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April 3, 2019

Ms. Michelle Arsenault, Advisory Committee Specialist  
National Organic Standards Board  
USDA-AMS-NOP  
1400 Independence Ave. S.W.  
Room 2642-S, Mail Stop 0268  
Washington, DC 20250-0268

**Docket:** AMS-NOP-18-0071

**Certification, Accreditation, and Compliance Subcommittee: Oversight Improvements to Deter Fraud Discussion Document**

Oregon Tilth Certified Organic (OTCO) would like to thank the National Organic Standards Board (NOSB) for their work and the opportunity to provide comments on import oversight in the organic industry. As global demand for organic products increases, the regulation and verification of organic imports is a timely, critical and complex issue that directly impacts the integrity of the organic marketplace. Re-evaluating the standards for brokers, importers, wholesalers, and other types of operations currently outside the purview of the National Organic Program regulations is critical for strengthening organic integrity.

Drawing on OTCO's expertise and first-hand experiences, we're committed to assist the NOSB in developing a comprehensive, proactive and sensible proposal to submit to the USDA National Organic Program (NOP) for action.

***1. Are there additional activities missing from the list above that would result in better oversight and enforcement of the organic regulations?***

We support the additional activities identified in the recommendation. OTCO believes that it is only through a combination of different approaches we will be effective in fraud detection throughout all parts of the organic supply chain.

In addition to the recommended list we would also propose additional internal certifier policies for at-risk commodities. In 2017, OTCO implemented an internal policy for at-risk organic commodities (wheat, soy, corn, flax etc.) to be held from use or sale as organic until after the review and approval of all import documentation is complete. OTCO invested and continues to invest significant time and resources to execute this policy as a lynchpin for our effort to detect and prevent organic fraud. We believe, and our efforts have shown us, that this review and approval is critical in early detection of potential fraud. Certification bodies should be encouraged to implement such internal policies that allow for this early detection.

A mandatory online participatory import certificate system or validation network (e.g., TRACES for products moving between the US and EU, and/or QR codes on Transaction Certificates issued via



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Tracenet for exports from India) would assist certifiers, suppliers and others in the supply chain to quickly and accurately determine the validity of an import certificate. It would enable certifiers and organic operations to adopt more universal import verification policies, such as the above examples, that would contribute to organic import fraud detection efforts.

**2. Are there specific items above that are impractical or difficult to implement and why?**

OTCO has extensive experience verifying uncertified operations that meet each of the criteria listed in points 3a, 3b, and 3c. Based on the records reviewed and issues that have been investigated by OTCO pursuant to operations acting in those capacities, we support the requirement for all operations acting as an excluded operation as defined in 7 CFR §205.101(b)(1)(i) and 7 CFR §205.101(b)(1)(ii), including brand owners and warehousing operations, to be certified. Requiring these excluded operations to seek organic certification in order to engage in organic transaction and trade would strengthen the integrity of the organic system and reduce the opportunity for fraud. While this may be challenging to implement due to the need for a rule change, we believe that it is important to address the issue directly in order to uphold organic integrity throughout the supply chain.

**3. Please provide your thoughts on how these items should be prioritized. E.g. by importance? By ease of implementation?**

OTCO recommends items be prioritized based both on the impact to the prevention of fraud and ease of implementation. In 2017, OTCO implemented policies in response to the USDA NOP's Organic Integrity in the Supply Chain Initiative. These policies require pre-approval of certain imported commodity grains which consists of OTCO reviewing purchase, transit, and import documentation for compliance prior to the imported commodity being used or sold as organic. Additionally, full traceability documentation for product sourced through uncertified entities back to the certified supplier as well as full import and traceability documentation for all imports is required to be maintained and is audited at inspection. These requirements are justified within the current USDA NOP regulations as written and can be quickly implemented by all certification agencies prior to requiring excluded operations at 7 CFR §205.101(b)(1)(i) & (ii) to become certified. Such an approach supports the early detection of fraud and can be implemented quickly within the current framework.

Furthermore, focusing the five percent sampling requirement on high-risk operations is a tactic certifiers can implement within the scope of the current accreditation requirements. This is another example of actions certifiers can immediately implement to provide additional measures for the prevention of fraud.

Import fraud prevention would be best served through uniform certifier import verification policies and creation of a web portal for USDA NOP import and export certificates for organic products. This would allow for ease of validation for certifiers, suppliers, and others in the supply chain while providing additional measures to prevent fraud.

Overall, we are pleased to see the NOSB proposing a strong diversity of approaches to address organic import issues. Maintaining integrity within the supply chain is critical to uphold consumer trust in



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organic foods. Immediate action to address gaps in documentation and traceability alongside investments in permanent resources such as the web portal provide an achievable blueprint for success. We thank the NOSB for consideration of our comments and input.

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, policy and the marketplace.*