ORGANIC CERTIFICATION & INTEGRITY

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U.S. Organic Production Systems

A production system that is managed in accordance with the Organic Foods Production Act and regulations to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.

> ----USDA National Organic Program



WHAT IS ORGANIC FOOD?

- Organic Food Production Act of 1990 (OFPA)
- Set national standards for production and processing (handling) for food labeled as "organic"
 - Prohibits the use of synthetic substances
 - Requires an organic plan
 - Requires certification by an accredited certifier

1990 Organic Foods Production Act Government Role

SEC. 2102 - Purposes

- (1) to establish national standards governing the marketing...of organically produced products;
- (2) to assure consumers that organically produced products meet a consistent standard; and
- (3) to facilitate interstate commerce in fresh and processed food that is organically produced

NOP FINAL RULE CROP STANDARDS

- No prohibited substances for at least 3 years
- Genetic engineering and sewage sludge prohibited
- Synthetic substances on the National List may be used
- Organic Systems Plan required

NOP FINAL RULE LABELING STANDARDS

- Four tiered labeling system
 - "100% organic" all organic ingredients
 - "Organic" 95% 100% organic ingredients
 - "Made with organic (ingredients listed)"
 70% -94% organic ingredients
 - "organic (ingredient listed)" on the ingredient statement less than 70% organic ingredients
 - Ecolabeling in addition to organic is permitted, e.g. fresh, natural, cage free, sustainably grown

USDA ORGANIC SEAL "100% ORGANIC" AND "ORGANIC"



FOUR TIER ORGANIC LABELING



USDA Organic

Organic Certification Requirements

- Certification required for producers and handlers-with an exception for those earning \$5,000 or less in organic sales
- Certification process involves preparation of an organic plan, record-keeping, and annual on-site inspection
- Organizations (State, private, and foreign) that provide organic certification services must be accredited by USDA

USDA Organic

Certifier Accreditation & Import Equivalency

- USDA accreditation to maintain certifier consistency and impartiality
- Certifier requirements include recordkeeping, confidentiality & annual performance appraisals of inspectors
- Accreditation period is 5 years
- Import equivalency based on USDA accreditation or equivalency agreement
- 25 active certifiers in CA

Third Party Certifiers in California



Who has to be certified?

Certification Required	Certification Not Required
Growers and Processors:	Organic claim on ingredient panel only
Front Panel Organic Claim of: 100% Organic	Ready to eat retail establishments
	Retail locations
Organic: >95% Organic	
Made With Organic>70% Organic	Brokers and coolers handling packaged products

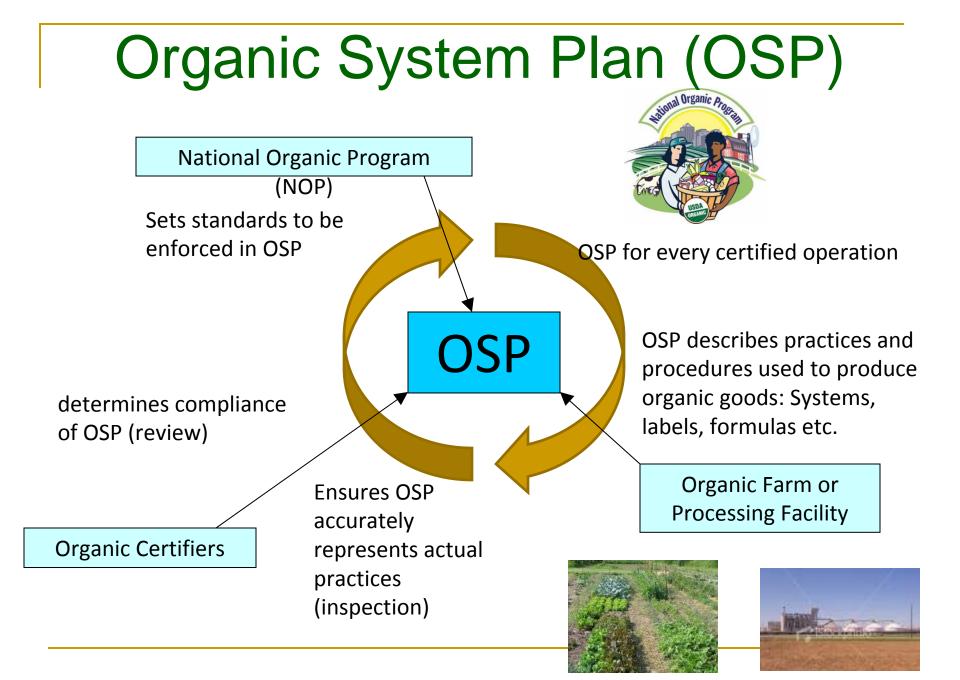


Certifier Labels Versus USDA Seal

- Certified growers can use either the certifier's logo or USDA seal or both on products sold as "100% organic" or "organic".
- The USDA seal may NOT be used on products labeled "made with organic...." but the certifiers seal CAN be used.

How does a farmer become certified?

- 1. Contact an NOP accredited certifier.
- 2. Complete an application and an organic systems plan.
- 3. Have an on site inspection.
- 4. Receive a letter about your status and any other requirements for certification.



Certifier's Role in Organic

- Certifier verifies standards compliance.
 - Must interpret the standards and apply them to different situations
 - Approve and verify <u>organic system plans</u>
 - Inspect all locations at least annually
 - All standards and materials must be printed in federal standards.
- Agents of USDA. Issue federal licenses.
- Must maintain <u>accreditation</u> with US and Foreign bodies for certification recognition in various markets.
 - **USDA**, IFOAM, CAQ, ISO Guide 65 etc.
 - May verify international or market driven standards (EU, Japan etc).
- <u>Certifiers are no longer standards setting bodies</u>.
 - National Organic Program and National Organic Standards Board
 - Very limited ability to grant exceptions.
 - Variances are extremely rare, must be granted by the US Secretary of Agriculture





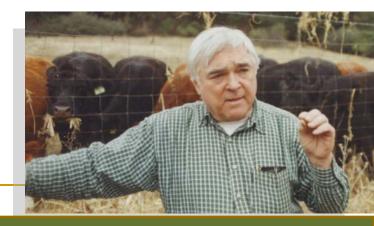


How Do Certifiers Differ?

- Non-profit vs. for profit
- Area of expertise/service
 - Regional/national/international
 - Particular crops or process specialty
 - Service niche
- Cost and fee structure -per acre or sales volume etc.
- Differing accreditations/market access
- Level of activism, market promotion, and education
- Certifiers <u>may</u> have larger trade association or political roles
- ~50 Organic Certifiers in United States and 20 in California

CCOF Education Programs

- •Organic Marketing 101and 201
- Organic Product Labeling
- Climate Change Field Day
- Postharvest Field Day
- •Sustainable Pest Management Conference
- Certification 101
- •Marketing How-To Guide for Beginning Farmers



CCOF Annual Membership Meeting

Advancing Organic 2012: *Practices and Policies*

Topics for next year's event include:

- Advanced Soil Fertility/Weed Management
- Advanced Range Management
- Innovations in Conservation for Organic Processing Facilities
- The Rewards and Challenges of Organic Farming



CCOF Resources

- •Online Services such as MyCCOF organic
- •Quarterly "Certified Organic" magazine
- Annual Membership Directory and Resource Guide
- Monthly Email Communications
- CCOF Member and Consumer Merchandise

CCOF Advocacy

National Organic Program

- •State Organic Program
- •Farm Bill /Federal Policy

•Food Safety



Time to Certification

- Should plan 8-12 weeks
 - Is safe bet and allows for orderly process
 - Certifiers prioritize new reviews and shorter timeframes are common
- Must be ready and provide complete application
- Expedited programs exist with many certifiers
 - Costlier: program itself and frequently inspection cost
 - Will not guarantee certification, only answer sooner
 - <30 days is common but can be hard on all parties</p>

Cost of Certification

- Highly variable among certifiers
- Fee structures differ between flat fee, per product, time & materials etc.
- Potential costs to consider & compare:
 - Application fee
 - Inspection cost
 - Certification fee
- Potential additional costs:
 - Consultants
 - Internal costs of compliance

Certification cost example – Yolo County

Application fee (one time)	\$165
Site inspection fee	\$55/hour
Mileage Fee	County mileage rate (~\$.55 per mile)
Annual membership fees – crops	\$55 - \$300 depending on acres\$75 - \$175 for hay and pasture
Annual membership fees - livestock	\$200 - \$430 by number of animals
Annual membership fees - dairies	\$390 - \$1,000 by number of animals

Certification cost example – CCOF

Application fee (one time)	\$275	
Site inspection fee	Individual, not to exceed \$500	
Mileage Fee	County mileage rate (~\$.55 per mile)	
Annual producer certification fee	<pre>\$200 - \$35,000 based on revenue from \$0 to > \$150 million \$350 for \$20,000 income \$600 for \$100,000 income</pre>	
	Minimum \$350 for mixed operations	
	Minimum \$525 for >10 animals	

Annual Inspection

What the inspector will cover and verify

- OSP Review, Practices, Verification
 - Facility tour, how is organic stored/processed separately from non-organic
 - Accuracy of labels
 - All records pertaining to the organic production & practices
 - Basic regulatory understanding
 - Audit trail (recall/tracking system), In-out Balance
- Exit Interview: Inspector does not make final decision

Documentation Tips

- Separate logs or records are not always needed.
- Add records of clean equipment use to existing production documents
- Records for clean trucking can be added to packing records or shipping documents
- Use unique color for organic documents & signage
- The word "organic" should appear on all records for organic products
- Can and should be used for the benefit of the operation

Inspection Tips

- Do your homework and be prepared for the inspection
- Put time aside
- Make sure you have a place to meet/work
- Make sure relevant staff are present
 - Review your OSP prior to your inspection
 - Submit changes to labels, systems etc. to certifier prior to inspection
 - Organic Suppliers
 - Formulations
 - Wholesale & Retail Labels
 - Processing Aids
 - Equipment
 - Sanitation & Pest Control records and materials
 - Record Keeping system

Records required during inspections for crop production

- List of crops, field locations, acres, yield
- Field history documentation
- Field activity logs of practices performed
- Input purchase/source records of all inputs
- Input application records
- Seed, planting stock, and transplant records
- Audit trail documents that track product from the field to final use or sale

Records required during inspections for crop production (continued)

- Soil management activities including crop rotation and erosion control
- Pest management activities
- Measures used to avoid contamination and comingling of organic and conventional products
- Labels and labeling printed packaging or stickers

Top 10 CA Organic Crops

Crop	Growers	Acres	Sales (\$Million)
Lettuce	190	62,318	175
Milk from cows	92		134
Chickens, broilers	17		129
Grapes	525	22,762	111
Strawberries	117	1,178	40
Tomatoes	274	6,854	36
Spinach	100	6,882	32
Chicken eggs	80		30
Broccoli	111	4,289	30
Celery	44	1,443	26
Sweet potatoes	16	2,749	21

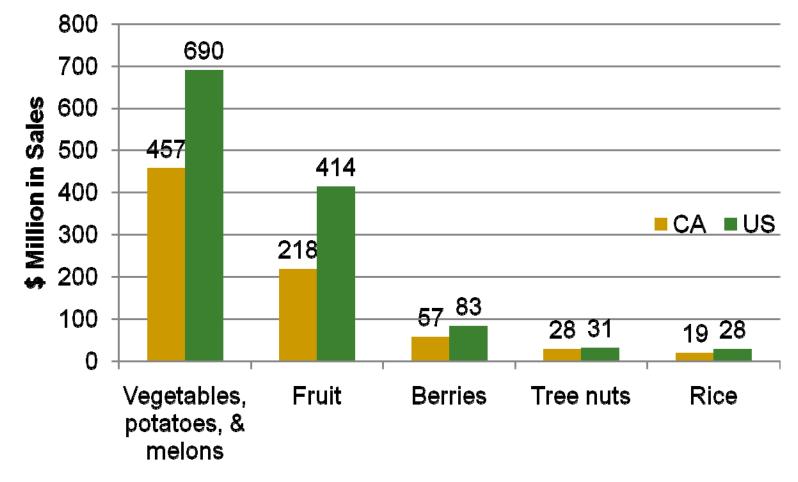
Source: USDA, NASS. 2007 Census of Agriculture

Top 10 CA Organic Vegetable Crops

Crop	Growers	Acres	Sales (\$Million)
Lettuce	190	33,431	175
Tomatoes	274	6,854	36
Spinach	100	6,882	32
Broccoli	111	4,289	30
Celery	44	1,443	26
Sweet potatoes	16	2,749	21
Cauliflower	66	1,859	17
Onions	108	1,342	13
Herbs, fresh	93	4,661	13
Potatoes	106	1,977	11

Source: USDA, NASS. 2007 Census of Agriculture

Value of Sales by Category CA and US- 2008



Source: USDA, NASS. 2007 Census of Agriculture

USDA Programs to Assist Organic Farmers

- EQIP payments up to \$20,000 a year up to \$80,000 over 6 years for organic transition
- Technical assistance in organic conservation practices
- MAP cost share funding for organic products
- Organic Credit Provision of the Conservation Loan and Loan Guarantee Program gives priority to farmers who are converting to organic.
- Organic Agriculture Research and Extension Initiative -\$78 million for 2009 – 2012.
- National Organic Certification Cost-Share Program \$22 million per year, max \$750 or 75% of costs.
- Organic Crop Insurance

Resources



- <u>https://attra.ncat.org/organic.html</u> ATTRA National Sustainable Agriculture Information Service information for organic production, marketing, databases, and certification information
- <u>www.ota.com</u> Organic Trade Association, works with US organic industry to support and grow organic
- <u>www.ams.usda.gov/nop</u>- US National Organic Program, monthly reports, policy updates, list of US certifiers
- <u>http://www.cdfa.ca.gov/is/i & c/organic.html</u> -CDFA Organic Program, information on registration, cost share for certification, and accredited certifiers in CA
- <u>www.omri.org</u> US' gold standard for materials review and information



