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National Organic Standards Board
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Certification, Accreditation, and Compliance Subcommittee: Import Oversight Discussion Document

Oregon Tilth would like to thank the National Organic Standards Board (NOSB) for the opportunity to provide comment on import oversight in organic. As global demand for organic products increases, the regulation and administration of organic imports is a timely, critical and complex issue for the integrity of international organic certification.

Our comments are based on first-hand experience and expertise as an accredited certifying agent. We aim to assist the NOSB in developing a comprehensive, proactive and sensible proposal to submit to the National Organic Program (NOP) for action.

Role of documents in an organic supply chain with a focus on imports

Documentation plays a critical role in the certifiers' efforts to verify organic integrity during routine inspection and review work. A large volume of documentation accompanies the international shipment of agricultural products. These documents are generated by a diverse set of regulatory agencies and private entities to satisfy various expectations including regulatory, customer, and other third-party requirements.

a) Should it be a requirement that the organic status of a product be recorded on all documents including those listed above? How would this increase organic integrity? What impact would this have on the industry?

Oregon Tilth's organic inspectors are trained to routinely verify organic status designation as part of audit trail exercises for any shipment. Additionally, when we review import documentation for shipment verification, we also verify product identification as "organic" on all documents.

Based on our experience reviewing import documentation, we have discovered a significant inconsistency in the use of the "organic" designation on government-issued documentation (i.e., phytosanitary certificates) from foreign countries. Typically, only the scientific name of the commodity is listed. Ensuring "organic" product designation on all documents issued by the various domestic and foreign government agencies potentially involved in a lengthy and complex supply chain will be a significant challenge.

By contrast, requiring the designation of “organic” on all documentation is practical and less burdensome to the private sector that generates certain documents. It is not uncommon for certifiers to request clients to include the “organic” status designation on shipping or other transfer documentation and ensure that their organic product suppliers do the same.

In summary, requiring the “organic” product designation on all documentation will certainly add clarity in the audit trail verification process. However, such an improvement in standardizing documentation requirements is not as important as requiring traceable elements — such as lot numbers, container numbers, ship identification, etc. — that link all the way back to the beginning of a supply chain.

b) Which documents (listed above or in addition) are necessary to verify an import supply chain? How well do these documents serve to prevent fraud?

Each situation is unique and has a great degree of variability. In our experience, a handful of these documents, or all of them, tells the complete supply chain story depending on the specific shipment and scenario. While certain documents are required and issued by various government agencies, certified operations may never see them. Access to certain documents often occurs when operations perform direct import activities themselves, or they are incredibly well-versed in import requirements and request such documentation as part of their audit trail. The key to fraud prevention is access to all applicable documents that clearly reveal the complete supply chain story, including all documents that verify organic integrity for each specific scenario.

An important tool for ensuring access to all applicable supply chain documents is sales contracts. These contracts can specify required documentation per shipment that is helpful for verification purposes. Certifiers and the organic industry could provide technical assistance and guidance on best practices for certified clients who establish sales contracts with their suppliers to ensure contract provisions require the creation of and access to the key audit trail documents necessary to describe the complete supply chain story.

All of the documents referenced by the NOSB provide some level of continuity and transparency in the organic supply chain. Categorizing key information necessary to verify organic integrity into the following framework is helpful:

1. Quantity verification
2. Application of prohibited substances/commingling verification
3. Traceability verification

When certified operations and their certifiers have access to all known documentation and those documents address the three items outlined above throughout the supply chain, fraud can be prevented and mitigated to the maximum extent possible.

c) Some imported products change hands once or several times while in transit. How do these documents appropriately trace and verify the organic status of the products for the ultimate importer?

Depending on the scenario and what types of transportation activities occur, various documents contribute to ensuring organic integrity. Access to all shipping documentation helps confirm no uncertified handling activities occurred during transport. Phytosanitary certificates can confirm no organic product was treated with a prohibited substance during its journey. Import permits can similarly demonstrate there were no conditions for import that require treatment with a prohibited substance.

Overall, these documents all play an important role in verifying the path an organic product takes through the often complex and lengthy import journey.

d) Different documents in the import supply chain are issued by different parties. Are some documents or issuing parties (like export governments) more reliable than others? Should these documents be required?

In our experience, the reliability of other organic certifiers, especially those in foreign countries, can vary greatly. Response times can sometimes take weeks to verify the accuracy of a transaction certificate or other certification document issued by another certifier. We have also experienced notable delays in getting government-issued documentation, such as phytosanitary certificates. However, we are typically not requesting the documents directly from these government agencies. Certified operations work with the responsible party for import (importers, suppliers, brokers, etc.) to collect these documents, and accessibility to these documents can vary significantly based on a variety of factors.

Some of these documents are required to be issued by the relevant parties, however, making sure that these documents make it to the correct parties often proves difficult. Documents such as the phytosanitary certificates issued by governments are required, although they are not always shared with the parties receiving the shipment after it has cleared the import process. It would be helpful to develop a list of typical import documentation and include details about the circumstances in which they are issued, the issuing party, and the importance for verifying organic integrity. A resource like this would be helpful for all organic stakeholders.

e) Should the use of organic tariff codes (when they exist) be required when organic products fall under those codes? If so, should failing to use an organic tariff code negate the organic status of the imported product? Should the U.S. government be working actively to vastly increase the number of organic tariff codes? What impact would these changes have on the Industry?

Oregon Tilth has a basic understanding of tariff codes and their use in international commerce. Two key aspects of tariff codes suggest they could be a helpful tool in ensuring organic integrity of imported products. First, tariff codes are required on all official shipment documents, which would help with consistent identification of organic status. Second, tariff codes ensure uniformity of product classification worldwide. If tariff codes utilized a universal identifier to signal organic status of a product (similar to the “9” prefix on organic produce UPCs in the USA), then this system could help identify organic products requiring specific handling protocols (i.e. no prohibited treatments) to protect organic integrity.

We encourage organic trade representatives and government agency staff with expertise in global commerce protocols to further investigate this opportunity. Utilizing existing systems for tracking international commerce to designate organic status could assist organic product handlers across the global supply chain to identify organic integrity critical control points and ensure organic integrity.

f) Do organic import certificates (as required in the EU) or organic transaction certificates provide value in documenting the organic status of a shipment? What are the strengths and weaknesses of this system, and what can be done to further strengthen this process? Should a similar document be required for the import of organic products into the U.S., and if so, who should issue the document? What impact would this have on the industry? How do certifiers currently issuing Transaction Certificates utilize this data in audits of the certified operation?

Certifier-issued, load-specific, certification documents *can be* very valuable. However, our experience has shown that certifiers' procedures for verifying the information per shipment are not consistent. The value comes from the load-specific traceable elements and quantities associated with the certified good. However, what is not always clear is if certifiers are tracking the quantities associated with each export activity and verifying if the operation responsible for the production has enough product inventories or production capacity to supply the quantity issued over multiple export events.

Requiring this type of export document for every import entering the U.S. would be beneficial because it provides a certifier-issued, load-specific document that is verifiable with a certifier. Some certifiers already issue transaction certificates by request, even when there is no requirement for such a document when importing into the US. Oregon Tilth currently offers this service when requested by our certified clients. To make this efficient and practical for certifiers, it would be essential for an electronic verification system that all certifiers could use.

Currently, Oregon Tilth tracks the quantities of exported goods from our certified operations when we issue export-related documentation. This information is tabulated and available for audits, including confirmation of production capacity against export activities. Knowing how much product is produced by a certified operation and ensuring the export quantities do not exceed this production capacity is a critical tactic in preventing fraud and should become a standard practice amongst certifiers.

g) Are there procedures or systems that could be put in place that are not reliant strictly upon documentation, such as direct communication between the certifiers of the commodities being traded, that verifies the organic status of items being bought and sold?

Currently, Oregon Tilth utilizes direct communication for verification purposes above and beyond verification of transaction certificates issued in foreign countries for specific commodities. As a result, we have been able to identify invalid certifier-issued export documentation on multiple occasions. The paperwork is not always guaranteed to be accurate.

We have found direct communication between certifiers to be incredibly valuable in verification activities for certain imports. However, we would request that the NOSB and the NOP look into developing an electronic system for verification of transaction certificates in order to increase the speed of verification and ability to access information and documentation, no matter what country products are coming from.

Role of importers in the organic supply chain

a) Should importers of organic products be required to be certified regardless of how they handle a product? What impact would this have on the industry?

Mandatory certification of importers would increase the purview of import-related documentation at the level of direct import. Many certified operations purchase organic goods through importers. Not all buyers understand import requirements and regulations. They may not acquire all documentation issued as part of the import process. A primary challenge facing the organic industry is the lack of experience and understanding of import protocols, including the government agencies involved and the various documentation issued during the import process and journey. Requiring certification of importers would overcome this import process knowledge gap by ensuring oversight of the process and applicable documentation by certifiers. It is worth noting that other foreign organic standards already include importers within the scope of operations that require certification. Global Organic Textile Standard (GOTS) and the

European Organic Standard are just two examples of foreign organic standards that require the certification of importers.

From the certifier perspective, the impact would be an increase in certified operations and possibly developing additional procedures or policies related to this type of operation and how they can comply with the regulations. This would increase the amount of work certifiers have, and by extension, these costs would be incurred by importers via applicable certification fees. Currently, with the increased scrutiny of imports, there is an increased burden on certification agencies due to the increased time and staff required to review this information, which will ultimately result in certification fees rising for all certified operations.

b) The organic control system relies on a process that generally checks the organic status of a product one step back to the last certified operations. Should importers be held to a stricter standard of documentation or other forms of communication to verify the organic status of products being imported into the U.S.? What additional requirements should be placed on importers given their critical spot in the supply chain? What impact would this have on the Industry?

We do believe that importers should be held to stricter standards. That comes in the form of mandatory certification when importing organic goods as described in feedback above. Impacts of this are also discussed in the previous question. We recognize this would require a regulatory change, and that is a burdensome process, but a necessary one to improve organic integrity and transparency.

c) What documents or system should be developed for an importer to verify the organic status of a shipment?

Importers should have all documentation related to imports, which verifies that quantities match throughout the supply chain, no prohibited substances have been applied during the movement of the organic product, and that the product can be traced back to the last certified handler/producer. These are the same expectations we have for all certified operations. The difference is the type of documentation generated as part of export and import activities.

Many of the documents mentioned in section one would be relevant for an importer to have in their possession to verify the organic status of an imported product.

Role of uncertified operations in the supply chain

a) What are examples of uncertified handlers in import or domestic supply chains? Should these operators be certified or not, what additional value would this bring, and what impact would this have on the industry?

The primary examples of uncertified handlers in import and domestic supply chains are importers, exporters, brokers, and traders. The sale of organic goods, especially unpackaged bulk commodities, allows for a void in the certification trail, leaving certified operations with a misplaced burden. When certified operations are not responsible for the importation of organic goods, they currently must work backwards through at least one entity, that they may not have any direct dealings with, to source information on imported goods.

Regarding domestic supply chains, brokers, traders, and distributors can also present a challenge, even when not dealing with imports. Certified operations looking to verify that the source of organic goods purchased

through one of these types of operations often have difficulty in collecting the information needed. These uncertified operations are often reluctant to disclose documentation that can easily trace back to the actual certified manufacturer and leaves certified operations without verification information. While this may seem like a simple “don’t buy from them” solution, as we have mentioned previously in this comment, it’s often not simple for smaller operations that have less purchase power and leverage with their suppliers.

We feel very strongly that all importers, exporters, brokers, and traders should be certified when dealing with certified organic goods.

Other areas we would like to be addressed in these supply chains are the ports and entities responsible for the movement of unpackaged organic goods from ships to the port. We understand that these scenarios are complicated, and often access is limited. While we do not have much experience in certification of ports that handle organic products, we would like there to be focus directed at these types of operations to help address the lack of transparency.

Transportation should also be considered when talking about entities involved in the organic supply chain of unpackaged organic goods. There is an increased risk when dealing with the transportation of unpackaged organic goods. Reusable storage containers, such as ship holds, rail cars, tankers, and other large transportation vessels used for a wide variety of transport activities pose contamination and commingling risk. While there is responsibility of certified operations to ensure that transportation of organic products does not result in contamination or commingling, in many cases it seems that certification of transportation operations dealing with unpackaged goods could address these concerns with greater scrutiny.

b) Should operations that take ownership of products or operations that market but don’t own products be required to be certified? What impact would this have on the industry, and how would this improve supply chain integrity?

The movement towards a change to require uncertified brokers, traders, and distributors is an ongoing discussion even outside of the import scenarios. Certification of these types of operations offers access to and oversight of records and transactions in the organic supply chain, thereby vastly improving the certifier’s ability to audit the movement of organic goods.

The operations excluded from certification currently represent a potential black box in the audit trail and contribute to challenges in tracing a product back to the certified source. Recently, the NOP and certifiers have increased their focus on this weak link in the supply chain verification process. However, there are still difficulties dealing with these uncertified operations and the ability of some operations, especially small certified operations, to access documentation necessary for a transparent and comprehensive audit trail back to the last certified entity. Small operations often lack the purchasing power necessary to leverage getting certain information from their suppliers. We have heard regularly that smaller companies purchasing organic goods through distributors are ignored by their suppliers when asking to provide verification documentation back to the certified manufacturer. Often we have heard that disclosure of certain proprietary information, such as cost paid by a distributor may be a factor that leads to this.

Some certifiers have instituted affidavits and similar forms specifically to address these challenges. However, this is only a stopgap solution developed in the absence of requiring these operations to become certified. Requiring certification would create a long-term and more consistent oversight solution to address this current weak link in the certified organic supply chain.

d) How can audit trail documentation as well as systems of verification be improved with these types of operations?

The simple answer is to require certification, or explicitly require full disclosure of all records related to the certification and organic integrity of imported products. Requiring full records disclosure in the absence of requiring certification is problematic on several levels. There are so many players involved in the import of goods into the U.S. In the absence of certification, actors in the supply chain lack clarity regarding disclosure of documents (which ones and to whom), confidentiality, accountability, and enforcement authority.

Global and national organic crop acreage information

a) Would including production acreage and yield information in the Organic Integrity Database serve to strengthen global organic control systems? If so, how would this information be used? What concerns do producers have in making this information public?

b) Is acreage and/or yield information currently being accumulated by certifiers? What concerns do certifiers have in collecting and communicating the information to the NOP?

The inclusion of production acreage and yield information in the Organic Integrity Database would provide yet another set of data for the organic industry to use in verifying organic integrity. Certifiers already have access to acreage information through the information gathered in the OSP and they have access to yield information via on-site audit trail exercises conducted during an inspection. While it is possible that organic producers may consider acreage and yield information to be a confidentiality issue, it would be most helpful to hear directly from producers about their potential concerns regarding this proposal.

Oregon Tilth currently gathers and reports acreage by crop to the NOP, as we already capture that information in our database and keep it up to date with any changes made by the client. Depending on exactly what the NOP would request, we might need some time to alter the exact format in which we collect and store this data to ensure that it is kept in a clean and reportable way. As for yields, we currently assess them at inspection, but they are not required to be reported as part of the OSP update, and the information we get from our inspections is not reported in a manner that is currently easy to aggregate or report to the NOP. However, it would be possible for us to implement a way to collect and manage this data in a reportable way in the future if it became necessary. Such a change would require a significant time and financial investment to restructure our data storage for yield information, implement new collection procedures from clients/inspectors, and implement procedures for data entry. Because of this, certification costs could increase. It should be noted, however, that some certifiers may have more difficulty implementing such data collection and tracking into their systems.

c) Is both acreage and yield information important?

We believe that both of these data points are critical to understanding the production and flow of organic products. Neither one on its own provides sufficient information about whether the amount produced at an operation can be reasonably tied to the volume of products sold. They are complementary aspects necessary to understand the complete production and sales story.

d) Should acreage and yield information be proprietary to the operations and not be communicated? What would be the impact be of sharing the information with certifiers and ultimately the NOP and public (thru the Organic Integrity database)? If privacy and other concerns prevent publishing individual information, would aggregate data be helpful and at what level of aggregation (state, country, etc.).

Acreage and yield information should not be proprietary to the operations, as these are critical components of verifying organic integrity that should already be readily shared with organic certifiers. This data is required for inspectors to conduct complete mass balance and audit trail exercises during an inspection. Oregon Tilth expects this information is already provided to certifiers in some form.

Privacy concerns are a possibility if acreage and yield information were to be shared with the NOP and the public. We believe organic producers are best equipped to address those potential concerns and should be provided that opportunity.

We believe having this information available in a public forum would give the industry a better picture of the actual amount of any given organic commodity that is available in the marketplace at any given time (or at least on an annual basis). This level of transparency offers many benefits to organic integrity. Aggregate data at a higher level (e.g. county, or state) by commodity would likely be similarly useful and might address any confidentiality concerns of producers.

f) Should these reporting requirements also be required of countries operating under an equivalency agreement?

This is an interesting suggestion and one that merits further consideration. It might be valuable to review the types of commodities, which make up the majority of the volume of imports from countries with equivalency arrangements and consider implementing the same kind of acreage and yield reporting requirements for the top three imported commodities first. This targeted approach could be an easier way of introducing such requirements without using a blanket approach for all imports. Any challenges or unintended consequences that were found could be worked out before requiring all imported commodities to comply.

g) Can this acreage and yield information be a basis by which certifiers can track the approximate volume of product an entity would be allowed to sell under their organic certificate?

As we mentioned above, certifiers are already verifying this information at some level in conducting their mass balance and traceback audit exercises. Using yield and acreage information is often the only way a certifier can demonstrably conclude that an operation is committing fraud and selling or representing non-organic crops as organic. While access to this information is a strong tool in preventing fraud, it doesn't guarantee all fraud cases will be successfully identified.

Setting up a system to track individual operation inventory and organic sales would require significant changes to most certifiers' methods of collecting and aggregating yield data. It would also require a huge increase in certifier labor to process and issue transaction certificates or some kind of equivalent tracking mechanism for every organic sale for every operation with crops that require that kind of tracking. There are added complications of year-over-year inventory storage, which would have to be accounted for in the system as well. In short, could such a system be implemented? Yes. But at what burden to producers and certifiers, and would the benefit justify the cost?

Equivalencies, recognition agreements, and certified operation databases

a) Should the NOP require foreign governments to maintain a similar database with certified operator data in its equivalency and recognition agreements?

The NOP INTEGRITY Database is an incredibly useful tool for certifiers to use, even in its early stage of existence. We are able to quickly verify information for operations certified to the National Organic Standard. If this information were available for operations certified by other governments, it would be an easily accessible extra layer of verification that certifiers, and certified operations, could use to confirm the certification status of foreign operations.

It is very important, however, that the data be up to date as much as possible. While we understand that real-time updates to systems are challenging, regular reporting of certified operations more often than just annually is critical, particularly with suspended or revoked operations.

b) Should this data be required to be integrated into the Organic Integrity Database?

It would be helpful for the information to be in one location for simplicity, accessibility, and consistency. This would allow certifiers to verify certification status and details of operations for all certified operations, domestic and foreign, with ease. It could potentially remove the need to confirm information with foreign certifying agents and speed up the time needed for verification efforts.

c) How would this data serve to strengthen the global organic control system? Is this system currently being utilized by industry or certifiers, and if so, how?

Certifiers and industry are currently utilizing this system. It serves as another reference point when verifying the validity of an organic certificate or certified entity. Additionally, we empower certified operations to utilize this system to verify the authenticity of potential suppliers and to determine the certification status of current suppliers. This system is more robust than paper certificates as the certificates are static and more easily altered by those with fraudulent intentions. In contrast to a hard copy system, an online database approach can be dynamic, more secure in data protection, and updated as frequently as needed. It is also important to bring attention to the fact certifiers are only required to submit data for the NOP INTEGRITY Database on an annual basis. While the system is helpful, this frequency of updates does not currently address the need for current and accessible certification information for all operations. More frequent updates, or the ability to have live data, would be much more helpful and we encourage the NOP to take action on this.

The role of residue testing to verify bulk shipments of grain

a) Should testing of imports be required? Does testing provide useful information, or is it situational? If situational, please provide situations where it is useful or not useful. What burden would this put on the industry? What party (importer, exporter, other) should be responsible for testing?

Residue testing of imports is a validation tool and a deterrent to fraud. While residue testing alone is not a comprehensive answer, it can be used to verify and validate if organic verification systems are working. Test results can be a good quantitative indicator of an organic product's compliance and easily weed out certain types of fraudulent activities. For example, selling genetically modified corn as organic, or finding levels of pesticides on an organic commodity that would commonly be found on the non-organic form.

The sampling of bulk shipments of grain can be complicated, and determining who is responsible is also a challenge. For example, when a bulk shipment (ship hold quantity) is unloaded at a port, the certifier of the port operation performing the unloading seems the most reasonable to perform the sampling, as they have oversight of that operation as well as more access.

When shipments of grain come in the form of container loads stored in large totes, it is more practical to sample the product at the certified facility where it is received.

b) Should testing be required if the shipment passes a certain market value or size threshold?

Taking a risk-based approach is the most reasonable way to determine when testing should be required. The criteria for determining the level of risk and deciding when testing is mandated should be carefully evaluated. Market value and size/quantity of a shipment are good candidates for testing criteria because they focus on the largest potential offenders of fraudulent activities and on volumes that have a large footprint in the organic marketplace.

Risk-based sampling was required by the NOP for a period of time, and based on recent market reports, imports of certain products targeted for required testing have significantly dropped, which is likely a result of this additional scrutiny and testing.

c) If testing should be completed, what type of testing should be done?

Pesticide residue testing and testing for genetically modified DNA in at-risk commodities are two readily available tools. There may be additional types of testing that could be useful for compliance validation in the future. However, these two types of tests are common and relatively inexpensive.

It is important to note the common fumigants used on agricultural products being imported and exported are not covered under the residue screening that is required to be conducted as outlined in NOP Instruction to certifiers. The common fumigants methyl bromide, phosphine, and sulfuryl fluoride (or their detectable derivatives) are not explicitly listed on NOP 2611-1 Prohibited Pesticides for NOP Residue Testing. Because of this, the normal residue testing performed by certifiers would not readily capture any fumigants that may have been used during any export or import mandated treatment. This would result in having to rely completely on documentation from within the supply chain and lacking validation that no treatment was performed as a result of import or export activities.

Role of certifier/operation when certifying a commodity in a third country with import controls on the commodity

a) Should certifiers of operators who are producing commodities subject to import restrictions or mandatory fumigation conduct further assessments to verify a compliant marketing plan is in place for said commodities?

We believe that the burden of verification of imports should be placed on the importer and the certifier of the importer, not the certifier of the producer. In most cases of export, once the product is loaded for transport the ownership changes and the product is considered purchased and no longer the responsibility of the producer. It would seem then that the responsibility and burden for verification of the import — including commodity with import controls — would be the responsibility of the certifier of the importer.

b) Is this currently being done by certifiers, and have certifiers operating abroad had this activity verified during NOP accreditation audits?

OTCO does certify abroad, primarily in Mexico. Currently, we do not verify commodity export requirements for producers selling a product to the U.S. However, when we certify a U.S.-based handler or processor importing products, we verify import procedures. Recently, we updated our OSP and inspection documents to collect and verify this information. However, the import controls are complicated and certifiers need much more training on assessing and understanding these controls on a per commodity basis.

c) Should certified operators importing products from abroad conduct specific assessments related to mandatory fumigations or treatments? Is this currently done by certifier's who are certifying importers?

Yes, certified operations importing products from abroad should be responsible for this assessment as indicated above. Importers of products should have all customs documents and clearance documents on hand. They should be aware of any commodity specific mandatory treatments, and have all documents available for inspection to demonstrate that the product was not treated with any prohibited material upon entry into the U.S. Certifiers should have questions in the OSP about imports and processes by which the operation verifies continued compliance of the product through shipping and transportation, including customs and border patrol clearance. Certifiers should verify this information and the operation's process on site during the annual inspections.

d) Do certifiers have the expertise, training, and ability to conduct these audits/risk assessments? What additional training would be helpful to certifiers and operators?

While a training was provided at the NOP training in 2018, additional training and guidance are still needed on customs and border patrol procedures, rules, and documents. In addition, certifiers must have access to the information, specifically any organic products that were fumigated due to mandatory commodity import requirements. We would encourage the NOP to work with customs and border patrol to ensure that when a product identified as organic is treated that this information is communicated to the necessary parties. Details must be collected by customs and border patrol in order to effectively communicate the treatment to the NOP and necessary certifier of the handler importing the product.

Additional controls for origins with documented fraud or integrity issues

a) Should the NOP develop an ongoing system to impose additional requirements on operations doing business in or with countries or regions with documented fraud?

Oregon Tilth believes it is reasonable, responsible, and prudent to implement stricter measures for specific regions that are at-risk for fraudulent activity. When considering this approach, it is worth acknowledging that a consequence is fraudulent actors moving transport pathways from an at-risk region to one that is not at-risk in an effort to circumvent the extra scrutiny and requirements. For example, the movement of commodities to Turkey for export, which has many fewer trade restrictions than a country like Russia.

b) Should testing be mandatory for shipments from these regions? If so, where should testing be done?

As noted previously, the use of testing can be a deterrent to fraud, so it is important that identified at-risk areas be subject to additional scrutiny.

Identifying the point and location in the supply chain when testing should occur is a bigger question. There are challenges with relying on sample collection for testing upon import into the U.S. Testing can reveal that a product is not compliant and can result in loss of its certification status, depending on the circumstances. At this point in the supply chain, the product has made its journey to the U.S., money has been exchanged, ownership may have changed, and as a result, there could be significant losses associated with delaying testing until import arrival.

Redundant testing is one possible solution. Testing at the point of export, as well as confirmation testing upon entry into the U.S., would provide additional scrutiny. The responsibility for this testing should be carefully considered. As previously mentioned, purchase contracts can often require testing of product prior to export and be provided along with other shipping documentation. Additional testing upon arrival in the U.S. once it reaches its intended destination is also advisable.

Full supply chain audits

a) Do full supply chain audits offer value in ensuring organic integrity? If so, who should conduct these audits, and when?

Full supply chain audits certainly offer value in ensuring organic integrity. As described in earlier portions of this comment, the documentation associated with an import tells a story. To ensure organic integrity was maintained throughout the full supply chain, we need to know the full story. The best way to tell the full story is through an audit of the entire supply chain and documentation, back to the producer of the product in question.

As also noted previously in our comments, acreage and crop yield data can be essential in determining instances of fraud. This information would offer necessary data points to perform a full supply chain audit.

In the early stages of OTCO's increased scrutiny of organic imports, we attempted to collect a full supply chain audit from our certified clients when importing certain commodities. As described in the next section, we were occasionally successful in collecting all information back to the farm level but we also encountered some real challenges. We were later directed by the NOP to not require this information as it was outside of our authority due to the statutory requirement for certifiers to accept the certification decisions made by another certifying agent. Based on the complete supply chain examples we collected in the past, we were able to better determine if a particular load of a commodity was a reasonable quantity for the country in which it originated.

b) What are the challenges of completing full supply chain audits?

The main challenge associated with completing a full supply chain audit is the collection of information related to the journey an organic product has taken to get to its final destination. The product — and information about the product — cross multiple borders, government regulatory bodies and organic certification agencies. Because of this, the amount of paperwork generated can be quite substantial and difficult to receive in a timely manner. There are many moving pieces involved, and we have seen this as an issue even dealing with partial supply chain audits of imported goods.

Information must be relayed from each point in the supply chain, including certification related documentation that may be separate from import/export documentation covering other aspects of import and export compliance. Without clear expectations for what documentation is required to verify the organic integrity of a shipment, it is difficult for all certifiers and other agencies involved in import/export activities to ensure all relevant documentation is included at each step in the supply chain.

Because of how burdensome this type of system is, it could force operations to buy product directly from farms. While this may sound beneficial and simplify the problem, it is not practical from a global trade perspective. Many operations are involved in the movement of agricultural products from a farm all the way to an export terminal. Because of how complex the network of transactions can be, we strongly suggest that some sort of electronic system, such as blockchain, be investigated further to address the issue.

d) What are possible approaches that a full supply chain audit could take (desk audits, physical audits, etc.)?

Setting clear requirements for documentation verifying organic compliance at each step in a supply chain would assist in ensuring required documentation is available for the entirety of the supply chain. Currently, the documents that are needed to verify organic compliance are not all known by each party involved in these activities.

Supplementing this documentation with physical audits at certain points in the supply chain would assist in verification of the documentation that is provided regularly for each shipment.

Final thoughts

Oregon Tilth would like to acknowledge the very large and complex task involved with addressing import oversight and maintaining the integrity of organic products. The length and complexity of our comments reflect this reality. We offer this detailed feedback in hopes that it will guide the NOSB towards a helpful and practical recommendation to the NOP. Because of the significance of this issue, we anticipate providing additional feedback on an iterative basis as we learn more about import and export activities. We hope to see continued dialogue and increased stakeholder feedback as this critical conversation continues.

While acknowledging and sharing the desire for timely action in strengthening import oversight procedures, there appear to be several issues that are best resolved by regulatory change. And we know how long that can take.

Hopefully, some of our suggestions, as well as those from other comments, will strengthen the enforcement of import and export activities and increase integrity without the possible delay of a regulatory change. We support and encourage timely administrative guidance and action plans. And we also look to our partners in the organic private sector to share and implement best practices designed to ensure the continued integrity of imported organic products to protect consumer trust.

Respectfully submitted,
Oregon Tilth

Oregon Tilth is a leading certifier, educator and advocate for organic agriculture and products since 1974. Our mission to make our food system and agriculture biologically sound and socially equitable requires us to find practical ways to tackle big challenges. We advance this mission to balance the needs of people and planet through focus on core areas of certification, conservation, public health, policy and the marketplace.