violations.

If there are, then we can file the complaint and look at civil penalties. If it's a minor violation, then we'll let the certifier handle it, and then they can do a notice of noncompliance and follow their procedures.

So, it's more oversight over how the certifiers are doing the investigations, collaborating with them on the investigations and then collaborating with them on the enforcement action. Make sure that it's done consistently and effectively.

So, we also are working with other authorities on those investigations, with EPA, FDA and state authorities when those types of things are warranted and -- okay.

So, moving on here because I'm probably -- how am I doing on time? I'm doing fine. Okay. Good.

So, some of the positive trends that we have noted is that certifiers in
general are very effective in protecting
organic integrity in the majority of
situations. We have a very, very good system.
The organic certification system is a very
strong and effective system to protect organic
integrity in most situations.

The vast majority of organic
operations comply with the organic standards.
So, that's very good news.

And that the samples that we have
evaluated are generally free of pesticide
residues. So, I know there's some fear about
this -- the use of pesticide residue testing
and what we're going to find. The limited
information that we have is that, in general,
when you test, we're getting produce -- when
you test, we're getting products -- you don't
find residues.

Over the last 16 years, the
Agricultural Marketing Service Pesticide Data
Program has tested 1351 organic samples,
mostly of fruits and vegetables, representing
1.3 percent of the total number of samples that they tested, which was over 100,000 samples. So, this is part of a normal market surveillance program done by the Agricultural Marketing Service as part of its pesticide data program.

And what they found -- and this is an analysis from the Organic Center that came up with these -- used the USDA AMS data, but the Organic Center did the analysis -- and from their analysis, the trend that they've seen over the 16 years is that the average risk associated with pesticide residues in organic foods seems to be declining. I think they have a more robust report that they will be publishing sometime this winter. I don't know exactly when, but they do have an analysis of this data that they've analyzed over the last 16 years.

Forty-three out of those 1351 organic samples -- that's 3.2 percent -- contain residues above 5 percent of the EPA
tolerance level. So, you would say that well, that looks like about 97 percent of the samples had less than 5 percent, but 3 percent had more than 5 percent. So, there's some problem out there. We can't put our heads in the sand. We need to look at where these residues come from, why do we have residues above 5 percent of the EPA tolerance level, and get those things out of the organic market stream.

Sixty-three out of the 1351 samples -- or 4.7 percent -- had residues from what the Organic Center defined as inadvertent sources. They were below tolerance and, by this analysis that they did, they determined that they weren't directly applied. So, they determined that the 4.7 percent were residues from residual soil contamination. For instance, fluoridated hydrocarbon or from spray drip. So, more work needs to be done, but this gives you a little bit of data of what's found on pesticide residues.
Okay. A little summary of -- I guess some of the limitations and the overarching program that we're implementing. So, first of all, subpoena authority is lacking in the Organic Food Production Act. Certifiers and NOP do not have the authority to subpoena records.

So, if you know the Promiseland case, we received a complaint. The NOP tried to obtain records that are required under the National Organic Program Regulations. Promiseland refused to provide those records, and that's gone through a lengthy appeals process, but every step of the way, the USDA's action, AMS's action, has been upheld. But, we don't have authority to look at those records. So, we don't even -- we've never seen these records at this point because we don't have subpoena authority.

So, that would be one thing that limits our authority to enforce the standards -- is that lack of that authority to subpoena
the records.

    We also have that lengthy appeals process that I already referred to and, for willfull violations, the NOP is going directly to filing complaints to assess civil penalties and avoid the mediation and appeals process that certifiers have to go through. So, we're already implementing that particular action, to go directly to the complaint phase.

    There's still administrative hearings in that complaint phase. That's what we have to do, provide due process. But, we are going directly to the complaint phase, and then we also are proposing to delete the requirements that certifiers can appeal adverse actions to the AMS administrator.

    And then finally, a limitation -- I would say -- is on input approval. We don't have any kind of accreditation program for input approval programs. So, we don't have an accreditation program for ENRI, for instance, or with the USDA branding program.
So, we need to look at that. How do we have authority or oversight over these input approval programs?

There's also foreign input approval programs. A lot of foreign certifiers -- BCS, some of the Central American certifiers -- have input approval programs. We want to make sure that they're all being done in a consistent fashion, so that the inputs that are approved are the same by all certifiers.

Okay. So in terms of protecting organic integrity, first and foremost, clear enforceable standards are important. Producers and handlers need to know what those standards are. If they understand the standards, then it's much easier for them to comply with the standards. If they don't know what they are, it's very uncomfortable, and it's difficult to comply.

Number two, notification to certifiers, organic producers and handlers
concerning any changes or clarifications to the standard. When we do that, when we make a policy announcement or draft guidance or rulemaking, we want to notify everybody at the same time. All the certifiers, all the state organic programs, all the foreign governments, so everybody gets the same information.

Transparency of the suspensions and the revocations and the adverse actions and the sanctions. That needs to be provided, so that the bad actors out there -- they don't get a pass. They are on some kind of public display, I guess, or public list that you can see: okay, these people have been suspended, or these people have been revoked and are no longer part of the certified organic group.

Number four, a qualified verification process. So, this is the heart and soul, I guess, of the organic verification system, organic certification.

Organic system plans, they need to be thorough and complete. There needs to be
a quality review of those plans by the certifiers. Sometimes certifiers are receiving the plans and then forwarding them directly to the inspectors. That should not happen.

The certifiers need to have the qualification and the expertise to review those plans, make sure that they're thorough and complete before they're passed on to the inspector. And then the inspections need to be done by qualified and skilled auditors, and they need to be thorough and complete. They need to include sales and yield audits and feed audits.

This is a serious business, and inspectors need to be qualified and thorough in the work that they do. They need to spend the time to do the work. Sometimes an audit might be scheduled for two hours, but you might end up there all day, because it just takes a long time to do it.

Inspection of nonorganic areas of
the operation is important to include in the inspections. And then the certifiers need to do timely notices. So that after the inspection is done, if there are findings, that the certified operation gets those findings in a timely basis, and when they submit their corrective actions that the certifier reviews those corrective actions. So, you don't have those long time frames from the inspection to when there's a compliance action taken.

Number five, complaint handling.
This is a very important part of the -- protecting organic integrity. We encourage people to file complaints at NOPcompliance@USDA.gov. Our complaint process needs to be effective and timely and thorough. We have a lot of work to do there. We have a lot of complaints that we're still working on. And thorough investigations by qualified investigators.

And the other thing we have to
remember about complaints is that the allegations can be confirmed, or they can be determined to have no substance, have no basis. So, I've certainly seen, in my career, people being accused of things that have no basis in fact, and we find out that there's some kind of divorce going on, or some kind of family dispute going on, that has led to the complaints.

So, part of the complaint is finding violations, but part of it is also exonerating the people that have been accused of things.

Number six, penalties for local violations. A very important part of the process. Market surveillance, that we should be doing more market surveillance to see how products are properly labeled in the marketplace. Unannounced inspections that are risk-based. We need to incorporate that more and more into the process of protecting organic integrity.
Number nine, periodic pesticide residue testing. So, it's just one of the tools that we're using to provide surveillance from that information, to protect organic integrity.

Number ten, monitoring the use of organic-like claims and take action as appropriate to protect the organic label. This is a very challenging area. We have people that are playing around with the word organic. Trying to make organic-like claims, but avoiding the certified organic process. So, we need to monitor that and make sure that we protect the organic claim.

Number 11, improve the quality of inspections and certifiers through training and testing. Making sure that conflict-of-interest is dealt with, and there's almost this inherent funding conflict with certifiers -- where they're relying on the fees provided by their clients to provide the revenue to do the work -- and we got to make sure that that
doesn't provide a conflict.

And then there's also the challenge that a lot of certifiers have limited resources. So, they're reluctant to raise their fees to improve services and -- obviously -- certified organic operations, producers and handlers, they don't want their fees raised either, but to protect organic integrity does take resources, does take time, takes qualified inspectors. We have to make sure that we have enough financial resources -- that certifiers have enough financial resources to do a qualified job.

Okay. That's that part. Now, we'll move on to the NOSB recommendations from April. We got a couple more minutes. I guess. Maybe? Okay.

So, we have a written response to the April NOSB recommendations. You can read the full response on the NOP website.

Sunset 2011, Sunset 2012, everything's good there.
We have published a defining interim rule. The comment period closes today, October 25th, 2010, and we will have a final rule out on the finding by March of 2011.

We are concerned about the stepdown and we have requested that the NOSB, if you can, can provide us with more justification for the stepdown numbers. Any information that you could provide would help us.

We know we're going to have problems with this with the Office of Management and Budget and if we do have problems in the rulemaking what could happen is that we're unsuccessful in meeting the timeframe for getting the methionine stepdown implemented and that would mean that as of October 1st, 2012, if we don't complete the rulemaking, that methionine would no longer be allowed.

So, we have some concerns about
our ability to get that through the process. We will be working on that. As soon as we finish the final rule on methionine, we'll start working on the proposed rule for the stepdown, but any additional information that can be provided would be very helpful for us to work through that process.

Clarification on the livestock health care. Organic calves fed organic milk treated with an allowed synthetic input. NOP accepts the NOSB clarification on that for your final recommendation.

For inerts and pesticides, NOP is collaborating with EPA. We had a meeting with them last week on establishing this Memorandum of Understanding. They are very interested in working with us to provide more information to help with the review criteria for the inerts. There's a lot of good ideas and a lot of interest in collaborating with the NOSB on that whole inerts review process.

And just one thing to recognize is
that the NOP regulations are very much more prescriptive than any other foreign organic standard. Most foreign organic standards do not regulate inerts. They allow inerts to be used as long as they're approved by their country's environmental agency.

Greenhouse recommendation was accepted. Inert atmospheric gases. We questioned the recommendation to call these packaging aids this new term. Don't accept that new term. Gases are regulated by FDA as direct food substances, not as packaging or packaging aids. So, we don't want to conflict with FDA regulations on creating a new term.

Nitrogen and carbon dioxide are allowed. Argon is not listed on the National List, so is not allowed. I just want to clarify that.

Classification of materials. A lot of good work on this, but we feel like additional work is needed. We feel that the classification of materials is related to the
category of use. So if it's used for crop
production, you have one set of questions.
Livestock production is a different set of
questions. Handling, a different set of
questions.

So, if it's crops and livestock,
the main question is whether it's synthetic or
natural and for processing, for ingredients in
processing aids, it seems like the first
question is whether the substance is
agricultural or nonagricultural. That's the
most critical question and then after that,
whether it's synthetic or non-synthetic.

So for crops and livestock, it
doesn't really matter whether it's
agricultural or nonagricultural. I guess for
livestock feed it does, but for crop input,
fertilizer and pesticide, really the question
is whether it's synthetic or natural.

And then we also didn't accept the
chemical change definition because it
conflicts with common understanding of
chemical change and that would just be more rulemaking to have a definition that conflicts with common understanding of what chemical change is.

For vaccines, 205.105(e) prohibits excluded methods, genetically-modified organisms, but it does say vaccines produced through excluded methods may be allowed if they're approved according to 205.600(a). So you're all familiar with 205.600(a).

There's a specific set of questions there that the NOSB is responsible for reviewing and our understanding is the NOSB has not approved vaccines produced through excluded methods according to 205.600(a). So, therefore, GMO vaccines are currently not allowed and that the NOSB probably will want to put that on your work plan to look at GMO vaccines under 205.600(a) and we would think that a good way to do that would be to look at that as a class of substances rather than individual vaccines.
So, sorry about that, but that's the way that that one came out.

Sodium nitrate: we're asking the National Organics Standards Board to look at sodium nitrate. It's currently a prohibited substance, but is allowed to have 20 percent of the total nitrogen needs of the crop.

The U.S. Organic Standards are the only organic standards in the world that I'm aware of that allow the use of sodium nitrate. The high sodium content in sodium nitrate can negatively affect soil quality. This allowance of sodium nitrate really affects U.S. producers' ability to access foreign organic markets.

So we're requesting that the NOP review the allowance of sodium nitrate for potential consideration of getting rid of the exemption.

And then final point was in terms of corn steep liquor or any other substance, we're talking about non-sunset substances
here. But, substances that are generally allowed under the organic standards like corn steep liquor. We think that there needs to be certain guidelines of what happens if the Board votes to consider corn steep liquor as synthetic. What is the notification process and the process for removing that as an input material?

So, first of all, we need to notify all the affected parties and we would suggest that there be 120 days to notify all affected parties. The NOP would notify certifiers, state organic programs, foreign governments, within 60 days and then tell them that they need to notify their certified operations and clients within 60 days. So, within 120 days, there's been notification that these products are no longer allowed.

But we would also suggest that for a previously allowed substance that there be a two-year phase-in period. Because there's people that have bought these products, have
the products on their farm or in their processing facility. With corn steep liquor or any other substance, there's the ingredients in inputs that have been approved, that have approved labels on them, ENRI-approved labels.

It's just going to take awhile for these products to be taken out of the stream of commerce. I guess the stream of commerce of inputs and so what we're suggesting is the guidelines that the NOSB should consider are a two-year phase-out for when there are these allowed substances that are moving to prohibited process.

So that ends my comments. Again, organic integrity from farm to table. Consumers trust the organic label and I guess questions and then we'll have Mark.

MR. GIACOMINI: Any questions for -- Joe.

MR. SMILLIE: Miles, I think that the NOP has obviously done a very vigorous and
robust job on the accreditation system.

You've really jacked it up. It's in place and especially for, you know, domestic certifiers and foreign certifiers. I think that's moving along really well.

My question is, could you elaborate a bit more on 205.500(c)(1), which is your relationship with foreign governments that allows them to accredit their certifiers for application and compliance to the U.S. regulation? Could you give us a better idea of how you go about making sure that foreign governments when they accredit or approve, I think is a better word, their certifiers to conduct NOP certifications? How do you interact with a foreign government and make sure that their instructions to their certifiers are as vigorous and as robust as what you do?

MR. MCEVOY: Looking at their accreditation system. So, the foreign government would have to have an accreditation
program to accredit the certifiers that are operating within that country.

So when we assess their program, we're looking at their accreditation system over their certifiers. So the certifiers that are operating in that respective country have to have a program to certify to the NOP standards.

So, for the most part, we look at the UK or Denmark or Israel. Most of the certifiers operating in those countries are certifying to their -- the European regulation would be first and the NOP would be an add-on.

So you have the competent authority of the accreditation body that is operating -- is basically analogous to the NOP within those countries that is overseeing the certifiers operating within those countries.

So it's a similar length of time as auditing a certifier when you do an assessment of that foreign government. So, we go -- we work with the -- we assess the
foreign government's accreditation program.

We do witness audits to see how the certifier is implementing the NOP regulations.

There are findings that are found as part of this process and they have to make corrective actions to address those particular findings. So it's kind of a similar process as a regular audit of a certifier with findings and corrective actions.

And I guess one of the differences is if they are not in compliance with the NOP regulations, they don't have the same rights in terms of a notice of proposed revocation or suspension. We would just end the relationship with the foreign government.

MR. GIACOMINI: Further questions or comments for Miles?

MS. MIEDEMA: Thank you, Mr. Deputy Administrator.

I have a question and this relates to the NOP response to the spring recommendation. Not to get too far into the
specifics of the request that came back on
methionine, but the request came in for
additional economic justification and
scientific justification and I wondered
whether you see that as a more broad trend
that will be imposed on this Board for our
recommendations going forward or whether this
was more one particular instance?

MR. MCEVOY: What we will try to
do is to implement rulemaking recommendations
on the National List. The more information
you can provide, the easier it is for us to
implement your recommendations.

So the particular part on the
methionine is the stepdown. Where are we
going to explain to all the different parties
that we have to explain to through this
clearance process? In particular, Office of
General Counsel, EPA, Office of Business and
Processing Analysis. Office of Management and
Budget in particular.

You know, we're going to say,
okay, here's the stepdown, which is half of what it was. Why did you come up with these numbers? How did you come up with these numbers? And we won't be able to say more than well, the NOSB said that this is what they wanted.

If there was testimony, if there were comments that were made, if there was some kind of scientific literature or economic justification for those particular numbers, it will make the process just a lot easier to move through.

So that's our request is, when you're making specific metrics in your recommendations, the more justification for the actual numbers that you come up with will make it easier to succeed in getting your recommendations through the rulemaking process. Yes.

MR. GIACOMINI: Kevin.

MR. ENGELBERT: Thank you, Miles.

The NOSB, we've always assumed,
was the authority on materials and the committee is somewhat concerned about the need to justify our recommendation to OMB and anyone else and as Dan pointed out on a call, if we had made the recommendation to simply allow this to sunset, would you have had the same response?

MR. MCEVOY: Well, if you had made the recommendation for it to sunset, then, right, there wouldn't be the same response. Because the reason why we're asking for more information is because you set specific amounts of methionine. If you had just asked for it to be sunsetted, then we would then go through the rulemaking to have it come off the list.

So what we're trying to do here is to honor what the NOSB wants to happen with the National List and any additional information you can provide that justifies the numbers or justifies the action that you've provided. In general, you do do that. So,
that's why we can move things through.

But we run into problems with justifying the rulemaking with the people that we have to get this through clearance with.

MR. GIACOMINI: I just have to question that, Miles. I don't know what the science and the background was to put the 20 percent on sodium nitrate. I don't know what it was that put the limit on the pesticides and I think expecting this kind of -- this level of detail out of this Board, number one, we don't have the resources.

We make phone calls. We talk to people in confidence and they give us information that otherwise wouldn't be public.

We can't -- we don't have the scientific ability to compile that, and with error and statistical variation, and to announce where that came from. We're either not going to get people to talk to us any more or in the situation, like I said at the last meeting, where I talked to feed mills and some
of them were already using half the amounts of what they were asking for now. Which were basically the source of the numbers that we came up with. We didn't just pull them out of the air.

That if I had said, okay, this is the feed mill that said that, that feed mill could be run out of business by the industry. Okay, guys. These guys are the ones that lost us this amount of methionine. Don't buy feed from them, you know.

I understand that this was not a request you made. This was a request made on you, but I'll tell the industry right now and I'll tell this to the entire industry. When we're looking at things for pet foods, for aquaculture, for all the other things, if this is the kind of detail that's going to be required when we try and put a fence around the use of some of these substances, they're just not going to be allowed. Because I can bet the Board is just going to say if that's
what we're expected to do, we're just not
going to put it on the list.

MR. MCEVOY: Well, I would say
that allowing it or not allowing it is one
thing. When we put the annotation in with
specific numbers, it's going to be more
difficult for us to justify through the
process.

Any additional information that
you can provide during your normal process of,
you know, committee recommendations and public
comment will help the process.

If you don't provide it, it's
okay. We'll do the best we can. Additional
information would be helpful.

MR. GIACOMINI: Jay.

MR. FELDMAN: Thank you.

First of all, thank you, Miles. I
appreciate it and the Board appreciates the
work that NOP's doing on this.

Kevin, on your question and Miles,
I'd like your input on this, I view the
statute as sunsetting the material. So, in the absence of action by the Board, the material sunsets. There is no scientific justification required for sunsetting. That would be a strict reading of the law.

So there would be no requirement on the NOSB to justify that action.

And to your point, Dan, I think we need to figure out a way to get transparency into the science and to the essentiality questions. If we can't do this, I think the trust issue in the strategic plan doesn't work. Consumer trust just goes down.

This is why, I think, the sunset discussion which we'll be having later in this meeting is so critical. It goes to the guts of what we do and the industry has to understand that this information has to be transparent.

MR. GIACOMINI: Jay, I agree with you on that. That's not the discussion we're going to be having. Okay?
MR. FELDMAN: Well, so, I guess from Miles --

MR. GIACOMINI: So, let's not get onto sunset right now. Okay?

MR. FELDMAN: Right. Okay.

We're not getting on --

MR. GIACOMINI: Let's just stay with the response to the NOP report and the NOP response specifically.

MR. FELDMAN: Right. But, you're talking about the inability of this Board to generate data that the NOP is requesting of us and I'm suggesting we need to figure out a way to do that. I'm supporting -- as opposed to your position on this, Mr. Chairman, I am supporting the NOSB's requests for us. I think we can handle this, both in the transparency issue and on issues related to the science that supports our decision-making process.

You'll see a number of decisions coming up during this Board meeting which I
think is exquisite science discussion. I think that needs to be extended to all of our decisions. I think we can do it. We must do it. We have a statutory mandate to do it.

MR. GIACOMINI: Kevin.

MR. ENGELBERT: Yes, I appreciate those comments, Jay, but I tend to side with Dan on this. Because this methionine issue, it's not on our docket. It's not on our agenda and the history of it is well known. And in our recommendation in the spring, we vetted out very clearly, to me, why we took the position that we did.

The Committee would like to see it sunset plain and simple, but we just could not justify the immediate removal, and as is most decisions on the Board, that was our compromise position and I think we did the best we could. We could talk about this for the rest of the day, but basically, you know, I think we're done with it for now.

MR. GIACOMINI: Yes. Tracy, do
you have something? Okay.

A couple of other things, Miles, that I had. You talked about a stream of commerce on the last issue regarded to an action taken on something like corn steep liquor.

The response regarding our GMO vaccine recommendation seems to have continued to evolve to being more and more restrictive. Is there any consideration for a stream of commerce or are you saying that as of right now, today or whenever, absolutely no GMO vaccines are allowed and what is the consequence if an animal has received a GMO vaccine or would in the next couple of months because it's in somebody's inventory?

MR. MCEVOY: Good question. The rule certainly doesn't support the allowance of GMO vaccines. We understand that certifiers have not been evaluating whether or not vaccines are genetically modified or not.

I think part of the thing that
needs to be explored here is what is a GMO vaccine and what's not. I've heard conflicting information on that. Some people say GMO vaccines are very widespread. Conversations with APHIS have indicated that they're actually not very widespread. So we need to get more information here.

The regulation as it currently states does not allow the use of GMO vaccines. Certifiers aren't particularly looking at that aspect right now.

MR. GIACOMINI: Okay. I believe the program had made a comment about that at a previous meeting, but I don't remember the exact quote. So I won't try and hold it to you.

The other question I have is regarding implementation of the pasture program. It becomes fully implemented middle of June 2011. In some cases, that's going to be the middle of the pasture season. In other cases, that's almost the end of the pasture
season.

How much -- if they're, using simple terms, using the calendar year as their calendar, as their fiscal year for this, how much are the producers -- there's confusion as to how much, even for all the best efforts, how much they're going to be held for what occurs in the spring before that rule is officially in effect.

MR. MCEVOY: You're referring to -- the rule becomes effective in June of 2011. Fully. Actually, it is effective now. It becomes fully implemented in June 2011.

If a certifier finds after June of 2011 that the 30 percent DMI is not being met, then a notice of noncompliance would be issued and if they could -- because that could potentially be a correctable violation and then if by the end of the grazing season they were above 30 percent, then they'd be fine. It kind of depends on when the violation is determined. So if it's prior to,
I think, June 17th, and there's a violation, then the rule's not fully implemented for an existing certified operation. So you could identify that as this is something that needs to be addressed, but it wouldn't be a violation that would lead to an adverse action.

So it's going to have to be a case-by-case basis to see whether it's correctable or not and when the actual violation occurred. So it's going to be an interesting process.

MR. GIACOMINI: I'm no clearer on that than I was a minute ago, but that's fine. Any further? Jay.

MR. FELDMAN: Miles, you know a lot of work has gone into a lot of these decisions that you're reporting to us on. I'm wondering if you can envision a process that would alert the Board to issues in a more timely way so that the Board doesn't waste its time on these critical issues.
MR. MCEVOY: Yes, well, one of the things that we're doing there is having an NOP technical person on each of the committees to try to work more closely and collaborate more closely with the NOSB during the committee deliberations.

The other thing is what we plan to do is get our responses to the -- to your decisions, your recommendations out of this meeting completed a lot earlier so that they happen early in the cycle rather than late in the cycle. So those are two things that we're working on.

MR. GIACOMINI: Tina.

MS. ELLOR: I just wanted to say that we've never before had this level of back and forth with the NOP and I just wanted to say for myself how much I appreciate it. It's getting better all the time. So, thank you. I won't address the sodium nitrate now because I think we haven't fully sent out our response to that, but, you know, once
again, we appreciate the back and forth.

MR. GIACOMINI: Steve.

MR. DeMURI: Miles, I commend what you're doing at the NOP. I think you guys are making great strides.

I have a question on lecithin. A year ago at this meeting, we made a recommendation and response to a petition to remove lecithin and that substance is scheduled to sunset in 2012. So, we needed to take some action on it if you're not going to make rulemaking on that recommendation.

Do you know what the status is on lecithin?

MR. MCEVOY: That's in clearance I believe.

MS. BAILEY: That's part of a proposed rule that's actually in departmental clearance right now. So, we'll have to look at the timing on that when the proposed rule actually comes out and the comment period and when we'll be able to get the final rule done.
on that particular substance and how that's
going to dovetail with the sunset 2012.

MR. DeMURI: Okay. We'll have to
stay in contact on that.

MS. BAILEY: Sorry. Oh, Melissa
Bailey, NOP, Standards.

MR. DeMURI: Thank you.

MR. GIACOMINI: Any further
comments? Seeing none.

Just one final thing. One final
touch on the finding. I would make the
suggestion to the program to have someone
contact, in case they haven't seen this and
don't understand the situation, the Methionine
Task Force and let them know the status of
that. Without knowing what the Livestock
Committee will do before the next meeting, but
they could be looking at another deadline
which could require another petition rather
than this being transferred over into a sunset
process.

So, I would suggest the program to
make that contact to let them know where they're going to potentially stand.

MR. MCEVOY: Good idea. We will take you up on that.

MR. GIACOMINI: Nothing further, thank you, Miles, for the presentation from the program and next up organic coordinator from USDA Mr. Mark Lipson.

MR. MCEVOY: Okay. I think I already introduced Mark, but we're really happy to have Mark here. So.

MR. LIPSON: Good morning. Thank you. Thank you all very much.

I guess I'll speak through this since it's time for the scheduled break almost and I do want to leave a little time for questions. Okay. There we go.

USDA, every way, every day is one of the Secretary's phrases that he likes to use and it is appropriate to my talk about the integration of organic within the Department.

Organic does continue to grow its
footprint and presence and legitimacy within USDA. There are, of course, still very many challenges both cultural and ideological perhaps and level of knowledge within the Department is still a big problem.

I will say that external contention around organic certainly does affect this trajectory of its further penetration and efficacy within all parts of the Department. That includes both the discussion that we have within the organic community and the discussion about organic in the wider world with the rest of the agriculture universe. So, just to mention that it does have an effect.

And this is the point I really want to drive home. Is that the efficacy of NOP and trust in the USDA organic seal is essential for everything else that happens with organic in the Department. Everything else does rest on this process, this program working well.
So, I'm going to whip through a few things related to the overall scope of things in the Department for organic. The 2008 Farm Bill is very significant. I'll talk about the implementation of those programs. Talk a little bit about my position as the Organic and Sustainable Agriculture Policy Advisor for the Office of the Secretary, some of the interagency projects that we're working on, the Department-wide organic working group and then this final sleeper, very important, the objective spore growth of certified organic operations that are now in the USDA's strategic plan.

So, to start with in terms of Farm Bill implementation, these are the four major areas, research, extension and data initiatives, certification, cost-share which Miles already talked about. So, just skip through that pretty fast. Conservation programs and crop insurance.

In terms of organic research and
extension, I'm not going to read all this, but to say that there is a lot happening. Besides the NOP, that's the most advanced area of USDA in terms of the longevity of organic activity and how much money it has to work with.

So, we're still on an upward trend with that. Getting beyond the dedicated organic stuff to have organic research and extension issues affect the wider USDA organic research and extension portfolio is definitely something I hope to continue working on and we are going to be holding pretty big three-day organic research systems symposium in Washington in March. We'll hear more about that.

Organic data initiatives, of course, there's 5 million in mandatory money in the Farm Bill. That has enabled Economic Research Service, Cathy Greene and Carolyn Dimitri and Lydia Oberholtzer, to continue the series of work that they've been doing for many years now.
The NASS Organic Production Survey in 2008 is a very landmark piece of work. I don't know how many people have really taken the time yet to drill down into that, but that is the definitive statistical baseline about the organic sector now.

It had about 85 percent return rate. So, it is, you know, fundamentally important as the statistical profile of the organic production sector and I will just mention that you can make a request to NASS. That's the National Agricultural Statistics Service. You can make a request to them for cross tabs or filters on the data. It's really a massive amount of data and it deserves as much attention as you all can give it in terms of querying it further. So, they will run those cross tabs and produce a result for you.

And I also mention the ongoing expansion of the AMS market news service price collection series. That's constantly
expanding into new areas and the organic price portal is actually a very effective tool if tracking that stuff matters to you and I hope it does.

There's a snapshot of the fruit and vegetable header, you know, from last week. You know, so, it goes into great detail about prices reported at the terminal markets. And RMA is funding more work, that is the Risk Management Agency is funding more work by AMS to continue expanding this in order to support the crop insurance and disaster program improvements. Talk about it in a second.

Certification cost-share, Miles already went over this, but I will emphasize that less than half of the money allocated by Congress for the National Program has been used. So, the outreach and use of that program by producers and handlers is very important. We want that money to continue to be available. This is the only direct support, financial support, that is available...
to every producer and handler in the organic sector from the Federal Government. So, it behooves us to do everything we can to make sure that money gets used very effectively and fully in the next couple of years.

The EQIP Organic Initiatives, that's the Environmental Quality Incentives Program within the Natural Resources Conservation Service. This was sort of known as the transition provision in the Farm Bill, but it does apply both to transitional producers and existing organic producers. Provides financial and technical assistance related to the implementation of conservation practices in an organic system.

Here again, NRCS at the discretion of Chief Dave White allocated 50 million, out of EQIP's budget of over a billion dollars per year, allocated 50 million for this organic initiative in both 2009 and 2010. So, 100 million total. There's never been that kind of money on the table to support organic
agriculture.

Only 63 million of it ended up being put into NRCS contracts and now there are very significant challenges in terms of NRCS' implementation of it, NRCS' understanding at a field level about organic systems, but nonetheless, there's also, you know, more effort needed to make sure producers know about this, get the help getting to it.

It's not user friendly. I think it's fair to say that without being derogatory to the agency, but nevertheless, it's just crucial that we use those resources that are being put on the table for organics. What we were asking for for years and now, it's there.

So, upgrading the organic performance of NRCS is one of the things that I, you know, am hoping to focus on in my job, but here are several things underway already. There are internal NRCS training initiatives that will be happening in FY 2011.
There's a conservation innovations grant that's been made to National Center for Appropriate Technology's ATTRA Program with many partners. Many of you working on this are here in this room. This will be directed at revising the NRCS practice standards to be more appropriate for organic systems.

Also mentioned, there's going to be a new Deputy Chief of NRCS for its Science and Technology Division who's Dr. William Hunnicutt who has done organic research through the Agricultural Research Service in Orono, Maine for many years. So, I expect that to be a very significant new presence within the USDA helping make this all work better for organic producers.

And Miles and I are working to try and clear up the ability of organic inspectors to also function as technical service providers for NRCS' Technical Service Provider System. Now, there's been some contradictory statements about that in the past and we're
trying to get that cleared up. Hopefully, that will happen soon.

Crop insurance. As many of you know, the Farm Bill-mandated studies by the Risk Management Agency and the Federal Crop Insurance Corporation studying the inequities for organic crop insurance, the 5 percent organic premium surcharge and the inability to pay out organic prices when there is a claim.

Those reports were contracted, conducted and completed earlier this year. Five percent surcharge, as of August, was removed on about a dozen crops where the data was really unequivocal and readily available and organic price elections are now in place for the 2011 crop year on four major field crop packages: corn, soybeans, cotton and processing tomatoes.

Now, these are all just the initial results of this effort where the data was very strong. RMA has had problems in the past. That's the Risk Management Agency which
manages the crop insurance programs. RMA has had problems in the past with moving too quickly on things where they didn't really have adequate data and had to pull products back and that's caused a lot of problems.

So, there is a very strong commitment to continuing this trajectory for the organic sector, but it's going to move cautiously. But, RMA is funding more data collection and analysis in order to do that.

So, just a little bit about my position as an Organic and Sustainable Agriculture Policy Advisor to the Office of the Secretary. The position is authorized for two years with the option to renew it for four more years. So, basically, for this term and hopefully the next one.

My direct report is the Under Secretary for Marketing and Regulatory Programs, Ed Avalos. I do spend a lot of time on detail with Deputy Secretary Merrigan and also, you know, I do work with other -- really
all the mission areas of the department when
organic comes across their screen. They're
starting to find out that I'm there and can
help either explain something to them or move
something through a process and I coordinate
the USDA Organic Working Group which I'll talk
about in a second.

So, basically, hopefully, my
position will be a default first stop for the
public when there's a non-enforcement or non-
regulatory organic question. We hope to be
able to provide lots of information about
where all the pieces of the USDA are for
organics so that people don't have to use me
as that default, but that's how that position
will function.

And then for agencies, I'll be
trying to provide the cross agency
coordination, interdepartmental
troubleshooting and trying to get things
through clearance. You hear that phrase a lot
and it's a problem. You know, it's a task.
Then I also do serve on the Know Your Farm and Know Your Food Task Force with the Deputy and her management team which again deals with things across the entire spectrum of USDA programs.

A couple of quick mentions about interagency projects that I've worked on since I've been there. Miles mentioned the International Trade Codes Package. That's something that had been stalled out for a number of years, but identified by very many people as important because we do not have any reliable statistical data about international organic trade, about volumes and specific products. So, we put together a new package right after I arrived. Involved coordinating a number of agencies.

Submitted a package to the U.S. International Trade Commission. On October 15th, they approved that request. So, these new specialized organic trade codes within the harmonized trade system will appear in the US
ITC manual on January 1 and will be used thereafter.

Also relating to international trade, we've been working on a cooperation agreement's document that details the reciprocal activity between AMS, NOP and the Foreign Agricultural Service. So, there are actually a number of areas where that cooperation is happening. So, we're trying to document that and strengthen it and that'll be hopefully completed very soon.

The Organic Working Group, this is our statement of purpose and interagency coordination and communication body. It's informal, but it is as the Deputy informed our meeting a couple of weeks ago, above the radar, out of the closet. The Secretary knows about it. It's not covert. So, we had a great meeting a couple of weeks ago with a very large turnout from all across the Department and that's going to continue to evolve.
My goal is to intensify the work of that working group and produce some very specific outcomes.

Here is some of the things that we're talking about making happen based on organic program information on the web for the public covering all USDA agencies. I hope to get that out in December. So, that will be just a one-stop shop information-wise where all the organic portfolios are in the USDA and you don't have to burrow through all those obscure USDA webpages to find that.

Hopefully earlier than that, we'll just be doing a directory of agency contacts. That's pretty ready once my next few weeks of travel are over.

And then, you know, keep building that into an interactive web coil for all things organic within the Department.

This issue of training and education for USDA, personnel is high on my list because as I said, that is just a very,
very important obstacle. There are still a lot of people in the USDA who do not know that there's a USDA Organic Seal. They don't know that there's a regulatory program and national standards. So, you know, it's not a high bar yet, but we can make a lot of progress on that very quickly.

And the other thing the Organic Working Group will focus on is sheer outreach to customers and stakeholders. That is, NOP will be able to put out information about crop insurance and the EQIP initiative and those agencies will be able to put out information about NOP issues. So that we'll harness all of these different outreach capacities and all these different agencies to get the word out to the organic sector and it's customer and stakeholders for all the programs that are proliferating now.

So, the USDA Strategic Plan. Just before I arrived, the Secretary issued a new strategic plan for USDA and right in there in
black and white, in print approved by the Secretary, performance objective 1.3.1 is create an increase in the number of certified organic operations, that includes both producers and handlers, by 25 percent from the number measured in 2009 to 2015.

So, for the first time, there is an objective goal endorsed by the Secretary of Agriculture to move the size of the organic sector forward.

This is within the rural development. You know, economic prosperity for rural America part of the strategic plan, but it does apply across the Board. This justifies the work of everybody in the Organic Working Group to be able to work on organic in their domain.

So, the important thing I want to mention about this is that the implication is not just new producers and handlers to organic, but also retaining existing ones. It means enabling the success of organic
operations that we have now not just recruiting new ones. Because as we know, there's people who come in and go out for various reasons, but this mandate to me means focusing resources on making things work better for the existing producers and handlers we have as well as recruiting new ones.

So, these are all the areas that I've listed here because just that's what would fit on the page -- fit on the slide, but the intent is to use the Organic Working Group and my position to make all these things focus on that objective.

So, moving onward, as I mentioned, we're going to have this Organic Systems Research Conference March 16 through 18 and I guess we have this traditional St. Patrick's Day thing for organic meetings in D.C. I don't really know why, but I guess it's because it's green.

Analysis and ideas for the 2012 Farm Bill, I'll just put that on the table.
Part of my job is to collect stakeholder input and ideas about the 2012 Farm Bill. Of course, as you know, USDA doesn't write the Farm Bill, but when Congress asks USDA for ideas or feedback on things, then we have to be prepared to do that.

The Organic Working Group will be holding more general stakeholder input sessions probably with the Federal Register notice. I'm not totally clear on how that's going to work yet. To just make it a little more formal than it has been in the past, but hopefully that will take a little bit of pressure off of this Board to be the receiver of the whole spectrum of issues for organic.

That's really the point of my position. Is that that doesn't have to be the case any more. There's somewhere else where the non-regulatory non-enforcement questions and concerns and demands about organic can go to enable this Board to focus more on its job.

And finally, outreach to other
Federal Departments. Hopefully, we'll also be part of the -- what we'll be doing going forward. There is important crossovers with FDA and EPA and Department of Commerce. NOAA would be nice and that kind of stuff. So, we'll see.

So, just to tie it up, the momentum of all of the stuff that I've talked about for organic elsewhere within the Department just rests on the success of NOP and respect for the organic seal. We are in this very intensive period of NOP program improvement and remedial constructs to improve the integrity and coherence of the program.

I don't think we're through the eye of the needle. It's going to get more complicated before it gets simpler, but recognizing that we are in that phase. This emphasizes that the success of NOP and the integrity of the seal. This period of upgrade requires a very high level of performance, continued very high level of performance from
Thank you for your service. I say that, you know, as an observer for many, many years and on behalf of the Secretary and the Deputy Secretary to you all and former NOSB members as well.

Here's my contact info. Hopefully you'll use it wisely, but when needed.

MR. GIACOMINI: Use it wisely.

Use it often.

Questions or comments? Kevin.

MR. ENGELBERT: Thank you, Mark.

I appreciate that report. Two things that peak my interest I wish you could elaborate on. I wish you could elaborate on.

The first is early in your presentation you talked about external contention impacting the organic program. Could you give an example of that and, you know, what exactly is causing problems or what external contention is?

And, two, you talked about
terminal market prices where you're tracking
the prices of organic commodities. Could you
give an example of what one of those would be
and whether or not you differentiate between
domestically -- U.S. produced product and an
imported product?

MR. LIPSON: Well, on the first
question, you know, I guess left it very broad
because there's a lot of different effects it
has, but the examples I'm talking about are,
you know, both the high profile debates that
we have within the organic community and the
commentary about organic and its role in
American agriculture that comes from outside
our community.

I don't really have a finer point
to put on it because the effects are various.
You know, the debates about organic in the
wider world of agriculture policy do, you
know, keep the attention up, but there's a lot
of myths that get repeated.

I think it's fair to say that as
the organic sector has grown, the need on the part of some to critique it has also grown and I just wanted to say that that's noticed, that that's something that we need to take into account in terms of continuing the progress that we're -- and, you know, the internal debates, the quality of those matters. That gets notice.

It's a question of how that's conducted. You know, not that that should go away. Absolutely not. I think the organic community's setting a great example for stakeholder input and involvement and keeping that at a high level is very important.

And on the price reporting, it may include imported product when it goes through a terminal market. I don't know the exact answer to that question.

Terry Long in the Market News Service Branch of AMS is the lead person for that and if somebody can make a note for me, I'll follow up on that.
MR. GIACOMINI: Further questions or comments? Do not. Thank you. Great presentation. Miles.

MR. MCEVOY: Yes, I could just clarify on the price reporting and it doesn't distinguish between domestic and foreign. It's just the organic price of a given commodity. So, it could include foreign product, but it doesn't -- the price is the same.

MR. LIPSON: Yes, it wouldn't -- the reports don't specify where a product came from. They report a range of prices observed at a given market for a given product on a given day.

MR. GIACOMINI: Okay. Thank you. We're ready for a break. I just want to bring everybody's attention. We're two and a half hours into the meeting and we're a half an hour behind schedule.

So, a 15-minute break. Let's try very promptly to be back at 35 -- 20 until,
10:40.

(Whereupon, the above-entitled matter went off the record at 10:24 a.m. and resumed at 10:42 a.m.)

MR. GIACOMINI: The Board Members will please take their seats and please take any conversations, continuing conversations from the gallery outside please.

The meeting is back in session.

Please take any conversations outside, back out into the hallway at least.

We are at the point in time where we begin public comment. I want to remind everyone that this Board and this Chairperson will not tolerate any personal attacks or disparaging remarks directed to individuals in the audience or to any specific Board Members. We expect everyone to treat each other with respect and dignity and any behavior other than that will not be tolerated.

We will also work off the schedule. This side of the room is podium
one. This side of the room is podium two. If you're confused, it's whatever side of the sheet of paper you're looking at.

John.

MR. FOSTER: Do we have a video? I'm not familiar with the video cameras of these proceedings. Can we find out what that's about?

MR. GIACOMINI: We will. We'll work through the beginning stuff here first and then we'll see where we stand. Okay.

We will be working off of this list. We'll announce the names. The person next up. The person on deck. The person in the hole, to use baseball terms.

I apologize for any butchering and slaughtering that I do of any last names. Believe me with a name like Giacomini, it's something I'm very familiar with and I apologize for whatever I do to it. It's not intentional.

Also, I would like to announce
that the Board decided to make a slight change in the process of public comment at this meeting. I believe most of you have been made aware of this as you signed up, but the Board felt that it was very important that everyone be held to the same level of fairness for lack of a better term. We are signed up and assigned to give five minutes of public comment.

We do allow proxies, but the use of the proxy to just allow someone to have ten minutes of thought, continuing thought, rather than being held to five as everyone else is, we do not feel was fair.

If someone is going to come up with a proxy and do point one, two and three and then come back with -- make their own presentation with point one, two and three and then come back with their proxy and do four, five and six, that is certainly their right, but we're holding each person as their speaking to their five-minute allotment. You
will be allowed one proxy, but there will be
at least one person between you and your proxy
presentation.

So, again, podium one, podium two.
I see we're already ready and if the next
people up will also get ready. We have the
signs. We have five minutes. We have a one-
minute warning and stop and you will hear your
buzzer. Hopefully, it would be loud enough.

And I would remind all of the
Board Members to please be as concise as
possible with your questions and be aware of
the fact that we want to be as concise and
considerate to the last and paced out so that
we can do that for the last people presenting
as we are for the first.

Lisa, could you give us an update
on the video or do we have someone else from
the program to -- yes.

MS. MILLER: I'm Greta Miller.
We're independent film makers. We made a film
about organics in Wisconsin in 2004 and '05
called Back to the Land Again and we're just here to see what's going on this year that you're meeting in Madison.

MR. GIACOMINI: Okay. Thank you.

Did you get that adequately for the transcript? Okay. Good.

Okay. So, they're ready. If everyone else is ready to go, all the Board Members are in place. We're not used to this either, but so, we're going back and forth on the two podiums. But, we'll get ready.

Randy.

MR. ROMANSKI: Right. Thank you.

Good morning. My name is Randy Romanski and I am the Secretary of the Wisconsin Department of Agriculture Trade and Consumer Protection. Welcome to Wisconsin.

All right. I'll try and speak a little louder then.

We're proud of the role Wisconsin's played in the growth of organics nationwide and of the role the Department of
Agriculture Trade and Consumer Protection has played in that growth.

Our agriculture development diversification program provides funding to foster a diverse agricultural economy in the state.

In 1989, we gave $20,850 in grant money to a group of farmers who wanted to start a cooperative to sell organic vegetables. From those humble beginnings Organic Valley Family of Farms has grown into the largest farmer cooperative in the nation.

Along with Organic Valley, Wisconsin boasts the largest organic farming conference in the country sponsored by the Mid-West Organic and Sustainable Education Service, MOSES, along with the Mid-West Organic Services Association, MOSA. These organizations were here in the early days of organics and have all contributed substantially to its growth in our state.

We are proud to partner with them.
and the organic farmers and the businesses of the State of Wisconsin.

Today, Wisconsin's a prominent player in the national organic stage with the second largest number of organic farmers after California. We're first in organic dairy farms and in the top five in numbers of organic livestock and poultry farms, vegetable farms and field and crop production.

We've seen the number of organic business grow by 70 percent since 2005 with many processors branching out into organic products and many new companies starting up or moving into our state. This is a reflection of the support and infrastructure we provide to the organic sector.

We feel that organics have an important role to play in a strong diversified agricultural economy for Wisconsin. Our agricultural sector accounts for $59 billion in economic activity annually for our state. Our diverse agricultural economy includes
everything from dairy to cranberries and
potatoes to ginseng and we have organic
producers in all of those products. That
diversity provides stability for our
agricultural economy.

That's why our agency supports
organic agriculture. That is why we hosted an
organic summit in 2004 that brought together
leaders in the organic sector with agency and
university representatives to ask the
question: how can we help grow this industry?

Our answer was creation of an
organic task force in 2005 to identify the
needs and issues. In 2006, the organic task
force report identified four actions the state
should take to move organics forward here.

We've accomplished all four of
them with the creation of organic specialist
positions at the Department of Ag Trade and
Consumer Protection and the University of
Wisconsin College of Agriculture and Life
Sciences, in the establishment of a permanent
private sector organic advisory council and an
interagency team made up of state and Federal
agency representatives.

These groups work together to
carry out our organic goals.

Here in Wisconsin, we have a long-
standing interest in promoting and supporting
organics. Our Agricultural Development and
Diversification Program has averaged one or
more grants to support organics averaging
$27,000 per year totaling over $550,000 over
the 20 years of the program.

Through our value-added dairy
initiative, we have invested $200,000 in
organic dairy farms and processors over the
six years of that program.

Our Organic Specialist Laura Payne
and the Organic Advisory Council are part of
our investment in organic agriculture. Their
work has helped focus attention on the needs
of the organic sector.

As a result, we've been able to
provide strategic resources to support infrastructure development that helps with processing and distribution of the high quality products raised by our Wisconsin organic farmers.

We looking forward to continuing partnerships with the organic community and with the Board's permission, I'd like to introduce to you one of those partners. Christine Mason, Farm Manager for Standard Process, Incorporated is Secretary of our Organic Advisory Council and she will be speaking next.

But, I'd just like to close by once again saying thank you for being here. Welcome to Wisconsin and most importantly, thank you for all that you do.

MR. GIACOMINI: Thank you. Any questions? Any questions or comments for Randy before we move on to Christine?

Okay. Next on deck on this one is Mark Kastel. Christine -- that's all right.
You'll get it down. It's a long day.

MS. MASON: Good morning. As Randy said, I am the Secretary of the Wisconsin Organic Advisory Council. We are a standing committee of the Wisconsin Department of Ag Trade and Consumer Protection. The OAC is formed by stakeholders from all facets of the organic community including various state and Federal agencies within Wisconsin.

Our mission is to bring together public and private resources to promote Wisconsin's national leadership position in organic agriculture as well as to advise the Wisconsin Department of Agriculture on pertinent organic issues.

The council supports organic production, processing and purchasing opportunities for Wisconsin's organic farmers, processors and consumers.

The partnership between the Wisconsin Organic Advisory Council and the Government interagency team has helped to
build alliances and enhance the climate for the growth of organics in this state.

Protection and promotion of organic integrity is the basis for most of the work that we do and I would like to share with you our thoughts on several of the issues currently facing Wisconsin's organic community.

First, we strongly support the establishment of credible and verifiable animal welfare standards. Wisconsin is a national leader in organic dairy and livestock production and we feel that animal welfare standards are critically essential to the integrity of these sectors.

Currently, there are a variety of humane labels that are competing with the organic label in the marketplace. Ambiguity within the organic standard with regards to animal welfare may well influence some consumers to make a choice between an organic label and a humane label.
To cement consumer confidence, the organic label should represent the highest standard in animal husbandry and fulfill the spirit of the law which mandates natural behavior and other humane practices. Practical common sense standards are critical to the continued growth of and consumer confidence in organic livestock products. Strong animal welfare standards will strengthen the organic label and reduce consumer confusion about humane labels in the marketplace.

Secondly, we would like to thank the NOP for the release of the pasture standard and encourage them to oversee the credible and consistent implementation of this regulation for all ruminant livestock products that carry the USDA organic seal.

As a leader in the organic dairy and livestock sectors as well as in pasture-based systems, we in Wisconsin applaud the NOP for establishing a standard that insure that
pasture is a substantial component of a
ruminant's diet under the organic standard.

We have not heard if the beef
finishing section of the regulation will be
modified or if it will stand as written based
on the public comment period last February.
We would like to hear from the NOP in regards
to the beef finishing standards and also, we
would like to know if the origin of livestock
regulation is near to completion.

Thirdly, we'd like to thank the
NOP for working to improve the organic
certification cost-share program. The program
is very popular among Wisconsin farmers and
processors and we appreciate the additional
funds the NOP has provided to a lot more of
our farmers to receive this benefit.

We encourage the national program
to provide more tools and funding to help us
reach out to those not currently utilizing the
program. We feel that the cost-share program
could be an effective tool for bringing
onboard producers who are currently not certified and view the costs associated with certification as a barrier.

Many producers use the work organic when selling their products, but they may or may not meet the organic regulations. Some of these farmers truly meet the exempt status while others do not. Bringing these producers into the organic certification community will strengthen consumer confidence in the organic label.

The dollars given to the states to administer the program are currently not sufficient to do this further outreach and typically only currently certified organic producers are directly informed about the program.

Lastly, we strongly support the removal of hops from 606. Thank you to the Crops Committee for listening to the organic hops growers in recommending removal.

Wisconsin is the home of many fine
breweries some of which produce organic beer. We also have a burgeoning organic hops growing sector. The removal of hops from 606 will help to expand markets for contracting and growing of organic hops.

So, in conclusion, thanks for coming to Wisconsin for this meeting. We are proud to host the National Organic Standards Board. We hope you enjoy our beautiful state and that you have a chance to meet some of the many dynamic organic producers who have made Wisconsin a leader in organic agriculture.

MR. GIACOMINI: Thank you. Any questions or comments? Seeing none. Thank you.

Next up on podium two is Charlotte from Cornucopia. Meghann Quinn on deck for number one.

Mark.

MR. KASTEL: We're trying to get our technology down here, folks. Go back to the beginning for me, Lisa. Will you? Thank
you.

Hello. Welcome to Wisconsin. I'm not the only one saying that today.

My name's Mark Kastel. I am the Senior Farm Policy Analyst for the Cornucopia Institute. We're based on Cornucopia, Wisconsin. We're a farm policy research group that supports family scale farmers and acts as an organic industry watchdog.

Today, we're formally presenting to you our most recent research report separating factory egg production from authentic organic agriculture entitled Scrambled Eggs. You should have all received a copy of this on the Board.

Why? Why did we spend the last two years looking at farms around the country? Well, we heard reports of widespread abuses in organic agriculture, quote organic. Large containment operations with absolutely no access to the outdoors for birds either because, and I wish I was making this up, they
have a note from a veterinarian saying it
would be dangerous for the birds to be outside
and in those operations, the -- can you dim
the lights, too? Is that possible? Thank
you.

In those operations, we had birds
basically in confinement. Very similar
models. This is an aviary system. This
particular henhouse has 35,000 birds. This
particular barn had access to outdoors. There
was about 1 percent of their birds outside the
day I visited, but in terms of the stocking
density, very typical of conventional
agriculture.

So, in response, we visited many
facilities around the country. Many of these
were two-story buildings. Some had 80,000
birds in one barn. We conducted hundreds of
interviews, unannounced farm visits, surveyed
all egg producers in the United States and so,
we came up with some commonality.

It's a little hard to see this,
but so, one scenario, we had the folks that didn't have any access to outdoors, but they had a nice note.

We have a little porch on the end of this facility and what's characteristic of -- we've heard of pass-through poultry, of porch poultry. Is that you've got a large fixed barn with anywhere from let's say 5,000 to 30,000 maybe 80,000 birds and then maybe you have a porch with 3 percent of the square footage of the footprint of the building.

So, even if the Board here agreed that a porch with a wood floor, a small porch with a wood floor or a porch with a concrete floor and a roof constituted, quote, the outdoors and we certainly don't agree with that premise. If only 3 to 5 percent of the birds have access to that, quote, outdoors, that means that 95 percent of those birds have no access to the outdoors.

This is unfair to legitimate ethical family farmers. So, it's certainly
grossly unfair to consumers who think they're supporting a different kind of ethic where the birds have more space inside than typical conventional facilities. They're treated with more respect.

In Europe, they require 40 square feet which might be indicative of this farm in Wisconsin and what we found a lot was plenty of space. This is a 15,000 bird facility in Illinois. All the birds were inside. Plenty of space. Lots of houses. Overgrown with weeds. No birds have been out. Lot of houses with one door on the end for 20,000 birds. This had about 500 birds out out of 20,000. Right. Down at the end there's one door. So, those are the birds out. Again, about a 15,000 bird facility in Indiana.

It's hard to see this, but the grass on both sides of this fence is exactly the same. It's been mowed. There's been no birds out.

We've got buildings with 15,000
birds with doors a foot and a half by a foot and a half wide. Fifteen thousand birds.

Birds with access to rubble, gravel. This is a feedlot.

I'm going to end. This sentence.

The pullets don't go outside.

This is a pullet facility in Wisconsin where the birds have total confinement.

But, folks, there's some farmers doing this right. They need to be protected.

Thank you. If you have any questions, I'll try to answer them.

MR. GIACOMINI: Thank you.

Questions, comments for Mark? Thank you.

MR. KASTEL: Thank you very much for the opportunity. Yes, Kevin.

MR. ENGELBERT: Some of the public comments we read, Mark, said that because of the standards that have been enacted in Europe, they now are an importer of organic eggs. Do you know that to be true or not?

MR. KASTEL: Well, no, I know that
what we see -- a real phenomenon across the
country is consumers sadly and some retailers
abandoning certified organic eggs and getting,
quote, local eggs, free range eggs. Where the
birds actually do have access to the outdoors.

Unfortunately, the primary feed
even though these birds do eat grass, they eat
bugs, they eat seeds, they eat insects and
worms and they're omnivores. They're not
vegetarians and they do eat grass, but grain
is the primary diet. So, these, quote,
natural eggs that are free range and truly
pastured, they might rotate the chicken coops
in the field, they're eating GMO conventional
corn.

So, it's certainly hurting our
farmers. It's hurting the organic industry as
a whole because people are looking for more
meaning in their food and they know that there
is a nutritional superiority with pasture-
raised eggs.

So, I haven't heard about the
European phenomenon yet, but I certainly know that we're losing organic sales to competitors that are looking to meet the needs of those consumers.

MR. GIACOMINI: Thank you. Okay. Any more?

MR. KASTEL: Thank you very much.

MR. GIACOMINI: Thank you. Next up is Charlotte. Next up on number one is Meghann Quinn. Next up on number two is Leslie Zuck. Charlotte.

MS. VALLAEYS: Good morning. My name is Charlotte Vallaeys. I am a Farm and Food Policy Analyst with the Cornucopia Institute and I'm the lead author/researcher of the Scrambled Eggs Report.

I will present arguments for outdoor access for organic laying hens responding directly to some of the arguments that have been used by industrial-scale producers who would like to see their current model of .1 square foot per bird outside
become the standard.

In some cases, however, there simply aren't any responses that I can give when a producer with a quarter million laying hens in one location argues that it's difficult to meet certain organic principles. Maybe a quarter million birds in one location isn't organic.

I urge you not to change the standards to fit their model and accommodate them.

Family-scale farmers, many of whom are our members, and organic consumers are seeking an alternative from mono-culture, highly intensive factory farm models and they believe strongly that the standards should be strong closing the loopholes that allow eggs from these factory farms to pass as organic.

My presentation will include only a small sampling of the arguments that are detailed and footnoted in the full report. There is an entire section devoted to
responding to industrial scale producers' arguments with scientific studies and also footnoting experiences that we've heard from producers. So, I encourage everybody to read the report.

First, some argue that chickens don't need to go outside to satisfy some instinctive natural behavior like foraging. They argue that they can recreate an outdoor environment indoors with litter on covered porches.

Research published in peer reviewed academic journals shows that the diversity of stimuli provided by the outdoors cannot be matched by indoor environments and animal welfare specialists have published studies explaining that the inability to forage outside under natural conditions contributes to the aggressive behavior of feather pecking. This research if substantiated by the experiences of pasture-based producers who do not routinely trim
their hens' beaks. Because there is no need
when the hens are given enough space and the
ability to peck in the ground not at each
other.

Some like the argument that
chickens are not cows and, therefore, they
don't pasture. They make it sound as if
chickens unlike cows were made to be confined
in henhouses with 30,000 or 80,000 other
chickens.

They also say that chickens don't
like to go outside. This is simply not true.
Any organic producer who lets his or her birds
out will tell you that chickens that have been
acclimated to the outdoors since a young age,
that have adequate access and that have a rich
outdoor environment love to go outside.

In response to our report, some
industrial-scale producers have said why are
you targeting us when all we've done is
figured out a profitable model production
system for organic eggs? Well, have they
really figured it out or have they simply
taken the conventional model and substituted
organic feed for conventional feed?

Organic is about more than just
substituting one input for another. It's
about changing your system, your approach and
often your mind set.

Take as an example the argument
that dirt or outdoor runs cannot be
disininfected, but porches can and, therefore,
are better for reducing the risk of salmonella
and disease. Yes, it's true you can't bleach
a pasture, but that's missing the point of
organics.

There are best practices that can
be adopted in an organic system such as
letting the land rest and rotating paddocks.

Salmonella contamination is indeed
a concern outdoors, but as the August recall
of half a billion eggs has shown, salmonella
contamination is also a concern in total
confinement operations.
The 500 million eggs that were recalled were produced indoors. Yet, do we see anybody arguing for the prohibition of indoor systems? No, of course, not.

Since salmonella contamination can happen anywhere, indoors or outdoors, the key in both systems is good practices and preventive measures and I shall also point out that the FDA officials have shared these preventive measures for poultry production systems that include outdoor runs. By no means are they banning the outdoors.

Another health -- oh. Okay. One minute left.

Another argument for sterilized confinement is that they are keeping the birds healthy, but consider the research that has been shown that the reduction of stress actually builds the birds' immunity and they are, therefore, better able to deal with these.

So, we would like to see organic
egg production conform to consumer
expectations, benefit animal welfare and level
the playing field for organic producers. We
think the standards need to be firm and that
means quantitative standards for stocking
density.

If you leave any room for
interpretation or loopholes, they will be
exploited. To keep the current system where
family-scaled producers with pasture or true
outdoor runs are forced to compete in the
marketplace with industrial-scaled producers.

In Europe, the standards are 43
square feet per bird outside. Many would like
to see that happen in the United States, but
also, a lot of our members and others have
questioned whether this is commercially
viable.

So, I guess my time is up. Any
questions? I'd be happy to answer.

MR. GIACOMINI: Any questions or
comments? Jay.
MR. FELDMAN: I'm curious as to what you see as the viability -- the current viability of your findings and your recommendations?

MS. VALLAEYS: Right. So, we would recommend -- we strongly urge the Board to switch the recommendation back from 2 square feet outside to 3 square feet outside which was the original Livestock Committee recommendation.

And for indoors, we are recommending 1.78 square feet inside which is the European standard.

MR. FELDMAN: And given your research and visits to these poultry houses, do you see that as commercially viable?

MS. VALLAEYS: Yes, we do and, in fact, there are going to be some organic egg producers who are doing it, and they will tell you how many square feet they give and they will tell you that it's -- they consider that to be commercially viable.
MR. GIACOMINI: Tracy.

MS. MIEDEMA: Charlotte, do you have any information --

MR. GIACOMINI: Oh, are you picking this up on the mike? Okay. Jay, microphone please.

MR. FELDMAN: Sorry.

MS. MIEDEMA: Do you have any information on what the cost to consumers for a dozen eggs would be? And I say that not at all to be argumentative but just to kind of probe this area that we've gotten so accustomed to cheap eggs and where we think the cost of eggs would go.

MS. VALLAEYS: Right. Certainly consumers would pay more, as they do now, for pastured eggs, and again, I think that this would be a question for some of the producers. We see $6 a dozen for pastured eggs in the marketplace and yet consumers are paying that money.

So, organic consumers are willing
to spend more money if they know that it is organic, that they are supporting a different model and that their dollars are going towards supporting family farmers and animal welfare.

So will it cost more than what you're seeing right now? Yes, probably.

MR. GIACOMINI: Kevin.

MR. ENGELBERT: Thank you, Charlotte. Two quick questions.

One, you have said that consumers expect birds to be outside. Have you done any scientific research to that affect with your study to know what those percentages might be if an average organic consumer that picked up some eggs was asked do you assume these birds are outside or not?

And two, well, if you'll answer that one first.

MS. VALLAEYS: No, we considered doing that kind of market research, but we did not do that. So, I don't have scientific numbers to give you from a study.
But we do have -- again, later there will be consumer representatives from co-ops, for example, who will tell you just from their own experience that when they talk to the people who are buying organic foods, that they're quite shocked when they find out what's really going on. When they buy organic eggs, that they are expecting those birds to go outside, and when they find out that that's not the case, that they are quite shocked and frustrated by that.

And certainly, in response to our report, as soon as it was released, we had a lot of consumer comments comes in that they were very grateful for our scorecard, knowing exactly the story behind their food and telling us thank you for doing this because we actually really thought that we were supporting a system where the chickens go outside.

And so, I mean I think consumers certainly are expecting this, but I do not
MR. ENGELBERT: The other quick question I have is the concerns about keeping birds inside relevant to the avian flu that are carried by wild birds seems legitimate, and that's one thing that I wrestle with.

I know there have been no documented cases of outdoor poultry contracting these diseases, but in the event that that does happen, what do you think the response to organic eggs would be if that was the case and how do you justify forcing them outside and then having something like that take place?

MS. VALLAEYS: Yes, under no circumstances would we want to force birds to go outside when there is a documented outbreak of avian influenza, and in fact, temporary confinements in the occurrence of a disease outbreak is certainly legitimate, and we would not be in support of forcing them out when there is an outbreak. So, we support the
temporary confinement in the case of disease outbreaks.

MR. GIACOMINI: Okay. That's it I think. No other ones. I think that's it.

Thank you, Charlotte.

Meghann Quinn on one. Leslie Zuck on two. Jason Perrault on one on deck.

MS. QUINN: Good morning again, fellows. My name is Meghann Quinn. I'm the Executive Director of the American Organic Hop Grower Association.

The AOHGA was formed to promote the use of organic hops by organic hop growers. So, today, I'm just going to go through a brief overview of kind of what we've been dealing with for the last year and our thoughts on the issue currently.

First of all, I want to thank the Board, especially the Handling Committee, for their hard work on our issue as well as Miles and Lisa and all the NOP for all that they've done to make a success over the last year and
also for the opportunity to be up here today talking.

So, for a little background, in 2007, hops were first added to the National List because it was determined there wasn't enough organic hops to meet the needs of organic brewers. But since then, the hop growers in the U.S. have really made a commitment to organic production.

They've learned a lot over the last three years, including how to successfully grow high quality organic hops. But, having a really hard time selling those under the current regulatory environment.

So, about a year ago, we started working on a petition to the NOSB to request the removal of hops from Section 205.606.

We are very confident in our ability to produce the organic hops that the organic brewing industry needs, and we feel that the continued placement of hops on the National List does go against the spirit and
intent of law to transition to organic
production.

Right now, there's not a lot of
incentive for brewers to enter into forward
contracts. We'll get into a little bit of
that later today, but that is actually
discouraging farmers from growing their hops
organically.

So if hops remain, a lot of these
growers are going to be forced to reduce their
organic acreage or exit the industry
altogether, and I don't think that's the
intent of 606.

So therefore, we do support the
revised recommendation that the Handling
Committee released a few weeks ago
recommending the removal of hops effective
January 1st, 2013.

We do understand that this will
probably mean the recommendation that hops
remain on the list due to the sunset
provision, since that would be to sunset in
2012, but we are okay with that as long as we are working towards this January 1st, 2013 date.

Hops are only harvested once per year. So, that gives two full crop years to align the supply and demand and really ensure that we can meet those needs of all the brewers out there.

So, I wanted to keep it relatively brief. Plenty of time for questions, but later today, there are some third and fourth generation hop growers that are really committed to organic production. They're going to be talking, going through some more specifics on quantity and variety issues, as well as educating on the unique nature of the hop industry and its reliance on forward contracting.

There's also a few people here that are working to develop organic production in different areas of the U.S. that specialize in organic production. So, you'll hear from
So, we really encourage you to ask questions and we want you to leave here today with a clear, confident understanding of why it's time for hops to be removed from the National List.

So, any questions?


MS. QUINN: All right. Thanks, guys.

MR. GIA COMIN INI: Leslie Zuck on two. Jason Perrault on one. Next on two, Tim Callahan.

MS. ZUCK: Hello. I'm Leslie Zuck. I'm the Executive Director of Pennsylvania Certified Organic.

Before I start, I just want -- since there's a number of our PCO poultry producers in the room here and our accredits as well, I'd like to just publicly state that
PCO does not allow enclosed porches for poultry production, although the Cornucopia website does say that we do. So, I want to set the record straight on that. Never have and as far as I know, never will.

And that PCO does support the need for guidance and rulemaking on organic poultry outdoor access requirements.

Let me get my computer to work here.

I also do want to thank the CAC Committee and particularly Joe Smillie our certifier rep on the Board for all their work, and as a member of the Accredited Certifiers Association Board, I particularly appreciated Joe's participating on our calls and keeping us informed on the Committee's work. That's really improved, I think, a lot of the quality of their work and our work and I appreciate that and I hope it will continue.

So, the title of my comment is, A Cow is Not a Package. Does that clue you in
on what I'm going to talk about?

Of course, we all know that, and we do appreciate the CAC Committee clarifying it just in case there are some people out there who might think otherwise.

But, unfortunately, clarifying that a cow is not a package is really not enough to stop the uncertified auctioneers who are holding organic livestock auctions, nor will it deter uncertified traders and brokers from buying and reselling supposedly organic products, whether or not they're a railcar of soybeans or they're wrapped bales of hay are considered to being closed in a container.

The clarification is very helpful, although it's not enough. I'm still not sure whether a wrapped bale of hay is a package, but my real point here is to say that that's not the point.

The issue, at least in our experience, has not really been whether the cow or railcar load of hay or even a wrapped
bale is a container. The issue with these buyers and sellers of organic products who take some form of title to the goods as you say in your recommendation and sell it to multiple buyers is whether these traders fit the definition of handling operation in the first place.

If they don't fit that definition, they are simply not subject to the rule at all, regardless of whether they shrink wrap their cows. Okay.

In other words, rather than starting with Section 101(b), which describes the exclusions, which is what your recommendation was about to clarify, we need to start with Section 205.100(a) which describes what has to be certified and what that says is except for operations exempt or excluded, and I'll just ignore that for a minute, each production or handling operation that produces or handles crops, livestock, livestock products, et cetera must be
certified.

So, what that means in order to be subject to our rule in the first place, you have to be a production or handling operation and you must produce or handle something and if you don't fit the definition, the rule doesn't apply to you and neither do the exclusions and exemptions.

So to find out if our hay broker or auctioneer is subject to the rule, what we do is we read the definitions. Everybody's favorite part of the rule. Right?

And the definition of handling operation is any operation or portion of an operation that receives or otherwise acquires agricultural products and processes, packages or stores such products, and that's where the problem is because these traders although they do receive and acquire that organic product, they're not processing or packaging or storing it, and so that's the problem we run into.

We really would like to close what
we call at PCO the hay broker loophole and the
CAC Committee did a really, really good job of
descrribing why this is a huge problem as our
industry has sort of grown up all around us.

We know for a fact that there are
uncertified hay brokers in Pennsylvania that
buy and sell organic and nonorganic hay at the
same time, sometimes on the same load. They
keep zero records and they have lots of
Xeroxed copies of certificates, which they do
hand over to the buyer. Okay. But, there is
absolutely nothing -- you know, there's no
audit trail.

So, you know, basically, this
leaves a huge gap. We call it almost a Grand
Canyon in some cases in the audit trail.
Because there's no link between the source of
the organic product and the buyer of the
organic product. They aren't able to then
show to their certifier that they purchased
that feed from an organic source.

With auction houses, it's even
scarier because there are hundreds of animals
-- and I know there are some northeast
certifiers here who will verify this. They're
going through this auction house and they're
sold within a few hours. Okay. All the
documents leave the site with those cows.
There's absolutely nothing left to audit.
Nothing at the office or anything. There's
nothing there. So, this is a problem.

That's one minute or is that the
time? Oh.

MR. GIACOMINI: That's it.

MS. ZUCK: Well, Joe will have
some questions for me I think.

MR. GIACOMINI: Kevin?

MR. ENGELBERT: Yes, would you
finish your comment Leslie and then I have a
question for you.

MS. ZUCK: Just one more sentence.

Whether fixing this would require a technical
correction or a rule change, I really don't
know. I just wanted to point it out to you
all on the committee in case you might want to take a look at it and maybe address the definition issue in your recommendation.

And as a side, the definitions for handle, handler, and handling operation are all different, and they conflict and they're contradictory. So, I think that's another problem that we should probably try to fix.

MR. ENGELBERT: Leslie, how do have a hay-broker sell hay to a farmer, hand over a certificate, but not hand over transaction certificate or a statement saying which farm produced that hay and the lot number that it was produced by?

MS. ZUCK: Well, Kevin, we are currently requiring that, but there's nothing in the rule that will support us in requiring that at this point.

We do ask -- because the issue for those of you who aren't familiar with it is that the farmer is showing the inspector, here's my certificate for the hay and the
certificate for the hay says, you know, Farmer GA, an organic farmer, has produced this hay, but then the farmer actually paid the broker over here. So, the invoice has the broker's name on it. The certificate has the farmer's name on it. They don't match up.

We are, as a stop gap measure, requiring that those sellers and those traders give an invoice, but they don't want to do that because then they're showing the farmer how much they paid for it. So, they're having to give them that and they don't want to do that and the rule really doesn't require them to do it because they're excluded.

MR. GIACOMINI: Joe.
MS. ZUCK: I mean not excluded.
They're not --

MR. SMILLIE: What about the stores? The word stores in the handling operation. Is it always on the fly?
MS. ZUCK: Not always, but most of the time.
MR. SMILLIE: Most of the time it's on the fly.

MS. ZUCK: They're basically not.

They're --

MR. SMILLIE: So, they never really --

MS. ZUCK: Yes, there are some who store it.

MR. SMILLIE: So, they're included in it the --

MS. ZUCK: Yes, and we look at that.

MR. SMILLIE: Okay.

MS. ZUCK: But, if they're not storing it, they're just basically either trading it, not taking title to it or --

MR. SMILLIE: Right.

MS. ZUCK: -- taking title to it and just taking it on the truck over from one place to another. They're not --

MR. SMILLIE: And the other thing then as part of the audit trail, someone's --
I mean we all agree that you don't have to be certified to transport unless you're shipping to the EU. But, someone has to be responsible for that part of the audit trail. It's either the seller or the buyer. Somebody is responsible to ensure that the transport is also covered as part of the process.

MS. ZUCK: And that all sounds good in theory, but in practice, the organic farmer is buying this product with a certificate and they're kind of left holding the bag at their inspection because they -- you know, they didn't have any reason to look behind that certificate when it was handed over to them.

MR. SMILLIE: But the certificate that they're holding is not the certificate of the person that sold it to them.

MS. ZUCK: Right. That's the problem.

MR. SMILLIE: Yes. But, someone has to be responsible for the transport
affidavit.

MS. ZUCK: Right. So, which one should be responsible? The buyer or the seller?

MR. SMILLIE: Yes, well.

MS. ZUCK: Okay. And who's going to audit to make sure that that was the actual transport affidavit that came with that load. Because there's no audit trail to go back and check it. There's no -- we don't have any authority to go and check any of these transactions whatsoever, and neither does the USDA at this point in my opinion.

MR. GIACOMINI: Tracy.

MS. MIEDEMA: Well, as a Committee, our goal here was to bring attention to this issue.

MS. ZUCK: Good job.

MS. MIEDEMA: And, you know, ultimately, this is an issue at NOP and I have a question then for the program on whether these potential loopholes where there might be
a laundering of nonorganic into organic supply, whether that's on the program's radar screen?

MR. MCEVOY: Yes, this is one area we're working on: guidance for exempt and excluded operations, which ones are in that category. So, we're working on that particular issue. This is going to be very helpful. The recommendation from the Board on this particular issue.

I would just say that if you can't -- if there's not an adequate audit trail, then there's a problem and there should be some noncompliances at least that happen. You have to be able to track the product back to the farm, and you do have -- record-keeping is a requirement and following the audit trail is a requirement.

So, I would say that you do have -- you might not have the authority to -- they could refuse you access to their records, the uncertified operation, but you have an
inadequate audit trail, then you should not be granting certification.

MS. ZUCK: Yes, we do check that.

As I said, we require that now, but the problem is that nobody can make sure that those are actual true documents. There's no inspection of that trader.

So, the people who are passing through those documents, they're going from the certified operation to a noncertified operation to a certified operation and there's no way that we can check to make sure that isn't just a copy of the last load that he sold last month or a copy -- you know, there's no oversight for that.

MR. SMILLIE: Yes, judging from your comment, Miles, this is already covered under the regulation you feel. We don't need to make any technical corrections or rule changes on this one. Right?

MR. MCEVOY: Well, in terms of your recommendation whether we'd have to make
any rule changes or not --

MR. SMILLIE: Well, our
recommendation doesn't ask for any rule change
or technical correction.

MR. MCEVOY: Right. So, we'll
take a look at that and see whether or not
that's actually true. Whether or not we can
do what you're asking through guidance versus
whether it needs a rule change and so, we'll
take a look at that.

MR. SMILLIE: It sounds like from
what Leslie pointed out which is true is that
we may need to clean up the handling
definition. We saw that in, you know, the
private labeling issue also awhile back, as I
recall. Those definitions may need to be
cleaned up and that would be a change.

MR. MCEVOY: Right. And the
problem with the handling definitions, they're
straight out of OFPA. So, therefore, you have
a more difficult -- yes.

MR. GIACOMINI: John.
MR. FOSTER: Thanks, Leslie.

Agree with you all the way on that.

The goal here was to take a very discreet item and deal with it. It's a small piece of the pie of concern and my observations have been when you try and get too many pieces of the pie at once, you get none of the pie.

So, the goal here was a very discreet, small section of what needs to be done. Hopefully, it doesn't require a regulatory change.

But, I would suggest to whoever chairs the CACC to take up your suggestion about 205.100(a) as well on the next work plan. So, I see that fitting together very well, which is --

MS. ZUCK: I think that was a huge help. I wouldn't say it was a small piece of the pie. I think it was a large piece of the pie. I think it's really help certifiers to close that loophole.
MR. GIACOMINI: Seeing no more, thank you, Leslie.

Next up, one second here, Jason Perrault. Tim Callahan on two. Liana on one on deck. Yes.

MR. PERRAULT: Thank you for the opportunity to come and speak to you today. I'm speaking in support of the American Organic Hop Grower Association's petition to remove hops from the 205.606 list. I'm additionally speaking in support of the Handling Committee's recommendation to remove hops as well by the date of January 1st, 2013. It's appreciated that the Handling Committee went back and amended their initiation recommendation.

As a hop breeder and a fourth generation hop grower, my reasons for wanting hops removed are quite simple. Principally, I think it's the right thing to do and I think it's the right time to do it. Practically, it has had the affect of completely stifling our
market.

We've been growing organic hops for four years now, and we have currently unsold inventory dating back for three of those four years, and in fact, it wasn't until the AOHGA petition was made public that we had any inquiries -- active inquiries regarding our hops. So, I think that serves to point out the inequities in the system.

We haven't had any inquiries, whether it be for forward contracts which is the standard practice in hops or for specific varieties, and opponents to the petition tend to key in on the variety issue. Particularly, that there is not enough varieties available to brew the beers they want to brew.

Not only is this line of reasoning flawed, it seems to point out that there are inequities with regard to hops that other crops are not subject to. It is standard practice in organic agriculture and in line with the standards of organics itself that
growers should select varieties based upon not only market demand, but their ability to be grown under an organic system with minimal inputs. That's part of smart selection practices.

So, this would imply that not all varieties will be or even should be made available organically and there are 150 plus known hop varieties out there. This is really a standard that's unique to hops and I don't think any other crop is held to.

It has also been argued that the current system accounts for this by requiring brewers to actively try to source their varieties and for certifiers to verify their attempts, and I appreciate the intent with that, but it simply hasn't worked and we are a good example of how that has not worked for us. So, there's an obvious disconnect there between the grower up to the brewer level.

And there hasn't been past opposition to this, and the initial petition
to add hops to a list has failed to offer solutions to the growers to this dilemma.

As growers, we don't have any direction at all as to what varieties should we be growing. So, it's left to us to try to guess what the brewers are demanding.

And I think it's also critical to note here that despite what opponents might say, every style of beer can be brewed with the 30 plus varieties that are grown organically right now. To say otherwise is misrepresentation of fact.

Which really then it boils down to becoming an issue of flavor profile. So, while every style can be brewed, it can be argued that well, I can't get the flavor profile I'm looking for, but as I mentioned, we're currently growing 30 plus varieties. Used in different combinations, this offers an endless myriad of flavor profiles.

So additionally, you know, perhaps this implies that -- by inclusion on the list,
this is implying that all varieties of hops should be made available, but perhaps more importantly, it's implying that flavor profile outweighs the principals of organic production.

Additionally, the issue of flavor profiles is a short-term issue. By removing hops from the list, it'll force open lines of meaningful communication from the grower level to the brewer level which will allow us as growers to supply the varieties that the brewers truly want to create those flavor profiles they're after and to provide the consumer of organic beers with the confidence in the integrity of the organic label.

Thank you.

MR. GIACOMINI: Joe.

MR. SMILLIE: Thank you. I held back my comments from Meghann and I wanted to thank Meghann for her great work on behalf of the hop growers and the beer industry in reaching a compromise. We're trying to limit
our questions and statements, but it's great
to have you as a grower in front of us.

My first question is, who are
certified by?

MR. PERRAULT: WSDA, Washington State Department of Agriculture.

MR. SMILLIE: Are most of the Yakima Valley growers certified by WSDA?

MR. PERRAULT: I would say all the organic Yakima growers are.

MR. SMILLIE: Huh. I phoned WSDA, but maybe I didn't talk to the right people.
That's good. You've got a certificate. No more questions on that issue.

The three year unsold inventories and no inquiries is particularly troublesome.
Again, as everybody knows, 606 doesn't mean you can just use conventional. It just means that if organic isn't available, you can use conventional. So, again, we've got a disconnect between the commercial availability requirements in hops and the fact that you've
received no inquiries whatsoever is
particularly troublesome, and hopefully we'll
solve that.

Because I truly believe and again
there's a very different opinion from other
people, but I truly believe putting something
on 606 to start an industry and then pulling
it off is the way 606 is suppose to work. 606
is suppose to spur the production of organic,
not limit it and some people feel that when
you put it on 606, that limits the growth of
an organic industry. I disagree completely.

The whole idea, and I think the
way it should work and hopefully will work is
that it will get organic production going so
that we can take it off. That's the plan and
that's how it's supposed to work.

The variety issue, I think you've
spoken to I think very well and a lot of us
are -- you know, that was what was presented
to us by the brewers. You know, I'll just
read you a statement.
"Light bitterness of this lager is accredited," accredited I love that word, "to a crisp Hallertauer and spicy Tettnang variety with a flavor aroma from Hallertauer, Hersbrucker, and ..."

You know, the whole brewing industry really, you know, markets their product based on, nowadays, not their malt so much which, is pretty standard. I mean there's different malts, but they base it on the whole hop issue.

So, the variety issue is important. I think you've addressed that when you said that with the 30 available you feel that all the flavor profiles can be met. I'm hoping that we'll hear from brewers to get their agreement.

I also wanted to thank you profusely for your statement saying that with that said we're also cognizant of the potential risk to our brewery customers posed by a swift or abrupt removal and I take it
that you've spoken in favor of the January 1st deadline.

MR. PERRAULT: Correct.

MR. SMILLIE: So, I appreciate you coming here. I appreciate all of the work you guys are doing and I think we're on track now to make that happen.

MR. PERRAULT: Great. Thank you very much.

MR. GIACOMINI: Kevin.

MR. ENGELBERT: I will resist the temptation to get into the 606 argument at this point with Joe.

MR. GIACOMINI: Please.

MR. ENGELBERT: And stick right to my question for you. What percentage of the hops that are grown are contracted and what percentage are sold on the spot market. You know, like Joe said, your three year supply and not getting a call is very troublesome and I'm wondering, you know, if hops did sunset, what's the time frame? Is it possible for
contracts to go out and hops be grown to meet
the demand for certified organic hops?

              MR. PERRAULT: Yes, to address the
first part of that, I would say that about 95
percent of the conventional market is
contracted or contracting.

              Right now, I can speak for our
farm and I'm aware of other farms in the area.
Essentially zero contracts are in place for
organic production, and I know that for a fact
for our farm and I think that goes for the
other Yakima farms as well.

              With regard to can the growers
respond? Can these contracts be put in place?
Absolutely. We're sitting in a position that,
you know, we would be ready and willing to
sign contracts now and we could technically
respond within a year.

              You know, if a brewer came to me
today and said I need, you know, 10,000 pounds
of X variety, I have the acreage and the
capabilities to get that production in the
ground and get that to him by next year.

But we also understand that there
is a period of time where, you know, brewers
need to time to kind of get those things in
place and that's why we support the extended
deadline.

MR. GIACOMINI: Kevin.

MR. ENGELBERT: One follow up.

What's to be gained from the two and a half
month time period from when it was originally
scheduled to sunset in the middle of October
2012 to January 1st, 2013? The growing
season's already over. The new season hasn't
started. What's the gain there?

MR. PERRAULT: Well, I think our
initial -- you know, our initial attempt was
to remove hops sooner, and then the
recommendation came back for the January 1st
deadline and I think that was a reasonable
amount of time for us and that two and a half
months, I suppose, you know, it could be
important from the contracting standpoint in
terms of getting through that next crop year, seeing what volumes are available and then moving that into a contract situation.

MR. GIACOMINI: Jeff.

MR. MOYER: Thank you, Mr. Chairman. Kevin asked my question. It was about contracts.


MR. FELDMAN: Thank you for your comments and I appreciate the input of the American Organic Hop Grower Association and the Committee's work on this.

I'm curious. Did you mention that you had outreach to brewers on this previous to this discussion with the NOSB?

MR. PERRAULT: Yes, we have reached out and both the brewers and handlers saying, you know, this is what we have.

MR. FELDMAN: And what was the response?

MR. PERRAULT: Typically, the
response is ah, well, we're not interested in those varieties.

MR. FELDMAN: Okay.

MR. PERRAULT: And this comes despite the fact that, you know, half of our production is in a high alpha variety. Which from a bittering standpoint in beer, you could make the argument you could substitute any hop on the early side of the boil, and these are about as high a alpha as you can get. So.

MR. FELDMAN: Thank you.

MR. GIACOMINI: Miles.

MR. MCEVOY: Yes, a point of clarification, the sunset date for hops is June 27th of 2012, not -- so, it's more like six months. Not two and a half months.

MR. GIACOMINI: Six months. Okay.

That's the question I have. What is the harvest period on hops typically and how variable is it in different parts of the country?

MR. PERRAULT: Well, in the
Pacific Northwest where the bulk of the hop production occurs, the harvest starts about the third week of August and extends through the end of September, and I would venture to guess that even in other growing regions, it's going to be similar.

MR. GIACOMINI: Okay. This is something I'll bring up for the Committee tomorrow. I'm just confused as to why we're setting up a sunset or a roll off -- rollover on this and where we're going to have -- we're allowing a harvest. We're going three months in and then suddenly in the middle of the year, we're so -- just that will be something we'll discuss tomorrow or whenever.

Any further? Okay. Thank you.

MR. PERRAULT: Thank you.

MR. GIACOMINI: Tim Callahan on two. Liana on one and Will Fantle with a proxy on two.

MR. RIGBY: Great. Thank you.

Good morning. My name's Graham Rigby, Vice
President of Innovation at New Chapter. I'm actually a proxy for Tim Callahan, our VP of Quality.

New Chapter is a leading dietary supplement manufacturer and the first full-line supplement company to become certified organic in 2005. We believe strongly in organics as organic food and supplements foster the health of people and the planet.

As a dietary supplement company, our commitment to our consumers is to promote their health and wellness through supplementing nutrients that they do not get enough of from their diet.

We've come today to express our concern over a recent interpretation by FDA over accessory nutrients allowed in organic products. The National List of allowed and prohibited substances 205.605(b) provides guidance for an extensive list of allowed accessory nutrient vitamins and minerals for organic and made-with-organic products. This
law specifically refers to 21 CFR 104 which in turn also references 101.9 for lists of allowed vitamins and minerals.

It's important to note that within these chapters there is specific language 104.2(f) that provides guidance that all accessory nutrients permitted by applicable regulations listed throughout these chapters are allowed and not just those listed in any one subsection.

It's our understanding that two omega fatty acids currently included in organic products but not listed in 21 CFR Part 104 or 101.9 have provoked a recent reinterpretation of allowable accessory nutrients by FDA.

Specifically, FDA has indicated to NOSB that 104.2(f) includes only nutrients that are listed in 104.2(d)(3). This subsection is a far more restrictive list and would effectively disallow nutrients, many of which have an established RDA, and all of
which were originally supported by the TAP formal review process.

Vitamin K is one of the critical nutrients not included in 104.2(d)(3), but that is found and allowed for inclusion in organic products because of its presence in the rest of those chapters. I will briefly describe its common food sources and biological role to underscore the serious implications of FDA's recent reinterpretation.

According to the USDA database, the food sources with the most abundant levels of vitamin K are green leafy vegetables: kale, collards, spinach, turnip greens in particular. The most bio-available form of vitamin K, vitamin K2, is found most commonly in fermented soy products and particularly high levels are found in a popular Japanese food called natto.

Green leafy vegetables, despite nutritionists' best efforts, are not a staple in most Americans' diets and natto which
tastes like vomit --

MR. SMILLIE: I object.

MR. RIGBY: It's an acquired taste. Isn't likely to catch on in the U.S. anytime soon. Given the few dietary sources of vitamin K available on the average American diet, the case for supplementation is clear. This is exactly the need New Chapter and other certified organic supplement companies fulfill.

Vitamin K2 plays a critical role in bone and cardiovascular health. Specifically, it helps keep calcium out of your arteries where you don't need it and in your bones where you do.

Recent studies showing a linkage between isolated calcium supplementation and cardiovascular events among women underscores what can happen when you don't have enough of this critical nutrient to keep calcium in the bones, where it belongs.

This is just one example of many
nutrients that would be excluded if NOSB heeds FDA's reinterpretation of 21 CFR Part 104.

We strongly recommend NOSB reject this reinterpretation and keep accessory nutrients as originally drafted and allow for the continued inclusion of all nutrients including vitamin K and other incredibly important nutrients such as selenium listed in the entire chapters of 21 CFR 104 and 101.9.

The failure to do so would force certified organic supplement companies into a difficult decision: remove critical nutrients that support health and wellness or abandon organic certification.

Both choices are a compromise. A compromise that current regulations and the original interpretation does not force.

This is exactly why we believe the regulations as currently written need no reinterpretation.

If you have any questions on this matter, I'm certainly here and Tim Callahan,
our VP of Quality, will be here the next couple of days.

MR. GIACOMINI: I just have to support Mr. Smillie over here. Whatever natto may be lacking in flavor, it makes up for in texture. So, we'll just go there.

Any other comment? Tracy.

MS. MIEDEMA: I have a question.

Thank you.

You are referencing a recent action by FDA. Are you referring the NOP memo that reinterpreted usage of accessory nutrients and they reference a conversation with FDA or is there some other action?

MR. RIGBY: No, I believe it's that memo in particular.

MS. MIEDEMA: Okay.

MR. RIGBY: Yes.

MS. MIEDEMA: Then this might be a time to ask the program about that conversation with FDA, whether there is anything more formal that helps us understand
what (d)(3) was interpreted narrowly and I'm
talking about 21 CFR 104.2(d)(3) as opposed to
this more broader interpretation that this
gentleman is describing with the (f).

MR. MCEVOY: Yes, we're working on
the draft guidance for the nutrient vitamins
and minerals that will reflect what we stated
in April at the last NOSB meeting. That is
our understanding of the meaning of 21 CFR
104.20 and in that publication of that draft
guidance, we'll provide additional information
of why we believe that's the correct
interpretation of that particular citation.

MR. GIACOMINI: Thank you, Miles.
Any further questions for the speaker? Okay.
Thank you very much.

Do a quick survey of the Board
here? We're coming up on 11:50. What is
anyone's opinions, feelings on what we're
looking for and when to take a break for
lunch? Twelve? You want to look at noon?
Leslie's saying no. Do we listen to Leslie or
do we listen to Joe? That's tough. The agenda says 12:30. You want to stay at 12:30? Okay. We'll stay on that then.

So, Liana is next up on one. Will Fantle with a proxy on two. Grace Marroquin next up on one.

MS. HOODES: Good morning. My name is Liana Hoodes with the National Organic Coalition. The Coalition is a national alliance of organizations representing farmers, environmentalists, other organic industry members and consumers concerned about the integrity of the national organic standards.

NOC would like to thank the Board for your ongoing work and specifically thank the outgoing Board Members, Dan, Jennifer, Kevin, Jeff and Joe.

Okay. I'm going to go fast. Inerts and pesticides, we support the minority opinion of the Crops Committee for inerts. We encourage the Board to expedite the
implementation of the inert guidance adopted in April 2010 and limit the time frame for relisting to three years. The list for materials may not be either inert nor are they necessarily of minimal concern. They are often toxic and harmful to the environment.

Hops: We agree with the revised recommendation. Thank you, Handling Committee. It's time for hops to come off 606.

In general and in specific, consumers expect agricultural products to be organic.

In addition, we suggest the Crops Committee be part of 606 review where it involves agricultural products. They would have more access to farmers. We suggest that they also look for organic growers' associations and ask them in and review the ACA 606 website and we really appreciate the additional committee recommendation where you delineated where you got the information. That's very helpful. Thank you.
Ditto for Chia.

Sodium nitrate, we agree with the NOP's memo requesting the NOSB consider prohibiting this material. We encourage the NOSB to remove the annotation for sodium nitrate which allows its use. Because of its high solubility, sodium nitrate is an example of a material that's prone to use in production system based on input substitution and can be used to facilitate tenuous cropping as opposed to restoring fertility through cover cropping.

Nanotechnology: Nanotech is a new technology producing new materials that pose significant threat to health and the environment. We agree with the Materials Committee proposed definition. However, we are disappointed that the Committee is recommending no action pending a symposium. NOSB says itself there is an overwhelming agreement to prohibit the technology. We specifically propose: (1.)
1 Define nanotechnology products as synthetic.
2 (2.) Immediately prohibit nanotechnology as a
3 prohibited method under 205.105 new Section
4 (h) and (3.) Prohibit packaging made with
5 nanotechnology under 205.272(b)(1).
6 Corn steep liquor. We agree with
7 the recommendation to reclassify CSL as a
8 synthetic material. We also agree it's
9 another watershed issue for the Board and find
10 the Crops Committee latest paper very helpful.
11 With regards to the definition of
12 chemical change, we encourage simple and clear
13 definitions and we concur that the most recent
14 definition of chemical change is contrary to
15 common understanding.
16 Sunset review process: We
17 appreciate the work that's been done on the
18 sunset review policies. It's much clearer and
19 much more closely resembles original thinking
20 on this.
21 We find the Policy Development
22 Committee proposal to be acceptable with the
following qualifications. (1.) The ability to use a more comprehensive technical advisory panel consisting of three independent reviews rather than the single review when the issues are complicated or controversial and then (2.) Revision of the Board policy manual as soon as possible to include the allowance of amended annotations as outlined in this recommendation during sunset review.

Animal welfare: Animal welfare is really a basic principle of organic production and we know that consumers expect this.

The consumer expectations have led to the proliferation of lots of animal welfare labels and we're distressed that in the face those specifically labels, organic seems to be left behind. It's now time for organic to take the lead in setting the standards for ample outdoor access for all livestock species.

The stocking rates: It looks like some more work needs to be done.
Apiculture: We support this NOSB recommendation for organic apiculture production.

Origin of livestock: We support the recommendations from the Northeast Organic Dairy Producers Association.

This made with label, we disagree with the CACC recommendation. Don't understand the certified to USDA guidelines being put on a label. We think the current made with label is fine.

We support Leslie's comments on the 101(b). Certify the handlers and brokers and move that along to close that gap.

Finally, we talked in our comments about a proposal for proactive approaches to the National List. One is nonregulatory. The other is regulatory.

Regarding the Board's work on 606 petitions, we'd -- okay. Well, we'd propose an additional to the 606 petitions.

MR. FELDMAN: Thank you. Thanks, Liana.

Could you just give us a thumbnail of the proposal on the 606?

MS. HOODES: Yes, really fast. We think that when you come to petition material that you add some information about a rough timeline about how you see it going off. What are current possible alternatives and how would they possibly be developed in the next five years and who would be the natural partners for development?

Obviously, a problem there is if you're the petitioner, you're not necessarily going to be the person either interested or knowledgeable about the alternatives, but we think it's a step and it would help you as the Board when you review the product to have like a checklist. To say, "Okay, you said this. How did that go?" Simply that way.

And secondly, the non-regulatory piece of our proposal is we call on the entire
organic industry to help the Board by using available information before a product comes up.

    Inerts, we know they are being re-reviewed by the EPA. If you have an inert in your formulation and you see the EPA has reviewed it and it's toxic or harmful to the environment, it's not going to be allowed. Therefore, get it out of your formulation before it comes to the Board. Bring the Board your new formulation so it informs your decision.

    That can also be in 606.

    There's lots of areas that proactive work by all of us in the community who have knowledge to be able to, and the manufacturers specifically, take the materials into hand and know what organic is. Then feeds into your ability to not have so much work to find out what those other alternatives are.

    All that's in its infancy in terms
of a proposal to you. We're interested in your thoughts. Sorry.

MR. GIACOMINI: Jennifer.

MS. HALL: Thank you, Liana. I just wanted to update you and others in the community in case there are additional comments on the made-with-organic recommendation. That indeed we did take the feedback and what we will present is actually certified to USDA regulations, not guidelines. We agree that that was not meaningful, was not our intent.

So, if that is an item that other people are preparing to present, then they should know that and use their time more wisely.

MR. GIACOMINI: No further? Thank you.

MS. HOODE: Thanks.

MR. FANTLE: Thank you. My name is Will Fantle. I'm the Co-Director of the Cornucopia Institute, Wisconsin. Boy, welcome to the Badger State. Happy that you could come here with us.

My proxy comes courtesy of Bill Welsh, a former member of the NOSB and a Board Member Emeritus of the Cornucopia Institute. He's a livestock producer from Iowa.

Leslie, I want you to know that we've heard your request for a correction about PCO's position on porches. I had heard that before. I thought we had made that changeover. We will make that change to reflect that position of PCO.

Miles, I am totally pleased that we're still in the age of enforcement and I was glad to hear your remarks this morning and a portion of my comments are going to deal with the enforcement issue concerning accessory nutrients.

The clarification that was issued
by the program in April, we think there needs
to be a deadline, a hard and fast deadline,
for the removal of accessory nutrients that
are now deemed to be not appropriate for
organics. Some of these, if not many of
these, accessory nutrients are hexane
extracted. We think that's a big red flag.

A clear statement could come from
the NOSB saying vitamins and minerals are on
the National List. I think that would help
with some of this confusion that we've heard
about.

And I also think that we had the
opportunity for a petition process for the
accessory nutrients. If they want to be
added, that's available. If there aren't
organic alternatives, let them make their
case. Let them show that through the petition
process. That's the route you should be going
in.

Now, earlier this year, the Deputy
Director at USDA talked about "We don't want
an industry that acted in good faith to be
harmed." were her exact remarks in referring
to the accessory nutrient decision that was
made. We did some FOIA inquiries regarding
this to see how this decision was reached and
in the interest of helping with institutional
memory at the NOSB, I'm going to share some of
the things that we learned.

When these ingredients were first
approached for use in infant formula, the
manufacturers approached their certifier.
Their certifier indicated that they would not
meet the organic standards. The company
reacted by lawyering up, getting a lobbyist
and they then went and pressured the certifier
again. A letter was issued from the National
Organic Program saying they were not
appropriate for use in organics.

That did not stop this company.
They then went and had private meetings with
the program director, with their lawyers and
lobbyists and they reversed that certifier's
initial opinion on accessory nutrients.

These were not efforts in good
faith. They were attempting to circumvent the
organic law.

So, please I plead to the program,
let's get hard and fast deadlines so that
companies have some indication of when these
products are no longer -- when these additives
are no longer allowed in organic infant
formula and other products.

It's especially troubling to us
because we have a stack of FDA adverse
reaction reports from infants that are
needlessly harmed by some of these additives
that seem to clear up and go away when they
switch to a different formula.

A couple quick thoughts just on
the labeling and organic advertising
requirements that's in your packet: USDA seal
is the gold standard. We need to protect
that. We need to make sure that it's
continually viewed by consumers as the gold
The attempt to increase the profile, raise the profile of the made with category as commendable as those efforts would be, maybe we just think are not something that should be done.

This is a good entry point for companies into organics and there may be some products in particular that it's not possible to make with 95 or 100 percent. It's a good entry point, a starting point and continues to provide encouragement for companies to seek commodity improvements to allow them to raise the bar themselves and that's what we want to see.

I buy made-with-organic products. I am happy they're out there and they exist, but I want to keep the gold standard higher than that and I would encourage the Board to try and keep the bar where it is and not lower it. We think that potentially increasing the profile of 70 percent or made-with will

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discourage companies and perhaps discourage more farmers from moving organics.

That concludes my remarks. Thank you.

MR. GIACOMINI: Very well. Tracy.

MS. MIEDEMA: I have a question.

Mr. Fantle, you reference a lowering of the bar and sort of circumventing the normal process. I wanted to ask you about your opinion of the 95 recommendation that first placed nutrients, vitamins and minerals. Because yes, this is something that our Committee really grappled with. It talks about accessory nutrients and even talks about omega-3 fatty acids, choline, et cetera.

So, rather than this idea of circumvention or bar is getting lowered, we went back to work 15 years ago that seemed to really -- that the spirit of that recommendation was more broad than something like 21 CFR 104.20(d)(3).

Help us understand how you
reconciled those differences.

MR. FANTLE: Well, I'm not sure that the Board's circumvented or the program did, but it was clear that the product manufacturer attempted, in our view, to get these products allowed.

Again, I would go back to what I said earlier. Just a clear statement that vitamins and minerals are on the list and then go from there and try and address other needs, other additives, accessory nutrients and use the petition process for that.

MR. GIACOMINI: Other questions?

Okay. Thank you, Will.

MR. FANTLE: Thank you.

MR. GIACOMINI: Grace is next.

Helen Kees on two. Michael -- depending on where he's coming from either Michael Roy or Michael --

MS. MARROQUIN: Good afternoon.

My name is Grace Marroquin. I'm CEO and President of Marroquin Organic International,
a company based in Santa Cruz, California.

We've been importers and suppliers of organic ingredients since 1991.

I have addressed the Board almost every meeting since 2004 and once again, I'm here and please indulge me and hopefully, this will be the last time you hear me come up to this podium on this issue, but I will be back, I'm sure.

But, guess what I'm talking about today? Organic yeast.

I wish to commend the Handling Committee for this unanimous recommendation on organic yeast.

This is an adaptation to the National List stating that if organic yeast is available commercially, then organic yeast must be used in organic products for organic consumption. This will surely make organic foods more organic.

It would mean that a wide range of baked goods and other foods with the organic
label that the yeast will be organic rather than conventional. This is a positive step forward for the integrity of the organic label.

Because conventional yeast is made using synthetic chemicals, I must list these chemicals once again just in case there's any doubt in anybody's mind what needs to be done today. These chemicals are ammonia, sulfuric acid, caustic soda lye, synthetic vitamins and synthetic anti-foaming agents.

The wastewater from conventional yeast production is contaminated and must be disposed of. It must be treated before it's disposed of.

The organic yeast production used none of these chemicals and the wastewater is used in further organic reduction. I would drink it if it was offered to me, believe it or not.

Organic yeast in contrast uses a substrate of organic wheat and organic corn.
Organic yeast is produced in Germany today and it's the only company that's producing it at this time.

If we would have more demand for organic yeast, we could have it produced here in the United States. We would use organic grains produced by my Midwest organic farmers and I can assure you with total confidence that other yeast companies would start producing organic yeast. They've been watching this issue for years and just waiting to see what decisions will be made.

Organic yeast became available on the market in 2003. In 2004, the NOP ruled that in the final 5 percent manufacturers did not need to use organic yeast. The NOP said conventional yeast was allowed because it was on the National List on 205.605(a) and not on 205.606.

Since 2004, long years, my company has been trying to have organic yeast required in the final 5 percent. This is where most
food products use their yeast. It's a minor ingredient for most of these companies.

We filed a formal petition back in 2006 and now, we believe that this annotation corrects the problem. Manufacturers will at last be required to use organic yeast if it's commercially available rather than conventional yeast.

Last March, the NOP issued an important policy statement on yeast. It confirmed that yeast could be certified as organic under the NOP. However, the NOP policy did not change the status of yeast on the National List.

It is up to this Board to recommend any changes to the National List. Now, the Handling Committee has stepped up to plate by making this recommendation for annotation for organic yeast.

Meanwhile, the EU has also recognized organic yeast. In the EU, the general organic regulation 2007, there is a
key provision that the regulation would apply
to yeast in food and feed and after 2013
December 31st, in the EU, organic yeast will
be counted as an organic ingredient with the
EU fully embracing it.

And this is really important to
have organic yeast recognized in the NOP so
that the EU and NOP regulations will be in
harmony and especially since we're working
towards equivalency.

Today, I see the proposal before
the Board to make organic yeast a preferred
organic ingredient in processed foods as a
milestone for the integrity of the organic
label, and I know all the hard work that's
gone into this over the years and especially
by the Handling Committee who devoted a lot of
time to this.

Thank you, Steve DeMuri, the Chair
of the Committee. Joe Smillie who guided this
recommendation and to all the Committee
members. Katrina Heinze, Tracy, Jennifer and
Joe Dickson.

I also wish to thank the Board.

Dan Giacomini for his work as the liaison with the Livestock Committee and all the group in the Material Working Committee who made the recommendations that helped with this guidance.

Thank you all and viva organic preference.

MR. GIACOMINI: Thank you.

Questions for Grace? Jeff.

MR. MOYER: Good morning, Grace.

MS. MARROQUIN: Good morning.

MR. MOYER: One question that just popped into mind as you were talking about other yeast manufacturers potentially coming on board and making organic yeast. Is there any part of the current process that is patented?

MS. MARROQUIN: Our supplier does have a patent on their process, but it's a process that none of these suppliers use that
type of process and what the EU has done is allow them to 2013 as the timing for them to get on board because they're confident that they can.

And I know of a domestic company presently that's working on this and it's really about using different substrates, nitrogen sources.

The biggest roadblock is more scale. Most of these yeast companies have phenomenally large scale. So, it's more difficult for them, but, you know, this industry has been all about -- it's a dynamic industry.

I've been in it almost 20 years and when there is a demand, the supply and the suppliers rise to this occasion and I know that they can do it and I've heard discussions just that they don't want to and they don't have to.

MR. MOYER: I guess I'm a little confused. As a follow up, you're saying that
they can and they would, but can they if the
process is patented? Is it strictly -- you
see where I'm going.

MS. MARROQUIN: Yes, I do and --

MR. MOYER: I just want to be
careful that we don't want to steer something
into -- I mean I don't mind somebody making
money. I don't have a problem with that, but.

MS. MARROQUIN: I think, you know,
if they look at -- it's primarily their
nitrogen sources and their substrates and then
it's really about their scale.

Our producer uses sunflower oil,
organic sunflower oil, as an anti-foaming
agent. There's nothing magical about that and
then, you know, other parts of their process,
but it's more of what I said is the issues I
think and the scale is the big part of it.

But, there is a company in
Colombia that was looking at it for awhile and
they said they could, but then they backed
down three years ago.
No one would have bothered, you
know, all these years. I'm crazy. I can't
help it.

MR. GIACOMINI: John.

MR. FOSTER: Jeff, my
understanding is that that process is
patented, but that would not inhibit other
processes from producing organic yeast. Yes.

MS. MARROQUIN: Thank you, John.
I appreciate that.

MR. GIACOMINI: Any other
questions or comments? Okay. I think that's
it. Thanks, Grace.

MS. MARROQUIN: Thank you,
everybody.

MR. GIACOMINI: Helen Kees.
Michael on one and Guy Jodarski next up on
two. We have a change? I'm sorry. I'm
looking on an old list. So, who would --
what's our change? Oh, Andrew Schwartz.
Okay. All right.

MS. KEES: Welcome to my home
state and thank you for bringing the hearings on the road.

I am Helen Kees. I farm in Pepin County, Wisconsin where I was born and raised.

Please accept my sincere appreciation for your role in keeper of the organic seal, and keep it we must.

As a certified organic crop and livestock farmer, I proudly serve as a member of the Cornucopia Institute Board of Directors because it is dedicated to economic justice for family-scale organic farmers.

Through advocacy and education, Cornucopia retrieves and restores the integrity of the organic seal whenever it is stolen, highjacked, or compromised. Cornucopia puts the varnish back on the seal when it is tarnished. They reclaim it when it is being used as stolen property and they defend its integrity when it is being undermined.

Today, I have the distinct honor
of giving voice to people that could not be here. At this time, if you would, I would like to officially present nearly 1500 proxy testimonies. Many of them from organic egg producers.

Confinement and outdoor access issues regarding poultry can be framed by the following. First, enough of us have been at concerts or stadiums to know that rather than wedge and shoulder our way past thousands of people to seek relief for our bladder or to fetch an organic hot dog, you simply choose to languish in your seat rather than fight for comfort.

Likewise henhouses with thousands and ten of thousands of birds packed indoors with only a few small pop doors to the outside, perhaps only on one side of the building, rob the animals of the opportunity to access the outdoors.

And, secondly, I have a four-year-old grandson. I sometimes tell him, "Robert,
you have to get dressed before you can go outdoors."  Then when he fulfills his end of the deal, I tell him that he can only go as far as the porch. He stands there dismayed. Even a four year old recognizes circumvention, scamming and deception.

This Board's recommendation in 2002 acknowledged that porches did not fulfill the outdoor access requirement and NOP should adopt your porch prohibition forthwith.

Now, more specifically, in the direct words of the proxy signatories.

For the consumer, Terry Cannon, Los Angeles, California: "This harassment of organic food producers has got to stop. This deception by big egg business has to stop."

Terry Miller from Legrange, Indiana: "We are certified organic dairy farmers. If rules on pasture are not enforced, poultry and dairy, consumer confidence will be damaged if not ruined."

From Scottsdale, Arizona,
Elizabeth Paulcini: "Consumers like me put a lot of faith in the USDA organic label and it is shocking to find out that so many egg and milk producers are not living up to these standards."

And from Dunde, Ohio, Jeff Miller: "What a disgrace to the spirit of organics."

A farmer Jacob Beachey from Spring Run, Pennsylvania: "We support the small family farmers here in America and still believe in our old logo that says 'In God We Trust'. We also hope that consumers can trust in the products they buy at the stores or farmer's markets."

Rebecca Cleveland from Green Bay here in Wisconsin: "I feel the current use of organic labeled eggs constitutes false advertising and down right consumer fraud."

From Brookshire, New York, farmer Michael Vos: "Please enforce the current regulations and provide formal clarification that outside access for all poultry including
broilers, pullet and layer production."

An inspector from Salem, Massachusetts, Duncan Cox: "Most farms I visit have flocks on pasture. Many do not bother to certify their certifiable flocks because they cannot compete with low-priced organic eggs in the grocery store."

And from Fairchild, Wisconsin, farmer Neal Gingrich: "If these factory farms are allowed to continue, organic will soon be just another word on the egg cartons or milk jugs."

C. G. Mauricee from Sarasota, Florida, consumer: "It is absolutely abhorrent that agribusiness is allowed to engage in such blatantly deceptive practices."

And Eric Nicklestead from Seattle, Washington: "When I buy food labeled as organic, I expect it to be organic. The job of the NOSB is to assure that organically-labeled food is truly organic."

Deborah Raven-Lindley from
Arbuckle, California: "For myself and farmers who chose an economically tenuous model of egg production, our motivation is the behavioral welfare of our poultry first, profit second. This is the opposite of forces which drive most U.S. agribusiness."

And from Abram Stolzfooz from Black River Falls, Wisconsin: "I'm involved with marketing organic produce and eggs and have contact with several marketing groups in Wisconsin and personally know a lot of organic farmers. I feel confident that it would not take long for organic farmers to fill in the void should the USDA shut down the factory farms."

And finally, but succinctly, a consumer from Mankato, Minnesota, Janice Fox says "Please stop this."

MR. GIACOMINI: Any comments or questions? Okay. Seeing none. Thank you very much.

Next up is Michael -- well, I
better go up here. Michael. Michael?

MR. ROY: Yes.

MR. GIACOMINI: And then Andrew
and Dave Carter. Is Andrew here? Okay.
Hopefully. Oh, you're saying he's in the
back? Oh. Okay. Andrew and then Dave

MR. ROY: My name is Michael Roy.
Roy by the way.

MR. GIACOMINI: Roy. Okay.

MR. ROY: My parents' heritage
stinks. I'm a fourth-generation hop grower in
the Yakima Valley and I'm also a Board Member
of the AOHGA.

I'd like to briefly go over some
supply and demand numbers with you real quick.

So, to start off, I believe
organic hop producers currently have the
capacity to deliver the quantity of organic
hops brewers require.

So, I think everyone has that
sheet. Yes, that one right there. Yes. It
says supply and demand analysis of organic hop industry at the top.

If you look at the first line there, in 2009, the dollar value of the U.S. organic beer industry was $41 million. If you look at the total craft beer industry in 2009, that was $6.98 billion. Which means that the U.S. organic beer industry represents about 6 percent, .59 percent of the U.S. craft beer industry.

If you go down to the next line, the U.S. craft brewers sold an estimated -- a little over 9 million barrels of beer in 2009.

If you take the craft industry average of one pound of hops per barrel, that gives you the same amount. Just over 9 million pounds of hops used in the craft industry in 2009.

Go on to the next line, if we take that just over 9 million pounds of hops used in the craft beer industry and we multiple it by .59 percent, you come up with an estimated
demand currently of 53,545 pounds of hops.

That's what we estimate the demand currently is. Now, obviously, that number is going to be hard to exact because data is limited, but we've come up with the conservative estimate that we believe to be fairly accurate.

Now, if you look at the number of certified acres in the ground right now, it's just over 100 acres. In 2010, the production off those 100-plus acres exceeded 80,000 pounds of hops. So, we're looking at potential demand of just over 53,000 with the production of 80,000 right now.

Now, talk about future demand, based off of the amount of land that's sitting right now capable of being certified, we could easily double that number and go over 200 acres of certified land right now today. If we talk about the next two years, we could triple that.

Now, there is some varietal
alignment that needs to happen in there, but that's not going to happen without a dialogue between the brewers, merchants, and growers.

So, and I also think it's interesting to note that if you take the total number of growers in the United States, over 10 percent of those growers are currently growing organic hops and if you take 10 percent of the growers, they represent 20 percent of the acres being grown in the United States.

The ability is there. The capacity is there and basically in conclusion, organic hop producers currently have the capacity to deliver the quantity of organic hops the brewers require.

I'd just like to thank you guys for allowing me the opportunity to speak.

MR. GIACOMINI: Joe.

MR. SMILLIE: So, you weren't saying -- it says here 53,545 pounds of hops were used by the U.S. organic breweries.
MR. ROY: No, that's what we
estimate the current demand is.

MR. SMILLIE: That's the demand.

MR. ROY: Yes.

MR. SMILLIE: Yes. It says were
used.

MR. ROY: There's --

MR. SMILLIE: Should be.

MR. ROY: Should be. Should be.

MR. SMILLIE: Should be used.

MR. ROY: Yes. As I think Jason
spoke, out of those 80,000 pounds of hops
produced in 2010 --

MR. SMILLIE: Oh, you're right.

MR. ROY: -- the majority if not
all of them are sitting in inventory right
now.

MR. SMILLIE: Right.

MR. GIACOMINI: John.

MR. FOSTER: This is really
helpful to have numbers like this and I'm
sorry for not twisting around to --
MR. ROY: That's okay.

MR. FOSTER: -- say hi. In your, you know, inquiries, how many of these growers have their own hops processing equipment? What percentage give or take?

MR. ROY: If you mean processing equipment means --

MR. FOSTER: Yes, taking cones off of vines.

MR. ROY: Oh, well, of the -- I would say probably over 95 percent of the organically produced hops or 95 percent of those growers have their own processing equipment.

There's a small amount that we incorporate into that figure based off the small amounts of organic hops being produced around the United States. The majority of the production I talk about is on the West Coast specifically in the Pacific Northwest, but there are small parts around the country and some of those people might not have their own
processing equipment.

So, I would say it's probably even closer. It's probably like 98/99 percent of that amount people have their own processing equipment.

MR. FOSTER: And among those who have their processing equipment, just ballpark, how many are exclusively organic handling operations?

MR. ROY: Very --

MR. FOSTER: Ballpark.

MR. ROY: -- very small percentage. Oh, ballpark. I'm going to take a wild guess and say maybe 1 percent.

MR. FOSTER: Okay. Varies.

MR. ROY: Yes.

MR. FOSTER: Okay. So, would it be fair to say that most of the processing equipment used to get the cones off of vines, et cetera are mixed operations?

MR. ROY: Yes.

MR. FOSTER: Okay. That's great.

MR. SMILLIE: You're certified by WSDA?

MR. ROY: Yes. Correct.

MR. GIACOMINI: Questions?

Comments? Okay. Thank you, Michael.

MR. SCHWARTZ: All right. Thank you very much.

MR. GIACOMINI: Andrew. Dave Carter. Patrick Smith. Oh, we're up for lunch. Okay. The last one before lunch. Then we'll start with -- Dave, we'll start with you after lunch. Okay.

MR. CARTER: Great.

MR. GIACOMINI: All right. All right.

MR. SCHWARTZ: Okay. My name is Andrew Schwartz. I live up here in Ontario, Wisconsin and as you will probably shortly recognize that I am a farmer not a speaker, but I will try to do my best.
We farm about -- we've got a farm of 147 acres, but we farm about 80 acres of cropland and we do farm all organic and we do have a flock of 2,000 laying hens right now and we also milk cows. Everything is organic and we raised a big family. We were into hogs and the hogs took the course like everything else. The factory farms took over.

So, there was nothing left for the small farmer in hogs. So we converted our hog barn over to chickens. We've got a bottom story and a top story, but they all have access to outside access, outside lot. I think like 15 to 20-square feet per bird and I think this is very important because I see in the wintertime when it's not feasible to put them out that they are more restless and there will be more feather picking and more fighting.

So, and I think we are into this for a living. Our way of life is on the farm. Our way of making of living is on the farm and
I think -- as long as we let these big factory farms like Neal Gingrich stated, take the main run, I think we will not have a market for our future generations that we can make a living on.

I remember back in the '60s my folks had 300 to 400 laying hens. We sold eggs on the market, but when the eggs dropped to 30 cents a dozen, there was just no way that we could compete.

So, I think that is an important issue that you can pasture or at least have access to the outdoors. I can go up to the door at certain appointed time when it's time to turn them out. They will be there ready to go. So, they can't tell me that a chicken does not want to go outside.

Just like our children. They want to go outside no matter how cold it is. They still like the outdoors.

Another thing that I think is important is that we have -- we are a little
more I would say sustainable where we can
raise our crops. It's not just a building
here setting in the middle nowhere that has
all around it commercial or I would say
chemical fertilizers right up to the door, you
know, with a big building setting there that's
suppose to be organic.

And I think another thing is that
we can use our own manure so to speak. That
we have -- where do these houses go that have
all these thousands of birds. They have to
distribute that manure somewhere. That way we
can use it as our own fertilizer.

So, and then I know there's a lot
of friction in this organic business, but
honesty is still a lot of it. I believe in
what the Bible says. If we are not honest in
little things, we will not be honest in big
things. So, to bend the rules I don't think
is very proper.

And it's getting to the point --
we started certified organic in 2002. Back
then, there wasn't that much paperwork. It was pretty simple, but now, it's getting to the point, can we keep doing it? Or do we need a college education to fill out these papers.

Just for instance like this dairy thing. This 30 percent pasture. Well, we are way beyond that. I mean we're probably more like 70 percent, but I realize that it has to show on paper and we have to know the dry matter intake.

So, it's getting more and more complicated because there are so many people out there trying to bend the rules to suit them the way it looks to me.

MR. GIACOMINI: Okay. Your time's up. Can you wrap up or --

MR. SCHWARTZ: Sure can.

MR. GIACOMINI: Oh, you're finished? Okay. Questions or comments?

Katrina and then Wendy.

MS. HEINZE: I will apologize as
well for not turning around. Thank you so much for coming to talk to us today. Your comments are very much appreciated.

I'm wondering. Could you help me --

MR. GIACOMINI: Wait. We have a question for you. We're going to have -- we have questions.

MS. HEINZE: Oh. Sorry. You know, probably anxious to be done. I have an easy question, I promise. I need help with a visual picture for my head.

If I picture your henhouse, how big is the door?

MR. SCHWARTZ: The bottom door is like 6 feet tall and 8 feet wide where we drive through to clean it out.

The top one actually couldn't be as big because -- it's like 4 feet wide and 4 feet tall and they have to go down.

It's on a hillside. So, there's a ramp that just goes kind of down a little and
out on the hill there. So.

MS. HEINZE: Thank you.


Yes. Yes, he's trying to sneak away.

MS. FULWIDER: How many birds do you have in your house and do you have perches in your house?

MR. SCHWARTZ: We don't currently what you would call "perches". We have roosts where they sit on. We have 2,000 birds and the nests go through the center with it built in it and then there's 6 foot of roots right next to the nests and that's where the water line is on, the feeders are on. We also feed them on the floor in boxes. So.

MR. GIACOMINI: Kevin.

MR. ENGELBERT: Thank you very much for the time it's taken you to come and speak.

How many birds do you think you could have? You have 2,000 now. Could you expand your production at all or where do you
think -- what level would your farm be comfortable at?

MR. SCHWARTZ: Right now, we put these birds in the 21st of August. I suppose they're right at their peak. I checked it yesterday. There was like 96/97 percent.

MR. ENGELBERT: Could you raise more than 2,000 birds?

MR. SCHWARTZ: Usually, my building is designed for 2400, but when the pullets came, he was short this year. I guess our maximum is 2500.

That's -- we just -- and I forgot to mention that we are -- maybe I shouldn't even say this, but we are certified as a group and I am the group coordinator for the -- we call the CCOP, Cashton Community Organic Producers and I think right now there is 14 members in our group and the reason we think we can get by with this is because we farm in similarity and there's six of those that are egg producers.
MR. GIACOMINI: Okay. Thank you.

Any other questions or statements?

I want to thank you because you
gave me an "Aha" moment with your comments
when you said that your kids want to go
outside and you can't keep them in. When my
kids are on their assigned time where they're
allowed video games, I can't get them out of
the house. So, maybe the problem we have is
too many of the conventional poultry are on
video games. So, we're going to have to look
into that. Kind of we need to restrict the
amount.

So, thank you.

We're up for lunch. Let's be back
at -- 12:40. Can we do a little shorter than
an hour and look at 1:30? Okay. That's what
we'll do.

We're on recess.

(Whereupon, the above-entitled
matter went off the record at 12:39 p.m., and
resumed at 1:43 p.m.)
MR. GIACOMINI: I'm going to bring the meeting back into session. We have a quorum and some members who are still on lunch. They probably had a longer walk than some other folks. We're back in session. Sorry, I didn't have my microphone on, for the official recorder.

So, we have a quorum. The members will continue to join us, as they return from lunch.

First off is Dave, and I believe I am still current, Patrick Smith and Harriet Behar.

What we're going to do, we can see the possibility of where we're going to start losing people on our list. Instead of worrying about podium one or podium two, and moving up through each of those lists, we're going to stay with the next sequenced order.

So, we're going to go to a slightly different
version of the list, where we're just going to
have each person in order, and we'll just go
back and forth between the podiums.

So, hopefully, we'll stay
expedited, but it won't get too confusing.

Dave Carter?

MR. CARTER: All right, thank you,
Mr. Chairman, Members of the Board. I'm Dave
Carter. I wear several hats, Executive
Director of the National Bison Association,
itinerant consultant and expatriate of this
group.

I want to thank the existing Board
Members for your service, the ones going off.
There is light after NOSB. So, enjoy these
last few meetings.

I'm here actually today
representing the Pet Food Institute and the
organic pet food manufacturers. I have two
parts, here. A little bit later, I'll be a
proxy for Nancy Cook, with the PFI.

So, the first segment here, I
really want to provide an overview of the issues, and then the sequel will be some recommendations, or a specific recommendation that we have.

But just to kind of put things into context, and why the pet food issue is so critical and it needs to be addressed as a priority, and the rule making needs to get underway as soon as possible, is this isn't a theoretical discussion.

The organic pet food category is about a $260 million category, according to PFI and I think, some other independent studies are backing that up, and it's really amazing that it's that large, because for the last eight years, certified organic pet food has really been a square peg that we've been trying to cram into a round hole, in terms of the certification.

It started off in 2002, with certifiers working, or manufacturer's working with certifiers coming forward, with certified
organic pet food, and of course, then in April 2004, there was the infamous directive, saying that pet food could no longer be certified as organic, and then there was the outcry and the reversal of the directive saying, well, yes, it could be certified as organic, as long as it was certified under 205.605, the human food standards, not livestock.

And of course, realizing that that was the square peg in the round hole, that was what led to organizing the pet food task force, and the recommendations that this group adopted in November 2008, that were anxiously awaiting to become official rule making.

But the -- what has happened since that 2004, "Yes, you can certify under 205.605," was that certifiers then began to work with the manufacturers in how to develop the pet food under complete and balanced, and because of the interpretation that the NOP allowed under 104.20, the accessory, vitamins and nutrients that sub-section F allowed them
to bring in some of these nutrients into the complete and balanced pet food.

Well, with the announcement earlier this year about the tighter enforcement of that and the transition, then, we're in a serious situation.

We've been working with OTA, as they've tried to addressed this, but we also need to recognize that there's some individual issues for pet food. Specifically, these are not accessory nutrients, when it comes to companion animals. These are required nutrients for pets.

And the second thing is that in terms of human food, if we don't get our nutrients out of a certified organic product, I'm going to be eating lots of other stuff, the rest of the day, and I will be getting those nutrients from other sources. In fact, some people would say I get too many nutrients from other sources.

But that pet -- we have once a day
to get it right. That bowl that we put out, once or twice a day, is their soul source of nutrition, and so, that's why it's very important that it be complete and balanced. That's the terminology that AAFCO uses, to say that it has all of the vitamins, minerals and nutrients that that animal needs for maintenance or growth.

And of course, when it comes to that, we often refer to AAFCO as the Bible, the Association of American Feed Control Officials, as the Bible, for what's to be required.

Well, AAFCO may be the Bible, but the actual stone tablets are the National Academies of Science, that National Research Council, and that's what Congress and the government relies on, and so, I want to talk about that, in my second half, of a recommendation that we have, because as we look forward, going forward, there are about 13 nutrients that pets need, that we will have
to petition.

We've already submitted a petition for taurine, but there are 12 other nutrients that we will have to petition individually, unless we can address this.

So, we want to talk about that. Hang on, the sequel is coming back with how we would propose to address this, going forward, as Miles begins the rule making for organic pet food regulations.

MR. GIACOMINI: Comments or questions for Dave?

MR. ENGELBERT: Could you expand on your bison member path and reiterate your -- the concern about --

PARTICIPANT: We can't hear you.

MR. ENGELBERT: Could you put on your membership in the Bison Association, and reiterate your comments about the impact of the proposed Animal Welfare Standards?

MR. CARTER: Absolutely, I appreciate that, yes.
We did submit written comments from the National Bison Association on the handling and transportation. We appreciate that the NOSB is addressing this issue, but what's also important to recognize, the bison are a little bit unique, and one of the areas that we think is very important to recognize is that we would encourage that bison be exempt from any requirements that stunners be used in the slaughter process.

Stunning is not used in the slaughter of bison. It generally just pisses them off, and that -- I mean, literally, because of their skull structure, we don't do that.

And so, there are procedures for using a single shot that has been developed on third party audits and are accepted by Whole Foods and the other retailers that we want to see.

And you know, even in terms of other livestock, I would say that you need to
take a look at that because there is the emergence of things like the mobile slaughter plants, when what you're putting out into the pasture, and there are some ways to harvest other animals, without studying them, that you can drop them very quickly. There is no stress involved. It's as humane as you can be when you're slaughtering an animal.

MS. FULWIDER: I believe in this write-up that we had for the slaughter and transport handling, that it does say "stunning by captive bolt or fire arm'.

MR. CARTER: Okay.

MS. FULWIDER: So, that would be fine.

MR. CARTER: Okay, thanks.

MR. GIACOMINI: Joe?

MR. SMILLIE: I just wanted to ask, the program, Miles, how do you place pet food in your priority list, or how are we doing?

MR. McEVOY: Okay, origin of livestock, well, pesticide residue testing is
the first one we're taking on, and then origin
of livestock is a very high priority for next
year.

After that, there is pet food,
mushrooms, apiculture, that kind of all fall
together, and we're hoping to make some
progress next year, on all of those.

MR. GIACOMINI: Also, sort of to
Miles, and the same thing, is there a way,
maybe within this process that we have of the
NOP response, where we can either get an idea,
the Board can get an idea of where you're
coming from, or where you're going, or maybe
an interaction between the Board and the
program, in the situations of the aquaculture,
the pet food?

I know in aquaculture, we
requested a separate set of lists, a separate
list for aquaculture on the sections on the
National List.

You know, right now, we're looking
at 605. I know as an animal nutritionist, the
concept of the nutrients required for pet food, I have nothing against the handling committee, but the fact that that's reviewed by the handling committee is just bewildering -- would be bewildering to me.

So, whether you look to do that in separate sections, whether you look to -- just how you look to proceed, I think, maybe some dialogue between the Board and the program would be productive.

MR. McEVOY: Yes, dialogue between the Board and the program sounds great. As we move into developing the proposed rule in these areas, we can certain continue to have dialogue, ask for clarification from the Board, of what the intent of your recommendations on these issues were.

So, there can be a lot of dialogue, during that process.

MR. GIACOMINI: Further questions or comments? Seeing none, thank you.

MR. CARTER: Okay, thanks.
MR. GIACOMINI: Okay. We are up to

-- I thinks she's -- we're back up on the same
list. Patrick Smith, Harriet Behar and
Patrick Leavy.

MR. SMITH: Good afternoon. My name
is Patrick Smith. I'm a fourth generation of
hop growers in the Yakima Valley of Washington
State and the Vice President of the American
Organic Hop Growers Association.

Like my colleagues who spoke
earlier, until the petition was filed with the
NOSB, our farm men had had little or no
contact with organic brewers, regarding the
organic hops we were producing.

606 may work for other products,
but hops are pretty unique. They have one
commercially viable use, and that's in the
production of beer, as less than five percent
of that end product.

So, whereas like carrots, where
purple carrot juice might be on the list, that
doesn't prohibit the production, organically,
of carrots. Whereas with hops, when it's on
the list, all organic production is kind of
discouraged.

So, I'm going to take some time
and just kind of talk about the mechanics of
the conventional hop market, and how that
relates to the handling committee's
recommendation.

In both the craft market and the
generic alpha market, contracting is the norm.
In the craft market, per the Brewer's
Association, which is a trade group of craft
brewers, 99.1 percent of craft beer produced
in the United States is brewed by brewers who
engage in some form of hop contracting.

For the largest and most
sophisticated brewers, average contract length
is 3.9 years, and those can sometimes go out
to 10 years.

The demand for hops is very
inelastic. Prices fall. Brewers don't go out
and buy more hops. They only buy what they
need. So, producing hops for the spot market is very uneconomical. It's just -- it actually doesn't happen. The cost of growing hops is substantial.

Conventional hop production costs about $5,000 an acre. Organic hop production can cost $7,000 to $10,000 an acre. So, the risks of growing organic hops for the spot market are huge.

So, the reasons for engaging in the contracting on the growers side is the high cost of establishment and production, having a secure outlet for those hops.

For brewers, it's assurance and availability of their preferred varieties. You know, right now, in the organic hop market, it's mostly all spot. Like we mentioned, there is no contracts for organic hops currently. Little information from brewers about what varieties are demanded, and the result is that, like some of my colleagues stated, multiple years of production sitting
in inventory, right now, with no defined
outlet for them.

We've got access to certified
acreage. I've got 17 acres certified on my
farm, only about 10 in production, because the
demand isn't great enough to warrant planting
another seven. So, it just -- right now, the
market is broken.

Let's see, yet, in the comments
received from some of the brewers, we see that
they're still making this commercial
availability argument, and it's simply not
true.

With over 150 different varieties
of hops, the way that the commercial
availability standard applies to us is that
we're expected to guess which varieties they
want, and then guess the quantities and
produce it for them, and if we get it wrong,
we have no way to sell it, and then they can
just go use non-organic. So, it just doesn't
work.
But the handling committee's revised recommendation is a prudent and responsible way to get from where we are today to a point where organic beer is using organic hops.

You know, no variety is immune from the laws of supply and demand. If brewers tell us, "We want it," we'll plant it and we'll grow it, in an organic fashion, and can do it, you know, within that two year time line.

So, if passed, the January 1, 2013 date allows two full crop years for these discussions to happen.

So, the question came up earlier about why the six months from the sunset to the January 1st date and -- it just allows that extra crop year. If brewers had to start using it in June 2012, which is the sunset date, that would allow us only the 2011 crop to do it.

So, it was kind of a compromise of
sorts, to get to, you know, two full crop
years to get the production in line with what
the brewers demand, and get some time for
those discussions to happen. I'll take your
questions.

MR. GIACOMINI: I will go first,
this time. But the -- okay, Joe, the deadline
is what date?

MR. SMILLIE: January 1, 2013.

MR. GIACOMINI: Okay, January 1,
2013, that means on January 2, 2013, you can't
use that previous crop year anymore. That's
my confusion on this date that's being set.
If you want to use the -- that
product for the entire crop year, you need it
until the next August, isn't that right?

MR. SMITH: The way that I
understood the handling committee's
recommendation and the way that we had kind of
crafted it in some discussions with some
brewers about kind of how to get to this 2013
date, was that any beer brewed before January
1, 2013 would -- they could use non-organic
hops.

On January 1, 2013 and after, any
beer brewed had to use organically --

MR. GIACOMINI: Correct.

MR. SMITH: -- grown hops. So,
hops being durable, we can grow them in 2011
and 2012, and then for their use, January 1,
2013, and later.

MR. GIACOMINI: But if you're
saying that you need it that crop year, in
non-organic form for your transitions, you're
only going to be able to use it until that
January date.

MR. SMILLIE: Now, we're talking
about a brewer's transition, not their organic
farm transition. They're organic.

MR. GIACOMINI: That's correct.

MR. SMITH: And we're already
certified. So, it's up to the certifiers of
the brewers, to say, you know, kind of, "On
January 1, 2013, the hops that you're using
and any beer brewed on that date or later, must use organic hops."

MR. GIACOMINI: Okay, I'm just confused. I just don't understand -- okay, we'll talk about that tomorrow. Anymore questions? Joe?

MR. SMILLIE: Yes, just to clarify, again, and I know I'm sounding like a broken record, but you can only use conventional hops if you can prove to your certification agent that the organic varieties that you need are not available.

MR. GIACOMINI: Okay.

MR. SMILLIE: And I keep stressing that, because that is absolutely part of 606. That's got to be enforced and followed, and again, we just sort of leap over that.

Also, thank you about the compromise. A lot of it was due to your blog, Patrick, in particular. The first half of the blog was a little nasty and the second half was really good, because we never told the hop
growers to drop dead, honestly. I don't recall that phrase being uttered in our conversations, at all.

I've got a question, though. You said that -- back to 99.1 percent of brewers contract hops in advance.

MR. SMITH: The Brewer's Association data -- the Brewer's Association is --

MR. SMILLIE: Is this craft brewers?

MR. SMITH: Craft brewers, yes.

MR. SMILLIE: Craft brewers?

MR. SMITH: Less than two-million barrels of annual production, you fall under the craft brewery.

MR. SMILLIE: Right.

MR. SMITH: So, the Brewer's Association trade group, you know, collects data on hop usage and hop contracting, in response to some of the market imbalances of the last five years, and they compiled this
data about contracting and found that of the
nine-million barrels of craft beer produced,
99.1 percent of that nine-million was brewed
by brewers who engage in some form of hop
contracting.

MR. SMILLIE: Well, my
understanding was that a lot of times, the
brewers don't go to the hops -- this was a
discovery for us -- the brewers don't go to
the hop growers. They go to brokers.

MR. SMITH: Right.

MR. SMILLIE: And the brokers say,
"We've either got it or we don't," and then
they go to their certification agent and they
say, "I went to hop union, datta-datta-datta,"

MR. SMITH: Correct.

MR. SMILLIE: -- "for brokers,
looking for hops, and they didn't have it, so
I got to use conventional."

MR. SMITH: Correct.

MR. SMILLIE: So, something is not
adding up for me, in that, that seems to be the approach of many craft brewers to using hops, is they go to a broker.

But you're saying that 99.1 percent of the craft brewers contract for a contract, and they don't contract with brokers, do they?

MR. SMITH: Yes, they do.

MR. SMILLIE: Okay.

MR. SMITH: And then often what happens is the brokers then contract with the growers, and then brokers are kind of the middle man that kind of has the information.

The problem on the organic side is that brewers would go to the brokers looking for the organic form of the variety when it wasn't available when they're looking to buy hops.

At no point was any communication to the growers given that these varieties are demanded organically. We're all listed on the 606 website, but never had brewers come to us...
directly. They just kept going back to the same brokers, and the information wasn't trickling down to the grower level.

MR. GIACOMINI: John?

MR. FOSTER: In your experience, are those brokers certified organic?

MR. SMITH: Yes, a number of the brokers are. Some of them are not. There are certified organic processing facilities. I know of three, I believe three, of the four main hop -- or maybe all four, three or four of the main brokers are certified organic, that handle the hops off of all of our farms. They go through certified organic pellet mills and processing facilities.

MR. FOSTER: So, still, it wasn't -- the message wasn't getting delivered to the growers, it sounds like?

MR. SMITH: No.

MR. FOSTER: Okay.

MR. SMITH: Absolutely not.

MR. FOSTER: Okay, thanks.
MR. GIACOMINI: Further questions or comments? Tracy?

MS. MIEDEMA: I had a comment, just to my colleagues here on the Board.

You know, we get into this debate about 606 every time, and you know, what we're hearing from the hop growers is that the "build it and they will come" model that we hope for, looking at 606 as an opportunity list, isn't working, and I thought your comment was so insightful up here, that when there is a very narrow use for a material on 606 it needs to be, "come and we will build it".

You know, we know that 606 does different things, to different industries, and I think that we're starting to gather some institutional knowledge that will help us determine when to put items on 606.

MR. GIACOMINI: Thank you. Further comments or questions? Seeing none, thank you.
MR. SMITH: Thank you.

MR. GIACOMINI: Next up, Harriet is ready. Patrick Leavy on podium two and Kim Deitz, I have for -- oh, we have a different one up here.

MS. BETRCHA: Laura Betrcha.

MR. GIACOMINI: Laura Betrcha, sorry, my list is different. We'll get it fixed.

MS. BEHAR: Okay, hello, everyone.

I just want to first invite everyone to a wonderful dinner and music tomorrow night at the Monona Terrace. Organic Value is providing two buses, to take people from here to Monona Terrace. It's a Frank Lloyd designed building, right on the lake, and it's beautiful, and all the food is coming from Wisconsin, and organic beer. The only thing not from Wisconsin that -- is organic wine, from France.

So, at this point, we don't have organic wine industry here in Wisconsin.
So, that's an invite, and I'm going to break from my usual, and I'm only going to talk about one topic, and that's organic apiculture.

I want to thank the livestock committee, Joel and Jennifer, especially, for the work that they did and the thoughtful time they spent reviewing the recommendations put forward by the ACA task force, and I was one of the members.

I'm mostly going to speak about the -- a response to the Vermont organic farmers, and their concerns with the standard.

Most consumers and people feel that, well how can you have organic honey or bee products because honeybees are free-flowing and -- how do you control them? I think the standard really does address those concerns.

This standard that you have is verifiable and it is practical and doable, and there is a certified organic honey producer in
the audience.

It's equivalent with the EU and Canada, and it's consistent, most of all, with our current wild harvest standards, and our current livestock standards.

So, the forage zone really needs to be 100 percent certifiable. I don't think there should be allowance for home-lawns or any other area, in that 1.8 forage zone, where we know the bees are going to be doing the massive part of their foraging. We need to have that be either certifiable as wild harvest, or bee-certified organic land.

This is similar to the pasture regulation. If you cannot meet the pasture regulation of 120 days and 30 percent dry matter intake, then I'm sorry, you can't produce organic ruminant livestock.

So, if it's difficult to do this achievable standard in some regions, then it's kind of a problem, I guess, but we shouldn't lower the standards just to allow other people
to come into the scope of organic honey production.

Part of the organic management for all livestock species is providing high quality feeds, and this standard for beekeepers is no exception.

They must clearly describe all the forage, the density, the type of forage, the time of year, all of that is being clearly tracked in the organic system plan. They must -- and it's understood, then, weather and other factors may cause a dearth of good forage in that forage zone, and that is why we have that further surveillance zone where we are tracking risks, to make sure that there isn't significant risk, and we're leaving that up to the certifiers to then determine how significant that risk is in that forage zone.

The prohibition of genetically modified crops within a four mile radius and -- for non-organic farmers says it's five, but it's only four -- needs to be deemed as a
risk.

   However, we're letting in that forage zone -- in that surveillance zone,
because never -- we're not going to be allowed at all in the forage zone.

   If there is 10 acres of GMO corn in that forage zone, the risk may not be as
great as 1,000 acres of GMO canola, and so we're going to let that certifier decide,
based on what's the forage in the forage zone that's certifiable as organic, how much risk is in the further surveillance zone?

   There is also an understanding that there is areas where there are agricultural activities or human habitation that make it impossible for bee keepers to produce USDA organic honey, but there are also many wild acres in our land where we can produce organic honey.

   The best food for bees is their own honey and when you remove all the feed from the hives, which is, again, requested by
the non-organic farmers, you are taking away their best food, and then you just replace it with organic sugar and that is not good husbandry.

I don't believe that our standards should be based on testing. It's a -- sadly, a slippery slope. We don't test anything else to prove organic. We are based on a system of production.

Lastly, there is -- we really need to move this standard forward, because there are a wide variety of organic apiculture products currently in the marketplace with very differing standards, and it's very confusing when there is one organic standard that causes question of the -- by the consumers in the marketplace, like, what does this mean, it casts a shadow on all organic products.

MR. GIACOMINI: Thank you.

Questions? John?

MR. FOSTER: Thanks, Harriet. So,
I know you have some good inspection and certification experience.

MS. BEHAR: Yes.

MR. FOSTER: With respect to the square miles, that are inside that radius --

MS. BEHAR: Yes.

MR. FOSTER: -- how do you envision certifiers and inspectors verifying the uses that are -- you know, the features within that radius?

MS. BEHAR: Well, that would be --

MR. FOSTER: Well, getting verified, at the time of the inspection?

MS. BEHAR: Yes, well, there should be a map, and the map should show either a plat of who owns what land, and then there would be affidavits from those land owners.

Now, let's say someone does have a home in that forage zone. I don't see -- and they're only mowing the lawn. I don't see why it would be difficult to have that person sign and affidavit, and if anything then they are
then a willing participant in an organic production system, and that affidavit not only gives integrity to the organic label, but it also brings that land owner into an understanding of they've made an agreement to not put any prohibited substances on their land.

MR. FOSTER: I was asking more about that's going to get verified at the inspection, because if it's part of OSP, it's got to be verified at the inspection. I assume.

MS. BEHAR: Well, you can get in a car and drive around. There is -- a lot of it -- it's not that the inspector, even if they're inspecting a 400 acre corn field they don't walk every square foot of that organic corn field. They can see areas of wild area, and they look at aerial photos to see where the bordering areas are.

You can get a pretty good idea of land use, especially if it's a wild area,
let's say, out in North Dakota. You might
have Bureau of Land Management land, where
there is 25,000 acres of continuous land
that's all being managed under one agency and
they can sign one affidavit.

MR. FOSTER: I'm just checking,
what's the square miles within that radius?

MS. BEHAR: For the -- I believe,
for the forage zone, it's about 3,200, but --
it's 6,600 square miles for the full four
miles, which would include the surveillance
zone, and so, then, I believe it's about 3,300
-- I'm sorry, this is acres.

MR. FOSTER: Yes.

MS. BEHAR: Sixty-six-hundred acres

MR. FOSTER: Right.

MS. BEHAR: -- for the four square
miles and about 3,200 acres in the 1.8 forage
zone.

MR. FOSTER: Right, okay, for the -
- that's just a lot of ground, for an
inspector to verify it, by some means, and if it's part of the OSP, then I don't think the affidavits would be adequate. It should be verified at the inspection, and I'm just -- I'm wanting to make sure that's getting built into this.

MS. BEHAR: Right, I think most of it will be wild land, and the affidavits will be human habitation residence areas, probably summer homes, that sort of thing, and that's where the affidavits will be.

MR. GIACOMINI: Joe Dickson, first.

MR. DICKSON: I just wanted to very briefly thank Harriet and the ACA task force, for their incredible work on this process. They're very largely responsible for our ability to work productively on it, and we appreciate it.

MS. BEHAR: It was good working with you.

MR. DICKSON: Thank you.

MR. GIACOMINI: Joe Smillie.
MR. SMILLIE: The discussion we just had, Miles, is that going to be covered by your guidance policy on wild crops? Will that be part of your new wild crop policy that's -- we're going to receive guidance on shortly, the five wild crop?

MR. McEVOY: The wild crop guidance is already out. The draft guidance is already out.

MR. SMILLIE: Right.

MR. McEVOY: Yes.

MR. SMILLIE: Will this -- will the apiculture be melted into that, as part of that, because as Harriet said, a lot of it is going to be wild.

MR. McEVOY: Well, if that draft -- when the draft guidance becomes final guidance, then that would be guidance on the interpretations of the regulations.

MR. SMILLIE: Right.

MR. McEVOY: So, with the apiculture recommendation, we'll take that
into rule making. So, that would be the rules that the -- the guidance would have to comply with the rules. So, this is a very good discussion about not just what the standards are, but how do you verify that the standards are being met?

MR. SMILLIE: Right.

MR. McEVOY: Are affidavits being -- would they be accepted, and it's -- my reading of the recommendation is you don't address that in the recommendation.

It's not part of a current organic system plan to have affidavits for certified organic land. So, this would be a new concept, to allow part of certified organic land to be verified through an affidavit? I think you guys need to think about that, whether or not you want to go there or not.

Wild land is different than homeowners land, that there is no real inspection. Are they home or not, during the inspection? You know, they could be off at
work. You know, they might sign something, they're not using any prohibited substances, but how do you -- you know, do they know what a prohibited substance is? You know, 'weed and feed', is that prohibited? Lots of questions there, for me.

MR. SMILLIE: Lots of questions.

MS. BEHAR: There are currently, affidavits used for adjoining land use, that prevent corn growers, let's say, they don't want to have a buffer, and they get a -- they get an adjoining land use affidavit. That person is never personally interviewed, and then they don't have to have a buffer, because that person on the other side of the fence is verifying that they are not using a prohibited substance, so therefore the organic farmer doesn't have to have a buffer.

So, we already have an affidavit process in place, for absentee people that are particularly interviewed.

MR. SMILLIE: Harriet, when you
said that, you know, some people couldn't meet
the conditions, therefore they're not -- they
shouldn't be allowed to lower the standards so
that they could compete.

Do you see a possibility that
North American beekeepers and apiaries could
be at a disadvantage to others in wilder
regions, let's put it, you know, because
that's a lot of -- that's a big foraging area,
and you know, it would seem to me to put North
American, or higher density population area
beekeepers at great risk where we need them
most.

Now, remember, bees don't only
make honey. They pollinate our crops and the
bee -- the whole industry is now being
threatened by many things, and having an
overly prescriptive regulation might put a --
might make a honey -- organic honey production
disadvantaged -- you know, not really
applicable to some of our more -- less wild
areas.
MS. BEHAR: Well, I believe actually, currently, there are -- actually, within the 30 miles of my house there is an 8,000 acre reserve, and if I put my bees right in the middle of it, I'm in the middle of an agricultural area.

There is lots of areas in North Dakota. There's areas in Northern Wisconsin. There's areas in Michigan. It's actually, 6,600 acres is not that much of a big block of land, especially if you're talking out West, and so, yes, it puts a disadvantage to people who currently live in agricultural areas or suburban areas. It's going to cut out urban bee keepers, that kind of thing.

But I think we do need to think about being consistent with our own standards, as well as being equivalent with Europe and Canada, and to also give the consumer a product where they can say, "Yes, that forage area is being tracked. We know where those bees went."
MR. GIACOMINI: Kevin?

MR. ENGELBERT: Yes, to follow up on that, Joe, we understood all of that in the committee, and we realized that this -- it's going to be restrictive to certain areas of the country. It's just an inevitability. No matter what you do, you're going to restrict some areas.

I don't think that's going to preclude bee keeping. For example, in my area, and they may not attain organic certification in a crowded area, but they'll still keep bees, they'll still have honey, and they'll explain to their customers, "I'm organic, except I can't meet this one requirement. I can't get this one signature," whatever.

But I don't think we're going to be detrimental to beekeeping, in general, but we wanted to be sure that if there is organic honey certified, that it does meet an absolute strict standard, because these are a wild
animal, even though they're managed, where the
hives can be transported and, you know,
controlled. So, that was the thought process.

MR. GIACOMINI: Further debates?
Discussion? Comments?

MS. BEHAR: Thank you.

MR. GIACOMINI: Thank you. Next up
is Patrick Leavy, Laura Betrcha and Claudia
Reid, and the whole.

MR. LEAVY: Okay, are the
microphones working?

MR. GIACOMINI: I think so.

MR. LEAVY: Okay, thank you. Good
afternoon. My name is Pat Leavy, and I'm with
the American Organic Hop Grower's Association.
I'm their President, which is not too hard a
thing to do if you get four votes.

I want to thank the organic
community, for all of the support on the hop
petition. I think there was maybe almost 25
percent of the comments for this meeting were
regarding hops. Didn't overload the system,
but obviously, it was something that people were concerned about.

I'm fairly lucky -- or very lucky today, in the fact that I knew what the prior people were going to say, so, I never prepared any remarks, figuring there may be something that comes up.

So, what I can do is, we can talk about the relationship between the sunset and the petition, or I can say 'thank you' and give you some time back.

It's really -- I mean, that's been sort of a -- we've touched on that, but it's really up to you. If you want to talk about it, I can try my effort to explain it, or I think we've said enough.

MR. GIACOMINI: Well, I certainly have questions on that. But I think we'll see how that goes in the committee discussion, and then we have another whole day of -- but I'm sure there will be someone talking about hops.

MR. LEAVY: Yes, okay.
MR. GIACOMINI: Or if you're still here, that would be great.

MR. LEAVY: We are here until Friday morning.

MR. GIACOMINI: Okay.

MR. LEAVY: Thank you.

MR. GIACOMINI: Any other comments or questions? Steve, one second please.

MR. DEMURI: Just a quick comment. I want to thank you and your organization, for all the comments that did come in, because that's how we work. We can't work in a vacuum. So, that helps us to learn what's going on in the industry, so we can make decisions. So, thank you.

MR. LEAVY: Okay.

MR. GIACOMINI: Okay, next is Laura and Claudia. Lisa, can you scroll, please, so they can see who is in the whole room? There is Kim. Thank you. Go ahead.

MS. BETRCHA: Hi, I am Laura Betrcha, with the Organic Trade Association,
and the Board has all of our written comments.

So, I'm only going to focus on a few topics right now for you, and then one topic for which we did not provide written comments. So, that will be new.

The first area I want to talk about is corn steep liquor. For those of you that are members of the Trade Association, you've probably followed it, but there has been considerable discussion on the OTA farm supplies forum regarding the corn steep liquor majority opinion and minority opinion.

While I can't say that there is complete unanimity amongst the membership and stakeholders at OTA involved in this, there is absolutely a consensus amongst the members that supports the minority position that CSL should remain classified as a non-synthetic.

The full rationale for what we heard from our members is in our written comment, but just to summarize. I think that two things that sort of emerged from the
discussion is concern about the lack of
consistency in the majority position with the
framework developed previously by the
materials working group that came up, and also
cconcern about the potential implications on a
lot of other currently allowed crop inputs,
were CSL to be reclassified as a synthetic.
So, those were the two consistent things we
heard.

The second area is in regard to
the livestock committee's work on animal
welfare, and you know, first, OTA wants to
commend the committee for pressing forward on
these issues that are fundamental to organic,
including animal welfare and outdoor access,
and we really urge the Board to continue to
take all the time you need to deliberate these
issues, in collaboration with the
stakeholders, to get them right when you pass
your final recommendation, because of the
process that follows once you pass your
recommendation.
In that vein, we would encourage the Board to directly address the potentially conflicting requirements that FDA and APHIS may have with the organic regulations. That way, the Board will have an opportunity to fully vet those issues before you pass a final recommendation, rather than passing something, and then having those issues come up later in the process, without your, sort of, direct ability to get involved in that.

On the animal transport, handling and slaughter, again, you know, we thank you for taking up this issue, since the spring meeting. We were really encouraged to see movement on that and progress on that, and in the same vein, that completing those recommendations is going to take time, we do believe that there is an immediate need to address animal welfare as it relates to animal slaughter and slaughter facilities. And we don't believe that that will require rule making, and we would encourage the Board to
encourage the program to clarify in advance of
a final recommendation and rule making that
the livestock living conditions standards
apply until the time of death, particularly
the requirement that animals be maintained
under conditions which provide for a reduction
of stress appropriate to the species.

We think this would be a way that
certifiers and inspectors could be immediately
encouraged to verify beyond what, you know, we
think of as a 'hog and ham' out of a slaughter
facility, where most of the work being done to
certify and inspect those facilities is around
audit trail and prevention of commingling, and
we think there is a lot more that could be
done right away to address animal welfare at
the slaughter facilities, and that we have an
obligation to do what we can now in that
regard.

I'm going to move onto nutrient,
vitamins and minerals. Just a quick update,
we referenced in our written comments that we
have a member task force working on a white
dpaper on this topic, and that includes an
analysis of the range and scope and economic
impact of fortified organic products and the
organic farm commodities that supply
ingredients to those products.

OTA has enlisted a third party to
aggregate and verify this data and the
analysis is due back to us early this week.

So, once that's complete we'll be
finishing up that final white paper. We'll
share it with the Board and the program, and
that should be well in advance of the end of
this year.

Lastly, I just want to quickly
address this CAC committee recommendation on
certification to USDA guidelines, or
regulations, as you're now calling them.

We didn't provide written comment
on this. OTA supports the "made with"
category, certainly, as legitimate, but we
really believe there needs to be a reward for
producing a product to the 95 percent level that remains. More than incremental, it needs to be significant, in terms of the value to encourage the marketplace to continue to strive, to get into that 95 percent level.

And we struggled with the recommendation in that regard, to balance that with what would be, obviously, a truthful statement, that the products are certified to USDA regulations.

We also think some of the data analysis should be justified. The data referenced in the recommendation needs to be justified, our internal data about trends towards the "made with" category doesn't jive with what we have internally versus what was in the recommendation. I think that needs to be explored more. Syndicated data could answer the question for you. Thanks.

MR. GIACOMINI: Okay, questions or comments? Kevin?

MR. ENGELBERT: With regard to your
last comments, about trying to get more from
the "made with" category to the 95 percent,
isn't that more -- isn't the economic reward
enough to make that happen, assuming that
people will charge more for an organic or a 95
percent organic product than they would a
"made with" product?

MS. BETRCHA: Because, presumably,
the product would be more expensive at retail,
you'd have a higher margin on it. I think
they're more expensive to produce, number one,
and I think the -- you know, at least what the
-- my understanding of what the marketplace
identifies as the reward is the ability to use
the seal and have a distinguishing presence on
the primary display panel that's not allowed
in other labeling categories.

MR. GIACOMINI: Jay?

MR. FELDMAN: Thank you for your
comments. On the corn steep liquor issue, I
appreciate your comments on that, and the
value that you bring to this as a recycled
product that has -- could have value. It does have value in organic production.

MS. BETRCHA: Yes.

MR. FELDMAN: Unfortunately, our task, as we looked at it, is much narrower than, I think, the focus of your comments may be, and that is whether the use of an input in a production process causes chemical change.

I mean, that was our charge, as you know, as a committee, to sort of evaluate that before we proceeded with an evaluation of other questions such as essentiality and other secondary positive effects which this material may have, or does have.

So, that's our challenge, and I'm not sure that your comments -- and maybe you can elaborate on this -- really address that specific question, which is our regulatory and statutory duty to address.

As you know, the law defaults against synthetics and then enables us to put materials back on the National List, subject
to an evaluation of some chemical change process.

And so, we looked at the literature, and I'm wondering if you have any assessment of the chemical change process, which we identified, and as did the technical review from USDA identify, as one associated with the cleavage of disulfide bonds associated with the introduction of sulfur dioxide.

MS. BETRCHA: So, I'm assuming your question, Jay, is whether or not we believe that the breaking of those bonds constitutes a chemical change.

MR. FELDMAN: Yes.

MS. BETRCHA: Is that exactly what you're asking?

MR. FELDMAN: Yes, that's it.

That's what I was asking.

MS. BETRCHA: There was some discussion of this yesterday at a meeting, and I think that I certainly am aware of your
position that would constitute chemical change. I think that is not assessment that is uniformly held.

I'm not a chemist. So, I'm not going to even attempt to answer it. I know Kim is in line behind me, and maybe as a representative of the materials working group might be able to address that, in terms of the framework that they developed for assessing synthetic and non-synthetic.

So, I'm going to defer that and ask you to follow up with my colleague behind me on that, if that's okay with you, Kim.

Thank you.

MR. FELDMAN: Can I have a follow up with that, as a non-chemist?

In a more generalized way, one of the issues that was -- you referenced the minority report -- one of the issues that was brought up I there was the question of -- which this Board has addressed before -- traditional versus more modern corn wet-
milling process, and in the literature there is some discussion about the variability in the resulting SO-2, or sulfuric acid, in the steep water, you know, and so there is this great -- there is this potential variability, depending on the manufacturing process.

As an industry representative, do you worry, at all, about a product that's being used that has great variability, and where you cannot identify the actual levels of a substance of concern, to perhaps, the Board and consumers?

MS. BETRCHA: Well, that --

MR. FELDMAN: Just in a more general. I'm not asking you scientifically, but generally.

MS. BETRCHA: No, and I think honestly, Jay, that question is a little bit too general, to even answer.

I mean, are you asking me, is industry concerned of synthetics ending up in products because we can't detect them? Of
course.

    I mean, I think there is all kinds
of things that -- the detection is variable
and evolving. So, I'm not really, really
quite getting at the relevance of the
question, and I don't really know how to
respond to that.

    MR. FELDMAN: Let me reiterate it.
I wasn't asking about levels. I was asking --
I wasn't asking about detection capabilities.
I was asking about variability of actual
levels, defined levels, which are not subject
to the challenges of detection, but which are
identified at different levels, according to
other tests -- other submissions that we have,
as a Board.

    So, I'm wondering if the industry
would be concerned about identifiable levels
that are quite variable within a large range,
without being able to pinpoint what that range
is?

    MS. BETRCHA: I would suppose the
answer to that would be to -- that would
depend on whether or not that variability
crossed that threshold about whether or not
that substance appeared in finished product
and would render it synthetic.

I mean, I think -- I don't know if
you have that threshold --

MR. FELDMAN: Okay, thank you.

MS. BETRCHA: -- in mind, yes.

MR. GIACOMINI: Further comments
and questions? Seeing none, thank you.

Next up is Claudia Reid and Kim
Deitz and Bob Durst.

MS. REID: Good afternoon. My name
is Claudia Reid. I'm the Policy Director for
CCOF. We are an organization that was founded
in 1973. We're a trade association that
represents about 2,300 certified operations
and 350 supporting members in 35 states and in
three countries.

Our sister organization, CCOF Certification Services, is one of the oldest
and largest organic certifiers in North America.

I'm going to be speaking to you today on two issues. We did submit written comments on these.

The first one is engineered nano-materials and organic production, processing and packaging, and the second one is the sunset review process policy provision.

For the nano-tech -- engineered nano-materials and organic production, processing and packaging, we want to truly acknowledge the efforts that the materials committee went through to integrate technical information and to present their recommendation in a very understandable fashion.

We agree with all of the recommendations, except that we also, along with one other commenter that you heard earlier today, really don't think you need to wait for a symposium to go ahead and make a
decision.

                             We're really concerned that
holding up a decision for symposium will just
make the problem that we already have worse.
We feel that this delay just exacerbates the
confusion that's out there already, and we
concur with NOC's comments earlier about
simply classifying it as a synthetic and
making a decision.

                        Secondly, we want to acknowledge
the policy development committee for their
work on the sunset review process policy
proposal. We applaud this proposal to change
the sunset review process of the NOSB, to
allow for changes and annotations.

                        As it says in that policy
proposal, "The ability to add or change
annotations (restrictions) on applicable
National List materials may be important to
the Board sunset decision, given changes in
the use patterns of allowed materials and
scientific understanding."
We also urge the Board to consider a future policy to take up changes in annotation in between the five year sunset review.

Several materials that were just reviewed and renewed for five years have annotations that should be re-examined, for example, aquatic plant extracts and micro-nutrients, both of which have annotations that may benefit from the review of the annotation, were just reviewed, and they were renewed for five years.

We would like you to consider this new, sort of, in between look in those kinds of circumstances.

Again, CCOF thanks you for this opportunity and we welcome your questions or comments.

MR. GIACOMINI: Questions or comments? Kevin?

MR. ENGELBERT: Thank you. What do you see as triggering the need for an
additional review before the five year sunset period is up? Just a public comment, such as you just made, or a formal request or a new petition, or what are you envisioning for the --

MS. REID: That information. So the colleague that I worked with asked me to bring that idea up, and I don't have anything more specific from her other than what I just read to you.

But I can certainly ask her to let me know whether or not she was responding to the public comments or to past experiences that she's had in over 30 years of speaking before this Board. I suspect it's the latter, since the public comments were just posted several weeks ago. Thanks, Kevin.

MR. GIACOMINI: Jay?

MR. FELDMAN: Thank you. Can you speak to the enforceability of annotations? Some people have raised the issue of it being difficult for certifiers, as we, you know, to
suggest that an annotation might be necessary, and possibly, adopt one, that that increases the difficulty of enforcing it.

MS. REID: I probably could speak to the enforcement of annotations, but I'd actually rather defer to somebody on the certification side, if that's all right with you.

MR. FELDMAN: Sure.

MS. REID: They know me well enough to know that I can speak to just about anything, but they are the experts. Thank you.

MR. GIACOMINI: Further questions or comments? Okay, thank you. Kim Deitz, Bob Durst and Ivan Martin.

MS. DEITZ: Good afternoon. My name is Kim Deitz. I'm going to wear a couple of hats up here, so I'll try to keep them clear for you.

First, I want to just thank the outgoing Board members. I've been in your shoes and thank you for all the hard work and
the dedication. I know it pays off and again, it's noted.

I'm the Regulatory Manager for Smucker Natural Foods. So I'm going to give my comments first on Smucker Natural Foods and then, as a concerned citizen, over sunset.

Smucker Natural Foods, we are in agreement with the pectin, removal of the pectin of 605A and B, and to move it to 606, non-advocated. We do use that form.

As far as flavors go, my comments on flavors, we're still very concerned that flavors are being sunsetted, as is. We've converted all of our products to organic flavors, and we believe that there is -- we need to do something with those. Another five years is not something we sit well with.

So we do urge you to get a task force together and to address that soon. I hear rumblings out there, that there is petitions out there, already. So I know that that's coming.
Colors: I think I've commented for three years that the CAS numbers are wrong on colors, and my comments, I put the correct CAS numbers. So if you guys could take a look at those. I don't know how people are using the wrong CAS numbers, and Jay, that goes to your annotations, because if the annotations are wrong, I'm not sure how people are using those.

Also, with ANOTO, we've switched to the organic form, and it works very well for us. So we support that as well.

As far as sunset, and I'm going to put on my materials hat for sunset. I did write public comments. I'm going to hand those out to the committee, but I'm just going to read them, because I want to make sure that people are going to hear what I have to say.

So please accept these comments as continued dialogue over the need to clarify and adjust the sunset review process.

As many of you know, I served as
the NOSB representative from 2000 to 2005,
when the sunset review process was first
established.

It was also during my term on the
Board that I chaired the NOSB materials
committee and led the Board through the first
sunset review of the National List of
materials.

Ten years later, I agree that
there is a need to clarify the sunset process,
not only for the role of all of you current
and future Board members, but also to ensure
that the public has a process that is
understood by all.

So there was two questions. The
first: should those in the organic market, the
users, be required to justify or defend
current materials on the National List, in
other words, burden of proof?

So I agree that if there is a new
technology, new material or other alternative
that has emerged since the original vote of a
material, that it is the responsibility of the
organic industry to justify that existing
need.

It's also -- if there are no new
alternatives to a material, then the burden of
proof should not fall on the industry to
justify continued use. In other words, if
there is no new technology or alternatives,
then a material should be renewed, so long as
public comment supports the continued use as
is.

If there is new technical
information, then the burden of proof should
shift to the industry or the user to justify
the existing need.

I've also given a couple of
examples. I think the pectin is a good example
of how we are now shifting the burden of
proof. You know, there is a petition that
came in, saying that there is this new
annotation, this new way to look at it. The
handling committee is recommending to sunset
the two, 605A and B, and then to go to 606.

So, again, if somebody still needed that pectin, because the non-annotated wouldn't work for them, they would need to prove that in some way.

I also feel strongly that it's the role of the NOSB to do their homework and to ensure that alternatives to existing materials on the National List are viable. Alternatives should be supported with documentation, such as a new petition, TAP or technical research to provide the industry with the information that they need to do the research and to test alternatives.

The second question was to what extent can the limitations on the use of the listed material be changed to reflect the current or revised annotation.

I provided public comment last year, and said I do believe that annotations could change, during sunset, however, I don't agree with the current recommendation by the
policy committee on the procedural aspects of
that.

There is one -- in particular,
they're saying that they want to be able to
invent the annotations during the Board level,
during the vote, and I think that's too risky,
for our industry, that if annotations are
changed on the fly, it could be a detriment to
the industry as well.

So I request that you delete that
section of the regs, or the proposal, and I
did, in my comments I submitted to you, I cut
and pasted some language and gave you some
specific language with that, and then I put
some comments on why I didn't think it would
work.

MR. GIACOMINI: Any questions or
comments? Katrina?

MS. HEINZE: Thank you, Kim, for
your comments. I just have a question about
ANOTO.

MS. DEITZ: Okay.
MS. HEINZE: Do you use a liquid form or a dry form?

MS. DEITZ: We use liquid.

MS. HEINZE: Okay, thank you very much.

MR. GIACOMINI: Questions or comments? Jay?

MR. FELDMAN: Thank you, Kim.

MS. DEITZ: You're welcome. We'll get this.

MR. FELDMAN: We'll get this, yes. I appreciate your comments and your insight on this.

One of the challenges, and I'm curious how we would deal with this, is the authority of the Board to make the final decision.

You know, clearly this Board operates with a heavy reliance on the committee work, and there is a deference to the committee. But at the end of the day, the Board has to -- I can't think of any other
examples, maybe you can, of where the Board has been restricted on the parameters of what it can vote on, vis-a-vis something that has come out of the committee.

So whereas, that is the, I understand to be the historic process, the expectation is that if a technical, rather technical amendment comes out of committee and is discussed, both with the majority and the minority report, and perhaps we do have more transparency on all the information that went into that decision-making process, which, you know, we can talk about.

At the end of the day, the Board, it seems to me, has to be able to discuss that, and vote on it, and under any procedure that this Board has followed traditionally, there is always the chance that somebody could raise their hand and suggest an amendment.

It happened in methionine, actually, where there was a long discussion in committee, with the step-down process, and
somebody, who will remain nameless, who didn't
know that much about it, made a suggestion and
it was discussed and summarily dismissed
because of the work that the committee had
done.

So I think that we have enough
experience here, in the past, on issues like
we're suggesting here in this proposal, that
suggest that people may want to tweak things,
but it's not the kind of thing that I think
would result in the outcome that you're
suggesting, that there would be an overall
major overhaul of a committee proposal that
would then not be subject to public comment.

So I'm curious about your comments
on that.

MS. DEITZ: Okay, just the way the
recommendation is written, it says that -- say
a committee wants to change an annotation, and
it doesn't pass the majority vote at the
committee level prior to an NOSB meeting, and
it fails, so that recommendation doesn't come
through public comment, doesn't get posted and
there is no public comment prior to a meeting.

The way the recommendation is
written, it says that somebody else can bring
that up at the Board meeting, and that really
concerns me, because it doesn't give the
public an opportunity to one, even know what
you're thinking prior to the Board meeting.

So that is where I disagree --
that is one of my disagreements. If the
committee wants to bring an annotation change,
I think that's -- you know, and it's justified
and it's needed, bring it forward, get the
public comment and then vote on it.

But again, what I don't agree with
is making those changes at the fly, at the
NOSB level, before the public has an
opportunity to even know what you're thinking.

So, yes, the -- your way is, there
is an annotation on the table. Somebody wants
to tweak it a little bit at the Board meeting,
you might have had public comment, then yes,
that's going to have to happen, because you want to get it right.

But what I don't agree with is, something fails at the committee level, any Board member can bring up an annotation change and it could go through, if that makes sense.

MR. FELDMAN: I guess my question to you, as a Board member and such, that -- can you prevent a Board member from bringing up something that a committee rejected? Is that really a process that would withstand the kind of democratic input we're suggesting?

MS. DEITZ: Yes, I don't think you can, or you want to, stop a Board member from making a recommendation.

What I'm worried about, again, is the sunset process, and if we change a material during the sunset, we could risk losing it altogether, or it might not -- you might get an outcry from the public before it's supposed to sunset.

I'm worried about the sunset
process here. Yes, you guys could make changes, but again, be careful what you do. Make sure that it's right. Get your public input. That way it flies through, without having any hiccups in it, and we don't lose the material, unless it's intentional.

MR. FELDMAN: Right, I mean, I think the whole point here is that all the committee work, whether in props or handling or whatever, is subject to review by the Board. That process is somewhat, or should be somewhat transparent.

That process results in a background statement that's presented to the public, on which the public comments. I'm losing your -- this idea that there isn't public opportunity to comment on the sunset and the various ideas that have emerged from the committee.

Yes, it's possible, after the committee has done all this work, that somebody could decide to propose either
something new or something that had failed at committee.

But essentially, the process we're proposing will be subject to public comment and review, and yes, at the end of the day, someone could seek to amend that proposal, but again, we would have received, as a Board, the input on that decision, by virtue of publishing in the Federal Register, the sunset document, which --

MS. DEITZ: I think in your recommendation, you specifically say that if the committee doesn't vote on an annotation change, and it doesn't go through the committee, then it doesn't come to the public, that another Board member could bring it up at the Board meeting, and recommend that change. That's where I'm having the difficulty with.

MR. FELDMAN: Okay.

MS. DEITZ: So, bring it -- if you have an annotation change, bring it through, put it through the Federal Register process,
vet it out, the way we're doing here today or
tomorrow or the next day, and then let's vote.

But don't bring an annotation
change prior to a meeting -- or at the
meeting, without the public knowing. That's
what I mean. That's my intention.

MR. FELDMAN: Okay.

MR. GIACOMINI: Jay, microphone,
please.

MS. DEITZ: And having had them
comment.

MR. FELDMAN: Thanks a lot.

MR. GIACOMINI: Kevin?

MR. ENGELBERT: Yes, just briefly,
Kim, I understand the concern. But I don't
foresee any problems with a committee not
voting on something or voting something down,
and then another member being able to come to
a meeting and, say, get the whole Board to go
along with something.

I mean, we all respect the
committee work, and if the committee turned it
down, chances of it coming to the full Board
are -- I don't see that happening.

But the one thing I want to be
clear on is your concern about annotation
change, and the motion is simply to restrict,
not to remove or not to allow more usage, and
I'm not sure what the true concern is with
that, why -- given that the anticipation is,
materials that are on the list are continually
being found new uses for, and we may need to
react to that quickly at the Board level if we
don't deem it appropriate.

And maybe another six months won't
matter, I don't know. But I just want to make
sure I'm clear on what your true concerns are
with that.

MS. DEITZ: I don't have any
concerns with changing an annotation during
sunset, okay, as long as there is a process
for it, and as long as everybody understands
that process, and that the public has plenty
of time to comment on that change. That's as
plain as I can say it.

Whatever you need to do to assure us of that, then let's put it in your policy and let's get it right, so that we're all on the same page with it, okay? I hope that answers that.

MR. GIACOMINI: Just one more thing, quickly, if you can, Kim.

Can you address the part of the sunset of, if an annotation change is going through and getting bogged down in rulemaking, but it wasn't what was reasserted in sunset, the process -- how you see that process of bringing it back to the Board, where it's already on a short time leash?

MS. DEITZ: Yes. I think that's not a very good idea at all. If an annotation has changed, it's voted on, it goes through the process, it goes through the Federal Register Notice, and then we're about six months out, before materials go to sunset, and for some reason that annotation has a problem, the
public is going to comment and then we have a risk of that material coming off the list.

I would suggest that either we -- I think we talked about doing a couple of votes, you know, whatever we can do to make sure that either the material stays as written on the National List or the annotation goes through as voted on.

I don't think that you'll be able to -- I mean, we've got materials from 2007, that were voted on by the committees, and they still aren't on the National List. It's a very long process. And that concerns me, that we could risk the industry having materials.

MR. FELDMAN: Switching subjects, did you have something to say on corn steep liquor or --

MS. DEITZ: Yes, actually, Gwen and I have signed up for comments on Wednesday.

MR. FELDMAN: Oh, okay.

MS. DEITZ: So we are going to talk
about that.

MR. FELDMAN: Thank you.

MS. DEITZ: And I see Mr. Bob Durst is right after me. I know he has some things to say as well.

MR. FELDMAN: Okay, perfect.

MS. DEITZ: So we'll give you our comments on Wednesday.

MR. FELDMAN: Thank you.

MR. GIACOMINI: Thank you, Kim.

Next up, Bob Durst, Ivan Martin and Richard Wood.

MR. DURST: Thanks, folks. I'm in favor of corn steep liquor being listed as not synthetic. So right up front, let you know.

The minority opinion correctly looks at the definition of the chemical change and SO-2 and disulfide bonds don't qualify as causing a chemical change in corn steep liquor.

To look at some of the points that were brought out in the majority opinion, the
second one that came out, just before comments 
were due here -- and so a lot of us didn't 
have time to react to those in written 
comments that went in, you had one that asked 
whether it was a molecular change. My answer 
to that is, no, as I just said, disulfide 
bonds are weak interactions that, when broken, 
don't change the chemical structure of the 
parent material.

On point two there, about 
structural changes, yes, they definitely do 
cause structural changes, that's the 
quaternary structure of a protein, and at the 
end here, I give a little bit of an analogy 
and see if it makes any sense to anybody.

But these are not covalent changes 
that are occurring here, and the third point, 
it goes way beyond what's strictly CSL, and 
following down this path of making CSL 
synthetic by simple contact with some kind of 
substance like this, whether or not it 
promotes a chemical change or not.
You've got a lot of food products which have processing aids associated with them, even within CSL. You've got legitimate food products that are coming out of this corn steeping process, corn starch, corn gluten, corn oil, those are all perfectly acceptable right now. Are those going to become synthetic if CSL becomes synthetic?

You've got an exact analogy in the grape industry and grape and wine, where grapes are treated right up front with sulfur dioxide. Wine is -- and allowed, it's -- you know, made with organic wine, you can add the added sulfates, but all the pumice and must and lees that are left over from that are another agricultural input that is exactly analogous to CSL.

Now, are you going to suddenly rule that that's now synthetic and it's unallowed in compost production further down the line?

Lots of other things. Sugar has
processing aids associated with it.

So, in front of you, from all the public comments that have been made, are a lot of literature information. There's a lot of citations. Richard Thur (Phonetic) did a very good job of providing literature citations for things. The later stuff that he provided is more appropriate and more accurate as to the status of the CSL and steeping industry right now.

But you're looking at steeping, lactic acid, sulfur dioxide. None of those literatures really focus on the exact question that we need to answer here, because we're looking -- in those cases, the literature stuff is all looking to improve the yield of the so-called important products, which are starch, corn gluten and corn oil, and CSL is always just a waste product at the end of that process.

So they're not looking at that and what the impact of any of this process is on
Regarding the solubilization of protein, sulfur dioxide, lactic acid have an effect in solubilizing protein. There is no doubt about that, but the breaking of the disulfide bonds is what solubilizes proteins, but it's not a chemical change in the backbone of the protein.

So it doesn't really matter which of the definitions you use, the November 2009, April 2010, the materials working group decision tree, they all should be answered that the contact with SO-2 and/or lactic acid and breaking disulfide bonds, does not constitute a chemical change.

This isn't semantics. It's the way the chemistry really is with these products. That's what chemistry says happens.

So I'll quit with that for a second, and I'll try this analogy, to see if we can give you a two minute lesson in chemistry and stuff, for laypeople.
If you had a whole bunch of people in a room here, like we are here now, and we're all proteins, and if we all link hands, that's disulfide bridges being formed, and if you do that, you can't get through the room. A waiter can't come in and do anything, because we're all tangled up and messed up together.

You break those disulfide bonds, put your hands behind your back, people can weave through, you can get around. I haven't changed. You haven't changed. Nobody has changed. We broke the disulfide bonds.

We can still make them again. We can remake them someplace else. We can tangle them all up again, but there is no fundamental change in the chemical nature of those proteins. We're still who we were when you first started that.

And so, that the same that is happening with corn steep liquor, and the sulfur dioxide presence there, and I'll stop
with that, and see if there is any questions, which I suspect there may be.

MR. GIACOMINI: Questions? Joe?

MR. SMILLIE: Thank you.

MR. GIACOMINI: Anything further?

Jay?

MR. FELDMAN: Thanks, Bob. You mentioned covalent bonds --

MR. DURST: Yes.

MR. FELDMAN: -- and you said these were not covalent bonds, is that your testimony?

MR. DURST: Sulfide bonds are not covalent bonds, that's correct.

MR. FELDMAN: Okay.

MR. GIACOMINI: Further comments or questions? Hearing none, thank you.

MR. DURST: Okay, I'm surprised.

MR. GIACOMINI: I'm sure that comment will come back.

So right now we have Ivan Martin and Richard Wood and Brian Tennis.
MR. MARTIN: My name is Ivan Martin. I want to thank the Board for giving me the time to give some opinions.

I'm with the Natural Acres Organic in Millersburg, Pennsylvania. My background has been in the pharmaceutical, until 1999, actually, even a little later than that.

I was in -- changed rabbit and guinea pig for laboratories. So I started the organic farm. We have 525-acre farm in Millersburg. Started in 1999 with cattle, and then we had up to about 4,000 chickens. We had one chicken house that had 1,000 chickens, and actually that house was used for Oprah, with the California change of law, with trying to change the law, with again, the chickens out of cages.

My interest really is in better eggs, and of course I believe that grass is really something that really we need to get a better egg. I am working on a combination of having the chickens out, designing a new
building that can do that, and then also to
make a sprouting machine that I can make
sprouts, grow grass six inches high in six
days.

So that is what I'm working on.

But my main interest is to have a better egg,
and you know, we are what we eat, and so is
the chicken. So everything is a transfer of
nutrients.

And so, I really -- the Board is
doing a good job in getting manmade toxins out
of our food, but I think that the real
challenge is to get better food, and what we
feed nature, our food, what is happening with
-- you know, I think the egg is under attack
right now, that they want to denature it now,
and I'm concerned about that.

So on my card, I have: nutrient
enriched food, and God's microlife heals,
man's manipulation destroys.

So we have to, I think, really
start zeroing in a little bit on God's
microlife, but that we're not getting.

MR. GIACOMINI: Questions or comments? Thank you. Richard Wood, Brian Tennis, Beth Unger.

MR. WOOD: Mr. Chairman, Members of the Board, my name is Richard Wood, and I am the founding member of the Wood Burditt Group, which is a food and drug law firm based in Illinois, and I am here representing my client, the International Formula Council, which is an association of manufacturers and marketers of formulated nutrition products, including infant formulas, and whose members are predominantly based in North America.

These comments are given specifically on behalf of the IFC member companies who manufacture organic infant formulas, as well as the non-IFC member, Hains Celestial, who will speak later today.

We're here to comment on the contemplated change to NOP's policy on accessory nutrients in foods, as announced in...
the April 26th memorandum and discussed in the document, "The use of nutrient supplementation in organic foods," which is being considered at this meeting by the handling committee.

With five minutes, if I can achieve two things, I will try to do so. We have filed written comments, and I would urge you to read those, but one objective is to have you understand the counterproductive effect the contemplated policy will have on organic infant formula, and two, illuminate the NOP's flawed interpretation of FDA's fortification policy, which is sometimes referred to as 21 CFR 104.20.

Some background: the IFC supports the position of the American Academy of Pediatrics, that breastfeeding is ideal and offers specific infant and maternal benefits. We also agree with the AAP that in those instances when a mother cannot or chooses not to breastfeed, iron-fortified infant formula is the only safe and nutritious alternative.
In other words, breastmilk is the gold standard, and organic infant formula should be as near as possible to that gold standard. Very important point.

I also want to bring to your attention the definition of infant formula, because it will be relevant later to the legal discussion.

In the Food, Drug and Cosmetic Act, infant formula is defined as food for special dietary use, solely as a food for infants, by reason of, one, simulation of human milk or two, its suitability as a complete or partial substitute for human milk.

The effect of the change that is being contemplated and/or proposed is that the accessory nutrients in organic formula -- if the accessory nutrients in organic infant formula are removed, organic infant formula will be less of a complete substitute for human milk than obviously, human milk itself, or regular infant formula, i.e., non-organic.
Very important point.

Now, I'm going to move to NOP's misinterpretation of 104.20. Again, we filed detailed comments, and I would urge you to read those. It's a five page document, pretty heavy legally. So those of you interested could read that at your leisure.

But the fact is, the fortification policy does apply to infant formula. The policy was established in January 1980 and applied to all foods, and infant formula was a food then. It wasn't yet defined in the Food, Drug and Cosmetic Act, but it is a food.

I am not aware, and I have been involved with the IFC, since 1976. So I've been through the whole legislative and regulatory history, and I am not aware of any statement by FDA, in all the infant formula rulemaking, that stated that the fortification policy does not apply to infant formula.

Moving to the next point, FDA's fortification policy is very much broader than
interpreted by the NOP in its April 26th memo.

The NOP says that D3, which lists 21 nutrients, and those required by standards of identity, are the only nutrients recognized by FDA's fortification policy.

This interpretation ignores (e), that is fortification Section (e), which is, nutrients may be added to foods to avoid inferiority and (f), which allows any food, including infant formula, to be fortified with a nutrient that is permitted or required by applicable regulations.

Applicable regulations include grass substances, food additives. So in short, 104 is much, much broader than interpreted.

Finally, last point, FDA, in its pre-amble to that policy, that said, FDA has established, in recent years, a number of regulations that have included one, special dietary foods. So reference in the preamble in 1980 to special dietary foods.
The Infant Formula Act was passed ten months later. Infant formula became a regulated entity, but still a special dietary food.

So two points in summary: organic infant formula should be as close to human milk as possible, and the NOP must have a complete and accurate understanding of the FDC Act and specifically 104.20, before it changes its rules. Thank you, Mr. Chairman.

MR. GIACOMINI: Thank you.

Questions or comments? Thank you.

Okay, Brian Tennis, Beth Unger, Dave Carter, proxy.

MR. TENNIS: Thank you. Good afternoon. My name is Brian Tennis. I represent the Michigan Hop Alliance, and I need to preface my comments before I begin by saying that I am far more comfortable with a beer in my hand than I am with a microphone in my face. So if I stumble, I apologize.

Michigan right now has the second
highest rate of unemployment in the nation, trailing only Nevada, and we desperately need to bring jobs back to our state, not just temporary jobs, but good-paying and sustainable jobs as well.

Agricultural in my state is critical, and currently our second largest industry, generating over $60 billion for the state economy and employing over one million residents.

The Michigan Hop Alliance is an organization that exists to promote organically grown hops in our region and to create sustainable jobs for our state.

Currently we have five member growers and 15 acres of certified organic hops. While most of these fields are not yet in full production, they will be within the next season or two.

We believe in sustainability and we strongly believe in the future of organic beer. Our farms are currently growing some of
the most commonly used hops in the industry, including Cascade, Centennial, Chinook, Galena, Mt. Hood and Willamette. Next year, we plan on doubling our acreage and we are committed to continued growth.

We are also part of a sustainable hop trial that is being facilitated and funded by the USDA, Washington State University and Michigan State University.

This trial consists of 20 different hops and it was basically put together to study the feasibility of growing hops in an organic and a controlled environment.

I can tell you from personal experience that it is much more expensive to grow hops organically. It takes a lot more labor. The yields can be smaller. However, the quality of the hops that we can produce right now, will compete with conventional hops. In fact, some of our hops are already going into some of the beers in our state's
largest breweries, including Founders and New Holland.

This may not come as a shock to my colleagues, but I've actually sampled that beer and it's pretty good.

Growing hops in our region is a new venture, but agriculture in my area, up in north of Travers City, is a primary industry and it's strongly supported.

Hops are helping us to diversify that area and will assure continued agricultural prosperity.

The Michigan Hop Alliance is driving the growth in this area. We are ready to ramp up organic production to meet the needs of our brewers. We've even recently traveled to Yakima and spent time with our friends there, and we understand why hops made the exemption a few years ago, but we think that that need truly no longer exists.

I am here today to ask you to remove the blanket exemption on hops and
support not only the organic farmer, but the organic brewer and the consumer as well.

We truly want to see the brewers succeed, because without them, we don't have the market. We need those guys to make money, and we need to provide them with the product.

We feel that we can actually work with the brewers and drive the solution for this.

So in closing, we ask you to please stand behind the organic label and allow only certified organics to be used in certified organic beer. Thanks.

MR. GIACOMINI: Thank you.

Comments or questions? Katrina?

MS. HEINZE: Are you in support of the handling committee recommendation of January 1, 2013?

MR. TENNIS: Yes, I think that should be fine. We also passed out some flyers with the 20 different varieties that we're growing.
But we feel that that is an excellent compromise. We can actually work with the brewers, if they can tell us what hops they need, we can start planting them next spring and make sure they are ready. Guaranteed.

MS. HEINZE: Thank you.

MR. GIACOMINI: Okay, further questions? I think that is it. Thank you.

MR. TENNIS: Thanks.

MR. GIACOMINI: Okay, Beth Unger, Dave Carter, proxy, Rob Serrine.

MS. UNGER: Hello, I'm Beth Unger from Crop Cooperative. Glad to see you all here in Wisconsin, and I hope that you'll all attend the reception in your honor tomorrow evening.

The first topic I wanted to cover today is the animal welfare stocking density discussion document, and I want to start off by saying that we support a process that such standards that have clear goals and fulfill
consumer expectations, not standards as specified management practices.

In other words, just let the farmers manage their farms, and that's a mantra that you've probably heard from me before about these outcome-based standards.

Well, this has been in the discussion phase for a while now, and we are very much looking forward to seeing the livestock committee bring this to some type of conclusion and bring a recommendation forward.

We want to see these animal welfare standards that look at the health of the animal and assessments that focus on criteria, such as you so well stated in your discussion document, body condition, lameness and other scoring factors.

You know, I think that, first of all, organic farmers do an excellent job, by and large. We know that. We have somebody out on the farms looking at the animals and we know that these are very healthy animals and
this is a part of the management practices, rather than having, you know, inspectors come out on the farms with tape measures, spending more time, increasing the cost of inspections, measuring up, you know, is there enough space here? Is there enough space there? And then looking at those tables, which was mentioned earlier, I don't want to belabor the point. There are certain missing practices, such as tie-stalls and stanchions. So, you know, I can see where you want to do a chart. I think it would best serve as a guidance document to certifiers, not a part of rulemaking. Also, the livestock committee should consider: what's the desired outcome? What are you looking to get done with this recommendation and eventual rulemaking? Hopefully, it will do something that will replace other forms of third-party verification that are very costly for farmers and additional paperwork, such as the variety
of welfare standards that are out here now.

    If that's the case, boy, we're
going to be right behind you on that one and
champion it every step of the way, and --
let's see -- and the other thing I wanted to
bring up is that I want you to remember that
in the NOP's response to the NOSB there was a
number of questions, regarding the discussion
document, that have not yet been answered. So
please take a good, careful look at that.

    Now for something completely
different. I am going to say something about
the sunset review policy that nobody else has
mentioned, although I've heard some really
compelling remarks today, but I still have
this one little sticking point that was in the
written comments that were posted online.

    And that is that you can take a
look at materials on the National List, and
the history of what's gone on, with the
intentions of the various National Organic
Standards Boards, throughout history, and
there have been cases where I can see that this policy is a very good policy.

Perhaps a petition came forward with annotations that didn't end up on the National List. Okay, I'm getting there.

There is also the other side of that story. There have been petitions that came through that did not have annotations and subsequently, during rulemaking, annotations were applied that were not the intent of the National Organic Standards Board, and I think that you're doing a disservice to previous Boards by not honoring the work that they have done and considering that.

Okay, and I'm saying, boy, when that comes back to you, please, get a real TAP review on that one and I would love to see the USDA support some research on this topic.

MR. GIACOMINI: Questions or comments for Beth? Okay, seeing none, thank you.

Dave Carter, Rob Serrine and Robin
MR. CARTER: Okay, welcome to Pet Food: the Sequel. I'm Dave Carter, representing the Pet Food Institute and the organic pet food producers.

In my previous segment, I talked about the overview of the issue of the importance of trying to move forward with rulemaking and why these are not accessory nutrients for pets, but rather, required nutrients.

So right now, I want to talk about -- there are really three legs of the stool that we're really sitting on, as we try and address this.

The first of those is where we talked about -- and Joe, as you asked Miles, was the timeframe on the rulemaking.

The recommendation was adopted by this group in November 2008, and we're still anxiously awaiting. We were encouraged in April, by Miles' comments, that it has moved
up on the list, maybe not quite so encouraged
right now as to where it is on that list.

I do want to acknowledge, though,
and thank Miles for coming out to Chicago.
PFI had a meeting in Chicago a few weeks ago,
and Miles came out and did address the organic
producers there and I think that that's very
helpful in that communication.

Second, though, and this is really
the key area, is the nutrients, and the
recommendation that was made by NOSB in 2008,
there was an addendum with a list of nutrients
that would probably have to be petitioned for
inclusion on the National List.

That list was about 12 nutrients.
There has actually been one added since then.
So there is 13 separate nutrients that, if we
don't have another approach, could come in as
petitions.

We've already submitted one for
taurine, although at this point, since pet
foods being under the human food regulations
under 605, but the NOSB's recommendation was
to move it to 603, it's kind of like, where do we petition? We came in under 605, et cetera
and so on.

But the key thing is to take a look at another approach. Because these are required nutrients and because of the 1995 NOSB recommendation of outside authoritative sources, we have been in discussion with FDA and the Center for Veterinary Medicine and just found out this morning that they communicated with our folks late last week, that they agree that really, the best thing to do would be to reference the National Academies of Science, National Research Council listing of required or recommended nutrients for pets, as a category for those nutrients.

I talked previously about AFCO and what they require in terms of complete and balanced formulas, and what AFCO does is, they pull that off of the NRC and as I said before,
AFCO may be the viable, but NRC is actually the original stone tablets that it was handed down on, in terms of what's defined for pets.

So what we're recommending is that the recommendation that was adopted in November 2008 be amended, so that under the recommendation for 205-603(b), or as it's in the recommendation (e), that in addition for trace minerals used for enrichment and vitamins used for enrichment or fortification, that there be, then, sub-paragraph four, other nutrients when FDA-approved or recommended by the National Research Council.

So it would quantify that list, and we feel that that would be a way to bring those in as a category, rather than having to individually petition.

And then the third thing is that in April, the program talked about the transition time and doing that through rulemaking. I know there are some previous comments here today about a time certain for
a transition time. But until the rulemaking gets done and until we resolve some of these other issues, we need to continue to work with the program, to make sure that that transition time does not cause serious business interruption for folks who have been diligently playing by the rules for the last eight years and trying to manufacture certified organic pet food products. Thank you.

MR. GIACOMINI: Questions or comments? I like where you're going with that. I don't think it will work.

The part that I don't think will work is that certifiers and the program always want to fall back to AFCO.

The substances in the vitamin and mineral section for AFCO do not necessarily contain all of the substances in the right place in their lists, that you're going to be needing, that you're -- just included by -- from the list of raw materials, of the
specific vitamin, the specific mineral, in the NRC's, because I'm familiar with how NRC's are written.

I am also concerned that you might not have some appropriate NRC's that you need, because some of them are very specific to certain species and some of them are very generic, and they may not be found to be appropriate. So just some things you might need to work on.

MR. CARTER: Yes, no, and I appreciate that. I mean, when you take a look, and the reason that we're looking at the NRC, as I said, AFCO relies on that for when they develop their complete and balanced. The FDA also uses that.

Now, FDA does not have a list, you know, of nutrients for pets. So what we're trying to do is say what would they refer to on that, and that's what CVM is recommending.

There is, in the -- if you look at the tables in that -- I always want to call it
NRCS. Too many years of working with the producers -- the NRC, there is the specific table.

You know, AFCO is not broken down by breeds in what they recommend. It's broken down by growth, healthy growth and then adult maintenance. There are different things there, as are the NRC tables that they have on that.

MR. GIACOMINI: But when you look at -- the other thing is, keeping AFCO up with NRC -- Dairy NRC added chlorine as a mineral in their 2001 edition.

In talking to the Chairman of the materials section at AFCO, his response to me was, "Chlorine isn't a mineral. Who looks at chlorine as a mineral?"

Well, it's been in the NRC for almost ten years. So there is sometimes, a slower, more deliberative process than even --

MR. CARTER: AFCO.

MR. GIACOMINI: -- than much of the
government.

MR. CARTER: Yes, absolutely.

MR. GIACOMINI: Anything else?

Thank you.

MR. CARTER: Okay.

MR. GIACOMINI: Okay, wow, the list changed. Are you current? Is that you?

MR. SIMONSON: Yes. Rob generously offered to change slots with me, because I have a plane to make.

MR. GIACOMINI: Okay.

MR. SIMONSON: So Peter Simonson.

MR. GIACOMINI: Okay, Peter Simonson, Robin Allan and Jake Lewin.

MR. SIMONSON: First, thanks to Rob, for changing slots.

I am Peter Simonson. I am a professor of communication at the University of Colorado at Boulder. I'd like to comment on hops, and specifically, the process or procedure through which the handling committee made their original and then their revised
recommendation, with regard to hops.

I want to say that I do support the revised recommendation and the decision to sunset hops, and I think that the hop growers testified eloquently and with excellent facts, with regard to why that should happen.

I'd like to comment instead, about the process and respond, or refer back to some of the things that were said first thing this morning, with regard to transparency, publicness and communication.

I know that both the NOSB and the handling committee are committed to publicness and public communication and transparent deliberation, but I'm not sure that in this particular case, that they lived up to the standards that I think that they want to live up to.

So, I'd just like to make a couple of comments, in that regard.

The original handling committee report made reference to what I'm quoting,
"Credible public comments that determined that there is insufficient supply of organic hops, to serve the brewing industry," and then, and I also quote, "A significant number of written and public comments that supported that position."

These comments were nowhere available on any public site that I could determine, and so, I emailed, as a student of public deliberation and communication, to try to lay hands on those plentiful public comments.

I was referred to the Freedom of Information Act, which is well enough, except that the USDA attorney, or an assistant attorney in the USDA, in November 2008, gave a presentation that said, and I quote, "The public does not have to submit a Freedom of Information request to obtain Advisory Committee materials."

Now, perhaps, I'm wrong, and the handling committee doesn't count it as an
Advisory Committee, but if they do, then there is a disconnect between what I think the USDA wants to uphold and what happened in this case.

So, there were references to public comments, and plentiful public comments, at that, but no indication that they existed from this observer of the public. So, that was troubling to me.

In the revised comments -- or I'm sorry, the revised recommendation by the handling committee, and perhaps, in response to public comments that were posted on the website, the handling committee clarified their procedure in making the original determination, and suggested what those public comments might refer to, and again, I quote, "Public comment has been received, objecting to the removal of hops from 205.606.

"Four members of the committee had conversations with 12 or more brewers, three certification organizations and multiple hop
producers and organizations, about the
availability of organic hops, and the
cultivars of hops needed for different brews."

Now, I would submit that while
those 12 people may be members of the public,
in this particular case, those were not public
comments. We don't have either the names or
the specific claims made, by those people, and
so, in this instance, we don't have, I think,
the transparency that we would need to be able
to indicate the credibility of the people who
made these claims, or whether they have, you
know, a particular commercial interest or
whatever it might be.

And so, I think that in cases like
this, we need to have better access for
members of the public, in addition to
interested parties, to testimony that has been
made about the recommendation, and I submit,
and I know you guys -- you wouldn't be having
this hearing, unless you were interested in
publicness and public comments, but I don't
think that in this case, you quite lived up to it, and I know it's hard, I know you've got a lot going on, but the stakes are rather high here, and in this case, we have determined, with credible testimony from the growers, that there are plenty of organic hops, and so, it doesn't look like the investigation in this case, which was neither fully public nor as rigorous as it might have been, led to the facts of the outcome that should have happened, though I applaud and appreciate the fact that you changed your original recommendation and are voting for sunsetting the regulations. Thank you.

MR. GIACOMINI: Steve, and then Joe.

MR. DEMURI: I appreciate your comments. Unfortunately, sometimes the only way we can get comments is to put out a recommendation based on the best information that we have at that point, and then a lot of people will come out and make comments, like
yourself. So, we appreciate that. Were you at the last meeting?

MR. SIMONSON: No, I wasn't.

MR. DEMURI: Okay, there was a brewer that got up and made specific comments to us, that he wanted -- he needed to have that relisted. That's in the transcript. I went back and looked at it, after receiving your comments. It's in the transcripts from the last meeting.

So, that is part of the public record, and there are some other people that we talked to, just as a committee, that confirmed his statements.

So, but I'm glad you made comments and I think that the process works.

MR. SIMONSON: Thank you, and in all due respect, and I saw that, and I'm sorry I didn't mention the brewer's comments, that was a singular comment and the suggestion was that there were multiple credible comments. So, but point well taken, thank you.
MR. GIACOMINI: Joe?

MR. SMILLIE: I liked the last part of your speech the best, where you realized the load that was on us and the work that we had to do, and then we finally came up with a solution that worked for everybody. That was good. I liked that.

Going back from that, there seems to be a comment that basically, we didn't live up to our own standards, and I'll just tell you exactly what happened, and you are absolutely accurate, in saying that our -- when we came out with our second -- the revision, that we clarified our procedure, because we heard your comment and others, including fellow NOSB members, who said, "Hey, what were you guys doing on the handling committee? You know, look at the uproar this has caused."

So, this isn't just about hops. This is about committee practices and the workload of the NOSB, and how we may muddle,
but we try and get things right.

   So, basically, that committee is
like, six people. It's one of the committees
that they serve on, and there was an awful lot
of work this particular term. I'm not looking
for sympathy here, although if you want to
give it, that would be accepted, but we had a
lot of work to do.

   We had a lot of tricky issues.
These are incredibly complex issues. So, what
we, in the committee do is, we sort of divide
it out and we say, "You take the lead on
this," and you know, "If you need help, let us
know," and some things like, for example, the
pectin thing, we really didn't need a lot of
stuff, but we got it. It wasn't
controversial.

   The hops one, started to get --
whoa, this is getting complicated, and four of
us, four of the six people of that committee,
actually went out and went to their best
sources, to try and get the story.
We thought we had a pretty good feedback from the hop growers. I went back, I've got the list, because I kept my notes, and it's four pages of notes. We went -- we didn't go back to a lot of growers, because we had their story. That was clear. I wanted to hear what the malters had to say, what the barley growers had to say, what the brewers had to say, the other side of the story, because we've got to look at the entire industry.

I mean, yes, the hop growers are very, very important, but they're not going to exist, as they just told you, without the brewers. So, we wanted to get their side of the story.

They were a little more reticent, because they didn't want to come under attack. So, sometimes, we had to get opinion, but the only way we'd get an honest opinion was to get it off the record, okay. So, they would give us an honest
opinion off the record, and we'd factor that in, and then go back and look at it again. So, in actuality, that's what happened in our committee. Four of us on the committee, which is huge, I mean, usually, it's not that many of the committee can focus on the one issue. So, four of us went back and started to compare notes and came back with some conclusions that, yes, there is lots of hops out there, but these brewers are telling us, man, they've got to have these specific varieties, you know. So, we said, "Okay, let's, you know, let's keep it going," and that's why our first recommendation said, "Well, we see some issues with the petition and we want to keep it going."

Bingo, democracy in action. Open, transparent democracy happened, as we've heard, and we're going to continue to hear, the hop growers are going to make their case. The brewers are going to start to back out,
the certification organizations are going to make their comments on how they do commercial availability, and we start to see the whole picture. We came back, and I think, according to just about everyone, we've got it right.

Resources, how much -- how many resources did we have? You know, we would have needed an economic TR to look at the brewery industry, the craft brewery industry and really get a real accurate picture. That would have taken a lot of time, and our experience with TR is, even on short simple subjects, it takes forever to get TR's back. No criticism intended. That's just the way it is.

So, for us to get a TR back, or do an exhaustive survey is, I won't say impossible, but we've got so many things to do, it's pretty improbable that we could do that.

So, we did that best that we could, on that committee, by going out and
getting these opinions, and that's what we
sort of published, you know, 12 ta-da-ta-da's,
and a partridge in a pear tree, and then we
went to public comment and as Steve said,
that's what this is about.

So, is the handling committee's
inter-deliberations totally transparent? No,
probably not, but the end result is that the
entire Board votes on something and the public
votes, and we heard their votes and we
responded.

So, I think the process works.
We're a volunteer organization, and as people
on this Board know, you know, it's not our
full-time job. It could be, I mean, it could
very well be a full-time job.

So, I'm not making this apology or
anything, just for hops. I just want
everybody to know, because we're facing the
same thing with confining, that we heard this
morning, right, the same story, you know, you
guys didn't do a good enough job, you didn't
get enough scientific data, to justify ta-da-ta-da, to the OMB.

We're justifying something to the OMB, that sounds like a full-time job, to me, and this committee can only go with their gut and what they feed back from the industry, because that's what we are, we are the representatives of certain segments of the industry.

So, we go back, to our industry, and get their feedback, and I'm going on too long, but that's the answer to your question.

MR. GIACOMINI: Thank you.

MR. SIMONSON: No, I appreciate that and I do think that the procedure worked out, in the end.

I guess the take-away message is an advocate of the public and the idea of publicness might be twofold here, that one, that I respectfully ask that you don't represent something as having public support, if the numbers don't exactly add up. One
comment does not a public well-spring make.

The second is, I think it's
dangerous to get off the record comments, and
represent those as public comments, because
people will say things that will hold up
publicly, and some of the things they say
privately, frankly, might not hold up.

MR. SMILLIE: And vice versa.

MR. GIACOMINI: Okay, anything new,
on this topic? Jay?

MR. FELDMAN: I would just hate for
this conversation to drop. I mean, I know
there's a lot of work on the table, but it
seems to me that I -- the committee did do the
best it could do, you know, given the
circumstances, but are there practices or
processes that could be adopted, that would
improve the process?

I mean, you know, watching this,
not having been a part of the committee, it
seems to me that yes, you follow protocol and
procedure, you even put more resources into
it, than we typically do, in terms of
ingredients working on this, but it may be
that there are things we could do differently
that would at least be perceived by a
political scientist and you know, others --
you know, other folks and the public, as
thorough a process. I just think it's a good
thing to review. I know we have other things
on the table, but I would just throw that out
there, something to consider.

MR. GIACOMINI: Kevin, last one.

MR. ENGELBERT: Last one. I have
to concur with Joe. I mean, we did the best
we could. There is one thing that could be
done, and that is to have full-time NOSB
members. That's the only way that I see, that
we can really change what it --

MR. GIACOMINI: Paid?

MR. ENGELBERT: Paid members,
exactly. I don't see how we can do anything
different, given our workloads, the
responsibilities that we have and as we've all
reiterated time and time again, there is just
a tremendous amount of work to do, and we do
the best we can, and I applaud the handling
committee for the way that they adapted to the
situation and sought out information, because
we did the same thing, on the livestock
committee, with regard to that.

MR. GIACOMINI: Okay, thank you.

We came back from lunch, I believe, an hour
behind schedule. We are now an hour and a
half behind schedule, but our agenda says we
have a break at 3:30. So, let's do that,
3:45, back.

Oh, you're right, we had already
cought up. Well, no, but what I'm saying is,
Katrina, we were behind on this schedule of
where we should have been, okay. So, break.

(Whereupon, the above-entitled
matter went off the record at 3:40 p.m. and
resumed at 3:55 p.m.)

MR. GIACOMINI: Okay, let's take
our seats. Any conversations in the gallery,
please, take them out in the hallway, please.

Okay, Robin Allan, Jay, and who is the next one after Robin and Jay, Lisa?

MS. BRINES: Bonnie.

MR. GIACOMINI: Bonnie just went by. Okay, go ahead.

MS. ALLAN: Okay, my name is Robin Allan. I'm the Director of Grower and Livestock Certification for CCOF Certification Services. We currently certify about 2,300 operations, including approximately 140 livestock operations.

So, I'm here today to discuss the work of the livestock committee, and I want to thank you, first, very, very much, for your recommendation to change 205.238(c)(2). I particularly appreciate that you took CCOF's comments from the previous meetings under advisement and developed this very reasonable recommendation, which addresses the inherent catch 22 that exists in the current regulations, regarding animal healthcare.
products.

Secondly, we're also happy to see the discussion documents on animal welfare. We fully support the direction of the document on animal handling, transport and slaughter.

In my written comments, I had posed a couple of specific questions about applicability, which I'm not going to repeat here.

We do applaud the use of measurable outcome based standards, wherever they can reasonably be applied for consistency, and I would reiterate Beth Unger's comments, I thought she expressed those very well on this subject.

At this time, I do not have specific comments on the stocking densities document, other than to note, I believe there may be an inadvertent numerical error, in the amount of space allotted to pigs, I'm a little concerned about the pigs.

It doesn't seem rational to me
that a 44 pound pig would get two square feet
of indoor space and one square foot of outdoor
space. One eight pound rabbit gets three
square feet of indoor space and ten square
feet of outdoor space.

So, anyway, I'd ask you to look at
those numbers really carefully, and see where
the error is.

So, I do also ask that the
committee look at the square footage numbers
being proposed, not just from the mathematical
standpoint, but also, from the common sense
and practical standpoint, before those go too
much farther.

I'd also like to state that CCOF
agrees that the NOP standards demand
significant outdoor access for poultry. I
just kind of want to put this on the record.
We're working hard in this area. We're
looking to the NOP guidance for support, and
we have not and we will not ever certify an
operation that just has porches.
And so, if there are corrections being made to cornucopia documents, we would also like to request that such a change be made, and state that for the record.

We have encouraged all of our livestock producers to comment to you directly on the subjects of animal welfare and other relevant recommendations.

However, we do believe in this area, that it's essential that the Board reach out to the producers pro-actively. We have found that the vast majority of the producers cannot or do not participate in the process at critical times, and often, only become involved once it is too late.

My finally comments here today are not included in our previously submitted written comments, as they're regarding the September 30th memorandum to the NOSB from Miles McEvoy.

The pressing issue that I am here to address is the NOP response to the Board's
previous recommendation on GMO vaccines for livestock.

According to the NOP memo, the recommendation passed at the November 2009 NOSB meeting, to allow GMO vaccines only when non-GMO vaccines are not commercially available, cannot be acted at all and by the NOP, as Miles stated earlier.

The NOP has recommended that the NOSB evaluate GMO vaccines to offer up criteria and then recommend a listing for 205.603, if it is found to be appropriate.

Based on the perceived ambiguity of the regulations as currently written, it's important to note that many GMO vaccines are currently being used in organic livestock production.

Vaccines are an essential part of preventative animal healthcare and can also be used to help prevent human diseases. Certifiers and producers generally do not know how many or which of the vaccines currently in
use may be from GMO origin.

It's unlikely that many of the pharmaceutical companies, such as Pfizer, are willing to voluntarily disclose this information to the organic livestock producers or the certification agency in the near term.

As exemplified by instances, such as the recent salmonella outbreak in eggs, which reportedly could have been prevented by the use of appropriate vaccines, it would be disastrous and dangerous to suddenly yank the approval of untold numbers of vaccines.

Therefore, I strongly encourage the livestock committee to take the recommendation of the NOP and immediately initiate action to ensure that all appropriate vaccines are allowed to protect the health of both organic animals and organic consumers.

Finally, I request that the livestock committee carefully consider the response from NOP about the previous
methionine recommendation. CCOF would strongly support re-listing of methionine without annotation, if specific -- if sufficient scientific and economic justification for the step-down levels proposed cannot be obtained.

We really do not want to see this recommendation get held up and a major disruption to the industry occur.

I appreciate all that the Board had done thus far, to ensure that the poultry industry is not unnecessarily, negatively affected.

I would encourage members of the committee to contact me at any time, to discuss any of these issues and I thank you for your time today.

MR. GIACOMINI: Thank you. I'll start with one question. How could you tell the problem was with the pigs?

MS. ALLAN: I looked at the numbers. Well, we went through and just
started looking and said, "How come a pig only gets this sheet of paper sized outdoor area?"

MR. GIACOMINI: Any other questions, Kevin?

MR. ENGELBERT: I appreciate your comments, Robin, and we're pressed for time, but one thing I'd like your opinion on is, what can be done to get producers to be more active, until it's too late, because that's something that really needs to be addressed, individually and as a group?

MS. ALLAN: Yes, we've struggled with that, also. I mean, I have done direct outreach to all of our livestock producers, specific about, you know, this meeting and the issues, and as far as I know, only two out of the 140 CCOF livestock producers have commented, submitted written comments, and I'm not really sure.

I mean, I know that a number of you are living and located and involved in communities that have a lot of producers and
go to regional meetings and such things. We see Dan around, you know, sometimes, and I think that kind of interacting one-on-one is probably the only way that people are really going to respond.

MR. GIACOMINI: Yes, you know, just going along with that, and just to, you know, sort of follow up, you know, as an aspect of that, without dragging this out, you know, I can't tell you how many conversations I've had in the hallways, at this meeting, over the last four years, regarding the methionine, asking the poultry and methionine task force when they would -- if they would come with the recommendation of what they need, rather than what they want, and that -- they go, "Yeah, yeah, yeah," and then they get back with their group and they come back with another recommendation of what they want, rather than just what they need.

So, there is -- you know, we'll see how those things develop, to address your
issue on how methionine goes.

MS. ALLAN: Thank you.

MR. GIACOMINI: Any further comments or questions? Next, thank you, Robin. Jake, Bonnie and Liana.

MR. LEWIN: My name is Jake Lewin. I'm the Chief Certification Officer for CCOF Certification Services. I'm ultimately responsible for the certification operations at CCOF. As Robin said, we certify about 2,300 operations in 38 states and three countries.

So, I'm going to try to address a few issues quickly, and maybe if we're lucky, forego the proxy.

First of all, we would like to thank you all for the efforts you all put into the organic community. We really appreciate all the work that's being done by both the department and the Board. Things have actually been pretty good and we're really impressed.
With regards to hops, we provided a bunch of detailed comments regarding our experiences and varieties and specifics, and we'd invite you to look at those, and we basically support the revised recommendation.

As a certifier, we feel that consumers -- that hops pose a special challenge to consumers, and I'm going to invite the Board to examine these products, right here, these beers, which I would like back.

MR. GIACOMINI: Awful late in the day, Jake.

MR. LEWIN: These were selected, based on proximity, just what beers I could find. They are organic beers. One of them identifies the presence of organic hops. The other does not, regardless of whether or not it contains it.

We find it troubling that because alcohol labels don't have required ingredient panels, when they contain non-organic
ingredients, such as hops, they're not disclosed. This makes it difficult for consumers, or anybody else, to make an educated choice.

So, we would ask the Board and the NOP to consider this, as we move forward, especially as varieties are petitioned, if and when that occurs.

I was thinking about a clearer standard could be developed, that required that any product -- any product, to disclose the presence of non-organic content, next to the certifier ID statement, if it isn't already disclosed elsewhere.

We just -- basically, full disclosure and no organic product should have a non-organic ingredient in it, without it being fully available for the person buying the product, to see.

Moving on. With regards to 101(b), we really applaud the committee's efforts. We realize that there are a few
items to be addressed there, but overall, this is a great -- this is great work.

It also serves to align national and some state guidance that we've received, and it really, really is fine work, and what we would ask is the NOP to take it on, with all seriousness and deliberate speed, to adopt this -- at least, this guidance or rule making, as you judge appropriate.

So, regarding the made with labeling recommendation, we basically feel that this recommendation is at its core a solution in search of a problem. The effort and regulatory complexities of enacting and implementing a labeling change should only be undertaken for significant and compelling benefits.

We feel that companies wishing to clarify the organic status of their products have ample opportunity to do so on the romance language on their labels, on their websites, shelf-talkers, whatever they need. We really
feel as a mandatory element, this is a non-starter. As an optional addition, we see no marginal benefit to its inclusion, and more to the point, and most importantly, we would ask that the NOP has got far better priorities to work on, and we would ask that their time be spent elsewhere, and therefore, this just be withdrawn. Anything the NOP does will come at the expense of something else, and this just doesn't rate.

So, onto a new topic, somewhat of an old topic. We spent a lot of time talking about packaging aids, and that originally came out of a request we made at the Spring 2008 meeting, regarding the applicability of the 100 percent organic labeling claim, when sanitizers or other processing aides are used.

We would actually ask that the Board and/or the department, take that up again and clarify, once and for all, what the requirements are when materials on 605, such as sanitizers or other materials are used,
whether or not that negates the use of the 100 percent claim.

The same conflicting interpretations and differing uses of this claim are still happening now, as were happening in Spring 2008, when we still brought the -- when we brought this up, originally. So, we would really ask that you consider that again.

We have the original comments we made at that time, should anybody want to see them or refer to them.

So, bottom line, thanks for all your hard work and dedication. We really appreciate it and it really is an honor to work with all of you.

MR. GIACOMINI: Comments and questions? Joe?

MR. SMILLIE: Especially, thanks to CCOF for the really excellent hops comment. That was right to the point, the whole point about the alcohol labeling. Just read their
comment. It's really -- it really makes it
even more of a problem than it was, and I
think we're going to solve that problem. But
it is good work.

The other part of their comment,
that I especially like was the -- your answer
to the commercial availability issue, which
has raised its head again in the hops issue,
about commercial availability and how
certifiers have to deal with it, and I thought
your recommendation and your comments were
really excellent.

As far as the made with, well,
I'll let Jennifer tackle that. Yes, the NOP
has got a lot to do, and there are more
important things, but you know, we'll talk
more about this issue in the next three days.

The last thing was about the 100
percent. I totally agree with you. I mean,
the NOP, their response to our recommendation
was technically accurate. You know, it lacked
compassion, but it was technically accurate,
and we will take it back in the work plan and
go at it again, not me, thank God, but
somebody else. We'll go at it again, until we
get it right, because we really don't -- we
really, you know, believe that our intentions
are good and we'll eventually get to the right
language. At least, we'll get the nitrogen
part done right.

And as far as Jake goes, we also
still feel that we do have to go back to the
sanitizers issue, because there is
inconsistency with the 100 percent label.

Again, our original
recommendation, I think, is our best one. Get
rid of the 100 percent category, but since
that doesn't seem to be a go, we'll work at
getting it right, at the next meeting. So,
thanks, Jake, for all your comments. They
were excellent.

MR. GIACOMINI: Katrina?

MS. HEINZE: Thank you for your
comments, Jake. For fear of opening a can of
worms here, I will admit that when I was on
the Board and we listed hops, this whole it's
not labeled was not on my radar, all right.
So, different than other food products, it's
not as transparent to consumers.

So, I'm wondering, Jake, if you
know, outside of alcohol products, are there
other products that have the same labeling
uniqueness associated with them?

MR. LEWIN: Off hand, I can't think
of one, but I also don't see why a proposed
regulation would have to be written, with
regards directly to alcohol. It could just be
general and end up covering it.

MS. HEINZE: My question was asked
more in the spirit of opening cans of worms,
as opposed to the solution. Thank you.

MR. LEWIN: Right, yes, sorry, I
can't think of any.

MS. HEINZE: Okay, well, that's
good.

MR. GIACOMINI: Okay, Katrina, that
can of worms has been opened before. There are a number of livestock feed additives that fall into that category, and the program has already dealt with that, in language, they included it in the past year final rule.

So, are there any other comments or questions for Jake?

I just have one other comment I want to make. It's not Jake particular, thank you, Jake. Going back one, to Robin.

We really could not have put together the 238(c)(2) document without the work of sitting down with Robin and really understanding what the exact problem was. We tried dealing with that in a couple of different times.

So, I guess what I'm saying is, if you don't like 238(c)(2), it's Robin's fault. But no, understanding the problem, we could not have done it without her. So, thank you very much, Robin. I was very grateful you were able to come and that I'm able to
publicly thank you for all the help on that.

Thank you.

Next up, Bonnie, Liana and -- who is that? Oh, Richard Matthews.

MS. WIDERMAN: I am Bonnie Widerman. I'm a sheep and beef farmer from Crawford County, Wisconsin, and in my spare time, I'm the Director of Midwest Organic Services, certifier of 1,300 operations, 644 of which are livestock operations. My comments today are on animal welfare.

At the last NOSB meeting, I expressed the hope that animal welfare changes would not take the same route as the past year rule changes. That is, going into final rule making, for it would be a long and arduous process, and I don't believe it's necessary.

The NOP clarified, just two weeks ago, for those who had doubts, that organic poultry are to be provided outdoor access, and they referenced the 2002 and 2009 NOSB documents on poultry.
There is a comment period, for those who object, but I believe we've now been given enough clarification to call for soil-based outdoor access for hens, pullets and broilers.

The other tools that we need to evaluate the compliance of poultry operations, like stocking densities, door requirements, whether or not a veterinarian's recommendation provides a valid reason for confinement, those can be addressed in the NOP's final -- in the NOSB's final documents.

I believe we need further rule making on a general level, to call for humane treatment of organic livestock, in housing, handling and slaughter, and at the same time, the NOSB can provide details on what constitutes humane treatment, so that certifiers and inspectors have the tools to assess compliance.

It's possible, with our current livestock standards, to take action on animal
welfare violations. My agency has done this. But having a specific standard is needed for violations that aren't related to confinement or nutrition.

I'd also like to share my perspective as a farmer, as to why I don't believe some specifics that have been put forth should end up in the standards, but should be presented instead, as guidelines.

One of these has to do with stocking density. The proposed space allotment for a ewe and her lamb, and this also goes for a goat and her kid, is 22 square feet. I don't know where that number came from.

I allow my flock on pasture, but for those who do barn lambing, traditionally, they use lambing pens that are four feet on the side. This is a 16 square foot area, and they have the lamb and -- the lambs and the ewe in there for bounding, for one to three days.
Now, if these stocking densities were in the rule, and I had accidental winter lambs, and I put my ewe and my lambs in a pen like this, the question is, would I lose certification on those lambs, or would I be given a non-compliance for my total operation, for violation of an organic animal welfare standard?

At the same time, if we look at this 22 square feet, I don't think it's adequate space for a ewe and her lambs, if they're going to be kept in a pen, in the barn, for any length of time.

So, there is another topic in the livestock committee's document, which I believe is a good principle for humane practices, but I would not want to see it as a compliance issue, and that is that of temporarily confined livestock needing to be able to see others of their species.

Now, bulls and rams may be accepted from organic management, however, my
bull is also an organic slaughter animal, and I would like to keep him as such.

Now, if this were in the rule, my bull would lose his organic status, if the rest of the herd were out on a pasture, where he couldn't see them, and I really don't want to ruin some steer's summer by putting him in with the bull, on the barnyard pasture. I think the bull should be content with the company of my rams.

The same situation would occur if I had to bring a cow off a pasture, because of calving difficulties. Would she lose her organic status? Would her calf?

So, these are the questions I wanted to raise. Thank you for your consideration and in closing, I would like the program to let us know how far they believe rule making will go in animal welfare issues.

MR. GIACOMINI: Questions or comments for Bonnie? Kevin?

MR. ENGELBERT: We hear you loud
and clear, and as I stated a year ago, because I missed the Spring meeting, what I thought was going to be -- naively thought would be a simple project, this animal welfare thing, is obviously turning out to be a very complex issue.

So, we're going to listen to everyone, and we certainly appreciate any and all comments that we can receive, even specific situations like that, because they do need to be addressed.

MS. WIDERMAN: Thank you.

MR. GIACOMINI: Joe?

MR. SMILLIE: Bonnie, you're a certifier.

MS. WIDERMAN: Yes.

MR. SMILLIE: So, you know that if it's a regulation, it's a regulation.

MS. WIDERMAN: I know.

MR. SMILLIE: And that's why speaking as both a livestock person and as a certifier, your input is very valuable,
because you understand that compliance is
strictly compliance.

MS. WIDERMAN: Right.

MR. SMILLIE: And the letter of the
law is the letter of the law, and if we make
those letters so prescriptive, the certifiers
don't get to exercise common sense. They have
to follow the letter of the law.

MS. WIDERMAN: Right, and then it
comes down to the farmer. Last summer, I did
have to get a heifer off the far pasture, and
I run a flerd. I have my sheep, my lambs, my
cows, my calves.

Now, because this heifer was
stressed and calving, we were able to separate
her and get her off, but if I had to think,
"Well, I'm taking her out of organic
production, if she leaves the rest of the
flock and the herd," I would do so, because I
wouldn't stress hundreds of other animals, but
it can make a farmer a little angry, too.

MR. GIACOMINI: Kevin?
MR. ENGELBERT: One quick comment.

You have to realize, we're responding to
public input on this animal welfare, and we
initiated this because of the public outcry
and as people learn more about how their
animals are raised.

So, you know, we were first told
that we can't do anything about it, unless we
had more prescriptive regulations. So, we're
trying to strike that balance. You know,
we're not just going through this as an
exercise, you know, we're doing our best as we
can, and we're trying to find the right way,
where we need the prescriptiveness and where
we don't, and you know, like I said, we need
all the help we can get.

MS. WIDERMAN: Right, but in the
end, it will be the program to decide on it,
so, I would like to hear from them what the
plan is.

MR. GIACOMINI: Thank you. Any
more comments and questions? I don't see
Miles running to the microphone. So, we'll just move on. Liana, Richard and Hal.

MS. HOODES: Hi, my name is Marty Mesh. Well, not really. It's me, speaking for Marty, as the Executive Director of the Florida organic growers. I don't know if I want to say that, Joe. I wouldn't go that far.

While I miss being there in person, I thought I would not be able to make public comments, I'm grateful for this bit of time and appreciate Lisa's efforts to make it happen.

I want to first and foremost, express my appreciation to the retiring Board members, for their years of work and service. It seems to be an ever-growing job, or more aptly, volunteer commitment, that may often times go under-appreciated by both the public and industry.

Thanks, goes as well, to the program for substantial progress. It is
making dealing with unresolved work and tasks,

enabling the program to move ahead.

Concerning poultry issues that

face the industry, my hope will be for clarity

from the program, so that rules of the playing

field are known by all.

One thing is sure, not everyone

will be happy, no matter what, but having a

standard that growers are able to meet, that

those consuming the eggs can trust, will

enable this ever-growing segment of the

industry to continue to produce organic eggs.

Concerning nano-technology, we

believe that once again, unproven new

technology should be evaluated prior to being

utilized and until they are shown to be

compatible with the principles of organic

production. It seems prudent to proceed

cautiously before allowing them to be

considered for use in organic production.

Finally, an update from the okra

growing south, where to our knowledge, no
outreach, looking for growers to engage in a
fair contract has ever occurred from the
petitioner or other companies wanting IQF okra
to be included on 205.606.

We just wanted to update the Board
on the current status, but will continue to
grow vast amounts of okra in the south, as
well as answer the phone, check the mailbox
and email, in case any company wants to fairly
contract with growers.

One additional note, to our
knowledge, the recent okra recall was brought
about because of issues involved with the
breading ingredients labeling oversight, not
from issues related to growing okra.

Okay, here is a good one. If it's
possible, I would like either to add my
remaining minutes to the Seattle time, next
meeting, or hope the Board enjoys getting out
eyearly, as a parting gift to the retiring Board
members who in the past, had to hang around
until the end, or give it to another who may
be in need of time, and I do not need his
time.

MR. GIACOMINI: Questions? We have
a question.

MR. SMILLIE: Well, I know you're
not Marty.

MS. HOODES: Thank you, I
appreciate that.

MR. SMILLIE: But I would posit
that if okra had gone on 606, the certifiers
would have to invoke commercial
responsibility. The companies that wanted to
make that gumbo would have gone ahead and made
it, and the okra growers of the south would
have had leverage to demand that that contract
-- that company making the gumbo, use organic
okra.

They would have said, "Well, can
you give us the farm quality quantity we want?
What do you want?," back and forth. There
would have been a petition to remove okra from
the 606. It would have been removed and we
would have had organic gumbo.

Right now, we don't have organic gumbo, because that product never got launched, because they didn't feel they could get the organic okra.

MS. HOODES: Well, Joe, we know they could get the organic okra, and it's better that they didn't go through the process and waste all of your time over that, would be my answer to that. There is organic okra.

MR. GIACOMINI: Okay, Richard, Hal and Jackie.

MR. MATTHEWS: I'm Richard Matthews, President NOP Solutions, Incorporated. I'm here to say that I'm a strong proponent of removing hops from 606. I think it's pure folly to believe or to put producers in the position of creating supply in the absence of demand.

Basic economics teaches us that demand drives supply. Supply does not drive demand. That's why I also take exception to
the idea that 606 creates supply and demand.

It does quite the opposite. It takes away the incentive to source organically, the products that are listed.

Moving onto the dairy industry, the dairy industry, in 2008 and 2009, has suffered greatly. They're just now beginning to move out of the perfect storm, a perfect storm created by four factors.

Number one was the Harvey law suit that created a stampede of organic -- a stampede of dairy operations to organic.

The second one was the proliferation of non-qualifying mega-dairies. Both of these created a supply that exceeded demand.

The third factor is the recession. It hasn't been all bad news for the dairy producers. They continue to grow, only it's at a single digit growth, rather than a double digit growth.

So, if supply was actually a
driver of demand, we wouldn't have seen transitioning dairies unable to find a market. We wouldn't have seen cuts in pay price. We wouldn't have seen quotas on production. We wouldn't have seen dairy operations, the small dairy operations, losing their livelihood.

Now, that brings me to the fourth of the factors in the perfect storm. That fourth criteria, or factor, also contributed to a drop in demand. It is the loss of consumer confidence. That loss was driven by activists, who harmed the dairy sector.

I see, today, that that's happening again, and I implore upon the activists to step back and let Miles do his job.

Miles has told us today that he and his team are dedicated to assuring that producers -- that certifying agents and the inspectors that they use are qualified to perform the job. He has a deputy secretary who has declared an age of enforcement.
He is blessed with a staff that is twice the size of what it was, just a year ago. He has three times the budget. Give him a chance. Let him work to solve the problems. Don't trash another sector. It only hurts small producers. Please, let him do his job.


MR. KREHER: Thank you for the opportunity for input in the process of defining organic parameters for egg production. I can appreciate that this is a difficult item to address.

My name is Hal Kreher. I'm a third generation egg producer from near Buffalo, New York. My grandfather started our business in 1924. We had chickens in range production until the late 50's, transitioned to floor production, then into cage production, starting in the mid 1960's. We had a floor building right up until the mid
1 1980's. I grew up helping to care for the
2 hens in this style production, and heard many
3 stories of challenges that occurred with range
4 production.
5
6 You are hearing from several
7 different people about the right way to raise
8 chickens. Some of them have experience
9 raising chickens. Some of them do not. How
10 do you pick who to listen to? This is a
11 difficult question.
12
13 I recommend that you look to the
14 scientific research that has been done on this
15 topic. There are many poultry scientists that
16 do research on poultry nutrition, breeding,
17 their health and behavior, housing systems,
18 etcetera.
19
20 Much of their research is
21 published in peer reviewed publications, such
22 as Poultry Science. Peer reviewed means that
23 they are more than just someone's thoughts on
24 paper. They are researched, written and then
25 reviewed by other scientists.
I've prepared a CD for you, which contains much information on animal welfare, diseases in chickens and wild birds, and food safety, among other things.

One of the topics covered is sustainability and the reason for including this is that the studies done on sustainability review hundreds of other studies done by poultry scientists. It's not exciting reading, but there is much information there.

One find on the disk is a study done of the use of outdoor range in large groups of laying hens. It can be found in the animal welfare and also, the space allowance sub-directories.

The study -- this study addresses the issue of how many hens use the outside range at one time, and this study is the basis for the requirements of the American Humane Certified outside organic farm requirements, also included on the disk.
When you read the sustainability studies, something that should stick out is that many of the areas have conflicting studies. So, if the studies have conflicting conclusions, say, several studies conclude that raising chickens on pasture is better for the chickens, and several other studies conclude that raising chickens on pasture presents a food safety risk, how should you resolve that? For me, it comes down to risk.

For food safety, we should strive to keep risk down. People expect their food to be safe, especially organic food. To pass standards that would put consumers at risk does not make sense. For egg production, the FDA has developed the egg safety rule, to reduce the incidence of salmonella contamination.

Key parts of the rule are bio-security and proper rodent control, to reduce the risk of salmonella transmission. Wild birds can also be infected with salmonella.
This is fairly common, and I have included on the CD several quarterly reports from the USGS National Wildlife Health Center, which detail their findings of birds which have perished from salmonella.

These reports also show the presence of other birds, such as other diseases, such as avian cholera, West Nile virus and Newcastle disease. I wasn't able to put that on, because we just heard this, this morning, but there have been cases in the U.S. of outdoor flocks of turkeys that have contracted avian influenza in Minnesota.

Back to the concept of risk. Perhaps, it's okay for a farm that has a few chickens or a couple hundred chickens, to take the risk of losing a significant portion, or their entire flock to disease. They may choose to roll the dice and have chickens out on the pasture.

For someone who is depending on the egg business for a significant part of
their business, this risk is too great.

I think that the way for this to managed is that they have two-tiered egg production standard. One set of standards would apply to free-range production and one would apply to cage-free, with outdoor access.

This is similar to the three-tiered beef labeling system that has been proposed by other organizations.

There is much more information available than I have provided on the CD's that I've handed to Lisa, but I am just one person, and this type of research review takes much time. The CD is divided into sub-directories, each of which has a readme file that discusses the information contained in that directory.

I would like -- I would also like to add that the requirement in the animal handling document for, "Birds should be caught for loading after they have settled in for the night," is burdensome, and unnecessary, where
light can be controlled or where a farmer is using birds that do not startle easily, such as brown birds.

I hope that you will take the time to review this information, before you make this very important decision.

MR. GIACOMINI: Questions or comments? Seeing none, thank you very much. We now have Jackie, Michael and Russ.

MS. HOCH: Good afternoon. Thank you for giving me the opportunity to provide some input on organic tree fruit in the Midwest.

To give you a little bit of background, my husband Harry and I have a 45 acre organic fruit farm near LaCrosse, Wisconsin. In the mid 90's, we were struggling as a conventional fruit farm, and we found a lot of support from people in the organic community, to begin a transition to a certified organic fruit farm. Many of the people who are here today, helped us.
In doing that, we saw that we had the support from the organic community, but we also needed to have some support within the fruit growing community, and again, we worked with a lot of people to develop a group called the Organic Tree Fruit Association.

That association is a relatively new association. So, I'm not sure that you're aware that that group exists. Who we are is, we're a non-profit grower based member organization that is dedicated to serve the interests of organic tree fruit.

We have over 50 members. OTFA also has a listserv that is open to people beyond the grower members, and we have over 700 members that are involved with that listserv, and those include people worldwide.

We are primarily focused on organic tree fruit production and the majority of the growers are either certified organic or highly interested in becoming certified organic. The focus of the group is education,
research and advocacy.

So, in the education component, we do seminars, field days. We have a quarterly newsletter and various other educational things, where we have a website and we put out fact sheets. The Midwest organic MOSES is very good at helping us develop in our infancy.

Research, we're working on specific challenges that we see growing fruit in the humid Midwest locations. I'm here today to speak a little about the advocacy component. I'm a little nervous. This is the first time I've been to this meeting, and so, again, another learning curve.

But one issue that has some concern to us is the issue related to the issues being discussed by the crops committee, related to the antibiotic use in fire blight control.

I realize that the crop committee felt it necessary to have more updated
technical information on other alternative treatments to streptomycin before completing its review, and that they are deferring their vote. We appreciate the careful thought and the deferred vote.

We'd like the NOSB to consider the following items, when they're discussing fire blight control in the future.

Strep occurs naturally. That's the first point. The second point is, taking antibiotics out of an animal food system makes scientific sense, but not necessarily in the plant, apple, pear food production system.

There is no scientific connection between field applied strep and human pathogenic resistance. Strep could be detected in the plant for only three to four days and is applied only about 75 days before the harvest.

The third point would be, growers can do many things to decrease the risk for fire blight, such as cut out blight in the
orchard as much as possible during winter, 
scout and remove current strikes, focus on 
fire blight resistant root stocks and 
varieties, although that focus on fire blight 
resistant root stocks and varieties isn't 
necessarily that resistance isn't as true as 
people might assume.

In 1996, there was a perfect storm 
that had the right temperature, that had the 
right wetness, that had the right mode of 
entry, it was during blossom, and many trees 
were destroyed in Southwest Michigan, even 
though they were considered to be fire blight 
resistant. So, there is challenges there.

The fourth component is really the 
computer modeling and post infection sprays. 
That's the one sure way to prevent a serious 
loss due to fire blight infection.

Streptomycin is an important post infection 
control, especially on the highly susceptible 
young dwarf orchards.

As a group, we support the
continued use of strep for fire blight control, but we also feel that antibiotics should be restricted to only post infection application on high risk orchards, after an infection has been verified. We do not feel that calendar prophylactic applications of antibiotics -- we feel that calendar applications should be prohibited, just post infection on high risk orchards. Thank you.

MR. GIACOMINI: Thank you. Any comments, Kevin?

MR. ENGELBERT: Thank you very much. What would happen to you and your farm, and others in your area, if those were allowed to sunset, period, and two, if you had a sign in your farm stand, or your farm driveway, stating that you use antibiotics, tetracycline on your fruit trees, what would that do to your business?

MS. HOCH: The first question would be related to what would happen.

In the past four years, we have
not used streptomycin on our orchard, but five
years ago, we did not use streptomycin and we
lost a five acre block of honey crisp, due to
fire blight.

But my husband basically says, if
we don't have streptomycin, we can't continue
to plant an orchard, and the reason being
that a small orchard, the young trees are the
most susceptible to the disease. The larger
trees, I can deal with the fact that I might
lose part of a tree, but if I spend money on
five acres of honey crisp and lose them all,
because I had the right temperature, the right
wetness and I had a wind event that tore up
the leaves, I had the mode of entry for the
bacteria and lost that, it makes it very hard
to think about investing in that for my
orchard.

So, his comment would be that we
wouldn't plant more trees. I might argue with
him and tell him, we'll struggle along and we
might plant more trees, because I like what
I'm doing, but that would be his comment.

Another comment from a grower in Michigan, who has 125 acres is, if he doesn't have the availability of strep, he will drop the organic certification and he will go with an equal label. I don't know that to be true, but that's what he said in his passionate response to me.

The comment about what would our customers say if we use strep, we have told the customers that sell to, we're primarily a wholesale orchard. At least three of the stores know that this is a concern of ours, and have -- they have said that they'll do what they can to help us keep this product until we find a better product to deal with the post infection issues.

MR. GIACOMINI: Kevin?

MR. ENGELBERT: One follow up. Do you know of any research that's being done for new products? Has there been any progress, since the last time the crop committee dealt
with these?

    MS. HOCH: I know that there is
ongoing research. I'm sorry that I can't give
you the specifics of that research. I know
George Sundin, from the MSU has had a lot of
information, and I don't have that information
with me today.

    But we are looking at other
options. I know -- I believe that if we have
a different option, it would be -- I would be
willing to consider that as a possibility.

    MR. GIACOMINI: Other comments?
Seeing none, thank you very much, Jackie.
Next up is Michael, Russ and Dean.

    MR. COX: Okay, my name is Michael
Cox. I'm with Arkansas Egg Company, and I did
have a speech prepared. I hope to get a copy
of it, in your hands, but I think I'll just
take a little bit of that and some comments
that I've put together from what I've seen so
far today.

    We are an organic egg operation in
Sommers, Arkansas. We are fully integrated and dedicated organic, with 150,000 layers. We've been certified organic for three years now.

I'd like to start by quoting the second purpose outlined in the Organic Food Production Act, and I quote, "To assure consumers that organically produced products meet a consistent standard," and I think today, as an industry, as an egg industry, we could not be further from meeting that status and I think to maintain the integrity and to ensure the future of the program, we have to strive to meet the framers intent.

I'm going to address some -- just some general information on spacing and outdoor access, and I'll close with that.

Basically, on spacing, there is a wide variety of options due to the lack of a standard being set, as far as the amount of space a bird can have inside.

When I first was looking to get
into the industry, you know, the difference between an aviary and a colony system could be one square foot, all the way to one and three-quarters, you know, and what does that mean, in terms of production cost?

Well, when you do the math, it turns out that that's about -- you know, it could be up to 80 cents a dozen, and that represents nearly a 100 percent difference in the cost to produce that naked egg, from one complex to the next, and you know, that's clearly, out of context with the purpose of the Organic Food Production Act.

You know, the committee recommendation of one and a half square feet to bird, I think is a good one. I think that that's one that the majority of producers could comply with, without unmanageable costs being added onto our cost of production, and I think the majority of the industry could adopt to that. Of course, aviary systems would not, and you know, people have their own
opinions on those.

I think the cost to the consumers, I know that was a point brought up early this morning, with the cornucopia group speech. I think the cost to consumers would not rise, very much.

We already have a national co-op brand, distributing and selling nationwide, with more than the current guidelines or suggestions, more than 1.5 and more than two to three square foot outside.

So, I don't think that the cost to producers -- or the cost to consumers is anything to fret about.

I'm going to move onto outdoor access. We firmly oppose pullets having outdoor access. We think that they are too vulnerable. We think it would be irresponsible. They need the vaccinations for a healthy start, so that they can live their outside lifestyle that the standards require, and the vaccination process goes on well
through the end of growth cycle in the pullet house.

We firmly believe that layers should have access to outdoor access. You know, the mentality of the industry is kind of the opposite of that, but we believe that you know, if welfare didn't matter with this program, then why don't we just put them in a cage and feed them organic feed?

You know, birds do like to go outside when they're given the opportunity, but it's just that, an opportunity, and the very word `access' is probably the most limiting factor. You know, whether you have one door at the end of a house or whether you make it opportunistic for the birds to outside, that's a huge factor, and there are increased risk with birds going outside. But you know, what's made this industry attractive to so many of us, you know, and in some cases, it makes up -- you know, it's 15 percent of our production and 25 percent of our sales,
and I say that as an industry.

You know, it's an attractive industry to get in, and there are associated risks, and we knew those risks, going into it, and the benefits outweigh the risk.

As far as the issue of predators, I mean, there is nobody saying that we're going to put them outside and then close the doors. The birds can come and go as they like, and if we really cared that much about them, honestly, we wouldn't be scheduling their slaughter dates at 80 weeks.

So, I think it's just another calculated risk that we take. You know, I think that consumers do expect birds to go outside. I think that's an example of where we're the furthest out of context with what the consumer perceive to get in a product and actually, what we deliver to them.

We also operate a pastured organic egg operation, and we have birds that go as far as 350 feet, and there's a fence there,
they might go further. I think it's all in
relation to, you know, what you try to
accomplish as a producer.

I mean, producers are you know,
very clever, and instead of working to bend
the rules, I think we need some enforcement,
so we can work to operate within the context
of their -- of the framers intent, and I'm out
of time.

MR. GIACOMINI: Comments and
questions? Seeing none, thank you very much.

MR. COX: Thanks.

MR. GIACOMINI: Next up, Russ.
Russ and then, Dean and Suzana. Go ahead.

MR. KLISCH: All right. I am Russ
Klisch and President of Lake Front Brewery.
I'm also the owner of -- and founder, it
started in 1987, brewing about 50 barrels a
year, and growing it ever since. This year,
we'll go about 1,500 beers -- or 16,000
barrels, excuse me.

Throughout the beginning, we've
always felt we've been an innovative brewery.

We've done all those different things with our stuff. I've packaged the first fruit beer in the country. I made the first gluten free beer.

We've also been the first organic brewer in the country, that's brewed our beer underneath our label, back in 1996, and I'm here, just to talk about trying to take hops off the National List, right now. I'll try making it brief.

But we make a lot of different types of beer. I brought a bunch of different ones here. We make American Red Ale. We've got some brown, if you want. We make a French country ale, and we make a dare-devil ale, right here, from Evel Knievel. I've got an organic beer, right here. This is the original line. We made a beer all with Wisconsin ingredients, growing with our Wisconsin hops. I keep on seeing Oktoberfest.

Our wheat mount beer, our pilsner, holiday
beer, IPA and a pumpkin beer, and every one of
these beers can be made with hops, organically
made right now.

And so, there is no problem at
all, making beer with organic hops, of any
different styles or types that we have, and
that's basically my main message here, that I
was suppose to have.

I think there is a very bigger
problem, making it with malts, different
malts. You can't make smoked beer. You can't
make certain weis beers, other things out
there. There's other ingredients that, but I
really don't -- don't really understand why
you want to -- bring out malt, as targeting,
as being the one thing that you want to have
organic on there, because all brewers are
doing right now, are literally, have it on
their labels, because the gentleman talking
before, he was up here, talking about non-
organic ingredients.

So, right on the label, made with
organic malt, hops, and everybody thinks
that's organic malt and hops, but it's not,
right now. That's the way they have it
worded.

To me, it just cheapens the seal
out there, when you have certain ingredients
on certain products, that are not made
organically, and that's what I'm here to tell
you. So, I'm done. Do you have any
questions? Yes?

MR. SMILLIE: What are the hops
used in the pilsner?

MR. KLISCH: In the pilsner?

MR. SMILLIE: Yes.

MR. KLISCH: Usually, it's like a
Czechoslovakian style -

(Simultaneous speaking.)

MR. SMILLIE: I talked to a couple
of brokers and a couple of hops dealers, and
they said there are certain hops that they
really believe would be very, very difficult
to grow organically, because of low yields and
susceptibility to fungus, and it seemed to be
-- they seemed to be more about the pilsner
ones, than the ale ones, like -- is that your
experience? I take it, it isn't.

MR. KLISCH: No, in fact, when I
first started in 1987, the only type of hops
you could find were German and Holland-towers,
because that was the only one that was really
making organic hops, was -- they came from
Germany.

So, that was kind of surprising
for me to hear.

MR. GIACOMINI: Questions? Seeing
none, okay. Thank you.

MR. KLISCH: Sure.

MR. GIACOMINI: And then, go ahead.

Dean and then Suzana and Renee.

MR. DICKEL: Hi, my name is Dean
Dickel. I own and operate New Century Farm
organic eggs, here in Shullsburg, Wisconsin.
The Madison area is one of our main markets.
I was up today, delivering eggs. So, this is
my every day working clothes, today.

I'm here to talk about the outdoor access for poultry. Probably echo some of the sentiments of our colleague from Arkansas, actually, as far as -- we've been going with the 1.5 square feet indoor space. I think that's a pretty nice compromise.

When I started, I was first certified when the rule was first passed, the first chance you could get organic seal on a carton of eggs, we put them on, for marketing here in Madison.

The reason why I wouldn't go any higher than 1.5 square feet is, we have to deal four months out of the year. We have chance, in this part of the country, that we could have to deal with 40 degree below zero wind chill factor, and we depend on the birds to provide a lot of the heat.

My customers want they outdoor access, but they also want us to be conscious of energy usage. On our farm, we try to limit
the amount of LP gas that we use in the chickens, and so, that becomes a big factor for us, in the winter time. In the summer time, we use all natural ventilation. We like the idea that the chickens can go outside. We actually have about nine to ten square feet of outdoor access space, that's just kind of what we had room for and but I think our customers expect that during those parts of the year, that our chickens should be outside.

I also agree with on pullets, six months and under, one of the practical concerns with pullets is getting them to nest train. We tried an experiment with pasture raised chickens, with a hoop house outside and we had beautiful pasture there, and the first thing the chickens wanted to do was lay their eggs all over the place and in the mud, and so, we started shutting them inside, and decided to get them nest trained and we discovered that they really don't eat very much grass, and then we had to haul all the
feed out to them and all the eggs back, and
so, our compromise is to have -- I guess
they're calling it moon-scape or a dirt lot,
or whatever.

But we just got to have a place
where we can find -- I tell my people when
they're out, looking outside for eggs, if you
didn't know that egg was there yesterday,
don't pick it up and put it in, because egg
safety is going to be paramount with this
salmonella thing. So, that's a practical
concern.

One possibility, I was thinking
of, for people that are building new
construction, to include in the rules that new
construction should be pre-certified, that you
ought to know ahead of time, what your
requirements are going to be and go ahead and
have a certifier come out and look at your
plans or look at your building and make sure
that it's going to meet the organic standards,
putting an organic label on the products.

The two other issues, quick, we've been following the methionine thing for a long time. I've tried replacements. The one idea, people say, we'll just use more soy beans and the practical thing about that is if you feed a higher protein or ration to the chickens, you're going to end up with more ammonia inside in the winter time, and I just don't know any way to -- we've tried the high methionine corn, it feeds real well, but we had production problems with corn out in the field. We grow our own feed. So, that was -- and we were still interested in trying that avenue, to see if we could cut back on the methionine or eliminate it.

Another one is on beak trimming. This was -- I've been involved in that, even before there were organic certification. I've raised chickens both way, beak trimmed, not beak trimmed, and in my opinion, feeling the beak trimmed chicken is inhumane treatment
that catastrophe can have, if something goes wrong. It's way more inhumane than the actual beak trimming that you do.

So, those are the only comments I had and I can take any questions, if you --

MR. GIACOMINI: Questions? Kevin?

MR. ENGELBERT: I didn't hear you say how many birds you have, how many layers you raise?

MR. DICKEL: Our barn holds 6,000 chickens. It's a 9,000 square foot barn, 6,000 birds.

MR. ENGELBERT: Thank you.

MR. GIACOMINI: Jeff?

MR. MOYER: Yes, Dean, you brought up the question of methionine. How much are you using in your feed now and how much can you live with?

MR. DICKEL: It's included in my pre-mix. I used to know the exact percentage, it's like a .025, or something like that.

MR. GIACOMINI: That's percent of
methionine, right?

MR. DICKEL: It's according to NRC recommendations.

MR. MOYER: Thank you.

MR. GIACOMINI: Further questions?

Okay, thank you. Next is Suzana, Renee and Urvasni.

MS. RAKER: My name is Sue Raker. Thank you for the opportunity to address this Board about organic bee keeping, farming and apiculture. My husband and I own and operate a certified organic farm, located in Michigan's upper peninsula, almost directly overlooking Lake Superior.

We have been farming organically and keeping bees for over 25 years. Our farm is certified by MOSA and we're also proud to be members of the grower poll, members of Organic Valley Crop Cooperative.

The proposed standards are overall, very much in keeping with simple observation and logic in assuring that honey
bees and honey product are as free as possible from toxic substances.

The appeal of honey to consumers is primarily that of being a pure and natural substance. It is my belief that if the public were aware that over 90 percent of the honey sold in the United States contained Terramycin, tylosin, sulfa, fluvalinate, as well as other assorted antibiotics, pigmidicides and even honey analogs, an outcry would ensue that would make the Alar apple concern pale, in comparison.

But perhaps, this needs to happen. Honey bees are in trouble and much of it has been caused by human interference and management.

Weaken colonies are fed anti-viral medications and exposed to antibiotics and pesticides and then, become susceptible to development problems, as the supposed remedies are applied and again and again.

The days of toss it and leave
applications of medicine are done, and good riddance.

During my travels in Europe and Canada, my believe that biologically sound bee keeping is vital, but also, requires positive practices and active involvement of the bee keeper, in the entire cycle of bee life and behavior, were strengthened.

A commercial bee keeping enterprise in Sweden or Austria is usually comprised of 60 to 100 colonies. These bee keepers are not referred to in derogatory terms, as side-liners, but are seen as full fledged agricultural participants.

My own experience has led me to believe that one person cannot adequately tend more than 150 hives and do it utilizing organic methods.

Currently, my apiary has 47 hives, had 62 this season, and that is plenty of work, when other livestock and chores demand attention. But I believe that non-toxic bee
keeping, including organic, encourages one to become a better bee keeper because of the requirements for record keeping, monitoring, labor intensive watching the bees, instead of simply dumping pallets of hives and inserting pesticide strips, plopping on two honey supers and walking away, and that's what currently happens with the large operations.

The process of being a real bee keeper involves constantly learning, being aware and often, even experimenting. Many of the suppliers of bee equipment now carry non-toxic materials for disease and mite prevention, that were unheard of in this country five years ago.

Eminent entomologists, such as Larry Connor, have emphasized regional breeding and adaptive behavior selection in queen raising, rather than purchasing queen bees from hundreds of miles away. In that respect, the organic movement has brought about a sea change in how solving insect
pollinator problems can be accomplished, and
I believe the committee that worked on this,
the task force and this Board, you give
yourselves deserved credit for these changes.

Emphasizing the over-wintering of bees is part of this. In the area where I live, there are thousands of acres of forest and swamp land, which provide a buffer zone for my bees to avoid exposure to urban pollution sources. The trade off, long winter, high winds, huge snow falls and short field seasons.

Each bee keeper must make location adaptations to their own situation. There is no right answer. There is no magic solution to organic bee keeping, in every location, for all the dilemmas of raising honey bees, there is only one admonition, pay attention.

I am strongly supportive of measures to be taken to strengthen genetic traits locally and doing everything possible, to assure colonies are over-wintered.
healthily, rather than simply purchasing replacements. They are livestock. Would a competent dairy farmer ever dispose of cattle simply because it was winter?

My experience has led me to believe that utilization of certified Russian queens, every three years and approximately one-third of my hives, or less, assures introduction of desirable traits, while maintaining local adaptation, that is, that we raise our own queens, much of the time.

On the matter of hive materials, I do feel very strongly that no plastic foundation should be allowed, whether it is sprayed with wax, as described, or not. The wax serves much the same purpose to honey bees, that our lever serves to us.

German research and sources in particular, have cited the retention and even migration of undesirable substances in the comb. Additionally, bees typically open travel and communication holes in the comb, as
needed and then fill them. Plastic foundation
prohibits this continuous re-forming of the
comb, and seems to hinder both bee health and
efficiency.

Storing supers, wax foundation and
other hive equipment requires preventative
measures against the presence of wax mode,
mice and other pests.

MR. GIACOMINI: Okay, can you wrap
up? Your five minutes is up.

MS. RAKER: Yes, I've used a
variety of botanical's and also herbal oils,
particularly peppermint, and you have a copy
of this, so, you can ask me questions later.

Finally, I come to the most
important part of the proposed regulation,
 enforcement. My own State of Michigan is
broke. They are beyond broke. The Department
of Agriculture in Michigan does not regard any
enforcement of NOP standards to be their
responsibility and they will not attend when
there are complaints raised. Instead, they
are relying upon Federal investigation enforcement and certification.

Matters of fake organic claims have emerged that include fake certificates, deceptive labeling, even a speech given a state wide bee keeping meeting about how to sell your organic honey as -- or how to sell your honey as organic, without being organic, by a bee keeper, so-called, who sells honey, but has no bees herself.

MR. GIACOMINI: Okay, thank you.

MS. RAKER: This is -- okay.

MR. GIACOMINI: Can you wrap that up, please? Thank you.

MS. RAKER: You can read this.

MR. GIACOMINI: Okay.

MS. RAKER: Any of you want to get in touch with, my address and phone number is on there.

MR. GIACOMINI: Okay, Joe?

MR. SMILLIE: Thank you for that.

That was very interesting.
One of the things that we're talking about is the area 66, is it 66?

MS. RAKER: One-point-eight.

MR. SMILLIE: One-point-eight miles.

MS. RAKER: And then two miles beyond that.

MR. SMILLIE: Yes, how is that going to work? Is that going to work for you?

MS. RAKER: You get an areal photograph, they'll give them to you for free, at NRCS or FSA. Get you place, get your neighbors, get the whole area, then get a topo map, then get a plat map, starting filling in what's public land, what's open and I'll tell you something, nothing beats a personal appearance.

I have people I've had to get affidavits from on something, and you take them a jar of honey and you start talking to them about organic and organic feed and organic bees, and you remember them at
Christmas and put a little candle and a little something in their mailbox, I mean, you know, hey, my neighbors didn't get the Nobel Prize, but they -- they don't know a lot about organic. They're very suspicious and stuff, when I came with the bees and that's very helpful, and it also is helpful for catching them.

If they're going to do something like throw seven out there, you know, oh, I didn't know that wasn't -- you know, education has to be a personal thing and it's a full time thing.

MR. SMILLIE: How many different locations would you utilize? How many different spots? How many of those 6,600 acres --

MS. RAKER: The most that I've had is three.

MR. SMILLIE: Three?

MS. RAKER: But again, you have to draw those concentric circles, just, you know,
it's not -- it's about seventh grade geometry.

They got nothing to do in the winter up there, anyway, right. Just, you know, I mean, I never heard stuff like this.

I can't be organic. You want me to keep the bees over the winter? Life is full of choices. You are or you aren't. Just stop the fakes. Our big problem up in our area, because what is the odds that some Federal inspector is going to make their way up to the Q&R or Wakefield or some place, and pop these people? I mean, that's what they need. They're criminals.

MR. GIACOMINI: Okay.

MS. RAKER: They're making a lot of money.

MR. GIACOMINI: Jay?

MR. FELDMAN: Thank you for your testimony. Have you had any problems with collapse disorder?

MS. RAKER: No, and there are no other -- I would call them non-toxic. They
are not certified organic. There are no other bee keepers that have, that I know of, either.
We're constantly in contact with each other, and it's very unheard of in Northern Europe and Germany.

MR. FELDMAN: Thanks.

MR. GIACOMINI: Kevin?

MR. ENGELBERT: Your comments about hive materials and plastic foundations, this is the first we've heard of that, and all the research that's been done since, this is the first time this proposed standard was issued in 2001.

Could you elaborate, just a little bit, on why you think it shouldn't be allowed, when it's become an industry standard practice and --

MS. RAKER: I know it's an industry standard practice, but here is the difference. Why is it a practice? Because it's convenient for people, that's what I was told to start with bees with, and particularly at the
northern latitudes, the bees hate it. They
tear the wax off, they build other stuff, they
refuse to work it. They will not do it the
way they will, wax.

Bees have one way they want to do
things, any bee keeper will tell you this, the
bee way, and we try to, you know, be bee-
havers and have them around and get them to
produce and stuff.

But when you're doing it
organically, and you're monitoring and you're
checking for toxification or impediments to
bee production, then you're saying, all right,
my time isn't quite as valuable as I might
have thought it is, and just for the bees, and
I want the bees to be happy.

When they're happy, they're
healthy and they're producing honey and when
there is not a nectar flow or something is
wrong with the queen, they come and get me, go
in my hair and bounce off my head, and stuff
like that.
I mean, that's why, it's because there is an impediment to the communication within the hive, which is very -- I don't to sound like an oh wow or that I whack my head on wind chimes, but it's very important that this integral system of communication.

And then the second thing is, you know, it just really doesn't belong in there, except for convenience, and it not only impedes the communication, but the German's have said, again and again and again, and in Austria and Eastern Europe, they talk about this, that it's not -- they keep saying, not a bee product, not a bee product, and there does seem to be a great deal of validity.

Now, I understand that in Florida, some of the southern states, that they have huge nectar flows going a lot of the year and the bees will draw it out and stuff, but my experience, and people in up-state New York and Ontario and Quebec, is that no, and --

MR. ENGELBERT: What do you use for
foundation?

MS. RAKER: Wax, the bees make it. It works. They've been doing this for a long time. So, it's -- I don't mean to just be felicitous and down grade what you are saying, but you know, like, the more I learn about bees, the less I know, the more I learn.

MR. ENGELBERT: I understand. I didn't take that felicitously.

MS. RAKER: Okay.

MR. ENGELBERT: I appreciate your comments, and I know you're sincere.

MR. GIACOMINI: Jeff?

MR. MOYER: You said that your number one priority really was enforcement, and I'm curious what Miles has to say about your comments, about people teaching classes on how to sell organic honey, without being organic. Miles?

MR. McEVOY: Yes, are those in your comments? Do you have those details in your comments?
MS. RAKER: They're in here and I mentioned it. I mean, we just -- we raised Cain for over six months. We got a hold of MOSA. There were conventional bee keepers that were upset and disgusted and one of the things I see happening, as a result of the working group and some of the people in this room, and the community, is that this has really caused a paradigm shift with conventional bee keepers that were laughing at organic ten years ago, and all this stuff.

Now, they're like, well, you know what? Those chemicals, the bees, or the mites or whatever, there is a different interaction right away, but, yes, that was in there and I'm also concerned that there is a certified -- there is a certification process. The inspectors that I have dealt with have been extremely professional, and very thorough, and then you see beyond organic, certified naturally grown.

But these were actually saying
organic, in some cases, copying the seals, some cases, flashing fake certificates --

MR. McEVOY: Okay, we'll be in touch.

MS. RAKER: Good.

MR. McEVOY: Right.

MS. RAKER: Great, that's nice.

Thank you.

MR. GIACOMINI: Thank you. Next up, Urvasni, Will and the back end of the switch there, with Rob. Thank you.

MR. RANGAN: Good afternoon. My name is Urvasni Rangan. I'm Director of Technical Policy at Consumers Union. We publish 'Consumer Reports' magazine.

I want to thank the Board. I want to thank the NOP. It's been a really interesting year. A lot of improvements have been made and it's been really heartening to see it.

I'm here to talk about a couple of issues. The first one is nano-technology.
Wouldn't be a meeting if I weren't commenting on that. We really appreciate the work and where the recommendation is. It's really looking pretty good.

We don't see any need to wait for a symposium before you put that through. We think there ought to be a strict and explicit prohibition on nano-materials and engineered nano ingredients.

We think the symposium ought to not be a free for all, but really, focused on, for example, where the NOP whacks the statutory authority around nano-engineered ingredients, especially around packaging, given Harvey, given the 2002 food contact substance clarification.

So, we see a symposium as being particularly useful to you all, to identify where the gaps are, and where those need to be filled to make sure that a prohibition is really meaningful.

In terms of animal welfare, we're
really glad to see that document moving. I appreciate the comments that Bonnie made and I do think that the challenges to be able to create quantitative standards may be within `at least' space requirement, so that we don't get exploitation of stocking densities, and other things, and one board member asked earlier today, about whether consumers in interested in whether the chickens go outside, do they care?

We have some interesting survey data from 2008, where we were asking about the naturally raised claim. Some of you may be familiar with that initiative, over it, USDA, as well, and we asked about 1,000 consumers, it's a nationally representative survey, what they would come to expect from a product that they bought with a naturally raised claim about the animal itself.

Eighty-five percent want it to come from a natural environment and from an animal that ate a natural diet. Seventy-seven
percent want it from animals that had access
to the outdoors, 76 percent want humane
treatment and 68 percent want to make sure
that the animals were not confined.

So, if that gives you any kind of
vector, in terms of understanding what
consumer expectations might be, I think you
can take a clue from the results from that
survey work.

In terms of outdoor access, we
have a lot of problems with confined animal
feeding operations. The last salmonella
outbreak on eggs was due to filthy conditions
and a confined animal operation. So, I don't
think the outdoor/indoor is a black and white
issue and I think definitely, more work needs
to be done on that. We think it can be done
properly without outdoor access, and some of
our chicken studies in the past pathogens have
illustrated that.

With regard to the "made with," I
don't see a time. I'm sorry, I don't know
who is keeping time. Time? Tina? Thanks.

"Made with organic" seal, I mean, we also think the biggest problem here is about the mis-use of the organic label. I can see the efforts trying to differentiate to show that `made with' fits in the NOP, whereas others don't fit into that.

We don't think you have to go to all the trouble. We really think that dealing with the mis-uses of the organic label are what are key to reducing consumer confusion in the marketplace. The Federal Trade Commission has a proposed green guide out now, and I'd encourage anyone who is interested, to make comment to the FTC, to ask them to help enforce against organic claims that are made on products that do not meet the national organic program.

We really -- that is the crux of the consumer confusion out there, sewerage sledge, labeled as organic, personal care products that don't even meet the minimum
requirements, labeled as organic, that's what
is confusing and this, while interesting, is
not going to address those problems.

If we do go forward with this
recommendation, we would like to advise that
we do additional differentiation to say some
additional statement about what tier of
organic label is it certified to, so that
consumers are not then led to believe that
'made with' organic and 100 percent are all
the same thing.

The recommendation is written in a
way where the same effort and the same
inspection level goes on. They're not the
same. They're value tiers and we should
continue to educate consumers about that.

Finally, on corn steep liquor, the
gentleman who was up here before, I just
respectfully disagree. Disulfide bonds are
covalent bonds. When you break a disulfide
bond, you have a chemical change.

There is a patent out there,
covalent attachment of nucleic acid molecules, onto solid faces, via disulfide bonds. This controversy over whether a disulfide bond is a covalent bond or not is nonsensical. It is a covalent bond, and you need a reducing agent to break that bond. That's what the sulfur dioxide is doing, and protein structure and folding, I have curly hair, and much to my mother's chagrin, I wanted to straighten it all my life.

So, I would take a hair dryer and straighten it. I wasn't breaking a disulfide bond. If I got get a chemical straightener with the smelly stuff on my hair, that's what's going to break the disulfide bond, and make it straight, and that will happen in a permanent way.

This isn't about a loosey-goosey coming loose, coming together. This is about breaking a covalent bond, doing it deliberately and therefore, we think that corn steep liquor, with the use of sulfur dioxide
is, in fact, a synthetic substance and the residue variability at the end is definitely an issue that's got to be dealt with and in the face of uncertainty, you all need to grapple with that, as to whether or not you want to approve it as a synthetic or not, for that purpose. Thank you.

MR. GIACOMINI: Questions or comments? Jay?

MR. FELDMAN: Thank you. Thank you. Do you have any consumer data on nano-tech, or can you derive any sense of consumer expectations, regarding nano-tech and organic?

MR. RANGAN: Jay, I am going to go take a look at the poll. We did ask a couple of questions around nano-engineering. At the time, it was a little bit tricky, because they don't -- consumers don't know what it is. So, it's a hard to do survey work around things, where consumers lack knowledge all together.

But let me see what I do have, and I'll submit that.
MR. FELDMAN: I haven't heard any proposals coming up in this area, but I'm wondering how you would view, you know -- there are several proposals in there, in terms of the committee report or committee recommendations, and one is to list as an excluded method.

Do you see any analogies here, to other technologies that the Board has dealt with, historically --

MR. RANGAN: Well, I think certainly, in terms of genetic engineering, it's comparable and it's something, when it comes to consumer expectations, it's going to be really hard to explain to consumers that some organic products have a little bit of nano-materials and some don't, because some were allowed to and some weren't.

This is a case where consumers don't want nano-engineering in the organic products they buy. It's an opportunity for organic to provide that kind of product in the
marketplace, which is -- there is not
guarantee right now, for consumers, and I
guess I'd just like to add one other thing,
which is that while I'm not up here to dispute
the size that you've allocated in the
recommendation, that the FDA's center for drug
evaluation and research has released a policy
statement, defining nano 1,000 nano-meters or
under.

So, you are going to have to
grapple with that too, at some point,
especially if FDA decides to take that on with
food, and Michael Hansen, who submitted
comments, on this, you'll see the specific
language that we've recommended, so that it
can include the FDA philosophy that's building
around this and the guidance that they're
building, so, you can be in step with the FDA,
as well.

MR. FELDMAN: And knowing what you
know about nano, do you think we're going to
have enforcement problems, in terms of keeping
nano out?

MR. RANGAN: I think that if you do restrict prohibition that that's the way to keep it out, versus sometimes, it's okay, sometimes, it's not. It may be on a piece-mail basis. I think to do it on a piece-mail basis is to invite the confusion in the marketplace, and really, inconsistencies among organic products.

MR. FELDMAN: Thanks.

MR. GIACOMINI: Joe?

MR. SMILLIE: Back to chemistry 101.

MR. GIACOMINI: Go ahead.

MR. SMILLIE: Okay, back to chemistry 101. Instead of the people holding their hands together, right, and they're still people, your hair was still your hair, after you washed out, right?

MR. RANGAN: My hair was straight, not curly, though --

MR. SMILLIE: But it was still your
hair, right? You know, the analogy is, in other words, that the chemical change didn't change your hair. You can change it, physically, as well as -- as with the perm, or whatever, right?

So, the argument comes down to a strictly scientific argument, whether it's a covalent bond or not, am I getting this right?

MR. RANGAN: If you have proteins that are gummed up together and tangled up with starches, and you're trying to say you don't need a chemical reaction to happen, to un-do that, to release the starch, that is incorrect chemistry 101.

You do need to break covalent bonds, and you do need to do that, in order to release the starch from the protein matrix, and that is happening through break in disulfide bonds, Joe, and any chemistry textbook you'll check out, sulfur to sulfur bonds are not ionic. They're not weak. They are strong covalent bonds. They are weaker
than a carbon/carbon, but they are strong covalent bonds, and they can't be broken, just like that. It's not just holding hands. It has to actually be chemically cleaved.

MR. FELDMAN: And you are a chemist, correct?

MR. RANGAN: I actually majored in chemistry, Joe, yes.

MR. FELDMAN: Right, I do remember that.

MR. RANGAN: Yes.

MR. FELDMAN: I remembered that.

MR. RANGAN: I'm glad you did.

MR. GIACOMINI: Anymore questions or comments? Thank you. Next up, Will, Rob and Ryan.

Before you start, Will, could you start giving us an estimate count of how many we'll probably have after 5:30 p.m., when we're going to need to be looking at another break? Lisa, please. Thank you.

MR. FANTLE: Actually, you can go
to Rob. I'm going to give my time back. I think I have another opportunity on Wednesday. So, I'll speed things up. Go ahead.

MR. GIACOMINI: Thank you. Rob, Ryan, and Jackie.

MR. SERRINE: Thanks. I appreciate the time. Thanks, to the Board, for this opportunity. My name is Rob Serrine.

I think hops should be removed from the exemption list. I'm from Michigan, America's high five, and a state well on its way to becoming America's leading hop producer. My friends in Washington are awake. Just joking.

I work for Michigan State University extension, with specialty crop producers up in Northwest Michigan, the tip of the pinky, and I've been the point person for hops, for MSU, for the last couple of years.

Hops are definitely a fledgling industry, in Michigan, but growing with strong interest and a great partnership with local
brewers, as well.

    But working with a group of five
organic growers who make up the Michigan hop
alliance, you heard from one of their member,
Brian Tennis, today, and I would that the
economic viability of these farmers is
directly related to the decision to take hops
off the exempt list.

    I have a few points to make, in
terms of the hops 606 status. First, the
AOHGA in their petition suggests that, and I'm
quoting, while a brewer may believe that one
particular variety in parts unique
characteristic or flavor profile to beer, the
fact that a brewer's preferred variety is not
currently grown or potentially -- cannot be
grown organically should not be a reason for
hops to remain on the National List, and I
completely agree with this.

    And I'll just give you an example
from Michigan, and see if it fits. There is
also a hard cider industry in Michigan, from
apples, and different cultivars of cider apples are grown because they in part specific flavor profiles.

For example, a common mix might include a 60 percent neutral base, sweet low acid apple, like a wine sap, 15 percent tart apples, medium acidity, like a Rhode Island green, 15 percent aromatic, like a winter banana apple, and 10 percent astringent apples, with a high tanning level, like a newton apple.

Now, not every single variety of cider apple is grown in quantity to support the entire hard cider industry, in terms of organic. Yet to my knowledge, hard cider producers can't just substitute a conventional apple variety and slap the USDA organic label on their bottle. So, why should hops be held to a different standard?

My second point relates to the comments made by the handling committee, in their Spring decision, and the quote is,
Public comments indicate that although the organic hops industry has grown, there is still the form, quantity and quality available to serve the entire beer industry.

So, I guess I pose the question, if one brewer suddenly desires a specific variety, out of the 150+, perhaps, it's a proprietary variety that's only grown conventionally on one farm. Should this then, be reason enough to leave hops on the exemption list? I don't think so.

Third, and Pete covered this very eloquently, I'm not really fully aware of the handling committee recommendation making process, or the NOSB Board's decision making protocol, but I did have a concern about the handling committee's original recommendation based upon the Spring 2010 meeting.

As I mentioned, Pete covered that. I don't want to rehash that, and I really do appreciate all the work you do and the time you put in.
I did have one specific question, though. Can't you just base your decisions on the public comment? Again, coming from a novice, in this field, and I guess, if that's not a gauge of how people feel, then I don't know what is.

So, based upon the public comment, from September 24th to October 18th, I counted more than 100. Of these, only four supported leaving hops on the list, two breweries, a consultant that was hired by one of the breweries, and CCOF, and two of these have actually agreed with the recommendation to remove hops from the list in January 2013. So, that's two, out of greater than 100.

In all, I added 11 brewers, with only one objecting. There were 16 farmers represented on that list, as far as I could count, all in favor of removing hops, several home brewers and dozens of private citizens, all of whom brought forth issues of credibility of the USDA organic label, and
want hops removed from the list.

I'll also encourage you to, please, at least consider the words of the many brewers. We just heard from one a few minutes ago, and I'll just read a quick quote here, Fremont Brewing Company, for the continued vitality of the American craft brewing sector, Fremont Brewing Company advocates the National Organic Standard Board, approves the petition of AOHGA, to remove hops from the list.

Another quote in the written comments was from Wolaver, in 2009, Wolaver's organists committed to quantities and pricing, so that our organic grower could plant the hops, to help further develop a steady supply of organic hops. The decision by Wolaver's to use 100 percent organic hops has created higher costs to produce our beer. We made a financial sacrifice at accepting reduced profit for our products, so we can help build a reputation for organic beer and ales brand
that has integrity.

This decision also gives the organic crop growers an opportunity to grow and produce consistent hops at a fair price.

In closing, this will be my last thing, brewers who have a perceived problem sourcing specific varieties of organic hops should take the example of this brewery and others, and take it upon themselves to communicate with the AOHGA, hop brokers and even the growers themselves, to make arrangements to purchase organic hops.

In fact, I would contend that if they were serious about organic, they would have already done so. With the majority of brewers, growers and all the citizen comments in support of removing hops, it's obvious to anyone, which side the significant number of public comments favors, and that is to remove hops from the list and provide economic benefits for farmers, enhance environmental quality and restore credibility to the USDA.
organic label. Thank you for your time.

MR. GIACOMINI: Comments and questions? Okay, hearing none, thank you very much.

Just received notice from our -- from Lisa, we're still looking at approximately 17 more commenters signed up for this evening. We're going to do one more, before break, but let's all just keep in mind, Board members, commenters, we're not going to cut anybody off. The people signing up at the end are as valuable and as important as the people who were signing up at the beginning.

But if we can avoid redundancy, if we can avoid other issues that don't need to be covered, we would appreciate any consideration for time that you would allow, and we will try and do the same.

But we probably had an hour and a half, after we come back from break, before we break for dinner.

So, we're up to Ryan, Jackie and
Loren. Go ahead. We're going to -- Ryan, and
then we'll break.

MR. MILLER: I want to thank you
for this time today. My name is Ryan Miller,
and I'm from Farmers' Hen House, and we are
located in Kalona, Iowa. We contract with a
number of local organic farmers. It depends
on the year, because whether we have some in
transition or not, but we contract with around
20 layer houses.

Also in our community, we have 12
barns of hens for Organic Valley. We do the
processing for those. We also work with 10
farmers in Illinois that have 15,000 birds
each or organic hens.

Our barns range from 1,200 to
around 9,000. The average is about 6,000. A
lot of these farms -- the original farms in
our area, the bulk of them are within 10 miles
of our plants. Another group of them are
about 100 miles away, and the first one
started probably 13 years ago, and most of
them in the last eight years, but there has
been a good number in our community, and
everyone has been able to do outside access,
plenty of outside access, at least one and a
half square feet inside, for a long time.

Our certifier, GOA, Global Organic
Alliance, had two square feet inside. It's
worked really well. Obviously, we think that
the guidelines of providing the birds outside
access for organic is very important. That's
what the consumers are expecting.

We have a long history of doing it
there in Kalona. We've never had any problems
with birds getting sick because they go
outside, because of factors they encounter on
the outside.

So, we would be in favor of the
one and a half square feet inside and the two
square feet outside, and we'd like to see
those specific guidelines put into the
regulations, so that we can all, in the
organic industry, like Mr. Cox mentioned
earlier, so, that we all know what those
guidelines are and we can all follow those
same guidelines and I don't really see a
reason why people producing organic eggs
anywhere in the country, wouldn't be able to
fall into those same things we've seen at work
for a long time in our area, and that's one of
the things that's important to our farmers,
and to us, and that's pretty much all I'd like
to say.

MR. GIACOMINI: Thank you.

Questions or comments? Okay, thank you.

It's 5:30 p.m. We have another
hour, possibly hour and a half to go, but we -
- recess was scheduled now, but I believe we
need to take a break. So, 15 minutes and
let's get back and please, try to be prompt.

(Whereupon, the above-entitled
matter went off the record at 5:30 p.m. and
resumed at 5:45 p.m.)

MR. GIACOMINI: Lisa, are we on
Jackie? MS. BRINES: You're on
Jackie.

MR. GIACOMINI: Is Jackie in?

You're in, okay. We lost you, okay.

All right, we'll come back to order. We have a -- I guess we have everybody. So, we're going to -- we're ready to go. Jackie is here, followed by Loren and Natasha. Are they both here? Okay, go ahead, Jackie.

MS. VON RUDEN: My name is Jackie Von Ruden. I'm a farm certification manager at Midwest Organic Services Association. We're based in Wisconsin. We have over 1,300 clients with the highest concentration here in Wisconsin, but we stretch out, reach out into 11 other states, as well. Half of these operations are livestock.

My comments are primarily in regard to the animal welfare discussion document on stocking density.

Earlier this year, at the request of the NOP, we surveyed our livestock
producers to see what space they provided on their operations. Comparing the survey responses to the space recommendations of the livestock committee, we see that our producers are pretty much meeting the requirements in most situations.

The following are areas that either present difficulties or need further clarification in our eyes.

The first one is indoor bedded space for dairy cattle. That was brought up earlier today, but the chart indicates that cows should be provided with an indoor bedded space of 10 square foot per 220 pounds. A small breed of dairy cows, like Jersies, would have to have 50 square feet, and a large breed would have to have 64 square feet. That's far larger than any space provided in tie-stalls or stanchions, and we all know that cows don't roam about the barn freely in those type of barns.

There is no way our producers
could meet these requirements and we'd like to point out that it would be pretty radical to prohibit stanchions and tie-stalls.

However, it would be in keeping with the direction that you are going, to specify how much time for fresh air and exercise, should be provided in the winter months, in climates like ours.

A last thought on cattle, it seems that the discussion alludes to bedding being required. We wondered where cow mats and comfort mats fit into that part of the discussion.

We typically don't see bedding in conjunction with comfort mats.

Poultry requirements. Although most of our producers already would meet the indoor space provision, we feel that there are some areas where clarification is needed. Would this be a requirement, that all poultry operations provide litter? The chart seems to be suggesting that perches would be required.
for pullet, but optional for layers. Is that the case?

How would square footage be calculated in an aviary style system? We would -- what inspectors need to do, testing of air quality to assess ammonia levels, and if so, how would that be done?

We have other comments and questions about outdoor requirements. Our layer operations already could meet the proposed outdoor requirements, but in many cases, the outdoor access is being provided, but it's not being utilized.

We believe that the specific door opening recommendation of six feet per 1,000 hens would make a difference in the utilization of outdoor space by birds, but there are other factors to consider, as well.

Currently, we do not require pullets to be provided with outdoor access until they're acclimated to the lang barns.

There is some sentiment in the industry that
pullets need to learn to go outside, learn
that the outside world exists, in order to
utilize it as hens.

However, there are concerns among
pullet raisers that exposing the pullets to
the outside environment, before they're
vaccinations fully kick in, would heighten the
risk of salmonella, showing up in pullet
flocks, which would, with the new FDA
requirements, preclude them from producing for
the whole egg market.

MOSA does not have a stance on
this issue, but it has been on that has been
expressed by our major pullet raisers, so, we
ask that it be considered and we be provided
with some guidance.

As mentioned before, I think that
you need to give even more consideration to
this question of why birds aren't utilizing
the outdoor access they are being provided
with. As mentioned before, is part of it that
they don't learn to go outside as pullets? If
you consider dairy animals and grazing, cows,
dairy cows are taught to go outside at a young
age, to graze. Pullets, maybe that would be
the same case.

Do birds need some kind of outdoor
-- overhead shelter to feel safe from
predators, and how prescriptive do you want to
get? Can a note from a vet keep birds inside?
We'd prefer it didn't.

Is the temperature -- what is the
temperature -- when is the temperature high
enough for birds to go out? Right now, we say
around 50 degrees. How long of an adjustment
period should layers -- should the pullets be
given for adjustment to laying? We say three
to four weeks.

One final point. The document
suggests that the two square foot allowance
outside would allow for rotating outdoor
access areas. We don't see that most of the
poultry operations are -- have a set up that
allows for rotating, and one final comment on
-- one final comment on animal welfare.

The sentence that says, "No animals should have broken tails," stood out to me. We feel that it would be more appropriate to consider the incidents of broken tails, in an overall animal welfare evaluation that takes into consideration, any signs of mistreatment, mortality rate, body condition, locomotion and cleanliness. Thank you.

MR. GIACOMINI: Thank you. Just, I believe as far as the tie-stall and stanchion, I think that was covered in the previous animal welfare document, where we require one stall per animal.

So, I don't think the intent is for -- we've heard a couple other comments on that. The intent on this not for it to include --

MS. VON RUDEN: To override that.

MR. GIACOMINI: Yes, this is --

MS. VON RUDEN: We would hope not.
MR. GIACOMINI: -- more the open
pen.

MS. VON RUDEN: Excellent.

MR. GIACOMINI: Okay, comments or
questions? Okay, thank you.

MS. VON RUDEN: Thank you.

MR. GIACOMINI: Loren, Natasha and
Trudy. Go ahead.

MR. YODER: My name is Loren Yoder.
I'm not much of a talker. I live in Iowa, and
I have around 9,000 to 10,000 organic
chickens, is what I have.

I run five square foot per bird,
on the outside. I leave my chickens out 24
hours a day, seven days a week, all summer.
So, therefore, when September 1st comes, I got
at least one square foot per bird, on the
outside around the building, that's totally
bare and scratched, and I think the chickens
are very healthy.

When they run outside, there is
less stress inside, if they loosen up and run
around outside. The other four square foot of
grass is pretty chewed up, from running around
all the time. For me, I guess I would wish
that the National Organic Board would make a
rule and it would solve a lot of problems.

If they would make a rule that
every chicken inside has -- is, by September
1st, is going to have one square foot on the
outside around the building and have one
square foot that is bare and scratched. If
the inspector checks it, first of September,
there is proof that the chickens was outside,
and they were running outside.

My experience is, if the chickens
are turned out, that they can go out whenever
they want to. They will learn to go and they
will go out.

My building is 200 feet long. I
got a 14 foot door, at one end. So, they only
can go out. They got a 14 foot door and it's
200 foot from the other end. But to me, it's
amazing, when they're out 24 hours a day.
seven days a week, how they run out and how
that whole five square foot per bird in the
evening, it just full of hens. The chicken
lot does need to be tiled out. The roof needs
to be -- have spouting on it. It only takes
one day and then it's all dried out again, and
I never had any health problems.

In Iowa, we have about 30 to 40
chicken houses that the Amish people own and
they have no electricity. So, all the hens
houses have curtains on each side, with a
ridge on top, and all them have no lights or
forced air or anything inside.

So, the chicken is used to light,
and air movement. When they go outside, it is
not a different world.

So, I think that also helps that
they run outside a little better. So, I don't
really have too much more to say about it,
except I wish if there be a rule made, that
the chickens have to have about one square
foot per bird, that's bare and scratched, then
everybody is going to be scrambling to make enough holes in their buildings, so the chickens can get out, so, that it will be scratched. If they don't provide holes that they can't get out, and don't leave them out, whenever it's raining or whatever reason, then the chickens are kind of slow in going out and there is just not going to be any bare scratch area outside.

So, I would wish that there would be made a rule how much bare scratch has to be by the 1st of September, because everybody is going to try hard to get the chickens out, if it would be a rule like that, because it's proven to me, it does work.

MR. GIACOMINI: Okay, Kevin?

MR. ENGELBERT: Thank you for your comments. Where do you market the majority of your eggs, and do you trim beaks?

MR. YODER: My eggs go to Organic Valley, Farmers' Hen House processed eggs. My chickens, I trim beak them at five weeks
old.

In our area, where you have curtains, the curtains are light. I mean, they leave the light go. So, in winter time, you got plenty of light inside. We have to trim beak them because if you don't, with more lighting, they will be a little more prone to peak, but if you got them turned out 24 hours a day, then they'll loosen up.

The other thing I do, Organic Valley requires six inches for a perch. I got 9,000 foot of perch. So, my chickens have almost -- well, they'd have like 11 inches per hen, and I watch the chicken already. I spent some hours already, watching them. Each chicken, when it jumps up on a perch, it will turn around. They won't just jump up.

So, one chicken needs at least eight to ten inches of a perch, where they can jump up, and if you provide a lot of perches, a lot of chickens will jump up, then they'll be less, they won't be as full on the bottom,
and they can rest and they're not -- it's just like human beings. If everybody is crowded in a room, I think everybody will get a little crabby too.

But if they can jump on a perch and some run outside, mine go out, in April when it starts getting above 40 or 50, they start running outside and once Fall comes, seems then they're extra tougher, and they'll be out until Thanksgiving.

Once it gets under 40 degrees or so, then -- and the wind blowing, then they don't go outside anymore, and I wish the rule would be made that so much square foot has to be bare and scratched outside the building because all the big companies that want to have like, 50,000 or 80,000 or 100,000 birds, then they would have to do that also, because that is what the consumer is looking for.

The consumer is thinking the chickens are outside and what happens is, the bigger guys, if they don't -- if they cheat
that rule on the pasture, then they raise so much eggs that they supply the market and then a small family farmer have to -- can't increase.

Right now, we have several people on the list with Organic Valley and Farmers' Hen House. We would -- there would be more people that would build about like, six, seven, 8,000 house, if they could. But for us, we have to have the chickens outside and we have to have our pullets outside access with pasture, and I think if the consumers -- if that's what the consumer is expecting, then I think all the bigger guys and anybody else should do that the same way.

Outside porches don't pass for nothing to me.

MR. MOYER: Loren, I want to thank you for your comments. I think they are very well taken and you've given the livestock committee some different things to think about, and I would disagree with your earlier
comment, that you're not a good talker.

You're a very good talker.

But I do have one question for you. What would happen to the system if you had more than five square foot per bird? I mean, I don't think we want to limit people in the upper end. If you had 10 square feet per bird, you would not get that same amount of scratching. So, you may not get that bare ground, and then you might penalize somebody for doing something too good.

MR. YODER: I disagree with you, because the chicken comes out the door first, she will play around outside, before they go further out.

Now, if I would have 10 square foot per bird, the further out one around, the grass would get a little taller. At five square foot per bird, my grass, this Fall, is only about this tall, at the farther off, and they got to walk at least about 200 to 250 feet to the further end.
And I wish the rule would be made that all organic chicken houses, the grass can't be more than about this tall, unless they go over five square foot, but if a rule would be made that they have to have one square foot of bare ground around the building, that's bare and scratched, that's proof that chickens are turned out. They are turned out. They have enough holes, enough places that they can go out and they got 24 hours access to get out.

Whenever you see a chicken house, if you go down the road and check chicken houses, whenever you see a chicken house that is not very bare, you know that that door is being shut. There is ways to try to convince the chicken not to go out.

MR. MOYER: Okay, thank you. One follow up question. Predators, what do you do for predators if your chickens are out 24/7?

MR. YODER: We have hawk problems. We have hawks that try to pick up a chicken,
but they can't. The chicken is too heavy.

They will get our pigeons and out pullets, we don't -- I don't let the pullets out until they're 12 weeks old, because before that, they're too young and the hawks come and carry them off.

About any other predators, if you make a good solid fence, netting fence, and you make a good solid in the bottom around, with two by sixes and you dig a little trench around it, there is no coon, skunk, possums, nothing else can get in.

MR. MOYER: Thank you.

MR. GIACOMINI: Okay, thank you.

Natasha, Trudy and Mark with a proxy, go ahead.

MS. GILL: Hello, my name is Natasha Gill and I am the education and outreach director at the Marquette Food Co-op. We are consumer owned natural and organic grocery, located on the south shore of Lake Superior in Michigan's Upper Peninsula.
We're owned by 3,000 households in a city of 30,000 people. We're averaging one new owner per day. We're growing, and this success comes in the midst of an economic downturn, in state wrought with financial crisis.

We currently have 44 employees, yearly sales of $4 million and a service area of 16,452 square miles.

We believe in and promote certified organic products. In fact, it's written into our purchasing policy. Myself and my three employees in the education and outreach department give multiple presentations and teach classes, several per week, to educate consumers on the importance of purchasing organic.

We also help consumers navigate the ever changing and ever confusing world of food labeling. I love my job. But I must tell you that it's becoming harder and harder to convince people that organic is the best
choice.

Consumers truly believe that by purchasing certified organic eggs, they're supporting a system in which the animals have access to pasture.

Whenever I talk to a group, I ask, "What does certified organic mean to you?"

Animal welfare always comes up. They believe that they are making a choice, that benefits their personal health, the health of their families, the health of the planet, and the health and welfare of animals.

People purchase organic food because they want to be part of a different paradigm, one that does not support an industrialized food system.

I don't have hard and fast data or scientific evidence that consumers are losing confidence in the organic label, but I can tell you that this is, in fact, the case.

Our owners and customers are moving away from certified organic, when they
find out that organic doesn't mean what they thought it did. They feel mislead. They're choosing to purchase local pastured product that comes from animals that are fed GMO feed, because access to pasture and humane treatment of animals is important.

Animal welfare standards and particular, those related to stock densities to pasture are absolutely critical in maintaining the integrity and encouraging the growth of an organic food system, and that's important, encouraging the growth of an organic food system.

We would like the NOSB Board to propose a new rule, prohibiting porches as outdoor access. This includes similar set ups with surfaces other than soil, such as wood, metal, concrete. This is not the outdoors. Standards need to be adopted regarding mandatory access, as well as stocking densities.

In addition to working with
consumers, I am also the local farmer liaison for our co-op. Our office publishes the Upper Peninsula Farm Directory, supports countless farmers' markets, co-sponsors the Upper Peninsula farm conference. We're very involved with farmers. We're seen as being the authority on both local and organic issues in our area.

In fact, we even do site inspections at our local farms, so that we can stand behind the food and ensure its integrity.

Just last week, our grocery buyer traveled to Minnesota, to visit Larry Schultz farms. He is our only certified organic egg supplier. The cornucopia report that's been talked about today, actually, we have made a copy of that, blown it up and put it on the front of our egg cooler, because Larry Schultz actually was one of the farms that rated very, very highly in that particular report.

But we went there to see for
ourselves, what's going on at that farm. His birds do have access to pastures. If they didn't, we wouldn't sell them in our store.

I want you to know that I have a really hard time convincing, also, our local growers to become certified organic, because often times, they say to me, "Natasha, we feel like we're going above and beyond what's being expected of certified organic."

So, in many cases, they're believing that they set the bar higher. I find this to be incredibly disheartening. I want them to get to that status. I want them to understand the importance.

The bottom line is the health and safety of both the consumer and the animal. I think we can work together to set clear standards that set us apart from industrialized operations.

Thank you very much, to you, as a Board, for all the work that you do on behalf of organic growers, as well as consumers. I
really appreciate the opportunity to be here
today and to share with you. It's very nice
to have the public input. I've never been
part of this process before, so I really
appreciate this opportunity. I've learned a
great deal, and I am more than happy to answer
any comments or questions that you may throw
at me.

MR. GIACOMINI: Comments or
questions? Okay, thank you very much.

Trudy, Mark Kastel, the proxy and
Greg Herbruck.

MS. BIALIC: Thank you, Miles.

Thank you, and members of the NOSB. I'm glad
for the opportunity to come and I've never
been here, to an NOSB meeting before, but the
matters that I want to talk about were so
compelling to us that they put me on a plane,
and here I am.

Trudy Bialic. I'm Director of
Public Affairs at PCC Natural Markets. I've
been there 18 years. I've been a dairy buyer.
I've been a merchandiser, member relations, marketing. My job now is consumer concerns, education and quality standards.

We started in 1953, as a buying club of 15 families in a basement and now, we have nine stores in five cities, with 47,000 active member households, making us the largest consumer owned grocery retailer in the United States.

We have a very strong history of commitment to organic standards. During the 1990's, I'm citing this as an example, when the standards were being developed, our members sent 27,000 comments to the USDA, about 10 percent of the national total.

Our commitment to organic remains strong. About 94 percent of our produce sold is organic now, 65 percent of our bulk is organic, and the reason is, is that is what consumers are demanding.

They're demanding to know the living conditions of livestock. They're
demanding pastured meat, pastured dairy, pastured eggs. This is where the market is already, and it's where it is going, increasingly.

Like Natasha said, we also are losing sales to pastured eggs. At farmers markets, I see familiar faces from our stores, faces that I've seen for years, shopping in our stores, who still shop in our stores, but they go to the farmers market, they go to the cheese monger shop in town, to buy pastured eggs, fed GMO corn and soy, but the questions are asking, what they want is that pasturing -- the living conditions are so paramount to them.

I read some of the claims being made to the NOSB over the past year, from some of the producers, that hens are confined indoors, for health, that being on soil, eating insects has no benefit, they don't have enough land to meet space requirements and because they've invested so much, they should
be grandfathered in.

Organic consumers generally are very sympathetic to challenges facing organic farmers. But the aversion to this confined feed lot model, which these operations are, exceeds any tolerance for compromised standards.

The NOSB's 2002 and 2009 recommendations and the NOP's recent draft guidance are wholly in line with market demand and consumer expectations. Their surfaces other than soil, don't meet the intent of the standards. Hens must be encouraged to go outside. Exits must be distributed around a building, so that all of the birds can be outside and that all the birds may not be confined indoors, due to only the threat of disease.

So, our assessment is that consumers do not and will not accept such confinement of any organic animals, even if that makes it very difficult, if not
impossible, for some producers to keep their
organic status.

Mis-judging the organic standards
does not justify changing the standards to
accommodate mistakes and wrong thinking. If
a producer does not have enough land, it has
a stocking and density problem.

Product labeling also has to be
truthful. It is absolutely deceptive and
misleading to show a little red barn and a
pasture with chickens on grass, if that is not
a fair representation of the operation, and I
would ask the NOSB and the NOP to inquire with
the FTC, about such deceptive advertising.

Finally, organic consumers do
expect organic standards to address an animals
time in transport and in slaughter conditions.

I'd love to share some more
thoughts about what our supplier has been
doing, considering that it is an industrial
scale supplier with 125,000 chickens, but I do
want to mention two other things, inerts.
We know that they may be anything but inert, and we feel that these compounds must be reviewed to ensure their use does not contaminate crops, soil or water, and we encourage you to vote, to expedite implementation of the guidance adopted by the Board in April, and to limit use of former list-for inerts to a three year time frame, not five.

Regarding nano-technology, consumers are increasingly aware of this, and I've been getting emails and calls about it, for about a year or so. They're asking what products and what packaging contains nano-particles since they aren't labeled.

It's contrary, nano-technology, we feel, is absolutely contrary to the spirit and the intent of OFPA, and we feel that it must be declared a prohibited method of production, and final, we feel that in general, consumers should be able to know that organic is a safe haven. Thank you.
MR. GIACOMINI: Thank you.

Questions or comments? Thank you. Next up,
Mark Kastel with a proxy.

MR. KASTEL: Thank you, Mr. Chairman. Again, I'm Mark Kastel. I'm the
Co-Director of the cornucopia institute. I
have a proxy from Merrill Clark, who was a
charter member of the NOSB livestock committee
and its Chairman in 1992 to 1996, and she
served on the cornucopia advisory panel.

First, I'd like to address the
pointed comments by an industry consultant and
former USDA employee.

What really hurt organic dairy
farmers was the corporate take-over of organic
dairy. Factory farms are now producing 30 to
40 percent, I'm talking about dairies with
over -- with 2,000 to 7,000 cows, 30 to 40
percent of our nation's organic milk supply.

We're getting that under control
and we do trust the current management at the
USDA's organic program.
The family farmer scoff laws and the great recession is what hurt family farmers and drove some of them out of business, and worse.

We now, as a community, need to address the problems in the egg business, similar problems.

Before my shift to organic, I was involved in the corporate business. I worked for J.I. Case International Harvester, and in the mid 1980s, I owned and operated my own Case I.H. implement dealership in southeast Michigan.

I had a parts manager at the time, who had a bumper sticker on his truck, that said, "Dumb farmer. Dumb farmer."

If you diss the cornucopia institute, you are dissing Helen Kees, who stood here, our Board member today, multiple generation career farmer, who believes in organic, and you're dissing Bill Welch, who served on the Organic Standards Board and
Merrill Clark, and you're dissing our 4,000 members at cornucopia.

These are not dumb farmers, and you can under estimate them at your own peril.

I'm honored to follow Trudy and Natasha at this podium. This is a higher authority than the USDA in these matters, and that's the consumers in this country, and we better listen to them because no matter if you're a big company involved in organic or a small farmer, their confidence is what we live on.

Trudy, I don't know if you mentioned, represents the largest co-op in the United States with 40,000 members -- 47,000 members. Natasha, as she said, is the go-to place for organics in a wide geographic area in the Upper Peninsula of Michigan. These are the folks that we need to retain their confidence.

So, I lost my place, I'm sorry.

So, you can under estimate these folks, at your own peril. We're highly impressed, I
want to add this, with the current new
management at the National Organic Program,
and the Veteran and the new staff members.
There is a heck of a team being assembled.
We're governmental and corporate watch dogs.
We're not lap dogs. So, we'll continue to have
interaction, but for once, we have folks that
not only respect the organic community, but
are in turn, respected by the organic
community.

This is a light year step forward
to what we have had during the last -- during
the Clinton and the Bush years.

I want to clarify a few things
from earlier testimony. Charlotte, you asked
her, there was a question from the Board, how
much space, three square foot is a starting
spot.

We already know that Organic
Valley, which might be the largest name brand
producer of eggs in this country, are
requiring their farmers to have five square
feet. There is nothing wrong with that, and we know in Europe, it's considerably higher. So, part of your narrative talked about rotating outdoor access to maintain cover and not become an environmental hazard. That can't be done at two and three square feet.

There was a question about the cost of eggs. Loren Yoder is making a fair profit, but they can't expand their business down at Farmers' Hen House, because they can't compete with these phony boloney confinement operations.

We will create opportunity for family farmers, and we will fill the marketplace with legitimate organic eggs, if you folks act, and I'm sure you're going to. Consumers do expect organic birds to be outside, because many of them are sophisticated to know that's the law. So, we haven't done that research and hopefully, somebody else will, at some point, but Urvansi
said obviously, there is some data out there.

         I wanted to add that we have a lot
more of those photographs that I had, and they
didn't reproduce very well on the projector.
If any Board members want to look at them on
my laptop of have me email them to you, I'd be
happy to, and the last point, if I can make
it, on accessory nutrients is, vitamins and
minerals were explicitly talked about by the
Board, as being permitted and accessory
nutrients, if they were one of two things,
either required by Government EDIT, or
recognized by an authoritative medical body
and the oils by Martek, the synthetic oils
that are in question, have never been
recommended by an independent body and they
are not required by law. Thank you.

         MR. GIACOMINI: Questions or
comments? Thank you. Greg Herbruck, Lisa
McRoy, and who is after Lisa, Lisa? Diedre
Birmingham, okay.

         MR. HERBRUCK: Good afternoon. My
name is Greg Herbruck. I'm an organic egg producer with my brothers and sister in Michigan.

I'd like to comment on the animal living standards that you're proposing. I would like to state that we concur with the recommendations that some of them have been made in the 2009, specifically, where you were requiring formal relationship with a veterinarian.

We also agree with the prohibition of practices, such as debeaking and de-toeing, and feed withdrawal molting. These practices reflect appropriate review of science and acceptable practices.

And then the most recent discussion document, where it was suggested that 1.5 square foot of living space inside and 1.2 was adequate herd space was provided, again, is in step with the appropriate science and what goes on in the world.

I think as we look at what outside
standards should be, we need to consider potential conflicts with an FDA and safety rule that just went into effect in July of this year.

Specifically, 21 CFR 118.4, where the FDA is requiring farms to prevent access to rodents, and in the recent egg recall, Wright County was cited for not preventing -- for having access holes in the sides of their building and allowing rodents access to the poultry inside.

I fear that some of the standards that we have set for, or then proposed, that the six square foot per 1,000 birds is perfect portal for access from rodents to easily go inside the poultry house and can be in direct conflict of what -- when an FDA inspector shows up, to inspect the farm, and then -- that will include all farms over 3,000 hens.

I won't go over some of the other things that were submitted in my written comments. I would like to add that we were --
we had produced part of the research data for the methionine task force, for -- we did one test where we provided different stage levels of methionine inclusion and three square feet of outside access.

In each of these situations, it was mentioned earlier about the scratch area, the grassy area was completely denuded of all grass. This was a full summer long experiment and I guess if that's the goal for outside access, what is the goal of outside access?

If it is to provide these kind of areas, then this is a perfect petri dish for future infections. There was some science presented in my written comment for that.

If we're going to look at appropriate outside access, maybe we look at the European standards. It was mentioned earlier, we should follow them, 43 square foot, that's what they recommend. Is that a - - what's wrong with that?

I guess that would be the
challenges, if you need appropriate amount of
area that does not become denuded of grass,
then we should be thinking about supplying it.

I have just a couple of other
comments. It was mentioned earlier today about
GMO vaccines. I did kind of a check with some
of the producers around and the suppliers.
About 80 percent of the current vaccines that
all of us are using would qualify as GMO and
therefore, they protect against such viruses
as salmonella, Marek's, infectious bursal
disease, laryngeal tracheitis, Newcastle, pox
and Mycoplasma gallisepticum.

The only ones not currently to be
considered GMO would be for bronchitis and
encephalomyelitis.

So, I guess as we look at -- as
the committee considers where they're going to
go with outside access, consider what every
producer over 3,000 birds will receive, an
inspection from the FDA and have to explain
how they're preventing access of rodents and
non-poultry foul to their birds, and that's my conclusion.

MR. GIACOMINI: Thank you.

Questions or comments? Thank you very much.


MS. BIRMINGHAM: Thank you for the opportunity to address the committee on three materials that are critical to organic apple production among other tree fruits. These are pheromones, fixed copper and streptomycin. Your voting on these is deferred until further technical information is obtained.

I speak as a certified organic apple grower and one committed to organic integrity. For example, I'm President of the Board of the Organic Farming Research Foundation, and former Executive Director of Georgia Organics.

Pheromones. It is important to
first, distinguish between the use of pheromones in traps used to monitor insect populations and its use to control codling moths.

Traps are critical to determining if and when specific insect pests are present in orchards, such as codling moth, leaf-rollers and leaf-miners. The pheromone attract males to the traps, where counts can be taken weekly or daily. They are a key management tool to help us determine if and when any intervention should occur.

Pheromones are also used in codling moth control, a major pest of apples. Without the use of pheromones, you would not have apples produced organically in the upper Midwest and perhaps, the U.S.

For example, Professor Larry Gut at Michigan State University told me that all organic apple producers in Michigan rely on pheromone based main disruption for codling moth, and they would not be there if it were
Pheromones are not commonly sprayed, but are gradually released by dispensers that resemble a twist tie or puzzle piece placed in the upper limb of perimeter trees. The pheromone wave through the air and confuse males in their efforts to find a female.

The unmated females cannot lay eggs in the trees, which would hatch and eat into the fruit. To use natural pheromones, it would take extracting the pheromones from about four-million female codling moths to produce enough pheromone for one acre. This is cost prohibitive, thus we rely on synthetically produced ones.

Pheromone mating disruption allows growers of specialty crops with high pest populations to lower them in a non-toxic way and to decrease the use of other off-farm inputs to manage pests, such as codling moth. Pheromones present no
environmental concerns and do not affect other
animals in the system. They have no impact of
our beneficial insect populations and they
only confuse males of a specific insect pest.

Now, for fixed copper and
streptomycin. These are two important tools
to control fire blight. Fire blight is a
lethal disease throughout the U.S.

When an 800 tree block that I
graphed four or five years ago started -- or
four or five years earlier, started to bloom,
I lost about 100 of those trees in the first
year of bloom.

Fixed copper is used if fire
blight has been present in an orchard within
the last two years. During winter, one cuts
out the cankers, visible, and branches and
trunks. A fixed copper spray, which is a
slow release material, is applied only once in
the early Spring, as buds swell. It kills
fire blight that -- bacteria, that might be
oozing from any remaining cankers or cuts, as
Spring progresses.

It is also effective against a major fungal disease, apple scab, by inhibiting the fungal sporulation in leaf-lair on the orchard floor.

As it is used only once a year in orchards warranting such, it does not bio-accumulate in the soil.

While fixed copper helps, streptomycin is the only effective tool to prevent fire blight. Fire blight attacks through the blossoms and proceeds into the branches and can go all the way to the tree roots, killing the tree, as it moves.

It is important to note the streptomycin is used only during bloom, when weather conditions warrant.

Growers feed temperature and moisture data into one or two computer based models to help predict when an infection will occur and the relative risk of the infection, such as low, medium or high. It is the only
product that works effectively because it's
the only material that actually kills the
bacteria.

Other biological materials
available, whether allowed in organic systems
or not, do not.

When other products are used, as
my data, I have a handout available to you,
from Michigan State University, shows more
blossom and shoot light results. Infection
spreads throughout the season, as pollinators,
wind and rain progress.

One infection can keep an orchard
at high risk for years to come, as I have
found out. Streptomycin is an antibiotic
derived from soil. It is not used in human
health. It biodegrades in 72 hours. It does
not leave any residue on the fruit, as it is
used only at bloom. It does not impact other
organisms in the orchard system. It may just
sound bad to hear that an antibiotic is used
in an organically managed system.
While I have -- okay.

MR. GIACOMINI: Questions or comments? Joe?

MR. SMILLIE: We had a previous speaker that just talked about post infection use of streptomycin. Is that your advocacy position, also?

MS. BIRMINGHAM: I actually like to have it also available before an infection. It's very hard to -- often, when you're going to have a storm, you're having high winds and you can't spray in the wind, and you have to get it on in 24 hours.

So, it's better to get it on beforehand. You have -- it will be good for 72 hours. After that, you're no longer -- it's no longer reliable.

When I see an infection coming, if I'm going to have high winds prior to that infection period, I put it on. If I can, I might go in and apply it again, if I felt like that 72 hour window was -- I was getting to
the end of it, and I'm trying to get some back
action.

MR. GIACOMINI: Kevin?

MR. ENGELBERT: These materials
that you're talking about haven't been
available forever. What has caused these
problems to suddenly surface and be unable to
be dealt with, without them now?

I mean, is there any -- could
there be any indications that there is
something wrong with the soil that needs to be
addressed, and therefore, these trees are
weaker, because of their, you know, unhealthy
soils, or anything like that? What's changed
over the last 50 years, that all of the
sudden, we no longer can have fruits grown
without these three synthetics?

MS. BIRMINGHAM: I've never picked
up that fire blight has not been an issue.

Fire blight is endemic, even in your wild
hosts, such as wild hawthorne, wild apple and
other related species.
So, it's endemic in our natural environment. There are some resistant apple varieties, but they're very few and they're relatively unknown to consumers.

I mean, copper has traditionally been used and now, I -- my knowledge of the use is that it's only used in the early Spring, when buds swell, because if you use it later, you would get fruit damage.

MR. SMILLIE: I just wanted to add that before we had pheromone mating disruptions, we had worms in the apple. I mean, that was like sort of the old joke about organic, you know, and then pheromone matings were -- absolutely landmark decision by the OFPA to allow a synthetic pesticide, that was totally non-toxic and species specific, and it's the poster child of a good synthetic, and there has been no evidence the other way, and we all now have really great honey crisp apples with no worms in them.

MR. GIACOMINI: Okay, Jay?
MR. FELDMAN: Are you seeing any
resistance to the antibiotics, to
streptomycin?

MS. BIRMINGHAM: In Michigan, they
have found pockets where there has been strep
resistance developed. So, that's an issue and
growers have to use it, very sparingly, and
that's why you use it only when the conditions
warrant, and should never spray it just to
have it out there.

MR. GIACOMINI: Program?

MR. McEVOY: Yes, just as a point
of reference, in Washington State, when I
started as an organic inspector, in 1988,
there were four certified organic orchards in
the state, having about less than 100 acres in
certified organic production.

Now, there is almost 10 percent of
the apple acreage in Washington State is
organic, tens of thousands of acres of organic
fruit and a lot of that is because of mating
disruption.
Without mating disruption, it was impossible -- well, not impossible, but very, very challenging to grow any quality organic apples, and the alternative, at the time, what the organic growers were using was Rainenia (phonetic), and Rainenia was sprayed a botanical, not very effective and they were spraying it ten to 14 times a year.

So, mating disruption has made a huge difference, in terms of reducing the amount of pesticides used in the Pacific Northwest.

MS. BIRMINGHAM: And just getting back to your question about the fire blight, and that when --I mean, one thing that we don't do in organic systems is supply a lot of nitrogen to the tree because you don't want a fast growing, because it particularly affects fast growing trees, and that's where it's hard to get an orchard started, because it's affecting young growing material.

So, your trees of like, three to
eight years of age are especially vulnerable. So, as orchards come into production or orchards are spreading or people are starting the orchards or replacing old varieties with new varieties, such as, everyone has to grow honey crisp, you know, then you do have this issue with young orchards.

I can't wait to get past the eight year stage and maybe some of my trees will survive. But if I -- the issue here also, is that you're going to back growers into a corner, saying either, it's my orchard or my certification.

I do grow some disease resistant varieties of apples. I have two varieties and I could just hug those trees, but I am producing apples to press and ferment juice, to hard cider.

So, I'm also growing some English and French cider varieties. They are like the wine grapes of apples. Those are susceptible to fire blight, and so, if I had strep taken
away from me now, I would probably lose that entire orchard. It is that variant, and we have just great conditions here for it to spread, and I'm also enhancing the pollinators in my orchard, the native pollinators, and they help spread the disease, unfortunately, too. Thank you.

MR. GIACOMINI: All right, Troy Aykan, John and Michael. Either Mike, we'll let you go on, either one is --

(Off the record comments.)

MR. GIACOMINI: Troy, you're up next. Go ahead.

MR. BAKER: My name is John Baker. My company, Giving Nature, contracts with organic producers in Central Pennsylvania, and then sells them under the Given Nature label in regional markets.

I have previously commented on consumers expectations, that organic eggs come from hens who have access to pasture. Today, I would like to take this opportunity to
address the Board on some of the concerns
raised by those who would thwart the effort to
allow organic laying hens access to true
pasture and outdoor activity.

Mostly the concerns raised by
those opposed to pasture layer organic
production cite three issues, increased cost,
the financial hardship that would come from
making their current organic production layer
operations obsolete and greater risk of avian
diseases.

As attested to by those resistant
to a strong pasture rule for organic laying
hens, pasture layer operations cannot be
supported in a large concentrated animal
feeding operation or KFO production facility.

I couldn't agree more. It would
cost more to do pasture organic egg
production. Large KFO style production
creates efficiencies of scale with which small
pasture farmers cannot compete.

Many such small pasture farmers
have been driven out of the market by mono-
culture of large scale organic egg producers.  
They are relegated to less lucrative markets,  
gone out of business, or worse, bankrupt.  

Also, as a result of this large  
KFO organic egg production, new smaller bio-
diverse farms are not being created, as there  
is no growing market to provide them  
opportunity.  

This truth is self-evident in that  
the major of organic eggs sold on the market  
today come from large scale KFO facilities,  
all of it, a direct result of the vague  
outdoor access standards that some in this  
room successfully strove to create and some in  
this room are striving to change today.  

The outside limit of number of  
laying hens per pasture facility appears to be  
around 12,000 layers. Medium to large KFO  
organic egg production of 32,000 hens, to the  
sky is the limit, allows for efficiencies of  
production that true pasture production cannot
achieve, due to economies of scale.

   But unlike bolts and screws,

organic food is not a widget, even though in
my opinion, this is what the current outdoor
access standards have allowed many of the
organic eggs produced in this country to
become.

Organic consumers increasingly
recognize most current organic egg production
as false and artificial at what it attempts to
represent. There are those here today who
will say that if well vegetated pasture
becomes a mandated standard for organic egg
layer operations, then the cost of organic
eggs will be too high.

   However, it seems clear to many,

who are also here today, that the issue is not
cost, but rather integrity, and unless
integrity comes from first in criteria of
judging what is organic egg production, then
the integrity of what it means to produce and
sell organic eggs will be compromised.
If we allow integrity to be compromised, in such blatant ways as to raise standards that support mono-culture factory farming, then we have sacrificed our credibility as producers of organic food.

Current medium and large KFO organic egg production cannot hope to meet an organic pasture layer standard. Such an egg production model is artificial in its intent, when applied to organic values, and creates artificially low cost of production.

Current outdoor access standard aids those who seek to make a false impression by using the word ‘organic’ to master a real method of egg production, a method of production that clearly, organic consumers feel is not the way they expect their organic eggs to be produced.

It is my hope that the Board see the issue before it clearly. The only thing that could make organic eggs and organic foods, in general, too costly is if the word
`organic' becomes nothing more than a marketing tool to void any real meaning and intent, that is to say, the void of integrity.

Next is the issue of financial hardship, that those with large scale production facilities say they will endure, if the standards are changed to require well vegetated pasture for organic laying hens.

The general consensus among these folks is that they will have no use for their very expensive cage-free egg production houses and will suffer such huge losses as to drive some of them into financial ruin. This, I find to be a false argument.

These same folks are very well aware of the growing cage-free egg market, which their facilities are perfectly suited. They're also aware that the State of California has mandated that all eggs produced and sold -- emphasis on sold, must come from cage-free eggs.

Now, Ohio is filing suit. Burger
King claims they cannot get enough eggs to fill their modest mandate that their annual egg purchase be comprised of at least five percent cage-free eggs.

The size of organic production, egg production, that the large scale organic egg producers represent seems large, when viewed through an organic perspective. But it's minuscule when viewed through mainstream business perspective.

California's new law and Burger King's needs alone are enough to absorb all the current large scale organic egg production, currently in operation into the cage-free egg market, if such care to make the effort.

Their current production capacity will hardly make a dent in cage-free egg demand, if they convert their production to that model. It is a market with more demand than supply. The only glitch seems to be a curious dynamic of retailers saying there
isn't enough and producers saying that there isn't a market.

I submit that cries of financial damages and hardship be balanced against this reality, and I have a little more, but I'll --

MR. GIACOMINI: Okay, thank you.

Questions or comments? Okay, seeing none.

You are -- is this -- I'm sorry?

(Off the record comments.)

MR. GIACOMINI: Who is this, again?

Is this Troy? Okay, Troy, Michael and Matt.

MR. AYKAN: Hi, my name is Troy Aykan. I'm a food scientist and a lawyer. I work for the Hain Celestial Group. I also teach food laws and regulations at Pomona and Chapman Universities in the Los Angeles area.

I just wanted to talk about briefly, access or nutrients that we -- a few speakers before, so, I'm not going to repeat the same stuff that they talked about.

As we know that under D3, we have 21 nutrients, and under the proposed
interpretation of this section, only these nutrients would be allowed, and we know that under the 21 CFR 104.20, there are other sections that -- other nutrients may be added, as well. So, I'm not going to repeat the same stuff.

And so, just nutrients with established daily values, that are listed under 101.9, but don't exist under D3, examples, case study, infant formula, there are federally mandated nutrients, such as vitamin K and choline. These are also not under the D3 list, but federally mandated.

Then federally permitted nutrients, and widely accepted, recognized and expected by consumers, such as taurine, nucleotides, DHA and ARA, and there are also nutritionally inferiority argument, they are the organic food is the right way of the same nutrients as the conventional part, and the moms always the one to best nutrition for their babies.
And the solution is that to allow the correct interpretation of the section, or defined the nutrients, as proposed here. All nutrients listed under D3, all nutrients with established daily values, under sub-section F, E and other nutrients that may be properly petitioned to the Board, and as such, if we require companies to do petitions for each and every nutrient, this would be really, an undue burden on companies, on the NOSB and NOP, as well, and the petition process could take years, and the nutritional advances may be found in conventional products, but not in their organic counterparts, which may place them in unfairly advantaged situation.

So, that's my presentation. Any questions?

MR. GIACOMINI: Questions or comments? Seeing none, thank you.

MR. AYKAN: Thank you.

MR. GIACOMINI: Okay, Joe?

MR. SMILLIE: Was that posted, this
presentation, was that posted some place?

MR. AYKAN: No, I have all the copies, but miscalculated the time, so, they're in my room. I'll just bring it down. But they are not posted anywhere.

I made public comments, but this presentation, I have 20 copies. I'll just bring it down now.

MR. GIACOMINI: Okay, we'll be here for the next four days -- three days.

MR. AYKAN: Yes, yes, thank you.

(Off the record comments.)

MR. GIACOMINI: All right, Michael.

Thank you, Troy, thank you. Michael?

MR. ARMY: Thank you. I would like to thank the National Organic Standards Board for this opportunity to comment today. I'm Michael Army. I'm President of Leonardo Academy. We're a charitable, non-profit, based here in Madison, dedicated to advancing sustainability. We work nationally and internationally, and my purpose today is to
give you an update on what we're doing.

We're working on a standard for sustainable agriculture, using the ANSI process and the work you've done and are doing is sort of a parallel of inter-connected universe.

The committee that -- to what we're doing. The committee we've put together is balanced across producers, users, environmentalists and also, general interest category, and we are working on developing a standard for sustainable agriculture that will be completed by some time in 2012.

The objective of our work is to establish a comprehensive, continual improvement framework and a common set of economic, environmental and social metrics, by which to determine whether an agricultural crop has been produced in a sustainable manner.

We seek to deliver the completed standard, like I said, by 2012, and which
farms and producers in the U.S. can put to immediate use.

Additional agriculture sectors will be addressed in subsequent phases of our development process.

The benefits of this standard will be that agriculture producers will benefit by having access to a recognized sustainability set of tools and metrics for continued improvement in environmental, social and economic performance, which supports competitive advantage in the evolving global marketplace.

Secondly, rural communities will benefit from agricultural activities that build economic viability, support social justice and positively impact the environment.

Finally, buyers of agricultural products, such as processors, retailers and consumers will benefit from a national standard that reduces marketplace confusion associated with the proliferation of
sustainability standards and claims.

And in the materials I have provided, there are links to the wiki that has information on our process, as well as on our website, and if is interested in learning more about what we're doing, we'd be happy to hear from you. So, thank you for your time.

MR. GIACOMINI: Any questions or comments?

MR. MOYER: Thank you, Michael. I appreciate you being here and bringing that -- and talking to us about that.

I guess one of the questions I might have, the Board might finding interesting, is how do you see this standard playing out in the marketplace, in terms of, we have an organic seal, we have some recognition in the marketplace, how are producers going to be rewarded? Is that going to be yet, another sticker that's stuck on a product? How do you see this playing out?

MR. ARMY: Sure, well, you know,
ultimately, all of these standards and
certifications, etcetera, are evaluated and
valued in the marketplace. I mean,
ultimately, that's where these things get
decided.

We think that one of the important
values of this kind of standard is that
purchasers of agricultural products are
starting to put together many different
standards of their own. Walmart is an
example, but there are many others on this
list, and we think in the end, the marketplace
will be well served by standards that address
the whole range of interests in the social,
environmental and economic arenas, to find
something that sort of works for all of the
players, and I don't see this as displacing
organic. It's just a different set of
metrics, and I think it will, in the end,
simplify life for producers, because instead
of having to respond to, you know, 30 or 40 or
50 different standards produced by particular
purchasers, saying, "This is what I want you
to tell me about how you produce things," if
we can make this a successful standard, and I
believe we can, it will simplify that, so that
there is a predominant standard or two, that
can be used across the board in the
agricultural industry.

MR. GIACOMINI: Joe?

MR. SMILLIE: For example, once the
standard becomes live, would an organic --
someone that's certified organic, would they
have -- what kind of credentials does that
count for, in compliance to your standard?

Is there any space in your
standard that recognizes what they've already
gone through in the organic certification
process?

MR. ARMY: What we expect to happen
is, once, you know, this is -- we have, you
know, stronger people on the committee, and I
see them moving forward, developing a standard
that they think and believe, appropriately
addresses all the aspects of sustainability,

once that's done, I think sort of the next
step will be to look at the other standards
out there, like the organic standard and other
standards that are out there, and figure out
which parts match up and which parts don't, so
that there would be the ability to say, "Well,
if you do -- you know, meet this standard,
you've met maybe two-thirds of the
sustainability standard."

I think ultimately, to make this
work, we really have to simplify things for
all of the players in the marketplace and that
sort of translation is going to be really an
important part of that, to make it practical.

MR. GIACOMINI: Anymore questions?

Okay, thank you.

MR. ARMY: Thank you.

MR. GIACOMINI: Next up is Matt,
Renee and -- that's it? Okay, Matt, take the
time you need.

MR. O'HAYER: My name Matt O'Hayer,
and I am the CEO of Vital Farms. Vital Farms is based in Austin, Texas. We are a group of family farms, producing a pastured raised organic egg.

What that means is that our birds live outside, during all daylight hours, on grass. They are not kept inside, with access to outdoors. They're kept outdoors, with access to indoors, in-climate weather and for night time predator production.

These birds, we currently have 22,000, roughly, laying hens. They live on pasture. They eat pasture. They eat lots of grass. They are moved periodically, anywhere between two days and a week onto fresh pasture, and they leave behind well trimmed grass, -- with -- they eat just about anything in their sight, like birds love to do.

They are moved weekly, not only because they consume the grass, but to get off the pathogens, the manure that's left behind, and with one single rain, that pasture pops
These farmers that are working with us are for the most part, family farms. The flock sizes run anywhere from a small of about 200 to 300 birds in a single flock, up to possibly a maximum of about 2,000 birds.

Each one of the farms must follow our pasture raising procedures, which are very detailed, in order to be considered and to sell eggs to Vital Farms.

I believe it's really important that birds that are producing our income are treated as living creatures and not just as egg laying machines, and I see that happening a lot in the egg industry, as a whole, and I think our customers agree.

Treating birds with respect costs a lot more money. It's not a cheap process, and so, our eggs sell for more money, they cost more money to produce, to get them into the stores.

I believe that the industrial
producers that really believe that the
customers expect that organic eggs come from
hens that our housed in barns or warehouses of
10,000 to 100,000 each, with less than one
square foot of space, barely able to spread
their wings, that they really believe that
these consumers believe that the birds are
breathing air filled with ammonia gas and
fecal dust all day long, standing on masses of
their own manure, never having access to green
pastures, unfiltered sunlight, then they
should put pictures of these scenes on their
labels and on their websites, because if
that's what they really believe the consumer
expects, then why not advertise that?

That's not what I see. What I see
instead are scenes of bucolic farms with red
barns and green pastures on their labels, with
names like -- I'll change this a little bit,
but 'My Grandma's Backyard Nest Eggs', there's
no grandma, there's no backyard, or 'Uncle
Louie's Wild Hen Ranch', that's another
favorite of mine, another industrial operation. There is no Uncle Louie, and the names go on and on.

They are all named ranches and farms. They're not named factory, you know, 'So-and-So's Egg Factory', which is what they really should be.

So, if they really believe this, then that's the way they ought to be promoting it, but they don't believe it. They don't believe that's what the consumer is getting.

So, in other words, what they're doing is, they're lying to the consumer, and by supporting these lies, the NOSB and all the organizations are complacent in it.

I would implore the Board to set a requirement for equal space in outdoors and indoors, as a good start for organically certified laying hens. I'd also like to see, personally, that producers, that we do something about the phraseology, like 'free roaming' or 'free range', which are described
which are currently described as birds that are in warehouses, with little or no access to outside pasture, nothing but -- really, just nothing but a lie, and meant to mislead the consumers.

These types of things should be prohibited. The organic consumer expects to be told the truth. Any lies and misleading statements on labeling or hidden in the name itself, undermine the consumers' confidence in organic products, and hurts us all. Consumers aren't stupid. They ultimately find out what's going on.

They look at it today. They believe it at first. I've stood in egg departments in Whole Foods and in stores all over the country, and watch consumers, and I ask them, "Why did you buy those eggs?"

"Well, they're organic. Tell me about that."

Well, the birds are outside, and we heard today, the testimony from -- I didn't get the woman's name, but she was with organic
-- consumer reports, 85 percent believed that
the birds live in a natural environment.
Seventy-seven percent of the consumers
surveyed believed that they -- the birds have
outdoor access, and are not confined. Sixty-
six percent said they were not confined. I
wrote those figures down. There was another
couple of them. I'd love to get that report.
But that's what consumers believe.

MR. GIACOMINI: Okay, questions or
comments? Kevin?

MR. ENGELBERT: Thank you. Do you
have any accurate estimates on what percentage
of your birds feed comes from pasture and how
much of it you provide through grain, and two,
would you be willing to share your standards
with the livestock committee?

MR. O'HAYER: There is no way to
estimate how much. We like to think they're
getting about a third of their diet from
grass, but there is no -- obviously, no way to
scientifically measure that.
They go through there and they eat, and sometimes -- and by cracking a dozen of our eggs, you can see which birds are eating more grass than others, because of the color of the egg yolk and other measures.

But there really isn't any good way, but we know that when we put them on a -- we've put them in a small area, maybe a half acre, 300 birds, with our fenced area, and we move them constantly around the pasture in the new areas, and they mow it right down. We'd be happy to share whatever data we have.

MR. GIACOMINI: Is your ration formulated -- supplemental ration formulated as complete feed, or do you make an assumption for pasture?

MR. O'HAYER: No, we make no assumption for pasture.

MR. GIACOMINI: So, it's as a complete feed?

MR. O'HAYER: Complete feed.

MR. GIACOMINI: Okay, all right,
Kevin?

MR. ENGELBERT: So, do you add synthetic methionine then, to your rations?

MR. O'HAYER: There is a small amount in the product we're getting right now, from our supplier.

MR. ENGELBERT: Just as a safety precaution or do you know that you need it?

MR. O'HAYER: It's probably more of a safety precaution, because we don't know exactly how much they're getting from the pasture itself, and we've been told -- and quite frankly, we've been told that our layer eggs will drop precipitously, if we don't have it in there. It would be a great test, to find out.

MR. ENGELBERT: How much do you add, then, of that into your --

MR. O'HAYER: I don't add it. I think it's two pounds per ton, something like that.

MR. GIACOMINI: Katrina?
MS. HEINZE: Sorry, I can't face you. We heard earlier today that with the new FDA egg safety rule, that that would be a problem for egg farmers, like you. Do you have anything to say about that?

MR. O'HAYER: I find it hard to believe that a rat needs a six inch door -- a six foot door to get through to get into any building, anywhere. Any of us who have seen mice and rats in our houses, know that they don't need that kind of doorway to get in. They're going to get in, no matter what, and the filthier the conditions, the more likely they are to go in.

MS. HEINZE: I guess more my question, I have read the FDA inspection for the salmonella incident that happened this summer, and while FDA is trying to figure out how deal with eggs, they did comment on rats, and it's hard to imagine not having rats out in a field.

So, I'm just trying to figure out
how to reconcile those two things, or trying
to figure out if you think that's going to be
a concern or not.

MR. O'HAYER: You know, I think
rodents are always a concern, and you need to
do what you can to trap them.

We have never seen much problem at
all in our farms with rodents, and just in the
outdoor conditions.

I believe in the case of Iowa,
they had walls that were being pushed out by
manure, piled six feet high, and that was
creating an opening for rats to get in.

MR. GIACOMINI: Jeff?

MR. O'HAYER: But again, I don't
know if I accurately answered your question,
but it is a difficult -- we've read the
standard and from what I can tell, they have
an exception for pasture, in terms of their
rules.

MS. HEINZE: So, I just want to --
here is what I heard you say, and you can tell
me if you agree or not.

What I heard was, you're aware of
the egg safety rule. You don't think it will
be a concern for facilities like yours?

MR. O'HAYER: That's correct.

MS. HEINZE: Okay, that's what I
wanted to know. Thank you.

MR. GIACOMINI: Jeff?

MR. MOYER: I was just going to
comment to Katrina, rather than a question.
Typically, the rats aren't in the field,
they're in the buildings. Rats don't live out
in the open fields. They live in facilities,
actually, under facilities, more likely that
just in a field.

MS. HEINZE: I was just trying to
get someone to say they didn't think it was
going to be a concern.

MR. GIACOMINI: Jay?

MR. FELDMAN: Are you the folks
that use the term 'progressive pasture'?

MR. O'HAYER: Negative, in fact, I
was just looking at that label yesterday, and
wondering if they -- if there was any validity
to the pasture part of that. I saw that in a
store -- progressive pasture, okay.

So, possibly, it is. You'd have
to ask the people that use it.

MR. FELDMAN: Okay.

MR. O'HAYER: Any other questions?

MR. GIACOMINI: Interjection

allowed, but no one comments about the Giants
hat.

No more questions, I believe.

Yes, final, Renee Randall.

MS. RANDALL: Hi, and good evening,
and thank you for taking public comments.

I hope just because I'm last, this
isn't the least of the considerations, because
what I want to talk about is very generic, but
very overarching to organic production, and
what I'm going to do is just read what I
wrote, first, and then hope for some
interaction.
My farm was first certified organic in the early 70's. Even before I started farming, I sought out organic product, which was difficult then. The only assurance in a marketplace that an apple was organic was as somebody commented, up here, the basic attractiveness of it and a handwritten sign over the bin.

The organic movement has come a long way from that time and because it has been a long and hard-won position, we certainly need to protect its integrity.

The rubber meets the road in the marketplace when the consumer still, either values the concept of organic or has at least, a vague understanding of why it should be a priority. If not, we've worked all these years, only to find ourselves in a rather small club of believers.

As a producer, that sells into the Chicago area, I have witnessed the countless misuse of the word organic over the last
years. I believe we now had a situation, at
least in that marketplace, where the value of
organic production has been greatly
diminished.

Words like sustainable and local
that have really, yet no official definition,
are trumping certified organic in the
consumers mind.

Farmers are calling themselves
organic when they are not certified and
because there is no oversight and the consumer
is left confused, they're doing so with
impunity.

Reasons for not certifying are
ones that consumers commensurate with, the
Government took over again, thinking it's a
lot of red tape and paperwork, or it costs so
much. The result is now that there is a
consumer base that feels being certified
organic is understandably to be avoided by
many farmers and businesses, if they are
producing organically anyway.
In the past, if a producer called themselves organic, the consumer could always ask, "Are you certified," and that would be CS -- more, direct contact, CSA contact, farmers market contact.

Now, vendors at some of my best markets, and I'm in three markets in Chicago, are gaining certifications just as nebulous as the words 'local' and 'sustainable'.

There is now a certifier that is using farmers that are certified organic to certify a farm under their certification.

So, it's no wonder that the consumer is confused. I shared an event with -- I shared an event last year, with the business that boldly advertised local organic, in print advertising and on their delivery trucks. They told me, when I talked to them about this, that when they went to a farm, looked around, looked the farmer in the eye and the farmer said that they grow organically, well, then that was good enough
for them, and this was a business that was
prospering and growing in leaps and bounds in
Chicago.

To the other side of me, at the
same event, was the largest CSA in Illinois,
no longer certified organic, although organic
is part of their business name. Their
management was considering having their
shareholders certify them.

So, what I'm seeing is a consumer
that's confused and disillusioned with the
idea of certified organic. I believe we need
a campaign to remind and re-educate the
consumer, as to why they want to seek out
certified organic product.

Furthermore, there is no even
playing field when certified organic growers
and producers are the only ones held
accountable for their organic standard status
and there is really no enforcement for the use
of the word `organic' outside the organic
community.
That's for sure, under five minutes.

MR. GIACOMINI: Okay, questions or comments? Kevin?

MR. ENGELBERT: Maybe I've read it and didn't get it. What's causing this lack of trust in the consumer -- the organic label? There are certifier's out there doing their job. There is a lot more enforcement taking place, as we know. What's caused the degradation of the word -- of the US --

MS. RANDALL: I'm not saying that this is happening in all markets. I know it's happening in the area in which I sell to, and there is just no respect. There is -- they don't see the difference between certified organic and trusting a farmer that they see as growing -- I grow veggies, I grow produce.

So, there doesn't seem to be any way they can ascertain what the difference is. There is just, I think, a lack of -- outside the organic community, a lack of education for
consumers, and right now, as I said on this
little piece, local and sustainable is
trumping certified organic.

I actually did a little survey
this weekend at the markets, and nobody cared.
There were two newly certified organic vendors
at one of the biggest high end markets in the
city, and their workers had no idea who
certified them, couldn't talk much about what
was going on, but they used the word organic
very boldly. They were certified organic.

One of those vendors has a split
operation and doesn't differentiate between
what is coming from the certified organic farm
and what isn't. The other vendor -- I want to
use the term 'fake it until you make it', and
that's happened a lot in this marketplace.

People are calling themselves
organic until they get certified, and the
consumer really doesn't know what to ask.
They're just --

MR. ENGELBERT: Well, even though
this is the age of enforcement, the NOP can't put on a police staff and have you reported these to your certifier, these instances?

MS. RANDALL: Yes, yes.

MR. ENGELBERT: And did they deal with it?

MS. RANDALL: No.

MR. ENGELBERT: Because?

MS. RANDALL: Because they are not enforcing outside the organic community. They will enforce a certified organic grower --

MR. ENGELBERT: Does your certifier realize that these people are breaking the law, if they're claiming to be organic --

MS. RANDALL: Yes, in fact, I've gone to þ- when this one business was advertising, and a now defunct free publication in Chicago, that Jim Slamo family farm once owned, it's called Conscious Choice, and this business was constantly advertising local organic and when I talked to the publisher, he said it wasn't his business to
please them.

He felt badly about this, but that wasn't his job. So, he continued to run the ads, in a publication called Conscious Choice.

MR. McEVOY: I would encourage you to file a complaint, or file multiple complaints. It sounds like you have many organic claims that are unsubstantiated. We've already issued six civil penalties of thousands of dollars, to uncertified operations that are making organic claims.

So, I would encourage you to file a complaint, at NOPcompliance@usda.gov, and we'll follow up on these.

MS. RANDALL: I just have a question about that. If it's a casual – how would you place it, aside from the advertising part, where you can see it in print, or on a delivery truck? How would you –

MR. GIACOMINI: That would be something you can deal with, with the program. That's their department of taking care of
those kinds of issues.

    MS. RANDALL: Okay, thank you.

    MR. GIACOMINI: Further questions or comments? Okay, we have no more speakers. Thank you very much. Any announcements or other things to deal with, before we recess, Tina?

    MS. ELLOR: For those of you attending the Board dinner and the NOP, the restaurant, I have some maps here, if you're going to drive. Otherwise, there are shuttle leaving in five minutes, from the lobby. So, you know, that's the -- I've already postponed it once, and moved up the reservation. So, if everyone could be in the lobby as soon as possible, otherwise, get a map from me, if you want to find your own way there.

    MR. GIACOMINI: Okay, 8:00 a.m. tomorrow morning, otherwise, we're in recess. Everyone, have a nice, safe evening.

(Whereupon, the above-entitled matter concluded at approximately 7:10 p.m.)
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CERTIFICATE

This is to certify that the foregoing transcript

In the matter of: National Organic Standards Board

Before: US Department of Agriculture

Date: 10-25-10

Place: Madison, Wisconsin

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

______________________________
Court Reporter