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Organic Integrity from Farm to Table. Consumers Trust the Organic Label.

Deputy Administrator's Corner

A Note on the National List

Diversity of public opinion is an important aspect of shaping our policies and standards. While the organic community agrees on many important topics, concerns have surfaced regarding the use of substances in organic production and handling.

The National List of Allowed and Prohibited Substances identifies substances that may and may not be used in organic crop and livestock production. It also lists the non-organic substances that may be used in or on processed organic products. In general, synthetic substances are prohibited unless specifically allowed; non-synthetic substances are allowed unless specifically prohibited. Only a limited number of non-organic ingredients are allowed in organic products.

Some members of our community feel there are too many synthetic substances on the National List. They have concerns that expanding the list dilutes the organic standards and reduces the value of organic products to consumers. Some individuals have advocated that the National Organic Standards Board hold substances to higher standards before recommending that they be added to the National List. Or, if substances are added, that they expire as quickly as possible.

Other members of our community recognize that organic producers need additional ways to manage the challenges of organic production. I've heard several individuals say they don't want to be in the business of taking important tools away from farmers. Some stakeholders argue that without certain inputs, certain organic commodities wouldn't be available on a large scale.

How do we find consensus? The Organic Foods Production Act states specific criteria that the National Organic Standards Board must consider when evaluating a substance for the National List:

- Impact on human health and the environment
- Essentiality and availability
- Compatibility and consistency with a system of sustainable agriculture
- Commercial availability of non-organic agricultural ingredients

Materials, continued on page 2.



Miles McEvoy





Materials, *continued from page 1.*

These criteria are consistent with organic principles. Additionally, neither the Organic Foods Production Act nor the USDA organic regulations state that the list of allowed substances, whether they are natural or synthetic, should be minimized. For National List substances, the Organic Foods Production Act was designed to respect the authority of the organic community through the National Organic Standards Board (NOSB). The NOSB's fifteen members represent various sectors of the organic community.

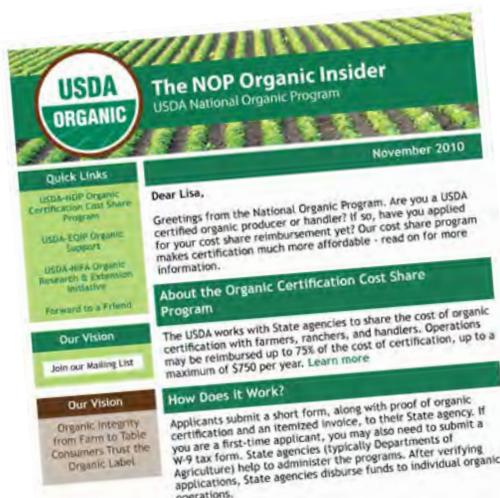
Organic producers and handlers rely on approved National List substances every day. An organic crop producer may use micronutrients to correct soil deficiencies. An organic livestock producer may administer a vaccine to prevent disease outbreaks. An organic handler regularly uses cleansers and sanitizers to protect food quality and safety. When considering the removal of an allowed substance from the National List, it is important to weigh the often broad impact to the organic community. Operations rely on these approved National List substances in order to provide a diverse array of organic products.

USDA cannot add a substance to the National List unless the NOSB has reviewed and recommended it. The National Organic Program facilitates the work of the NOSB by organizing public meetings, managing public comments, providing technical reports, and supporting NOSB subcommittees. Based on the NOSB's recommendations, the NOP is responsible for publishing a list of approved and prohibited substances within the USDA organic regulations.

To this end, the National Organic Program is committed to providing additional clarity regarding the National List. A current priority for the program is to provide additional information about allowed natural materials for organic production. We also intend to collaborate with the NOSB in order to provide guidance on the classification of materials. We appreciate your patience while we work to better serve the organic community in these areas.

Miles McEvoy

Organic Compliance and Enforcement: Facts and Findings



Over the 2010—2011 fiscal year, the National Organic Program has:

- Received 174 complaints
- Closed 108 complaints
- Issued \$25,500 in civil penalties through settlement agreements
- Reinstated 42 suspended operations after ensuring that non-compliances were addressed

Subscribe to the *NOP Organic Insider*, an email notification service of the National Organic Program. Subscribers can now choose what information they'd like to receive directly via email for their convenience.

Subscribe: <http://bit.ly/NOPOrganicInsider>



National List Spotlight | by Lisa M. Brines, Ph.D. | National List Manager

Ethylene Gas for Regulation of Pineapple Flowering

What is it?

Ethylene is a simple molecule ($\text{CH}_2=\text{CH}_2$) that is a colorless gas at room temperature. It is produced naturally in small amounts by some plants, and it functions as a natural hormone and ripening agent. Commercially, ethylene is used in a synthetic form that is chemically identical to naturally occurring ethylene.

How is it used?

The USDA organic regulations permit several uses of ethylene in organic crop production and handling on the NOP's National List of Allowed and Prohibited Substances (National List). Ethylene may be used for degreening of citrus, postharvest ripening of tropical fruit, and regulation of pineapple flowering. Ethylene has been allowed for use for pineapple flower induction since the initial publication of the NOP Final Rule. Some international organic standards, including those of the European Union (EC 889-2008), also permit its use.

Pineapples are a labor-intensive crop, and pineapple plants produce a new crop approximately every 18 months. In the field, ethylene gas may be applied to pineapple plants to induce uniform flowering. This practice results in a crop that may be harvested all at once, rather than over several weeks or months. The use of ethylene allows for controlled year-round production, since growers can manage harvest times by controlling when the plants flower.

Conventional pineapple growers frequently use induction agents such as ethephon, acetylene, and calcium carbide. However, these are not permitted under the USDA organic regulations. Ethylene is the only substance for regulation of pineapple flowering on the NOP's National List.

Why is it being discussed?

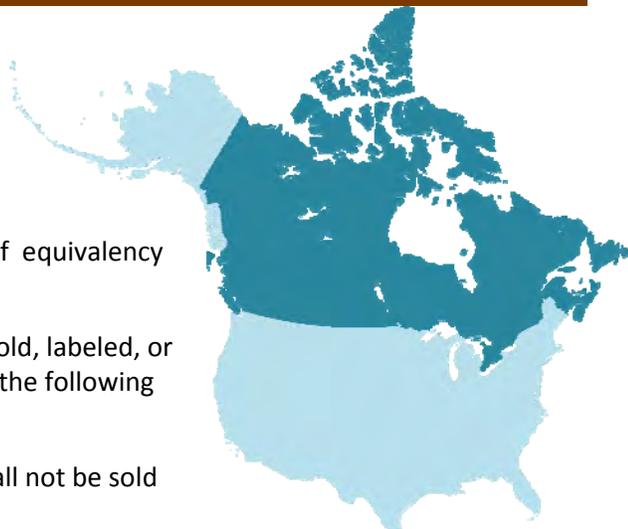
The National Organic Standards Board (NOSB) reviewed the current allowance of ethylene for pineapple flower induction at its April 2011 meeting in Seattle, Washington. The NOSB is authorized under the Organic Foods Production Act to make recommendations to the NOP about whether substances should be allowed or prohibited in organic production and handling. Under the sunset provision of the Organic Foods Production Act, all materials on the National List must be reviewed by the NOSB every five years.

What's Next?

After deliberations and consideration of public comment at the April meeting, the NOSB ultimately voted to renew the allowance of ethylene for pineapple flower induction for an additional five years. The NOP will initiate rulemaking for all sunset 2012 materials, including ethylene for regulation of pineapple flowering, in the near future. When the comment period opens on the proposed rule later this year, interested parties are encouraged to submit their written comments through www.regulations.gov.

Reminders about Exporting USDA Organic Products to Canada

July 1, 2011 marked the beginning of Canada's "hard enforcement" of the terms of the equivalency arrangement with the United States. On June 17, 2009, the United States entered into an equivalency arrangement with Canada, allowing USDA organic products to be labeled, sold, and represented as organic in Canada as long as the terms of the arrangement are met. Canada may now halt the trade of USDA organic products that do not meet the terms of equivalency arrangement. A summary of the requirements is provided below.



Production requirements. In order for USDA organic products to be sold, labeled, or represented as organic in Canada, USDA organic products must meet the following additional requirements:

1. Agricultural products produced with the use of sodium nitrate shall not be sold or marketed as organic in Canada.
2. Agricultural products produced by hydroponic or aeroponic production methods shall not be sold or marketed as organic in Canada
3. Agricultural products derived from animals must be produced according to livestock stocking rates as set out in CAN /CGSB32.310-2006 (amended October 2008).

Documentation. Written documentation is required to verify that additional production requirements listed above have been met. These attestations may be made by either the operation or the certifying agent. Certifiers are responsible for verifying that terms of the U.S.-Canada Organic Equivalency Arrangement have been met during their normal organic inspection activities. All products that are produced under the terms of the arrangement must be accompanied by documentation stating the following:

"Certified in compliance with the terms of the US-Canada Organic Equivalency Arrangement."

Labeling requirements. Products exported to Canada must comply with Canadian labeling requirements (including their organic labeling requirements). In addition, for retail products, labels or stickers must state the name of the U.S. or Canadian certifying agent and may use the USDA Organic seal or the Canada Organic Biologique logo. All product labels must be in English and French. Lot numbers are a minimum requirement for wholesale product labeling.

Questions? Operations should contact their certifying agents. Certifying agents should contact their Regional Accreditation Managers.

Perspectives: Use of Ethylene Gas for Organic Pineapple Production

Luis Monge is the Manager of Organics and Certifications at Dole Fresh Fruit International, Ltd. Monge indicated in his written comments that there are 20 certified organic pineapple operations registered in Costa Rica and that all of those certified organic pineapple producers report the use of ethylene gas for induction of pineapple flowering.

References cited by Monge also indicated that Costa Rica supplies more than 80 percent of the total demand for pineapples in the United States.

Colehour Bondera, a producer member of the National Organic Standards Board, operates Kanalani Farm, a 5-acre diversified organic farm in Honaunau, Hawaii. Bondera produces organic pineapple on his farm and does not use ethylene as a flower induction agent.

"The seasons are a fine way to recognize when there is a product, and it is not year round," Bondera said.

He also indicates that in Hawaii, local consumption of organic pineapples far outweighs local production and marketing. He knows of only one organic pineapple producer in Hawaii that uses ethylene for flower induction, and considers the use of ethylene to be intended for large scale and export production.

Organic Poultry Market Reports

Organic poultry and egg producers can now easily access market information through a new weekly report. The weekly report features data summarizing production, wholesale, and retail markets for certified organic poultry and eggs across the United States.

Specific production information includes head count and average weight of organic poultry slaughtered under federal inspection, estimated egg production, and organic shell egg inventory. Wholesale data include sales of organic brown eggs and young chicken parts. At the retail level, a snapshot of advertised prices for organic brown eggs and chicken parts provide a point of comparison and contrast with wholesale prices. Additionally, report users can see the percentage of retail operations currently featuring organic poultry and egg products by region.

Download report: <http://1.usa.gov/oo4hws>

For more than 90 years, USDA's Agricultural Marketing Service has provided current, unbiased price and sales information to assist in the orderly marketing and distribution of farm commodities.
<http://www.ams.usda.gov/marketnews>



2010—2012 NOP Strategic Plan Update

A strategic plan for an organization is most effective when it is a living document that is updated and refreshed as the organization achieves successes and identifies new needs. In August 2011, at the midpoint of the 2010-2012 NOP Strategic Plan, the NOP took the opportunity to reflect on successes over the past year and refine concrete priorities for the months ahead. While our core strategic goals remain the same, we revised our objectives, updated our list of priority projects—many of which are well underway—and further articulated the performance measures by which we will assess the successes ahead.

We believe that the strategic planning process is vital in building the NOP team and supporting the achievement of several milestones in the program's development. Key accomplishments over the past year include:

Rules (National List, Periodic Residue Testing (Proposed Rule), Finish Feeding, and Small Business Impact).

NOP Handbook, which contains regulatory guidance, policy memos, and instructions.

NOP Organic Insider, an email update service (<http://bit.ly/NOPOrganicInsider>).

Quality Management System (implementation is in progress).

Update of NOP Website, with more user-friendly information for a range of audiences.

The NOP will continue to carry out the Strategic Plan and work toward meeting our goals and objectives.

We look forward to sharing the refreshed strategic plan soon!



Our Mission: Ensuring the integrity of USDA organic products in the United States and throughout the world.



National List: Petition and Substance Review Process

The National List of Allowed and Prohibited Substances identifies synthetic substances that may be used and the nonsynthetic (natural) substances that may not be used in organic crop and livestock production. It also lists the non-organic substances that may be used in or on processed organic products. Any individual or organization may submit a petition to add, remove, or amend the listing of a substance.

Role of the NOSB. The National Organic Standards Board (NOSB), a Federal Advisory Committee, reviews petitions based on specific criteria in the Organic Foods Production Act of 1990. Depending on the proposed use of the substance, the petition will be reviewed by an NOSB sub-committee: crops, livestock, or handling.

Role of the NOP. The National Organic Program (NOP) accepts petitions, solicits public comments, and manages all communication with petitioners on the NOSB's behalf. The petition process is summarized below:

1. **Individual or organization develops and submits petition**

A complete petition for a single substance must be submitted to the NOP as described in the guidelines for petition submission (72 FR 2167). The guidelines are provided at www.ams.usda.gov/NOPNationalList.

2. **NOP determines if petition is eligible and sufficient**

If the petition meets the guidelines referenced above, it is forwarded to the appropriate NOSB sub-committee (crops, livestock, or handling). If the petition is insufficient or if additional information is needed, NOP contacts the petitioner to request additional information. Eligible petitions are posted on the NOP website for public viewing, with the exception of Confidential Business Information.

3. **NOSB sub-committee determines if additional information is needed**

If the sub-committee finds the petition insufficient, NOP will contact the petitioner to obtain additional information. If the petition is deemed sufficient, the sub-committee may request a technical report. These reports are done by a third-party contractor and posted on the NOP website.

4. **NOSB sub-committee reviews petition and publishes a proposal with request for public comments**

While reviewing substances, the NOSB uses these criteria: <http://1.usa.gov/NationalListCriteria>. The NOSB sub-committee's proposal outlines their reasoning and proposed response to the petition. The proposal will include background information, discussion, and the sub-committee's votes to:

1. *Classify the substance*

Crops/livestock: synthetic or non-synthetic | Handling: agricultural or non-agricultural

2. *Add, remove, or amend the listing of the petitioned substance*

5. **NOP publishes the NOSB public meeting agenda and solicits public comments on NOSB's behalf**

6. **NOSB reviews public comments and votes on petition**

The NOSB sub-committee makes necessary edits based on written and in-person public comments and presents the amended proposal to the full NOSB. The full NOSB discusses and votes on the petition in a public forum.

7. **NOSB submits final recommendation to NOP**

After the meeting, the NOSB finalizes its recommendation to reflect the final vote and submits it to the NOP.

8. **NOP reviews recommendation and initiates rulemaking, if appropriate**

The NOP reviews all NOSB recommendations and publishes its response on the NOP website. The NOP may decide not to add a recommended substance to the National List, but may not add a substance without the NOSB's recommendation.



USDA Grants, Loans and Programs

The USDA funds multiple grant and loan programs to assist operations. For more information about the programs listed below, including how to apply, visit www.ams.usda.gov/NOPFinancialAssistance.

Organic Cost Share Program

For certified organic producers and handlers. This non-competitive rebate program reimburses up to 75 percent of certification costs. Operations should apply through their state's Department of Agriculture or its equivalent.

Environmental Quality Incentives Program (EQIP) Organic Initiative

For transitioning and certified organic producers. This program provides financial and technical assistance.

Crops and Livestock Insurance

For all crops and livestock producers. Helps producers manage business risks and provides organic price options for certain crops.

Farm Loans

For family-size farmers and ranchers who cannot obtain commercial credit from a bank or other lender. Loans can be used to purchase land, livestock, equipment, feed, seed and supplies and to construct building or improve farms.

Farmers Market Promotion Program

For agricultural cooperatives, producer networks, regional farmers' market authorities, and nonprofit corporations. This program helps expand domestic farmers markets and other direct-to-consumer markets.

Specialty Crop Block Grant Program

For specialty crop producers, which include fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture). This program helps enhance the competitiveness of specialty crops.

Beginning Farmers and Ranchers

For beginning farmers and ranchers. This program provides loans for those who cannot obtain financing from commercial credit sources.

Federal-State Marketing Improvement Program

For State Departments of Agriculture and other appropriate State agencies. This grant program provides matching funds to explore new market opportunities for food and agricultural products.

California State Organic Program Overview

The California State Organic Program (SOP) provides multiple functions to California's organic industry, including enforcement, spot inspections and product sampling, complaint and appeals administration, cost share disbursements, registration, and training.

Enforcement. The California SOP utilizes a unique network of state and contracted county personnel to allow the availability of enforcement officials in 54 distinct jurisdictions in California. The following groups work together to enforce state and federal regulations and ensure confidence in the organic marketplace:

- California Department of Food and Agriculture
- California Department of Public Health
- California county agricultural commissioners
- USDA-accredited certifying agents
- California Organic Products Advisory Committee, represented by organic producers, processors, wholesalers, consumers, retailers, and technical and environmental representatives.

Spot Inspections and Sampling. In November 2010, the California Department of Food and Agriculture established regulations authorizing sampling, spot inspection, and enforcement activities. During fiscal year 2010—2011, the SOP and county enforcement staff will be focusing on farmers' markets. They will be ensuring that producers are representing their products appropriately, e.g. that non-organic products are not being misrepresented as organic. Another area of focus will be operations with less than \$5,000 in annual organic sales (which are exempt from certification).

Complaints. In August 2008, the SOP implemented a new complaint handling system that mirrors the National Organic Program's system. Since its implementation, 136 complaints have been received. Twenty-two complaints are currently active.

Appeals. The California Department of Food and Agriculture is now authorized to receive all organic-related appeals filed with the State of California. From 2007 to March 2011, the SOP received sixteen appeals, twelve of which have been resolved. Of the four active appeals, two have been referred to the California Department of Justice and two are currently under review by CDFA's Hearing Officer.

What is a State Organic Program?

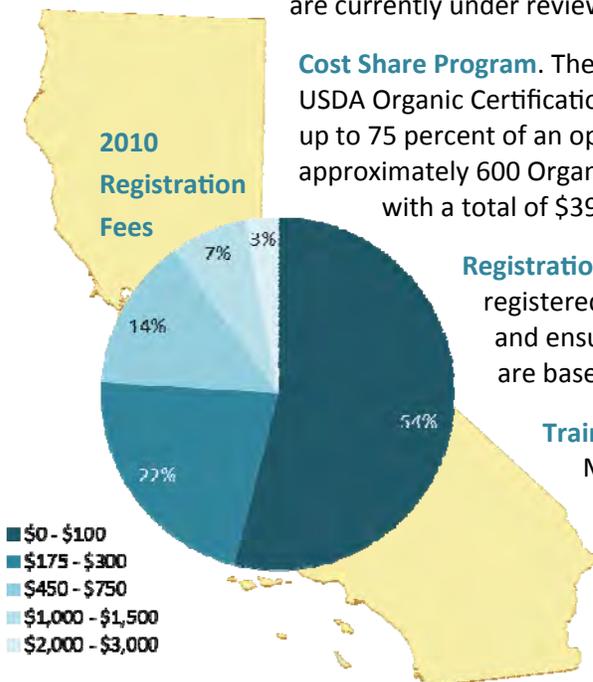
SOPs provide the opportunity for a State to oversee its production and handling operations per the USDA organic regulations. State Organic Programs must assume regulatory enforcement responsibility for USDA organic operations statewide. SOPs may also add more restrictive requirements due to specific environmental conditions or the necessity of production and handling practices in that State.

Although there are many State agencies (typically Departments of Agriculture) that are certifying agents, there is currently one SOP: California.

Cost Share Program. The SOP disburses funds to California-based organic operations through the USDA Organic Certification Cost Share Program. This non-competitive rebate program reimburses up to 75 percent of an operation's certification costs. As of June 2011, the SOP received approximately 600 Organic Certification Cost Share applications, providing California operations with a total of \$398,670 for fiscal year 2010—2011.

Registration. During the 2010 calendar year, about 3,000 organic operations registered with the SOP. Registration provides funding to support program services and ensures that organic operations can be properly identified. Registration fees are based on the operation's annual gross sales (see chart).

Training. In March 2010, the SOP fully implemented its Quality Systems Manual, which provides procedures and guidance on its key functions. The SOP staff has provided thirteen trainings to approximately 166 county personnel. Since the beginning of 2011, ten counties have received supplemental training tailored to their scope of work. All counties providing enforcement services via contract have received and implemented the manual.



Faces of the National Organic Program



Program Handbook Updates

Labeling of Textiles that Contain Organic Ingredients

In a May 20 memo, the National Organic Program stated that raw natural fibers, such as cotton, wool, and flax, are agricultural products and are covered under the NOP crop and livestock production standards. While the NOP regulations do not include specific processing or manufacturing standards for textile products, the following labeling guidelines apply in addition to the USDA organic regulations:

If the finished product is certified organic, produced in full compliance with the USDA organic regulations, the entire product may be labeled certified organic and display the USDA organic seal.

If the finished product contains certified organic ingredients, the label may claim that specific fibers are organic and identify the percentage of organic fibers. Operations may not use a combination of organic and nonorganic sources for a single fiber that is identified as organic in the final product. Operations may not state or imply that the finished product is USDA organic or use the USDA organic seal.

Program Handbook Reformatting

On July 25, the National Organic Program announced that the majority of its guidance, instruction and policy memo documents have been reformatted. These changes will increase consistency in section headings and their contents throughout the Program Handbook. For example, each guidance now has a Purpose, Scope, Background, Policy and References section.

This may have caused some text to be moved into different sections. Any substantial alterations to the text are noted as “Revisions” or “Deletions” in the “Technical Changes” table of the Summary of Changes.

All of these documents are a part of the NOP Program Handbook and are available at www.ams.usda.gov/NOPProgramHandbook.



Overview of Promiseland Livestock's Suspension

Earlier this month, the USDA announced the suspension of Promiseland Livestock's organic certification, which became effective on July 28. The case represents a victory for the National Organic Program in its efforts to protect the integrity of the USDA organic label.

During the five-year suspension, Promiseland Livestock is prohibited from representing their products as organic. As of July 28, 2011, operations should not purchase organic replacement stock from the company or any of its facilities.

History. USDA originally issued its decision to suspend Promiseland's organic certification last year, citing the company's repeated withholding of records from certifying agents. These records would have allowed audits of the company's facilities. Promiseland Livestock requested a hearing with the USDA, during which the Nebraska-based operation appealed its suspension and eventually filed a federal lawsuit to halt the suspension of its organic certification. On October 25, 2010, the USDA announced the judicial officer's ruling to uphold the suspension of Promiseland's organic certification.

On December 2, 2010, Promiseland filed a motion requesting a stay of the decision and order on the grounds that the company was preparing an appeal of the decision in U.S. District Court. The company eventually withdrew the motion. Effective July 28, 2011, Promiseland Livestock's organic certification is suspended for five years. During this period, they may not sell, label, or represent any products as organic.

Check Out the National Organic Program's New Homepage!

Over the past few months, we've received valuable feedback from our audiences about what they would most like to see from the NOP website. We listened!

Recently, we launched a new, streamlined NOP website. We hope that the new site presents information more clearly for those that don't "speak" organic.

This round of updates includes the following topic areas: homepage, about us, standards and rulemaking, National List, frequently asked questions (FAQs), financial assistance, and the National Organic Standards Board.

Future updates will include additional changes in these areas: certification and accreditation, international activities, compliance and enforcement, appeals, and consumer information.

Thank you for your patience while we build a better website! <http://www.ams.usda.gov/nop>