

**ASSESSING THE EFFECTIVENESS OF THE  
NATIONAL ORGANIC PROGRAM**

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**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
BIOTECHNOLOGY, HORTICULTURE, AND RESEARCH  
OF THE  
COMMITTEE ON AGRICULTURE  
HOUSE OF REPRESENTATIVES  
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# ASSESSING THE EFFECTIVENESS OF THE NATIONAL ORGANIC PROGRAM

WEDNESDAY, JULY 17, 2019

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON BIOTECHNOLOGY, HORTICULTURE, AND  
RESEARCH,  
COMMITTEE ON AGRICULTURE,  
Washington, D.C.

The Subcommittee met, pursuant to call, at 10:07 a.m., in Room 1300, Longworth House Office Building, Hon. Stacey E. Plaskett [Chair of the Subcommittee] presiding.

Members present: Representatives Plaskett, Delgado, Cox, Harder, Brindisi, Schrier, Pingree, Carbajal, Panetta, Lawson, Peterson (*ex officio*), Dunn, Thompson, Hartzler, LaMalfa, Davis, Bost, and Baird.

Staff present: Kellie Adesina, Malikha Daniels, Brandon Honeycutt, Bart Fischer, Patricia Straughn, Jeremy Witte, Dana Sandman, and Jennifer Yezak.

## OPENING STATEMENT OF HON. STACEY E. PLASKETT, A DELEGATE IN CONGRESS FROM VIRGIN ISLANDS

The CHAIR. Good morning. This hearing of the Subcommittee on Biotechnology, Horticulture, and Research entitled, *Assessing the Effectiveness of the National Organic Program*, will come to order.

Thank you for joining us today as we examine the effectiveness of the USDA's National Organic Program. As our nation's food manufacturers, a growing number of producers, and millions of consumers know, the USDA organic seal is a well-recognized and sought-after symbol in the grocery store. Ensuring the integrity of this seal is critically important to not only protect consumer confidence, but also protect the premium that organic producers continue to enjoy.

This industry has experienced a tremendous amount of growth over the last 2 decades, with annual sales now totaling over \$50 billion. It is no longer a niche market in coastal cities, but a core component of grocery lists and food budgets in towns large and small.

My constituents, as well as those in other rural districts, are seeking out organic products, and producers in the Virgin Islands are interested in organic farming to diversify their operations and increase profits.

Just as the sector has undergone tremendous change, so has its farmers. Organic farmers and ranchers can now be found in rural and urban communities across the country. They vary in size and

geographic location, but their mission remains the same: to produce high-quality food that meets consumer expectations through compliance with National Organic Program standards.

Today, we are going to look at that program, the growth within the sector, and needs for oversight and enforcement that may exist. Like other sectors that have seen explosive growth, the organic industry's expansion has not been without challenges. As the Subcommittee with jurisdiction over organics, we have a responsibility to oversee this rapidly evolving segment without stifling the innovation that makes it so unique.

We also must balance the demands for organic products, while protecting the integrity of the organic seal. That goal can be achieved through thorough oversight and strong enforcement of the organic standards. Leading that oversight are today's witnesses.

Under Secretary Greg Ibach and Dr. Jennifer Tucker, thank you both for being here. USDA serves an essential role in the regulation and enforcement of organic standards, so your work is vital to this sector.

The power of the organic seal is in its integrity, in the trust that consumers place in it. It is our job here in Washington, both here and at the USDA, to ensure we are safeguarding the integrity of the National Organic Program. Just in recent months, we have seen this integrity challenged with reports of fraudulent organic products being imported domestically.

With these reports came consumer confusion, and a risk to the reputation of our domestic organic supply chains. Such incidents only highlighted the need for expanded authorities for enforcement, increased resources, more staffing, and stronger data collection: actions needed to be taken to protect the program's integrity and restore consumer trust.

I am proud that the 2018 Farm Bill provided NOP with new authorities to address the most pressing concerns of the organic industry. Our legislation invested in NOP, vastly expanded the program's authority for data collection, and focused on interagency collaboration to best leverage expertise across USDA and the Federal Government.

With these new authorities and investments, NOP should now have the tools necessary to better protect the program's integrity. In a time when farm incomes continue to lag behind the rest of the economy, emerging domestic markets are a much-needed source of demand for what farmers and ranchers produce.

The organic sector offers an opportunity for our farmers and ranchers to invest in their operations, seek a premium on their products, and meet a growing consumer demand. I look forward to hearing today's testimony on where the USDA is in terms of implementing organic programs authorized in the 2018 Farm Bill, and to a healthy dialogue about the performance of the National Organic Program.

[The prepared statement of Ms. Plaskett follows:]

PREPARED STATEMENT OF HON. STACEY E. PLASKETT, A DELEGATE IN CONGRESS  
FROM VIRGIN ISLANDS

Good morning, and thank you for joining us today as we examine the effectiveness of the USDA's National Organic Program (NOP).

As our nation's food manufacturers, a growing number of producers, and millions of consumers know, the USDA Organic Seal is a well-recognized and sought-after symbol in the grocery aisle. Ensuring the integrity of this seal is critically important to not only protect consumer confidence, but to also protect the premium that organic producers continue to enjoy.

This industry has experienced a tremendous amount of growth over the last 2 decades, with annual sales now totaling over \$50 billion. It is no longer a niche market in coastal cities, but a core component of grocery lists and food budgets in towns large and small. My constituents, as well as those in other rural districts, are seeking out organic products, and producers on the Virgin Islands are interested in organic farming to diversify their operations and increase profits.

Just as the sector has undergone tremendous change, so has its farmers. Organic farmers and ranchers can now be found in rural and urban communities across the country. They vary in size and geographic location, but their mission remains the same: to produce high-quality food that meets consumer expectations through compliance with the National Organic Program's standards. Today, we're going to look at that program, the growth within this sector, and any needs for oversight and enforcement that may exist.

Like other sectors that have seen explosive growth, the organic industry's expansion has not been without challenges. As the Subcommittee with jurisdiction over organics, we have a responsibility to oversee this rapidly-evolving segment without stifling the innovation that makes it so unique. We also must balance the demand for organic products while protecting the integrity of organic seal. That goal can be achieved through thorough oversight and strong enforcement of the organic standards.

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Just in recent months, we've seen this integrity challenged, with reports of fraudulent organic products being imported domestically. With these reports came consumer confusion, and a risk to the reputations of domestic organic supply-chains.

Such incidents only highlighted the need for expanded authorities for enforcement, increased resources, more staffing, and stronger data collection. Action needed to be taken to protect the program's integrity and restore consumer trust.

I am proud that the 2018 Farm Bill provided NOP with new authorities to address the most pressing concerns of the organic industry. Our legislation invested in the NOP, vastly expanded the program's authority to crack down on fraudulent organic imports, provided resources for data collection, and focused on interagency collaboration to best leverage expertise across USDA and the Federal Government. With these new authorities and investments, NOP should now have the tools necessary to better protect the program's integrity.

In a time when farm incomes continue to lag behind the rest of the economy, emerging domestic markets are a much-needed source of demand for what farmers and ranchers produce. The organic sector offers an opportunity for our farmers and ranchers to invest in their operations, seek a premium on their products, and meet a growing consumer demand.

I look forward to hearing today's testimony on where the USDA is in terms of implementing organic programs authorized in the 2018 Farm Bill, and to a healthy dialogue about the performance of the National Organic Program.

Now I'd like to recognize the distinguished Ranking Member, Mr. Dunn of Florida, for any opening remarks he would like to make.

The CHAIR. I would like to recognize the distinguished Ranking Member, Mr. Dunn of Florida, for any opening remarks he may like to make.

**OPENING STATEMENT OF HON. NEAL P. DUNN, A  
REPRESENTATIVE IN CONGRESS FROM FLORIDA**

Mr. DUNN. Well, thank you very much, Madam Chair. And thank you for holding today's hearing to review the National Organic Program.

Consumer demand for agriculture goods produced under the organic seal continues to show double-digit growth, providing market incentives for U.S. farmers across a large range of products. According to USDA, organic sales account for over four percent of U.S. food sales and U.S. farms and ranches, in 2016, sold \$7.6 billion worth of organic commodities.

However, these successes have not come without challenges. Increases in domestic production have not been able to keep up with the increase in demand, which has created import pressures. And as we know, over the last several years, we have continued to hear reports of fraudulent imports of organic products coming to the U.S. undercutting our domestic producers and creating some distrust.

And the 2018 Farm Bill tackled the problem by providing the NOP with additional authorities to secure the industry from fraud, including robust import certification and access to cross-border documentation systems administered by other Federal agencies and oversight of certifying agents operating in foreign countries. I know USDA has made good progress in implementing these provisions. I look forward to hearing about that progress from Under Secretary Ibach today.

Finally, I would like to highlight a few other challenges that, in my view, threaten the legitimacy of the program, and the organic industry as a whole. I think pushing overly prescriptive regulations and disparaging non-organic production practices, and inhibiting other organic producers' ability to use innovative practices does not move the industry forward.

Selling products under the organic seal comes with a responsibility, and it is my hope that the National Organic Program, in addition to other USDA marketing programs, can continue to serve as an effective value-added tool benefiting the agriculture community as a whole.

And I thank you, Secretary Ibach, for being here today. And I look forward to hearing your testimony.

And, with that, Madam Chair, I yield back. Thank you.

The CHAIR. Thank you.

I would like to welcome USDA Under Secretary for Marketing and Regulatory Programs, Greg Ibach. In this role, Under Secretary Ibach has oversight over the Agricultural Marketing Service and the Animal and Plant Health Inspection Service, APHIS. AMS includes the National Organic Program, which we will discuss today. Thank you for being here.

Under Secretary Ibach is accompanied by Dr. Jennifer Tucker, Deputy Administrator for the National Organic Program at AMS. Dr. Tucker, thank you for helping in responding to our questions today. I understand that the Under Secretary, will be the one who will be given 5 minutes to make a statement. I would also—and when the 1 minute is left—you have 5 minutes—the light will turn yellow as a signal for you to start wrapping up your testimony, which I am sure you know very well.

I also want to state, the chair would request that other Members submit opening statements for the record if they so wish, so the witness may begin with his testimony, to ensure that there is ample time for questions.



Under Secretary, please begin when you are ready.

**STATEMENT OF HON. GREG IBACH, UNDER SECRETARY,  
MARKETING AND REGULATORY PROGRAMS, U.S.  
DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.;  
ACCOMPANIED BY JENNIFER TUCKER, Ph.D., DEPUTY  
ADMINISTRATOR, NATIONAL ORGANIC PROGRAM,  
AGRICULTURAL MARKETING SERVICE, USDA**

Mr. IBACH. Okay. Thank you very much, Chair Plaskett, Ranking Member Dunn, and other Members of the Subcommittee. I appreciate the opportunity to appear before you today. I look forward to our discussion of organic agriculture and the critical role the USDA's National Organic Program plays in ensuring the integrity of the organic label.

I am Greg Ibach, Under Secretary for USDA's Marketing and Regulatory Program's mission area. With me today, as has been introduced, is Dr. Jennifer Tucker, the Deputy Administrator who oversees the National Organic Program, or NOP.

Today, I would like to provide an update on both our foreign and domestic enforcement activities. I will also update you on the Department's implementation of the organic provisions of the 2018 Farm Bill. Protecting the integrity of the organic label is more important than ever as the industry continues to grow.

Sales reached a record \$52.5 billion in 2018, up over six percent from the previous year. This includes 1,000 new farms that were certified in the U.S. last year. This growth has been supported by USDA's development of clear and enforceable organic standards. These standards describe how farmers grow crops and raise livestock, and which herbicides, pesticides, and fertilizers they may use throughout the process.

Congress established the NOP as a public-private partnership, so certifiers are key to enforcement. The NOP ensures each certifier has the experience, training, and tools they need to be effective. However, when compliance is not achieved, certifiers are suspended. For example, in May, NOP suspended a certifier's office in Turkey because they could not demonstrate the ability to effectively oversee organic operations in the Black Sea region.

This heightened oversight and enforcement, since 2016, has resulted in at least 180 operations in that region losing their organic certification. By weeding out these bad actors, USDA helps create opportunities for expanded organic production here in the U.S.

Another success story involves our collaboration with APHIS. In March, APHIS notified NOP staff that a shipment of organic bell peppers to Philadelphia had been fumigated, a prohibited practice under the NOP regulations. They provided evidence used to identify the importer and prevent the peppers from being marketed as organic in the U.S.

In addition to enhanced oversight of imports, we are also overseeing and protecting the domestic market. The NOP resolves just under 500 inquiries and investigations every year. Eighty-five percent of those involve U.S.-based businesses.

The NOP has increased its coordination with the USDA Office of Inspector General for criminal violations, and a recent investigation resulted in significant penalties for domestic fraud. This case

involved \$140 million in sales of grain, which was fraudulently marketed as organic.

Finally, I want to thank you for the enhanced enforcement provisions provided in the 2018 Farm Bill, and I will provide the following highlights on our implementation progress to date. Provisions requiring import certificates and closing certification loopholes will be included in the strengthening organic enforcement rulemaking that AMS was working on prior to passage of the 2018 Farm Bill. AMS expects to publish this proposed rule this fall.

In May, AMS, Customs and Border Protection, and APHIS formed an interagency working group for coordination, reporting, and information sharing related to organic imports and integrity. The first working group meeting was on June 27. AMS recently entered into an interagency agreement with CBP to automate NOP's import certificate to reduce paper processing and improve traceability and accountability for organic imports.

With these new farm bill tools and a renewed emphasis on enforcement, USDA is committed to supporting organic farmers and ranchers by developing clear standards and creating a level playing field to support farmers and businesses producing organic food. A level playing field across countries also expands opportunities to open new markets for U.S. organic businesses.

Again, thank you for the opportunity to appear before you today. I am happy to answer any questions you may have.

[The prepared statement of Mr. Ibach follows:]

PREPARED STATEMENT OF HON. GREG IBACH, UNDER SECRETARY, MARKETING AND REGULATORY PROGRAMS, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Chair Plaskett, Ranking Member Dunn, and other Members of the Subcommittee and full Committee, thank you for the opportunity to appear before you today to discuss organic agriculture and the role of USDA's National Organic Program (NOP) in ensuring the integrity of the organic label. I am Greg Ibach, Under Secretary for USDA's Marketing and Regulatory Programs. With me today is Dr. Jennifer Tucker, the Deputy Administrator who oversees the NOP. The NOP facilitates market access for organic agricultural products and conducts compliance and enforcement activities that protect the integrity of the organic label.

Today I would like to provide you the latest information on our enforcement activities, specifically as they relate to organic imports, as well as update you on the status of the Agricultural Marketing Service's (AMS) implementation of the organic provisions in the 2018 Farm Bill.

#### **How the NOP Works**

This May, the Organic Trade Association released the results of their 2019 Organic Industry Survey which showed 2018 organic sales reaching \$52.5 billion, up 6.3 percent from the previous year. USDA-approved certifiers issued just over 1,000 new certifications for organic operations in the United States and 713 certifications for international operations in 2018. USDA develops clear and enforceable organic certification standards that describe *how* farmers grow crops and raise livestock and *which* substances they may use throughout the product's lifecycle, from farm to market.

Agricultural products that are sold, labeled, or represented as organic must be produced and processed in accordance with the NOP standards. All farms and processors with more than \$5,000 in annual organic sales must be certified organic. The certification process verifies that a farm or handling facility complies with organic regulations and allows products to be represented as organic.

Seventy-eight certifying agents are currently USDA-accredited and authorized to certify to the USDA organic standards for more than 43,000 operations around the world. Each of these certifying agents is authorized to issue an organic certificate to operations that comply with the USDA organic regulations.

NOP accredits state Departments of Agriculture and private certifying agents around the world who ensure producers and handlers are in compliance with the National Organic Standards.

### **Oversight and Enforcement**

Consumers choose to purchase organic products expecting that they are grown, processed, and handled according to the USDA organic regulations. A high-quality regulatory program benefits organic farmers and processors by taking action against those who violate the law.

Every year, five percent of farms and businesses are selected for an unannounced inspection, and five percent have their products tested for residues of prohibited substances—such as synthetic pesticides, antibiotics, or arsenic. Certifiers follow-up on any noncompliances with operations to either bring them into compliance or to initiate adverse actions, such as proposed suspensions.

In addition to unannounced inspections, the public—from consumers to producers to other organic market participants—submits complaints of suspected violations of the USDA organic regulations to the USDA. These complaints allege that farms and businesses are using the USDA organic seal incorrectly, selling products under the label without certification, or using prohibited substances. Certifying agents and the USDA collaborate to address each complaint, taking enforcement action when appropriate. Punishments may include financial penalties up to \$11,000 per violation and/or suspension or revocation of an operation's organic certificate.

#### *Risk-Based Complaint and Appeals Management*

Risk analysis makes it possible for NOP staff to focus resources where they have the greatest impact. Between October 2018 and March 2019, NOP received about 260 complaints and inquiries.

- Simple inquiries are now handled by intake staff, providing customers with answers faster and saving analyst time for more complex investigations. NOP resolved 113 inquiries using this approach between October 2018 and March 2019.
- Complaints about uncertified businesses selling products as organic are handled by a team trained to reduce case processing times and to compel compliance faster. These cases continue to account for more than fifty percent of complaints received by NOP. Many of these cases result in farms and businesses successfully seeking organic certification—they were not aware that certification was required, so they seek it in response to our contact with them. Others come into compliance by no longer falsely selling their products as organic.
- Complex cases are assigned to experienced NOP investigators. This specialization allows the team to initiate investigations more quickly than in the past. NOP has also increased its work with the USDA Office of Inspector General (OIG), referring cases that include potential criminal activity for investigation by other Federal law enforcement partners. While some cases are dismissed due to insufficient evidence, others result in warning letters, cease and desist notices, civil penalties, or suspensions of existing certifications. Last year, approximately half our cases resulted in no findings, because there was insufficient evidence, or no violation was found. The other half led to some time of enforcement action, leading either to compliance or the businesses exiting the organic market.

NOP continues to meet its target of resolving 90 percent of appeals within 180 days of receipt. Between October 2018 and March 2019, NOP closed 22 appeal cases with an average processing time of 99 days. By focusing resources on the most complicated cases with the highest risk to the market, NOP closed 175 complaint investigations and inquiries between October 2018 and March 2019. In addition, NOP launched the COMPLIANCE Database in March 2019. This new tool allows the team to better track case progress and more quickly identify patterns and relationships across complaints.

#### *Certifier Oversight*

Congress established NOP as a public-private partnership. The 78 federally-accredited certifiers include private companies, nonprofits, and state Departments of Agriculture, all of which have a critical role in organic oversight and enforcement. In total, certifiers suspended 326 operations for noncompliance with organic standards. This number has stayed consistent over time and reaffirms that most organic operations are complying with the rules or come into compliance quickly when problems are found.

The NOP accreditation team ensures certifier staff have the experience, training and tools they need to be effective. NOP staff conducted 14 audits of certifiers, including four satellite offices, in the past 6 months. The findings continue to demonstrate 94 percent of accreditation compliance criteria being met across certifiers last year.

In cases where a certifier fails to meet accreditation compliance criteria, NOP issues a “notice of noncompliance,” which the certifier must address. When non-compliances are not adequately addressed, NOP may propose the suspension of a certifier’s accreditation. In these cases, NOP may choose to enter into settlement agreements to quickly bring the certifier into compliance. In other cases, the adverse action process continues, and the certifier’s accreditation may be suspended. To comply with due process rights, enforcement actions may not be made public until due process is completed.

When compliance is not achieved, certifiers are suspended. In September 2018, a certification company based in Bolivia, accepted a suspension of its organic accreditation under a Consent Order with an Administrative Law Judge. The suspension was due to the fact that the entity was unable to demonstrate an ability to comply with the USDA organic regulations. In May 2019, NOP suspended a certifying organization in Turkey, because they did not demonstrate the ability to effectively ensure compliance and oversee organic operations in the Black Sea region. Following a suspension, organic companies that want to import into the U.S. must surrender their certifications or reapply for certification with new certifiers.

#### *Import Oversight*

The size and complexity of organic trade has grown over time, and many U.S. businesses rely on imports to create the organic products that consumers want. As the organic market grows, many growers, processors, and handlers are working within multi-business supply chains, often across borders. Organic handlers play a vital role in ensuring the integrity of organic products from farm to market.

The value of U.S. organic imports continued to increase in 2018, reaching \$2.2 billion, a nine percent increase from 2017 (Source: USDA Foreign Agricultural Service). Given this growth, import oversight continues to be an area of focus for NOP, with five key initiatives that directly support enforcement.

##### (1) Farm-Level Yield Analysis

NOP is investing heavily to improve oversight of the complex supply chains stretching from the Black Sea region to the United States. NOP is also focusing on farm-level activities in high volume regions with multiple risk factors. To support these investigations, NOP conducted a review of all certified organic grain and oil-seed producers in three Black Sea region countries using farm-level records, region-level data and international weather models. The analysis revealed a concerning pattern of organic farms reporting yields that far exceed regional averages. This analysis provided targeted information about specific farms and certifiers that is directly supporting active enforcement actions. Since the NOP began its investigative work on this region in 2016, more than 180 operations have surrendered their certification.

In the fall of 2018, NOP trained certifiers to use these new analytical tools for researching regional data on yields, equipping participants to evaluate farm-level records against a range of open-source data as a part of organic certification. This training is also available in the Organic Integrity Learning Center. In addition to enforcement actions, NOP continues to develop training for certifiers to make this kind of analysis part of regular producer oversight.

##### (2) Supply Chain Research

To support supply chain investigations, NOP has also completed a project to illuminate the business relationships between high-impact farms, consolidators, handlers and exporters in the Black Sea region. This has involved the investigation of more than 450 shipping records and a comprehensive review of the shipment handling process for organic shipments of corn and soybeans entering the United States from the region since 2016. This initiative directly supports the development of risk-based oversight models and helps us effectively target our resources. We will now deploy this approach to investigate different specialty commodities in other regions.

##### (3) Ship-Specific Surveillance

Over the last year several organic industry organizations have requested NOP investigate specific shipments from the Black Sea region for fraud. NOP has used information both provided by importers and accessed through Customs and Border Protection’s Systems to engage in ship-specific surveillance projects each time there has been credible information and enough detail to identify the entities involved.

This has resulted in numerous vessel reviews and collaboration with U.S. Customs and Border Protection (CBP) colleagues for additional support, where appropriate. All these shipments have been traceable back to certified organic farms and handlers.

These ship-specific research activities are important for market surveillance and highlight the need for farm-level yield analyses. Although they have not revealed specific fraudulent activity on their own, in some cases, we found that the certifier involved had not performed adequate oversight of farms or supply chains. As a result, NOP has increased the focus on certifier competency to improve oversight systems at all levels of the public-private partnership designed by Congress.

Working collaboratively, actions and information sharing across Customs and Border Protection, the Agricultural Marketing Service, and the Animal and Plant Health Inspection Service have heightened oversight and enforcement actions in the Black Sea region have impacted the marketplace. At least 180 operations (60 percent) in the Black Sea region have lost their organic certification. The remaining certified operations are undergoing increased scrutiny. In 2016, imports from the Black Sea region represented 49 percent of the dollar value of key commodities; in 2018, imports from the region had dropped to 21 percent of that total dollar value. NOP staff are watching for risk factors, such as spikes in exports from other regions, that could trigger increased scrutiny.

#### (4) Country-Commodity Studies

Because of the structure of organic certification and oversight, we often are investigating specific certifiers, operations, or supply chains. For effective risk-based surveillance, it is also important to study country and commodity combinations, such as a specialty crop coming from a specific country where organic imports have suddenly jumped. To support this layer of investigation, NOP has initiated a study with an international accreditation nonprofit to conduct two country-commodity studies. The goal of this study is to develop standard approaches for examining risks, or emerging risks, at the commodity level across an entire country. For example, certain factors may be more important than others in signaling there is an increased risk for fraud with respect to a particular organic commodity or in a region. Identifying the most important and common factors will drive future risk-based oversight approaches.

#### (5) Fumigation Investigations

NOP continues to collaborate with APHIS to investigate the possible fumigation of products labeled as organic. As an example, in March 2019, the APHIS team at Port of Philadelphia notified NOP staff that a shipment of about 350 boxes of bell peppers labeled as organic had been fumigated. They provided label photographs and supply chain documents, including invoices. Label photographs are critical evidence but are not included in the text-only automated fumigation reports currently provided by the APHIS database. NOP used the evidence and available trade data to identify the importer who promptly replaced the individual stickers on each pepper and papered over the word “organic” on all bulk containers. In addition to providing evidence of the relabeling, the importer voluntarily shared that a similar shipment was on its way to Miami and would also be relabeled to remove organic claims. NOP is working with APHIS to expand this type of information sharing to other ports.

#### *Domestic Oversight*

We have made significant progress in protecting the integrity of organic imports. We are also overseeing and protecting the market here at home. The NOP resolves just under 500 inquiries and investigations every year. Eighty-five percent of these complaints relate to U.S.-based businesses. The NOP has also increased its coordination with the USDA OIG for criminal violations. This increases the penalties against the most serious violators who threaten to defraud legitimate organic businesspeople.

Recently, an OIG–NOP investigation delivered significant penalties for domestic fraud through the U.S. Attorney’s office. Five individuals pled guilty to conspiring to sell grain which was fraudulently marketed as organic in a scheme totaling \$140 million in sales. USDA is serious about enforcing a fair market for organic farms and businesses.

In the U.S. organic dairy sector, in 2018, USDA initiated a Dairy Compliance Project to better assess industry compliance with the USDA organic regulations, particularly with respect to the pasture standard. This initiative began with face-to-face training on pasture compliance for certifiers in January of 2018. This was followed by unannounced, on-the-ground visits by Federal auditors to assess both

certifier and operation compliance. The visits were conducted at dairies across the United States.

The visits confirmed that all the dairies visited were grazing their animals on pasture. Several correctable issues were identified, requiring action from operations. This work also resulted in targeted audits of certifiers based on their oversight of specific livestock operations. We will also be publishing training materials this summer to ensure that certifiers and operations have the same information needed to ensure compliance. Based on the 2018 results, we are expanding the Dairy Compliance Project in 2019 and visits are currently underway.

#### **2018 Farm Bill**

Congress provided us with additional tools for enforcement in the 2018 Farm Bill, which we continue to make progress toward fully implementing. Here are a few highlights of our implementation progress to date:

- Provisions requiring the Secretary to issue regulations to limit the type of operations that are excluded from organic certification, as well as requiring the use of import certificates, will be included in the Strengthening Organic Enforcement rulemaking that AMS was working on prior to passage of the 2018 Farm Bill. AMS expects to publish the proposed rule late this Fall.
- In May, AMS, CBP, and APHIS formed the Organic Agricultural Product Imports Interagency Working Group for coordination, reporting and information sharing related to organic imports and integrity. The first Working Group meeting was on June 27, 2019 and it will meet monthly.
- AMS recently entered into an inter-agency agreement with CBP and provided approximately \$700,000 to fund the development of an Organic Message Set in CBP's Automated Commercial Environment. This message set will automate NOP's Import Certificate to reduce paper processing and improve traceability and accountability for organic imports. Government personnel will be able to identify organic shipments that cannot be flagged through organic-specific Harmonized Tariff Schedule codes, of which there are only a few dozen. This will allow personnel to respond to fraud investigation requests more rapidly and perform preliminary analysis of risk with minimal reporting burden for partners.

#### **Conclusion**

Organic agriculture continues to provide economic opportunities for thousands of American farmers and ranchers. USDA is committed to supporting these farmers and ranchers by developing clear standards for organic operations and by promoting compliance through meaningful enforcement action. In doing so, USDA continues to ensure the organic seal maintains consumer confidence, so producers can benefit from growing consumer demand in both domestic and international markets.

Thank you. I am happy to answer any questions you may have.

The CHAIR. Thank you for that. Just note that the time is not working up here. I am sorry?

Ms. YEZAK. It is working here.

The CHAIR. Okay. How am I going to know when my colleagues are out of time?

Ms. YEZAK. With the red light.

The CHAIR. Oh, I have to look over there.

Ms. YEZAK. For now. They are working on it.

The CHAIR. That means I will have to stay focused, okay. I can't wander off in my head. Great. Okay. We are going to take a second to unplug and plug back up and see if that works.

[Recess.]

The CHAIR. Okay. We will begin and I will make a point of checking the light. Okay.

Under Secretary Ibach, thank you so much for being here, and this is a burgeoning area. People are enormously interested in this. Everyone wants to know what is happening in organics in all of our districts. I think that is part of the reason why we have the number of Members that are on this Subcommittee, particularly because of the organic component to it.

And I am glad to hear—one of the things I wanted you all to talk about is, if you could help me understand—just a moment—you said that the—your testimony focused on enforcement measures used to protect against fraudulent organic imports. I think that is important to protect consumer confidence, but it underscores the idea that our domestic production cannot keep up with demand. What is NOP doing to help grow domestic production?

Mr. IBACH. One of the most important things that we are doing to help spur domestic production is taking action against fraudulent imports. Domestic producers need to have a level playing field to be able to compete on, and when imports don't meet the same standards that are expected of our domestic producers, that creates that unfair playing field that they struggle with.

As we have seen the reduction in the number of certified operations outside the United States, we have seen growth within the United States as there are more opportunities provided to fill that gap.

The CHAIR. But now, if you are suspending certification, in some instances, of exporters, how will domestic supply chains be impacted by that? What percentage of that is exports that would cause a change to the supply chain?

Mr. IBACH. We are seeing a good response. Most of the imports coming in were feedgrains that were used in animal agriculture, organic animal agriculture. And we are seeing more producers across the country, especially in the Midwest, where some of them operate at scale that are embracing the opportunity and the margins that they see in the organic industry.

The CHAIR. Okay. I want to applaud the NOP's certification cost-share program for assisting producers in offsetting expenses related to organic certification. In my district, in the Virgin Islands, unfortunately, we have a low number of farmers that are certified as organic growers. In addition to the efforts under the cost-share program, what steps has the Department taken to increase technical assistance—outreach to increase organic certifications among small- or medium-sized farmers in areas that may not be as advanced in this?

Mr. IBACH. The cost-share program, as you know, in the last Administration, was transferred from AMS to FSA, Farm Service Agency, and producers now go into their local Farm Service Agency office to apply for those cost-share dollars. And but we are also working to be able to have materials available on the website, as well as through other avenues to increase producers' awareness of how to go about qualifying for certification.

The CHAIR. Is there a means for them to get physical assistance from a human being other than a pamphlet or website to support them, helping them walk through that? What would be the component of USDA that would assist them in doing that?

Mr. IBACH. Are you specifically asking about the cost-share program?

The CHAIR. No, other ways of getting technical support. Dr. Tucker is showing you something.

Mr. IBACH. Yes. The certifiers is their main responsibility to do that, and so, by making sure our certifiers are educated and they

have access to understanding where to approach them, they provide a lot of that educational opportunity.

The CHAIR. And how do we expand the number of certifiers that are available for people to get that assistance?

Mr. IBACH. Certifiers are a third-party system, and that is driven by market demand, and as we have more demand, we will see more certifiers.

The CHAIR. Okay. And my last question is, what is the status of the origin of livestock rule that was previously proposed by your agency? When can we expect your agency to issue a final rule on that one?

Mr. IBACH. We are also very interested in the origin of livestock rule. We have heard from a number of clients across the country that have their interest in that. We share the interest in completing the rulemaking process, and we are exploring the best options to get that done. We hope to have a rule drafted for inter-agency review yet this year.

The CHAIR. Okay. Great. Just one last thought is that the individuals who become certified are driven by the third-party certifiers. And I am wondering if there may be ways to try and incentivize them to go into areas where they haven't gone before or in markets that they have thought about or not as easy.

It is easy for a certifier to be in a place where there are already a bunch of certified growers, or even in urban areas. But to go to more remote places to expand that, I am wondering if there are ways that we can, both here in the House as well as your agency, support and create incentives for them to go in places where we haven't seen them before.

Mr. IBACH. We would definitely be interested in exploring that discussion and seeing what we could do to help enhance the availability of certifiers in areas that are deficient.

The CHAIR. Thank you. Thank you so much.

Mr. Dunn, the Ranking Member.

Mr. DUNN. Thank you, Madam Chair. Let me just say parenthetically, it would be pretty easy to incentivize people to go to the Virgin Islands for any reason.

Thank you also for being here, Under Secretary Ibach. I mentioned in my opening statement, the 2018 Farm Bill did provide the USDA with some additional authorities to assist with fraudulent imports and encourage cooperation with the Border Patrol. What are some of the new ways you are cooperating with the Border Patrol, and how did we help you with our farm bill?

Mr. IBACH. Yes. The farm bill very much provided some opportunities to increase our level of cooperation, not only with the Border Patrol, but we have also focused on increasing our cooperation within USDA. APHIS, which is the other agency in Marketing and Regulatory Program mission area, has access to a lot of data on imports coming in as they seek to ensure and protect U.S. agriculture from pest and disease.

We have paired not only APHIS with CBP, and have a working group working together, but we also have been able to invest some funds with CBP to be able to enhance their database and their electronic ability to be able to enter our organic certificates into that system.



Mr. DUNN. Excellent. I am happy to hear that.

Many farmers are faced with growing disease and environmental pressures, and yet, all too often, they lack the organic crop protection tools to meet the needs that these present to them. And often, breeding disease resistant cultivars will help, but in recent years, diseases like downy mildew evolve faster than the breeders can keep up.

However, there are new tools, such as gene editing that can enable plant breeders to quickly and precisely make edits to a plant's own genome, changes that could easily happen naturally, or through breeding processes, but require more time. This could help with disease resistance, drought tolerance, among other benefits.

Do you see certain sustainability minded applications such as these to potentially be consistent with the organic plant program?

Mr. IBACH. As the National Organic Standards Board set the rules originally, right now GMO or transgenics are not eligible to be in the organic program. But as you have mentioned, we have seen new technology evolve that includes gene editing that accomplishes things in shorter periods of time that can be done through a natural breeding process.

And there is the opportunity to open the discussion to consider whether it is appropriate for some of these new technologies that include gene editing to be eligible to be used to enhance organic production, and to have resistant varieties, drought resistant, disease resistant varieties as well as higher yielding varieties available.

Mr. DUNN. I appreciate your comments on that. Sometimes we are more afraid of science than we should be.

In your testimony, you highlighted a recent investigation in which five individuals pled guilty to conspiring to sell grain that was fraudulently marketed as organic. What are some of the ways that the National Organic Program exercises its enforcement capabilities, domestically and internationally?

Mr. IBACH. Internationally, one of the things that we utilize is data and statistics to analyze whether or not the imports coming in are realistic compared to the acres under production, and the yields that we should anticipate for those regions to be able to produce. And when those numbers look like they are not lining up, that gives us reason to pursue the certifiers and the farmers that are supplying those supply chains, and so, that is an important tool we use.

Domestically, we have opportunities, through auditing that we do, to be able to look and see whether or not we see weaknesses that we need to follow up on as we go through that.

Would you like to add anything to that, Dr. Tucker?

Dr. TUCKER. We use a variety of tools to enforce both domestically and internationally. Often, farmers that receive any kind of cease and desist or notice of warning very quickly come into compliance. We have also increased our collaboration with the Office of Inspector General to pursue cases where there is suspected criminal activity.

Mr. DUNN. Thank you very much. My time has expired. I want to thank you both again for coming today, and thank you, again, for having this hearing, Madam Chair.

The CHAIR. Thank you.

At this time I recognize Mr. Delgado, of New York, for his 5 minutes of questions.

Mr. DELGADO. Thank you, Madam Chair.

And thank you, Under Secretary.

According to the latest Census of Agriculture data, in my district, upstate New York, New York 19, there are nearly 5,000 farms. Of those, 96 percent are smaller family farms, but only about five percent farm organically. As families in my district and across the country struggle during this down farm economy, what outreach is the USDA doing to small- and medium-scale producers who could benefit from organic production to increase margins?

And I know you spoke earlier about the ways in which enforcing fraudulent imports has helped spur domestic production, but I am more interested in hearing about what we are doing within our borders to more target these areas and help facilitate our farmers who are struggling?

Mr. IBACH. I think that what we do to be able to ensure that consumers continue to have confidence in organic production when they go to the grocery store is important. I think that there are some rules and the procedures to be able to be certified. The 3 year conversion period is a hurdle to smaller farmers as they consider whether or not to transition to organic production.

I don't necessarily know that we want to change that. But I think that as they see market opportunities, they weigh the cost of conversion with the bonuses available to them, or the higher prices available to them, and they make individual decisions that we don't necessarily drive or control at USDA. But, as long as we have a strong program, we will provide opportunities for additional producers to enter the organic production cycle.

Mr. DELGADO. You mentioned weighing the cost of transitioning, and the burden that might go along with that process. Actually, not long ago, I was at a farm, a dairy farm in Hoosick Falls up in my district, the Sheffer's Grassland Dairy Farm.

And the gentleman decided around 2014, right before the dairy market really took a hit, he had a good year that year and said he was going to transition to organic. And he walked me through the numbers and the economics around that. We are talking hundreds of thousands of dollars to make that transition.

Has any thought been given, particularly now, post 2014, when the economy is even more difficult to think through how we can make it easier, transition wise, cost wise for our small-family, medium-size farms to make that transition, particularly if they see that on the other side of that transition, there could be real economic benefit?

Mr. IBACH. I think that that is part of the discussion area that the National Organic Standards Board considers as to what the rules for transition are and how any easing or changing of that rule affects the integrity of the overall program and the access to the marketplace, and whether or not there are ways to make that less time requirement or easier.

And at this point in time, we haven't seen a lot of support to lessen those standards that would provide a—less cost involved. But we do see more and more producers entering into organics each

year, six percent increase in production, 1,000 new farms. There are opportunities for producers that do want to make the transition to do that.

Mr. DELGADO. Just one more follow-up. You said there is not a lot of support for lessening the standards for transitioning. Can you just unpack that a little bit for me?

Mr. IBACH. Jennifer, would you like to be a little bit more specific there for me?

Dr. TUCKER. I think the organic standards need to be strong, which means there are a number of very specific steps that organic farms need to go through in order to transition. And there has not been interest in lessening the strictness of those transition standards. The U.S. has the high gold standard for organic standards and we want to uphold that.

Mr. DELGADO. Thank you.

The CHAIR. Thank you.

We are honored to have with us in the Subcommittee the Chairman of the full Committee, Mr. Collin Peterson. I will recognize him at this time if he has any questions, or anything he would like to state at this time.

**OPENING STATEMENT OF HON. COLLIN C. PETERSON, A  
REPRESENTATIVE IN CONGRESS FROM MINNESOTA**

Mr. PETERSON. Thank you. Thank you, Madam Chair.

I just have one question, or issue. Sorry I wasn't here earlier, you touched on that you are trying to crack down on these issues that are coming out of Turkey and Black Sea region and so forth, and I am glad to hear that.

Can you tell me, how did your staff handle these complaints when you have a suspected violation, and how do they ensure that the organic standards in those countries are actually being upheld when you have a specific situation like this?

Mr. IBACH. We are very much, part of our responsibility is to follow up on complaints or concerns that we are made aware of. We have auditors that go into the marketplace, whether it be a domestic or a foreign marketplace, to take a look at the certifiers, and, if we need to, into some of the farms that have been certified to be able to ensure that the rules of the National Organic Program are being followed. And so, it is through that process of audit and investigation that we are able to identify avenues and specific certifiers that aren't following our rules.

Mr. PETERSON. Well, for example, some of the dairies in my area are concerned that this feed coming in from Turkey is not organic. Do you actually go to a farm? Do you actually go to the producers and check it out, or do you just take somebody's word for it, how does that work?

Mr. IBACH. Our first avenue is through the certifiers to make sure that we audit them to know that their procedures that they are using to certify individual farmers are in compliance with our standards. But we also, if needed, will go to individual farms to do audits to verify what the certifiers are doing.

And as a result, we have seen 180 different farms that have dropped their certification in the Baltic region, or in the Black Sea region. And we have seen imports drop from that region from

where they were about ½ of all the imports of those commodities coming in a few years ago to where they are now only about 21 percent of the imports coming in. We have seen our enforcement result in a change in where commodities are coming from.

Mr. PETERSON. I take it that you have enough folks to be able to do what you need to do at this point. Do you think you are going have enough people, going forward, as we have an increased demand for organic, and an increase in the industry, are you going to have enough people to keep on top of this to make sure that this has integrity?

Mr. IBACH. Yes, that is a great question. And so, the monies that were provided to USDA organic program through the last farm bill gave us a lot of opportunities to try to gain some efficiencies. The cooperative relationship we have entered into with CBP is going to allow us to move away from a paper system to an electronic system.

And when we do that, we will be able to shift resources around. And at this time, we feel like we would have sufficient resources to be able to meet the current demands as well as what we expect demand for our resources and certifiers and auditors, auditors of the certifiers and farmers to be.

Mr. PETERSON. Well, thank you. I am glad, I hope that that is the case. And I would just say that my area, right now, other than the large-scale farms, the only folks that are actually making any money in dairy are the organic people.

And one of the reasons is it is a somewhat limited market, because it does cost a lot of money to get into it. We have to be careful that we don't want to make this so easy that it oversupplies and collapses that market like we have oversupplied the overall milk market.

I have some sympathy for people trying to get into this, but you would be better off to try to figure out how to give them resources to comply with the regulations than it would be to try to lower the regulations, in my opinion.

But anyway, thank you, Madam Chair. I yield back.

The CHAIR. Thank you very much.

We now call on Mr. Davis of Illinois, my very, very good friend, Rodney.

Mr. DAVIS. Thank you, Madam Chair. And I have not had the opportunity in this hearing room to congratulate you on ascending to the chair. It is a tremendous step up from the last guy who chaired this Subcommittee.

The CHAIR. Good things do happen in Congress.

Mr. DAVIS. Absolutely. Well, congratulations to you, Madam Chair, and to the Ranking Member, Mr. Dunn. This is a great Subcommittee to be a part of. And as somebody coming from the flatland of America, central Illinois, when I got here, I didn't expect to focus a lot of our efforts and my efforts on organic issues.

While my district is certainly not the salad bowl of America like my colleague, Mr. Panetta's, where organics seem to outnumber the small number of organic acreage I have in my district, the demand for organic products ironically is going to be driven by areas of this country that don't grow any food.

And more and more producers are going to look at organic demand and want to make that transition. My goal on this Committee, over the last 6½ years, has been to make sure that the organic certification label meets certain standards, because there is one thing that my organic producers, even though there aren't too many of them in central Illinois, they want to know that when they certify as organic, they are going to be able to ensure that the competition they have is going through that same strenuous, rigorous process.

Now, in the past 10 years, the organic industry and private stakeholders have advanced 20 consensus recommendations for improvements to the organic standards via the National Organic Standards Board. And these recommendations actually demonstrate some broad agreement across a diverse coalition that doesn't necessarily, as both of you know, they don't always agree with each other.

The USDA has not completed rulemaking on a single consensus recommendation. Recommendations that include proposals to strengthen organic seed usage, ensure consistency in transitioning dairy livestock, and set clear standards for greenhouse production.

Under Secretary Ibach, how will the USDA make proper changes to ensure that the industry-backed standards are going to be implemented and, as we have heard from my colleagues, enforced?

Mr. IBACH. That is a great question. I appreciate that question. As I previously mentioned, we are moving forward with the origin of livestock rulemaking process. We hope to be able to have a rule submitted for interagency input by the end of this year.

Mr. DAVIS. All right. What about the other 19?

Mr. IBACH. The other 19, so I agree that the—not only is it important for people that are producing through certified organic production means to know that there is a level playing field, but it is equally important for consumers to trust that when they go to the grocery store, they are buying a product that meets our standards as well.

And the National Organic Standards Board plays an important role in advising and making recommendations to USDA. We think it is an important role. We are looking forward to making some new appointments as terms expire this coming year, and we have over 60 applicants. And so, we are looking forward to be able to create a more diverse and organic standards board to be able to provide us input across the board.

Once they make the recommendation, we do take that recommendation seriously. We look at ways to address those concerns through avenues other than regulation, as well as consider whether or not that regulation is appropriate.

Mr. DAVIS. Under Secretary, I appreciate that. I appreciate more diversity within the organic standards board. I appreciate the USDA moving forward, but are there any specific dates or timelines that you might be able to share with us today about the implementation of any of the other issues?

I mean, you mentioned the dairy and livestock provisions, but like I said, we have 19 more that are consensus numbers. When are we going to move forward on the rest of them to ensure that we have the certification process?

Dr. Tucker, have you got any other information?

Dr. TUCKER. Sorry.

Mr. DAVIS. Our timers aren't working up here, which means I don't have to shut up either.

The CHAIR. Oh, no. I will shut you up.

Dr. TUCKER. One of the big steps the National Organic Program has done is move very quickly on national list rules, which are very important Board recommendations. The recent launch of the Organic Integrity Learning Center, which now has more than 1,000 users, that is a direct result of several recommendations from the Board that has been implemented and is already in wide use. The strengthening organic enforcement rule that was mentioned earlier will also implement several NOSB recommendations.

Mr. DAVIS. As my time has expired, just know that there is broad bipartisan consensus in making sure that we protect the organic certification process and the label for our farmers who have taken the risk to provide the food that is going to be in much more demand over the next decade.

Thank you, and I yield nothing back because I have no time.

The CHAIR. Thank you.

At this time, I would call on my colleague, Mr. Cox.

Mr. COX. Thank you so much, Madam Chair.

Secretary Ibach and Dr. Tucker, I represent California's 21st Congressional District, which is ostensibly the top agricultural district in the top agricultural state. And some of the things we grow there are blueberries, and particularly, organic blueberries.

And I understand the National Organic Program, the NOP, released a clarification memo regarding the legal requirements related to the 3 year transition period to be applied to container systems.

And there has been significant concern by organic growers in my district regarding the ambiguity of that memo, and so, it is imperative that the organic container growing industry be provided the proper guidance in order to maintain its long, sought-after organic certification.

And so, the NOP has consistently allowed for the certification of these organic systems as long as the certifier determines the system complies with the Organic Foods Production Act, the OFPA, and the USDA organic regulations.

The question is, does the NOP plan on releasing any additional material to help growers understand what is and what is not allowed? And second, how can growers be best informed about requirements for the site-specific conditions when creating their organic plans?

Mr. IBACH. As you know, when Congress passed the statutes that provided for the creation of the National Organic Program and the organic seal, the standards that we are implementing provide for a method of production, and how different herbicides, pesticides, and fertilizers are—which ones are eligible for use in those production.

It does provide the opportunity for container growing, for aquaponics growing, for hydroponics growing, for even soil-less growing, if they follow those standards as the rules have evolved at this point in time. And so, we are happy to look at all the dif-

ferent types of production that—and to try to help producers understand how to comply with the national organic standards.

People that have concerns about whether, and need, for clarification as to whether their production system meets those standards, we are happy to work with individually, if possible, or through their industry to help them understand where any compliance concerns might fall.

Mr. COX. Okay. That sounds good. We will follow up with you with respect to that.

And the second thing, on a different subject is that I have heard from a number of the California poultry growers about the challenges of being made whole after a disease outbreak. And in your role, you certainly oversee APHIS, which handles outbreaks of animal disease.

And these indemnity payments, which are key incentives to encourage the reporting of possible animal diseases, outbreaks, but the payment rates are derived from conventional livestock values. And are there any efforts underway to compensate organic producers in a, I would say, more equitable way?

Mr. IBACH. First of all, in the exotic Newcastle outbreak, we are on our fifth week now with no new detections. We are hoping that we have been effective in being able to stop that disease and to be able to work our way out of having to worry about indemnification as we move forward.

But, no, at this time we have not looked at ways to change those indemnification rules to include organic—a different valuation for animals that are produced organically. And we have the same problems when we come up against purebred livestock operations. We are hampered to be able to indemnify them at the levels that many of them feel that the value of their livestock is as well.

Mr. COX. How much time do we have?

The CHAIR. You have 1 minute.

Mr. COX. Yes. Naturally the cost of production is so much higher than a conventional system, and so, once again, the focus would be on a more equitable indemnity payment, and so whatever we can do to follow up to work on that would be most appreciated.

Mr. IBACH. Okay. I appreciate that. Thank you.

Mr. COX. Thank you. I yield back.

The CHAIR. Thank you.

Mr. LaMalfa, another California Member.

Mr. LAMALFA. Lots of us, huh? All right. Thank you, Madam Chair. I appreciate it. And working with my colleagues in California as well.

Anyway, welcome, Under Secretary Ibach and Dr. Tucker, today to the panel.

The issue of organics obviously is huge in our home state, Mr. Panetta has a salad bowl, as was deemed by Mr. Davis, who should know. I have the rice bowl up in my part of the state. I am a rice grower in my real life, and we have actually taken a shot at growing organic rice. And I will tell you it is, as you know, our Chairman mentioned, it is tough to get and achieve the organic certification. I certainly appreciate how that process is to go about.

And we need to protect that, not protectionism, but, at least, protect the integrity of that. One of the things I am curious about as

with implementation of the 2018 Farm Bill, additional funding for research was put in place, but I also want to ask you to touch on the import oversight, you kind of mentioned in your comments, too, and how important that is with maintaining what is coming into the country, and how that protects the people that are actually reaching that level. We have had a lot of difficulty with that.

But please touch first on the implementing of the additional funding in the 2018 Farm Bill for organic research and strengthening that market in this country. How has that gone so far with what you have been able to do with that funding?

Mr. IBACH. We are working hard through, not only rulemaking that we had in process prior to the passage of the farm bill to be able to incorporate some expectations that were in the farm bill into those rules, to be able to have some of those moving forward yet this fall.

But we also have been able to invest the resources that were provided in the farm bill to greater cooperation between USDA and Homeland Security, through Customs and Border Protection, to be able to invest money in an electronic system to be able to track imports better. We also have brought to the table APHIS, which can complement that and provide additional insight as they oversee imports coming into the country.

And then we also have—

Mr. LAMALFA. Let me back up, please, on the research a little bit more. Are the effects of these new dollars being felt in any 2019 research, the crops that they are growing there, or is it a little more 2020?

Mr. IBACH. Because of the timeframe with which the farm bill was passed, we probably don't have research projects in place this year in 2019 growing season. But we do have is, we have been able to enhance research into market prices and price reporting. And we have expanded the number of organic crops that we are tracking, so producers can have an idea of what the value of their crops are. We are currently conducting market research on about 220 different organic products.

Mr. LAMALFA. Okay. Thank you. And you were—I am sorry, you were in the middle also on the imports, the electronic import certificates having been implemented and the tracking system for those. How well is that working? What is the feedback you are getting from domestic producers on how that is—the fairness on that? How is that looking?

Mr. IBACH. Actually, I think that this will take a very much paper-driven system and turn it into more of an electronic system. And for a lot of producers, the responsibilities of moving paper around is a challenge. It is also a challenge sometimes to interact with an electronic system as well, but it will actually bring more coordination between the organic program, auditors, the certifiers for domestic enforcement as well as for international enforcement.

Mr. LAMALFA. How reliable is that system so far as where timing is always important, you are pushing paper, and the electronic method should be much more helpful in marketing, which when you are talking perishables in a lot of cases is extremely important?

Mr. IBACH. I will invite Dr. Tucker to answer that question.



Dr. TUCKER. We have provided funding to Customs and Border Protection to construct the import certificate. That development work will be done this fall, and then into the spring, so we will be piloting a new system in the spring. But it takes time to program that organic import certificate into the system.

Mr. LAMALFA. Okay. All right. Thank you. My time has expired. Thank you, Madam Chair.

The CHAIR. Thank you.

Now for Ms. Schrier of Washington.

Ms. SCHRIER. Thank you, Madam Chair.

First of all, I would like to echo some of the comments from my colleague, Mr. Davis, about the livestock rules. And I have an article to submit for the record from Ryan Mensonides, an organic dairy farmer from my district, discussing the importance of finalizing the USDA's origin of livestock rule.

The CHAIR. So ordered. Without objection.

[The article referred to is located on p. 35.]

Ms. SCHRIER. Thank you.

So the absence of this final rule, as expressed by Mr. Davis, has allowed other interpretations and an unfair playing field for organic dairy farmers, particularly smaller farmers. In the face of this disadvantage, Washington producers face economic hardship to the degree that failure to promptly move forward on rulemaking will mean the failure of these businesses.

In fact, I have been told by more than one organic dairy farmer that their family farm may not be around in 2 years if this rule isn't finalized. I want to thank you, first of all, for expressing that this rule should be finalized then by the end of this year. Am I understanding that correctly?

Mr. IBACH. It won't be finalized. We will be having a rule for public comment moving forward, as well as for interagency comment.

Ms. SCHRIER. And how long are those comment periods?

Mr. IBACH. Since this rule was, I might have Dr. Tucker be more specific on that, but since it was moving forward, the comment periods will be less than if we were just starting the rulemaking process.

But Dr. Tucker, would you be more specific?

Dr. TUCKER. Yes. We are exploring the best way that this rule could be done correctly and as expeditiously as possible. There was a lot of support for the 2015 proposed rule that was published. Clearly, that is a strong starting point for the rule.

Ms. SCHRIER. Thank you very much. I wanted to just reiterate that there is a lot of concern in Washington State about that.

I have another question, or comment, that the Washington State Department of Agriculture administers the cost-share program for all organic operations in Washington State, including those certified by other agencies. And cost-share removes a barrier to entry for certification. We have already been hearing how important that is and how difficult it is to get that certification, particularly for small operations by lowering the cost of certification.

While the farm bill authorized increased and continued funding for this program, the agency now responsible for its distribution, the FSA, the Farm Service Agency, has not issued formal author-

ization to allow our state and other agencies to move forward on the distribution of funds. And this delay puts our state on a very tight timeline to respond to over 1,000 applications from businesses that have applied for the program before the end of the first cycle.

Gains will be lost if we can't start disbursing these funds to the businesses that depend on them. Because these are critical to small- and medium-size organic growers in our state, I wondered if you could provide an update on the timing for this authorization.

Mr. IBACH. I probably am not able to provide an update to you today on this. I will take your concerns about this back to Under Secretary Northey, as that is his mission area, and we will work to be able to get a response back to you to your question.

Ms. SCHRIER. Thank you.

I wanted to also reiterate our Chairman's comments about not relaxing organic standards, but doing whatever we can to support, especially small- and medium-size farmers to adopt healthy soil practices, organic practices, because the intent is there, but if they can't practically do it because of the cost, I consider that the job of the USDA.

And I would say the same for just—I don't think that the free markets should be the only thing that drives organic farmers to pursue organic farming. I think that we all have a vested interest in this for the health of ourselves, our kids, our planet. And so, I would love to see more of a push than just a free hand there.

And then last, I have no idea how much time I have left here, so I will just keep going until I am told to stop.

The CHAIR. You have 1 minute left.

Ms. SCHRIER. Great. The organic farmers in my district—and, frankly, we have 300 crops in the State of Washington, lots of specialty crops, and they are hurting because of the lack of research right now, and this includes organic and non-organic farmers. We are faced with a changing climate.

And I am hearing on a regular basis about how frustrating it is to be smart and science-oriented, and yet, not have the support of USDA ARS researchers there to collaborate with researchers at Washington State University.

And so, I just wanted to light a fire here to say we really need people in Washington State, and there is no way we are unique here, that we need to be doubling down on science and not gutting science in the USDA. Do you have a comment on that?

Mr. IBACH. I appreciate those comments, and we do value science and research and being able to equip farmers with the ability to have the latest and greatest in technology as well as production practices. I will take your interest in research, and especially research that helps Washington farmers back and share that with Deputy Under Secretary Hutchins.

Ms. SCHRIER. Thank you.

The CHAIR. Thank you. Your time has expired.

Mrs. Hartzler from Missouri. Thank you.

Mrs. HARTZLER. Thank you, Madam Chair, and thank you for being here today.

I wanted to follow up on your testimony, Mr. Ibach, and about the farm bill. And in there, you mentioned that the organic agri-

culture product imports interagency working group—that is a mouthful.

Mr. IBACH. Yes.

Mrs. HARTZLER. But anyway, they had a meeting on June 27, and that they will continue to meet monthly. I was wondering if you could elaborate on that a little bit, and what do you expect to be the most important outcomes of these monthly meetings, and why are they important?

Mr. IBACH. This is going to be a great task force that will be able to identify lots of opportunities to work together, to move forward and bring efficiencies to our system. I would invite Dr. Tucker, again, to maybe expand on what she expects some of the main outcomes to be from that working group.

Mrs. HARTZLER. Thank you.

Dr. TUCKER. The working group has convened, and we are looking forward to meeting monthly. We are coordinating on a number of projects already underway, such as the import certificate project. We have also been talking about how to integrate both NOP, but also the broader AMS staff into the commercial targeting center. This is a risk-based program that CBP oversees that we think that could be an important area of synergy.

Organic represents an interesting case study for a lot of trade-related questions, and so we hope to help the Office of Trade in exploring their projects as they modernize the Office of Trade procedures, and we talked about ways of doing that. I am looking forward to pursuing joint risk-based approaches that will benefit both agencies.

Mrs. HARTZLER. Very good. Well, I think that will be very important to collaborate, and I am glad that you are underway and working on that.

The last question deals with the issue that we highlighted, that the Chairman talked about, as well as the decrease in the amount of imports for organics because of better enforcement, which I applaud. It is very important for the integrity of our system as things, American farms that are buying ag imports, that they think are organic, that they really are.

But that shortfall, and you mentioned a 60 percent decrease from the Black Sea area, does cause some concerns. Some producers are struggling to meet their demands for perhaps raising organic livestock, organic dairy products, or whatever, if they do not have the organic grain that they had purchased in the past from other countries. What is being done to try to address the shortfall that perhaps some of our livestock procedures are facing?

Mr. IBACH. There are several things that we have seen happening in the marketplace because of the decrease in imports from the Black Sea area. One of those things is we have seen other production areas around the world that have sought to fill that opportunity that has been created. And so that, of course, though, creates challenges for us to make sure that organic standards are being upheld in other countries around the world. And South America is one of those areas that have seen the opportunity and looked to take advantage of that opportunity.

But, we also have seen, especially in the Midwest, more interest in farmers of scale that are entering organic corn and soybean pro-

duction industry that also have the ability to produce and provide a lot of feedstuffs into the organic livestock industry. And that is encouraging, too; because, one of the things that organic buyers not only like besides the fact that it is organic, they like it when it is grown in their neighborhood or locally.

Mrs. HARTZLER. Sure.

Mr. IBACH. They like it when the feedstuffs are produced locally as well, so it makes for a better product.

Mrs. HARTZLER. I have a minute left. Can you just remind all of us, again, and kind of review what it takes to be—say if you are going to switch and start growing organic corn, or soybeans? Isn't it a 3 year process with the land or rice?

Mr. IBACH. There is a 3 year transition process where you have to produce just like you were producing during—and once you are certified. And so those 3 years, you have the impact of organic production, which might include decreased yields, but you don't have the ability to take advantage of the increased prices. And so, it is a transition that is a challenge for producers, and maybe is one of the reasons why we don't see more producers entering the organic marketplace.

Mrs. HARTZLER. Thank you very much. I yield back.

The CHAIR. Thank you for those questions, and definitely for the last one to really explain and talk about what some of the impediments and rice. You wanted to thank her for throwing rice in there as well? Okay.

And now, someone who has been a real champion of the organic space for quite a number of years, Ms. Pingree of Maine.

Ms. PINGREE. Thank you very much. Thank you to the Chair and Ranking Member for holding this hearing, and to so many of the Members for turning out. It shows the increased interest in, and our Members understanding that there are real opportunities in their districts for organic farmers.

I come from Maine, and I am a certified organic farmer myself, have been for many years, and we have seen organic sales in Maine really grow tremendously from 2012 to 2017. It is gone from \$36 million to \$60 million in our products. It has just been a huge opportunity for farmers. It is a challenging transition, but all of them find it well worth it.

And as the Chairman said earlier, the only farmers making money in his district right now are the organic farmers because the price point is so driven. Everything that the USDA can do to support that transition has been, and is, critically important. It has been something I have suggested to the Department year after year after year for the 10 years I have been here, and now it is even more striking.

And having this crackdown on organic imports is very helpful to American farmers, because it really does make sure that there is more fairness in the marketplace. And I can't emphasize enough, and I know everyone has been talking about that too, that that is really critically important, so thank you for moving forward on that and recognizing the importance of that area.

But I can't emphasize enough that organic research, cost-share, all the support things, technical assistance, it is part of what has made a big difference in Maine. We are a real focus of organic agri-

culture, and part of that is because we have the oldest organic farming organization in the country. And they have been a real vehicle for apprenticeship programs, journey person programs, support systems, technical assistance for farmers. And it has made a lot of difference because it is expensive, but you also need assistance along the way.

I need to speak to the organic livestock rules. Several other colleagues have brought it up, and I am just going to be clear. It is completely unacceptable that you are going to suggest that we are going to have a proposed rule this year. We had a proposed rule in 2015, and Dr. Tucker said there was a lot of support for it. I discussed this with Secretary Perdue at an appropriations hearing earlier this year, and he said to me, "Well, there are some opinions on either side."

No, there are not a lot of opinions on either side. This is a real consensus item. And as you have heard some of my colleagues talk about, organic dairy farmers are really challenged by not having this rule, and by people basically breaking what should be a rule.

I would just like to suggest there should be a final rule this year. There shouldn't be a proposed rule, and I do not understand why you are suggesting that there would be. I don't know that we can resolve that today, but I would ask the Chair and the Ranking Member of this Committee to lend their support as a Committee to getting a final rule out as soon as possible. It is just, I don't know what to say. It is unacceptable. It needs to happen, and you have put a lot of farmers at a severe disadvantage. There isn't a lot of difference of agreement.

Just to be completely clear to people, this is the difference between raising a calf with non-organic standards, and then being allowed to put them into your herd where under the rule, and what organic farmers do, is they raise them organically until they are milking, and they bear those costs. They see that as cheating the dairy system and a real financial advantage to the people who don't play by what should be the rules.

It is not that complicated, and there is a lot of consensus about it. In the comments that have come in, they were virtually all in favor of the proposed rule of 2015. This is 2019. I just don't see any gray area here. I just can't say enough about that.

I want to follow up also on what Mr. Davis talked about, and that is the sort of the consensus rules that come before you. He mentioned that there are 20 of them. And just to be clear again, the organic label is a voluntary standard. When you have farmers coming to you and saying we want rulemaking on this system to make sure that there is integrity in the system and we can make money, why does it take so long for you to come to an agreement? Can you give me a little bit of the detail?

I only have a minute left, but what happens in the Department's process? The NOSB comes to you with a recommendation. Does the Department act to issue guidance or rulemaking within a specific time period? Do you have any standards? And how long is your standard for something to become a final rule?

Mr. IBACH. First, maybe to address the final rule issue at the dairy program. We are looking to be able to move that forward as quickly as possible. There is some issue because it was from 2015

whether or not we do have to take a few comments to be able to move that forward and get through the process and meet the expectations legally that we have to do. But we are looking to move that forward as quickly and as legally as we can. We appreciate those comments, and I hope you appreciate the fact that I am sincere in that.

As far as recommendations from the National Organic Standards Board, as I shared before, we take those recommendations seriously at USDA. We take a look at them to see whether or not there are ways that we can implement them into other rulemakings that are in process, other standards that we set, and there are a number of different ways other than just going through rulemaking to be able to implement those recommendations, and we do that on a number of levels.

Ms. PINGREE. I am out of time, but thank you very much for saying that you are going to shorten this process. And I am going to follow up with you, and I am anxious to know what you legally have to comply with, and how quickly you can get this final rule out the door. It is just critically important, and I hope the Committee will support the importance of that.

Mr. IBACH. We will be happy to give you that information.

The CHAIR. Under Secretary, when you were talking about the 2015 rules and my colleague stating that the comments were almost uniformly in one way, do you know what the percentage of breakdowns of those who were for the proposed rule and the percentage of those in comments who opposed it, or had difficulty with it?

Mr. IBACH. Since that dates back to 2015, I will be happy to let Dr. Tucker try to see if she has an answer for that.

The CHAIR. Do you have an answer, or do you need to get that information to me?

Dr. TUCKER. The comments were supportive of the rule. Many of them had comments on minor provisions or consider that or consider this, but the vast majority were supportive of the rule.

The CHAIR. Okay. When you say consider that or consider this, were those a large number of people who were saying can you consider that or consider this or—

Dr. TUCKER. I believe it was about a little over 1,000 comments. We can get the specifics for you.

The CHAIR. I would appreciate that. Thank you very much.

And waiting very patiently, my good colleague, Mr. Thompson, of Pennsylvania. Thank you.

Mr. THOMPSON. Thanks, Madam Chair, Ranking Member, for this hearing.

Under Secretary Ibach, Dr. Tucker, good to see you. Thanks for your leadership and your service as always. My first question really has, I have talked with some folks in Pennsylvania. Pennsylvania is the second largest for organics when you adjust it for population, California being number one. Considering there is three to four times the population in California, we are actually number one per capita. It is what you eat that makes all the difference, Doug. This is an extremely important hearing for the Keystone State, and for the agriculture industry as a whole.

I have heard from some of my folks from Bell and Evans and others who are involved in the poultry industry have a great organic line. But I have heard from poultry producers that provide those birds the difficulty of getting organic soybeans as feed. Can you give me some idea what the status is? Where are we at right now in terms on that issue?

Mr. IBACH. I don't know that I can answer the specific questions about quantities and anticipated quantities of organic soybeans. I think part of this is a result of our enforcement activities in the Black Sea region that reduced our opportunities to import those, but I would be happy to do a little bit of research.

Mr. THOMPSON. And they shared your concerns, actually. They very much identified things, not necessarily from the Black Sea, but maybe somebody that comes into this country and lives on the East Coast, goes around to the West Coast. West Coast, East Coast, and all of a sudden it is organic, so it shows up in a labeling prospect, and so, that seems to be a challenge.

And regarding our number one industry, obviously, agriculture is our number one industry in Pennsylvania. Our number one commodity is dairy. And regarding the dairy compliance project, can you describe some of the correctable issues that were found and what actions were taken by producers in the Department? Do you expect these farm visits to continue beyond 2019?

Mr. IBACH. Yes. Over the past year, we have conducted a number of unannounced visits to dairies across the country to assess both the certifier compliance and the operational compliance of these dairies. We focused closely on the pasture standard to make sure that they are adhering to those expectations within the organic standard.

We were encouraged by the visits in those inspections that we made. While there is some opportunity for additional certifier training, most of the operations were, for the most part, in compliance with the expectations. I think that shows that producers do try to adhere to the rules. We are continuing to move forward with unannounced inspections this year. And so I think that is an important tool, not only to help ensure compliance, but dispel concerns about compliance across the nation.

Mr. THOMPSON. Well, thank you for that. Industry collaborates with stakeholders to develop recommendations to the organic standards for deliberation at the National Organics Standards Board, obviously. Having clear standards in the transition of dairy livestock is certainly both important and a pretty high hurdle to reach. Can you walk us through the Department's process after the NOSB provides the National Organic Program with a recommendation?

Mr. IBACH. Since this question keeps coming up, I will have Dr. Tucker address that in detail.

Dr. TUCKER. Good morning. We take the Board's recommendations very seriously, and it is important to say a large majority of recommendations provided by the Board have been acted on by the USDA. And as stated earlier, it is not always through rulemaking. There are many different ways to implement different recommendations.

A recent example is on inspector training and qualifications that the Board has spent significant effort on and that has translated into the learning center, as well as other materials that we use to communicate with certifiers about staff qualifications and training.

The Board's input is very valuable in advising the USDA, and we look for many different ways to implement those recommendations. Once we get a recommendation, we evaluate the best way to move forward with it, be it rulemaking or guidance or training or some other mechanism. For anything related to guidance or rulemaking, it also goes through public comment. The national list rulemaking is our most common way of implementing Board recommendations through rulemaking, and so there is public comment that happens. We strive to have national list rules published within 18 months of a board recommendation. That is much faster than previous rules.

Mr. THOMPSON. Thank you, Madam Chair.

The CHAIR. Thank you. Thank you for that.

Mr. Lawson from Florida, your 5 minutes.

Mr. LAWSON. Thank you, Madam Chair, and Ranking Member Dunn, and I would like to welcome Mr. Ibach and Dr. Tucker to this Committee. It is a very important Committee.

Under Secretary, enforcement, you talk about enforcement and inspection are critical for maintaining the livelihood of organic farmers, such as organic dairy farmers in my district. Can you provide an update on the April 2015 proposed rule to clarify dairy animals can only be transitioned into dairy production once?

Mr. IBACH. That is the rule that Congressman Pingree was also questioning about, and that is the rule that we are looking for the opportunity to be able to move that rule forward as quickly as possible through this late summer and fall.

Mr. LAWSON. Okay. Now, since there is over \$50 billion, as you said, Madam Chair, in domestic organic sales in 2018, I am impressed by the growth of the national organic market. This question is for both of you, Under Secretary, and Deputy Administrator Tucker: what opportunities or program exists to assist minority farmers, ranchers, and agribusiness to establish a footing in the growing organic market?

Mr. IBACH. Not only do our programs to assist transition apply to and are available to all producers, but we do have an office in USDA that works to target minority farmers and provide them special assistance. And so, if you have farmers that you are interested in having access to that, we would be happy to help you connect them.

Mr. LAWSON. Okay. And Dr. Tucker?

Dr. TUCKER. Yes. I would highlight the materials that we have. We have farmers talking to farmers about organic certification. Those are resources that are used by our partners as well as USDA directly. Farmers who are interested in transitioning to organic will learn the most by talking to other farmers. We focused on providing tools that enable that conversation.

Mr. LAWSON. Okay. Thank you. My district is no stranger to adverse farming conditions, and I think that Mr. Dunn over there can attest to it for the need of crop insurance. How is the National Organic Program ensuring that information about organic standards



and organic practices get into the hands of risk management agencies, crop insurance agencies, and adjusters and farmers?

Mr. IBACH. I will let Dr. Tucker answer that a little bit more in detail, but I will just say that one of the focuses that Secretary Perdue has had since becoming Secretary and the instruction to us as Under Secretaries is to increase our coordination wherever possible, to work with each other, to communicate across our mission area lines, to be able to have an approach, a one USDA approach.

As a farmer myself, I always expected when I asked the USDA office a question in my county, the FSA office, I always expected to be able to get an answer from the person I was asking, rather than be told I have to go three doors down or call this number somewhere else. And so, we are really working hard to be able to coordinate and be able to provide answers across our mission areas and to have information flow across our mission areas.

Mr. LAWSON. Dr. Tucker?

Dr. TUCKER. I would say that data is absolutely critical for that form of cross collaboration and decision-making. One of the actions we have been focusing on is more and better data into the organic integrity database, which provides a much better picture of what is happening among organic producers that can inform decision making across different agencies.

Mr. LAWSON. Okay. With that, I yield back, Madam Chair.

The CHAIR. Thank you very much.

And Mr. Baird of Indiana, thank you for being here, and you have 5 minutes to ask questions.

Mr. BAIRD. Thank you, Madam Chair, and Ranking Member Dunn. In Indiana, in my Fourth Congressional District, we have over 100 certified organic operations, and these run the gamut from smaller operations like Coonrod Family Farms to Frito-Lay. Mr. Ibach, the question I have, does the NOP work with the stakeholders to develop standards for organic farming?

Mr. IBACH. Actually, the National Organic Standards Board, as well as the statutes that Congress has passed are both informative to USDA's National Organic Program as they establish standards and modify those standards and evaluate new tools and new production methods as to how they would fit into an organic production and certification program.

There are many ways that we work together, and definitely producer input is always a valuable part of that as well.

Mr. BAIRD. Thank you. One more question for you. The organic field crop acreage in Indiana has increased by 30 percent between 2016 and 2018. And to help keep pace, Purdue extension has begun hosting an organic ag series to help farmers with planting and marketing organic crops. Mr. Ibach, as a public-private partnership, does the NOP work with extension programs such as Purdue University, and if so, to what extent does this collaboration take place?

Mr. IBACH. Definitely, the USDA has arms, especially within research, education, and extension to be able to extend knowledge through extension to farmers and ranchers about USDA programs. In the farm bill, there was mandatory money included in that for the Organic Agriculture Research and Extension Initiative that we are implementing at this time that will provide even more opportu-

nities for Deputy Under Secretary Hutchins and his mission area to be able to work through extension with farmers.

Mr. BAIRD. Thank you.

Dr. TUCKER, do you have anything you would like to add to either one of those questions?

Dr. TUCKER. We are closely connected with NRCS. They have wonderful outreach programs to farmers. We stay tightly connected with what they are communicating about organic, and we communicate on a staff level frequently.

Mr. BAIRD. Thank you. I yield back my time.

The CHAIR. Thank you.

Bringing up the rear now will be Mr. Panetta who will, of course, tell us that his district in California is the number one organic grower, but we always remind him that it is number two per capita, so we try and bring him back down to size.

Five minutes. It is all yours, sir.

Mr. PANETTA. Thank you, Madam Chair. It is nice that your reputation precedes you up here on the dais. But thank you very much, Madam Chair, for this opportunity, and obviously, thank you to Under Secretary Ibach and Dr. Tucker for being here, as well as your preparation for being here today.

It is nice that people know exactly where I come from——

The CHAIR. Here we go. Here we go.

Mr. PANETTA.—in regards to being the Salad Bowl of the world, which is the fifth in the nation for organic production with 471 certified organic operations. We do have a lot of organics. We have a lot of conventional. We have a lot of salad. We have a lot of berries. You name it——

The CHAIR. You guys just have a lot.

Mr. PANETTA.—we grow it. Exactly. Exactly. But obviously, these types of hearings are very important, not just to me, but obviously to my constituency, conventional and organic. And so today, obviously we have talked about a number of things focusing on organic, and we are fortunate enough, and I was fortunate enough to be part of this Committee last term in which we, actually on a bipartisan basis, there were a couple of bumps in the road, but eventually got a farm bill that was fairly bipartisan.

And one of the important aspects of that farm bill was \$5 million in mandatory funding for the Organic Production and Market Data Initiatives. Obviously, it facilitates the collection and distribution of organic market information, including data on production handling, distribution, retail, consumer, and consumer purchasing patterns.

My question to you, Under Secretary, is how do you plan to ensure that the funds that are utilized can best assist organic producers that need that type of robust data on farm gate price reports and other key data to help them with the planning?

Mr. IBACH. You are correct, and thank you very much for the investment in the organic program in USDA of the \$5 million. Of that, AMS received \$3.5 million. The rest of that went to ERS and NASS to be able to enhance their activities as well. This is going to allow AMS *Market News* to expand our organic market price reporting services. We are also boosting outreach to reporters and industry contacts to increase the products and the markets covered, as well as a number of other key contacts in the organic sector.

This has allowed us to do market research and price reporting on nearly 220 organic products now. And you know, whether you are an organic farmer or a cow-calf producer in central Nebraska, USDA AMS *Market News* plays an important role in helping you understand what the value of your production is worth and help you be able to make sure you are seeking a fair price for the products you produce on your farm.

It is one of the programs that is within my mission area that I am probably the most proud of, the tool that gives to every kind of a farmer across our nation.

Mr. PANETTA. Outstanding. Thank you. Thank you.

Now, there are some gaps, and we know that, especially when it comes to organic acreage and transnational acreage in the both the organic integrity database as well as the National Agricultural Statistics Service organic survey data. You know the impact that these gaps can have on the organic community and the NOP's ability to detect and deter fraud domestically and internationally. How can the NOP ensure that accurate acreage data is collected and reported by organic certifiers?

Mr. IBACH. I think that we definitely have enough certifiers to be able to help us in that, and working together with them and building strong relationships to help them, encourage them to provide us accurate information is important. But there is also back channels, or cross channels, that we can use to verify that the data coming in looks like it is correct and accurate, and if we see discrepancies between production and what the statistics show us, we can follow up on that.

The Black Sea region was a great example of that where we looked at the acreage that was being reported, is in production organically, we looked at the number of bushels that were being offered to the markets organically, and we saw that the organic production was going to have to meet or exceed conventional crop production yields in that area.

We knew there was a problem to go back and check on, and that gave us an indication to go to our certifiers and to go to the farms that they were certifying to identify where the problems were.

As I have said in the past, that has resulted in about 180 producers giving up their certification and no longer being part of the U.S. organic standards program. It also has seen imports from that region decrease significantly.

Mr. PANETTA. Great. Thank you. Thank you.

Thank you, Madam Chair.

The CHAIR. Thank you. You just talked about that. I know that your website says that there are 80 certifying agents that are currently part of the USDA, 48 based in the U.S., 32 are based in foreign countries. My district, the Virgin Islands' producers want to enter the market, but we need to make sure that the small-scale producers have an opportunity to play in an equal playing field. Given the differences in size and geographic locations, how do we maintain the consistency between certifiers? How do you insure that that doesn't happen? How does USDA work to ensure that certifiers are interpreting organic standards uniformly by giving fair and consistent rules across the industry?

Mr. IBACH. Education and enforcement are two tools that are key there. One is to be able to communicate with certifiers, make sure that there are materials out there for them to have access to, to make sure that they are doing the best they can to enforce—to do what we expect them to do as certifiers. It is also our job, through the audit process, to then follow up, and as we audit those certifiers, to make sure that they are following our rules and meeting our expectations and applying them in a consistent and fair manner as well. And so, those two go together to help us ensure success.

The CHAIR. As in the case of the Black Sea, the producers were decertified, but was there fraud or activity going on with the certifiers?

Mr. IBACH. We also decertified a certifier in that area.

The CHAIR. Okay.

Mr. IBACH. And there has been other places, not only in the Black Sea, but in other parts of the world, that we decertified certifiers when we found that they didn't meet our expectations, just like we take the same actions against domestic certifiers if we don't think that they have—are consistently and correctly applying our standards.

The CHAIR. Thank you.

And another Californian, Mr. Carbajal, for your 5 minutes.

Mr. CARBAJAL. Thank you, Madam Chair. And usually, Representative Panetta and I have a little bit of banter as to who on the Central Coast is better, but today, I will tell you, we are united, united in our message from California.

Under Secretary Ibach and Dr. Tucker, thank you both for your time before our Committee and your leadership to support the National Organic Program.

My district, located on the Central Coast of California, is home to almost 300 organic operations, ranking it as one of the top five districts in California and one of the top 25 districts within the United States. The organic industry has proven to be an economic driver in my district and in the United States.

Organic oversight and enforcement measures that are used to protect against fraudulent organic imports are important to the Central Coast farmers and businesses who consistently meet the highest standards for organic products and for consumers who deserve to know that all products on grocery store shelves labeled USDA organic adhere consistently to those high standards.

USDA research has been vital to the growth and the development of this multi-billion-dollar organic sector. How will the relocation of NIFA and ERS to Kansas City impact the ability of these agencies to provide NOP with information and input on organic priorities?

Mr. IBACH. I think that USDA has a long history of having offices spread across the United States that communicate with each other. Within my mission area, I have hubs in Raleigh as well as in Fort Collins and major employee concentrations in towns and cities in a number of states, and we are able to work together and share information and run effective programs by being in diverse locations. I feel like we will be able to continue to do that as we have offices located in new places across the United States as well.

I also appreciate the fact that your producers appreciate what we do to ensure compliance and equivalency around the world. And that has been another one of the areas that we have been focused on in the last couple of years is trying to not only seek organic equivalence in marketplaces like Great Britain and Europe for U.S. organic production, but also set an expectation on Mexico to seek equivalence with us so that those products that move across the border in southern California are meeting the same standards that the California producers are held to.

Mr. CARBAJAL. Thank you very much. In terms of this geographic location issue, do you have some metrics that you are going to be able to evaluate to ensure that effectiveness is not compromised in any way? I mean, it is good to say that geography is not going to affect how we operate and how effective we are, but unless there is some metrics to assess that, I am not sure that that will be the case.

Mr. IBACH. Well, I can assure you that the Secretary is a big fan of metrics and tracking our progress and how we evaluate our programs. I have no doubt in my mind that he will have a way to hold us as Under Secretaries accountable for the actions of our mission area.

Mr. CARBAJAL. Thank you. And again, for the record, the Central Coast is alive and present today.

Madam Chair, I yield back.

The CHAIR. Thank you. I don't know if my Ranking Member has any closing remarks that he would like to make.

Mr. DUNN. Just to say thank you very much to the Assistant Secretary, or Under Secretary, I am sorry, and Dr. Tucker for your time today. You have been very illuminating and cooperative. We appreciate you.

The CHAIR. Thank you. First, some housekeeping. Let's see where it is here. Under the Rules of the Committee, the record of today's hearing will remain open for 10 calendar days to receive additional material and supplementary written responses from the witness to any of the questions posed by a Member.

Just some closing thoughts that I had. As you can see, there is a strong bipartisan support for protecting the integrity of the organic seal. And I am so glad to hear about the progress that NOP has made on enforcement with new authorities, and I look forward to future updates, specifically on your rulemaking.

As expressed by my colleagues here, we have great concern as to this being prolonged. We would love for the process to be sped up some so that there can be more certainty in what the rules are. Collaboration between Congress and USDA is critical to ensure consumer confidence and for farmers to be successful.

And I am appreciative of your willingness to work in finding ways to allow new entrants and those who may have had difficulty in coming into the organic space, whether that be because of the size, the distance, or even farmers that we have not—Mr. Lawson talked about African American farmers which at one time, were such a large part of the farming community and have diminished tremendously over time. The impediments that keep people out of the organics are something that we would love to be able to work on.

And, just because I am the Chair and I can do this, I want to invite you. The Virgin Islands is my district and will be having a farm tour in late August, where we will be going around to different farms in the Virgin Islands, both on St. Croix as well as St. Thomas, and we are inviting a large collaboration of people to see our farmers and then to have meals with them in the evening to really talk with them and assist them in breaking some of those impediments that they have had. And the Committee is also going to be coming to the Virgin Islands in February, which is probably the time that most people want to come for our agricultural fair.

Thank you, again, to you, Under Secretary, and, of course, to Dr. Tucker, for the work that you are doing and your continued support of this area, and know that the Members of this Subcommittee really do want to work with you and provide as much support as possible.

This hearing of the Subcommittee on Biotechnology, Horticulture, and Research is adjourned.

[Whereupon, at 11:46 a.m., the Subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED LETTER BY HON. TJ COX, A REPRESENTATIVE IN CONGRESS FROM CALIFORNIA; ON BEHALF OF ROBERT HAWK, PRESIDENT AND CHIEF EXECUTIVE OFFICER, MUNGER COMPANIES

July 17, 2019

*On behalf of Munger Farms, I submit the following comment for the record.*

### **Munger Farms**

Munger Farms is a family-owned farming operation based in Delano, California, with additional operations across California, Oregon and Washington. Munger is the largest independent North American producer of fresh blueberries and also produces pistachios, almonds, olives, hazelnuts and wine grapes. Munger employees about 300 permanent employees year-round and in excess of 4,000 temporary employees during harvest season.

### **Organic Container Growing**

The National Organic Program (NOP) has consistently allowed for the organic certification of container systems as long as the certifier determines that the container system is in compliance with the requirements of the Organic Foods Production Act (OFPA) of 1990, as amended (7 U.S.C. §§ 6501–6522), and USDA organic regulations (7 CFR §§ 205.1–205.699).

In recent years, in accordance with NOP's guidance, Munger has begun transitioning from conventional growing methods to organic container growing operations. This transition has allowed Munger to maintain its commitment to *cultivate with care* by minimizing its environmental impact and using sustainable agricultural practices in support of the local communities they operate within and the organic consumers they service.

Container growing is consistent with the objectives of organic farms. Container growing requires less water use, uses organic fertilizers and reduces pesticide use due to the controlled environment production system. The reduction of water usage is significant in light of California's recurring droughts which stem from a complex combination factors including of weather conditions, inefficient distribution systems and farming conditions. Any amount of water that can be saved through container growing operations aids in alleviating the West Coast's ongoing water crisis.

### **National Organic Program**

NOP's participation in organic growing operations is vital for both maintaining the interests and intended goals of organic growing but also for modernizing what it means to grow organic. If not for NOP's diligent oversight and continued communications with the grower community, the progression of organic growing would be stalled.

NOP has maintained the integrity of organic growers while also permitting a new means of responsible agriculture. Moreover, NOP has continued to issue guidance on operational requirements and standards as new growing issues and concerns arise. Most recently, NOP issued a guidance memorandum related to the certification of organic crop container systems and the legal requirements related to the 3 year transition period to be applied to all container systems built and maintained on previously farmed agricultural land. This guidance provided both clarity to looming unknowns related to this matter while maintaining the high standards of organic agriculture.

Organic growing methods will continue to evolve over time and NOP's expertise and guidance is required to maintain a stable and respected organic standard.

Sincerely,

ROBERT HAWK,  
*President and CEO.*

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SUBMITTED ARTICLE BY HON. KIM SCHRIER, A REPRESENTATIVE IN CONGRESS FROM WASHINGTON



### **Organic Dairy Rules Need Repair—Now**

<https://www.pccmarkets.com/sound-consumer/2019-07/organic-dairy-rules-need-repair-now/>

SOUND CONSUMER July 2019 | By Aimee Simpson



*Dairy farmers Ryan and Haylee Mensionides/photo by Molly Goren, courtesy of PCC Farmland Trust.*

*Normally, organic dairy farmers have other things to do with their time than discuss the rules that support the organic label—things like making sure their cows are brought in from the pasture and milked. This year, however, organic dairy farmers and many advocacy groups and affiliates made the trip to the National Organic Standards Board (NOSB) meeting in Seattle to testify about a problem that may take away their ability to focus on the farm, even stay on the farm. What is the problem? To put it simply: how an organic cow becomes and stays organic.*

You see, in 1990, when the national law was passed that created the National Organic Program (NOP) and a little later when the organic regulations were finalized, there weren't a lot of organically raised cows. To encourage the transition of conventional dairy cows to becoming organically raised, the regulations allowed farmers to take a non-organic cow and transition it to organic through a 1 year process. After this one-time transition, the regulations were pretty clear (or at least most of us thought they were clear) that to keep your organic certification and label your milk as organic, all cows going forward had to be raised according to organic standards from the last third of gestation.

Enter the success of the organic program over the past 3 decades. For most organic farmers, especially dairy, there were financial benefits to making the transition to organic that supported the increased costs and effort of raising organic livestock and producing organic milk. But a few years back an issue arose—there was too much organic milk and it was being sold at a cost that did not add up. It came to light that not all organic dairy farmers were operating under the same set of rules. Instead of the one-time transition and then continued organic management, some certifiers were allowing farmers to continually transition non-organic cows into organic, a cheaper process that allowed them to avoid the costs of raising a calf as fully organic.

The organic community came together and realized this issue threatened not only the farmers, but also the integrity of the organic label. The fix seemed simple—tell the U.S. Department of Agriculture (USDA) to enforce the one-time transition. But according to USDA, the fix was more complicated because the rules that spelled out how farmers could transition organic cows and what certifiers could enforce had, for lack of a better analogy, a gap in the fence. This meant that to fix the problem the gap had to be mended and a new rule needed to be put through “rulemaking”—a long and tedious process that requires many levels of administrative review and public comment, often taking 2 years or more.

Despite this bureaucratic hurdle, USDA did get to work and in 2015 issued a proposed rule that was shaped and agreed upon by the organic community through the rulemaking process. The rule wasn't perfect, but it did mend the hole in the fence—curbing potential fraudulent behavior and oversupply in the organic dairy market; and, more importantly, guaranteeing that consumers would get what they have been



promised. It had at the time—and still has—almost unanimous support throughout the organic dairy community.

For organic farmers there was hope that beyond better prices and support of the family farm, there was a model of the bureaucratic system and organic system working to support the needs and expectations of organic farmers and consumers alike.

Unfortunately, nearly 4 years later for many organic dairy farmers this hope has been dashed and the gaping hole in the regulatory fence remains because the “Origin of Livestock” rule sits idle.

“This lack of movement and enforcement by the USDA has opened the door for a few to tarnish the reputation of the whole and put many organic farmers in the dire situation of potentially losing our farms,” Ryan Mensonides, an organic dairy and PCC Farmland Trust farmer, commented.

And this was precisely why several organic dairy farmers living in Washington took time away from their farms and made the trek to Seattle to let the NOSB, NOP and organic community know that they did NOT have time to wait. The Origin of Livestock Rule needs to be finalized. Now.

“It is paramount to understand that there is no stronger advocate for the integrity of the organic market than the organic farmers themselves. We believe in this way of life and want only the best for our consumer,” emphasizes Mensonides. “This is why we continually advocate for stronger rules and enforcement from the NOP.”

Unfortunately, the experience of organic farmers making the trek to Seattle and other organic advocates seemed to fall on stubborn ears with the NOP offering no reassurance that the needed action of finalizing the existing proposed rule would be taking place. But the voice of the organic community is strong and there is still time. PCC and the National Organic Coalition have raised this issue in their work in D.C. and before the NOSB. We are also working to evaluate our dairy suppliers and develop internal assessments on organic dairy livestock sourcing and transitioning practices.

Consumers can help too by reaching out to their elected officials and putting pressure on the USDA and the rest of the Administration to stop stalling, pick up their tools—today—and fix the fence.

*Aimee Simpson, J.D., is PCC's director of product sustainability.*

SUBMITTED FACT SHEET BY HON. CHELLIE PINGREE, A REPRESENTATIVE IN  
CONGRESS FROM MAINE



## **Repair the Public Private Partnership in Organic**

### *Continuous Improvement in Standards*

A healthy market for organic products requires a clear market distinction backed by a level playing field and a trusted, verified, and enforced claim. This burgeoning industry requires critical support from the U.S. Department of Agriculture’s (USDA) National Organic Program (NOP) for uniform and robust standards.

### *USDA Is Not Advancing Organic Standards*

The failure of government to keep pace with consumers and the industry is harming and fragmenting the market. Inconsistent standards are becoming the *status quo*. Accountability in advancing the voluntary organic standards is essential to a healthy market and opportunity for farmers in the future.

*In the past 10 years, industry has advanced 20 consensus recommendations for improvements to the organic standards. USDA has not completed rulemaking on a single one of them.*

### *Accountability in Developing Voluntary Organic Standards*

A new framework must be set for advancing Federal organic standards to keep up with the marketplace and ensure the credibil[i]ty of the USDA Organic seal.

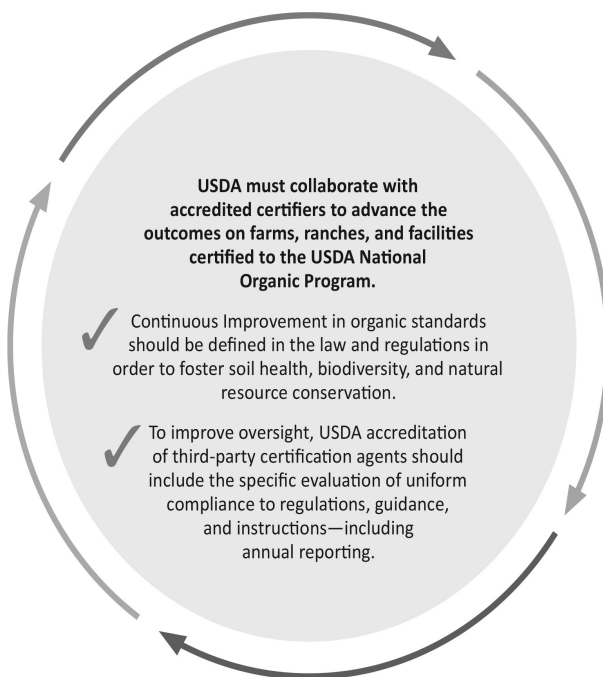
Industry and private stakeholders own the voluntary standards and reach consensus on developments to those standards through deliberation at the National Organic Standards Board (NOSB). USDA should rely on NOSB consensus recommendations as the will of the industry developed in collaboration with environmental, scientific, and public stakeholders.

The voluntary, opt-in organic program is unique, and standards should advance in a way that is different than mandatory regulations.

- ✓ NOSB consensus recommendations should be included on the Unified Regulatory Agenda with a published timeline for action.
- ✓ Removal from the Unified Agenda must require public and Congressional notification with the rationale as to why the agency is not moving forward on widely supported standards questions.
- ✓ The Office of Management and Budget (OMB) review must consider the costs when standards are inconsistent or not robust enough to meet the market demand.
- ✓ Economically insignificant rulemaking, based on a consensus NOSB recommendation, should not be designated a “**novel policy**” that requires OMB review since it is agreed to by industry—this would shorten the timeline to develop final standards significantly.



**Continuous Improvement Is a Bedrock of Organic**



**Ask:** Support from Congress for continuous improvement and accountability in organic standards.

SUBMITTED QUESTIONS

**Response from Hon. Greg Ibach, Under Secretary, Marketing and Regulatory Programs, U.S. Department of Agriculture**

*Question Submitted by Hon. Stacey E. Plaskett, a Delegate in Congress from Virgin Islands*

*Question.* In the hearing, we spoke about the 2015 Origin of Livestock proposed rule from USDA. Concerning public comments, Dr. Tucker stated that “the vast majority were supportive of the rule.” Specifically, how many public comments were re-

ceived for this proposed rule? How many comments were generally supportive of the proposed rule?

*Answer.* AMS received 1,371 comments in response to the 2015 proposed rule. Of these, more than 900 comments expressed general support for the proposed rule. Other commenters shared feedback about specific provisions in the rule, such as definitions, the regulatory unit, transition requirements, and the implementation period. Approximately 100 comments voiced some form of opposition to the rule. Of these, most did not express critiques of specific elements of the proposed rule, but rather, expressed general disapproval because they opposed the certification of large dairies, opposed any transition allowance, or did not feel like the rule would substantively improve consumer trust in the organic label overall.

At the time of the 2015 proposed rule, AMS estimated the U.S. organic dairy industry was comprised of 1,850 organic farms milking about 200,000 cows. Updated USDA data indicates there are now more than 2,500 organic dairy farms milking 267,500 cows, or a 38% and 34% increase, respectively. These data highlight the significant growth of the organic dairy industry since 2015. USDA has concerns about proceeding with a final rule without providing an additional opportunity for new entrants to provide public comment on a rule that would impact their businesses.

*Question Submitted by Hon. Collin C. Peterson, a Representative in Congress from Minnesota*

*Question.* In recent years, seed treatments, used in very low concentrations, have become an important, and standard, agronomic tool for conventional farmers worldwide. Seed treatments typically include a mixture of pesticides, fertilizers, biostimulants, inoculants and a dye applied directly to seeds, either on-farm by a farmer or at a seed processing facility by a seed producer prior to bagging seed for sale. In most cases, these agricultural inputs are applied to seeds at rates that are more than 100X lower than if those same agricultural inputs were applied to crops while growing in the field. Today, the majority of all conventional row crop acres in the United States are planted with treated seeds.

While the use of seed treatments has largely been confined to conventional growers, several new NOP-compliant inputs for use in organic farming have recently been approved by Federal and/or state regulators and by USDA NOP recognized third party certifiers. These new “bio-stacked, seed treatments” include a mix of NOP compliant and NOP certified pesticides, fertilizers, biostimulants, seed inoculants and dyes.

Seed treatment suppliers report significant interest in these bio-stacked seed treatments by organic growers, by growers wishing to transition to organic acres and by the vast majority of NOP certifiers advising organic growers. However, organic input providers have indicated that a minority (less than 20%) of organic certifiers has raised concerns that the use of seed treatments prior to the actual failure of cultural practices to control pests could be interpreted as being inconsistent with organic practices (citing section 205.206 of the organic rule). Clarity around USDA’s interpretation of the use of NOP-compliant seed treatments in organic farming would effectively address the concerns raised by a some farm certifiers who wish to use the product, but are unsure of how the organic compliance of these new tools would be viewed by USDA.

In reviewing 205.206 of the rule, the Committee interprets current NOP regulations to allow the use of Federal (*e.g.*, FIFRA) or state (*e.g.*, fertilizers or biostimulants) and USDA NOP certified (*e.g.*, OMRI, WASDA) seed treatments as part of their organic production practices. Particularly in instances where: (1) the grower is actively undertaking organic compliant cultural, soil and plant health and sanitation measures in their crop production and (2) documenting the conditions for use of the seed treatment (*e.g.*, that the products were applied per approved label rates, that a history of pest pressure exists on the farm or in the region) in their organic system plan.

Does the Secretary concur with this interpretation?

*Answer.* Yes, the Secretary concurs with this interpretation. That said, NOP’s responsibility is to approve these types of materials. Once that work is complete, certifiers respond accordingly with no need to object to organic producers using it. While NOP encourages recordkeeping, in this area, the lack of this type of recordkeeping should not preclude use of NOP approved seed treatments.

*Question Submitted by Hon. Anthony Brindisi, a Representative in Congress from New York*

*Question.* Under Secretary Ibach, I have heard from small organic dairy farmers in my district who are concerned that larger dairies claim to be organic and are selling organic milk, but don’t follow all the NOP rules including the pasture rules. My

farmers are concerned that this is undermining the public's trust in organic labeling.

What is the USDA doing to enforce organic rules for dairy operations?

How many dairies have lost their certification or had adverse action taken, and can you share the size of those dairies?

What other actions are you taking?

*Answer.* The NOP 2018 Dairy Compliance Project significantly increased the number of unannounced audits of organic dairies around the country. This enforcement project continued in 2019, with additional auditors and an increase in the number of unannounced audits. NOP utilizes a risk-based approach to allocating enforcement resources. The more complex the operation, the higher the likelihood it will be subject to increased surveillance. Federal auditors have found that most dairies currently meet organic requirements. The 2019 Dairy Compliance Project is still in progress.

When supported by evidence, NOP has issued adverse actions to both certifiers and dairies. When non-compliances are found to be unintentional or minor, the goal is to bring the certifier or operation back into full compliance as quickly as possible. More serious matters, intentional violations or fraud may be escalated to other law enforcement agencies and may result in significant financial penalties and/or imprisonment. Generally, until all appeals are exhausted, or an entity voluntarily surrenders its certification, NOP is not legally able to comment on whether or not an investigation is underway.

To date, three certifiers have received notices of non-compliance and one dairy has received an adverse action. These numbers may increase as fall-season audits and certifier investigation requests are completed this Fall. The NOP will continue to take direct action whenever supported by the evidence. Many certifiers also issue notices of noncompliance or take adverse actions against dairies based on their independent findings. In the public-private partner model, not all notices issued by certifiers and resolved by operations are reported to NOP unless there is need for further adverse action.

*Questions Submitted by Hon. Chellie Pingree, a Representative in Congress from Maine*

*Question 1.* How has the Prieus memo and President Trump's Executive Order—which froze regulatory actions and required that for every new regulation, two must be withdrawn—affected the ability of organic standards to move forward? Are voluntary regulations such as the National Organic Program constrained by this Executive Order, or are they being treated distinctly from mandatory regulations?

*Answer.* Executive Order 13771, signed on January 30, 2017, directs agencies to repeal two existing regulations for every new regulation, and to do so in such a way that the total cost of regulations does not increase, unless doing so is prohibited by law. EO 13771 does not make a distinction between voluntary and mandatory regulations, but only between regulatory and deregulatory regulations. Nevertheless, EO 13771 has not affected the ability of organic standards to move forward.

USDA's Spring 2019 Regulatory agenda included a total of 44 deregulatory items and only 16 regulatory items under the EO 13771 designation. The savings associated with these 44 deregulatory items more than offset the costs associated with the 16 regulatory items, including the National Organic Program rules. Because compliance with EO 13771 is assessed on an agency-wide basis, rather than on a rule-by-rule basis, that alone is sufficient to promulgate the National Organic Program rules currently planned by USDA. Specifically, the National Organic Program had three regulations on the Spring 2019 agenda. The Strengthening Organic Enforcement proposed rule, which will include multiple provisions to strengthen organic certification and accreditation in response to a clear need for stronger compliance and enforcement practices in the marketplace, was designated regulatory, while two rules amending the National List of Allowed and Prohibited Substances were both designated deregulatory. Clarifying these rules will have a positive impact for farmers who choose the organic option.

USDA's focus on organic compliance over the past 2 years has shown that enforcing the existing standards is having a significant impact. Fairness and consistency have been significantly improved by enforcing the strong rules we have. This is evident by the significant enforcement actions taken by the organic program over the past 2 years. We are committed to protecting the investment that organic farmers across the country have made in the organic market.

*Question 2.* How is the National Organic Program (NOP) ensuring that certifiers are consistently and uniformly applying the organic standards? Particularly, how is NOP specifically evaluating uniform compliance to regulations, guidance, and instructions by certifiers?

*Answer.* There are currently 78 certifying agents accredited under the National Organic Program (NOP). Both foreign and domestic certifiers are held to the same standard around the world. USDA has conducted onsite evaluations of all 78 accredited certifying agents; these are repeated at least every 2.5 years, at the midpoint and at the renewal point of the 5 year accreditation term. USDA also conducts additional onsite audits of satellite offices for certifiers who operate offices in countries other than where their headquarters office is located.

Additionally, USDA monitors certifiers on an ongoing basis by reviewing their investigations of complaints about their certified operations, conducting special focused reviews of organic system plans and inspection reports for specific countries and commodities, reviewing certifier annual reports and training records, and communicating with them about operation-specific questions.

*Question 3.* Has the Department pursued any investigatory action related to the allegations that certifiers, including the Texas State Department of Agriculture and Idaho State Department of Agriculture, have not enforced the origin of livestock standard?

*Answer.* Origin of livestock for dairy animals has been a topic of interest within the organic community since the USDA organic regulations were implemented. To address inconsistent interpretations of this provision, the Department has reopened the comment period on the Origin of Livestock proposed rule to clarify these provisions related to the transition of animals into organic production. This 60 day comment period recognizes that the dairy industry has changed significantly since the original comment period in 2015. All 1,580 public comments from the original comment period will also be considered by the Department when completing the final rule, expected early in 2020.

In addition to this rulemaking on Origin of Livestock, USDA has taken a number of actions to enhance the oversight of the organic livestock industry. In 2018, the National Organic Program launched a dairy oversight program, focused on assessing compliance with the established organic pasture standards. This has led to investigations and corrective actions by both certifiers and operations.

*Question 4.* Please provide the specific legal requirements that the Department has cited as a rationale for not issuing a final rule or an interim final rule on Origin of Livestock.

*Answer.* The USDA is currently considering adding the “Origin of Livestock” final rule to the Unified Agenda of Regulatory and Deregulatory Actions. At the time of the 2015 proposed rule, AMS estimated the U.S. organic dairy industry was comprised of 1,850 organic farms milking 200,000 cows. Updated USDA data indicates there are now more than 2,500 organic dairy farms milking 267,500 cows, or a 38% and 34% increase, respectively. These data highlight the significant growth of the organic dairy industry since 2015. USDA has concerns about proceeding with a final rule without providing an additional opportunity for these new entrants to provide public comment on a rule that would impact their businesses.

*Question 5.* In the last decade, the National Organic Standards Board (NOSB) has come to a consensus 20 times to provide recommendations and the National Organic Program (NOP) has not issued a final rule for a single one of them. These were not recommendations related to the National List or recommendations for guidance or instructions; they were recommendations to clarify and advance the organic standards that would require a rulemaking. In your testimony during the hearing you cited that there are many ways the NOP can implement NOSB recommendations without issuing new regulations or guidance. Can you describe how that is legally enforceable from a compliance perspective?

*Answer.* Since being established in 1992, the National Organic Standards Board (NOSB) has made more than 600 recommendations to USDA related to organic production/handling and materials. The NOSB provides two types of recommendations: National List and Practice Standards. USDA has reviewed and implemented approximately 90 percent of the Board’s recommendations. The National Organic Program has implemented practice standards recommendations using many approaches.

USDA published final rules and guidance on access to pasture and pesticide residue testing in organic production. Several of the referenced NOSB recommendations are included in the Strengthening Organic Standards proposed rule now in development. Upon review, it was determined that some recommendations do not require rulemaking and a few of the recommendations were so broad as to be impractical or beyond the capacity of the program to implement at this time.

USDA has also published documents on topics of broad interest, such as classification of materials; calculating the percentages of ingredients in organic processing; the NOP peer review process; certificates for organic operations; post-harvest han-

dling; and other certification/accreditation topics. These documents have significantly improved consistency across certifiers and have responded to many certifier questions without the need for rulemaking.

USDA actions in response to NOSB recommendations have also resulted in an expansion of the public comment period before NOSB meetings to allow for more public feedback between meetings. Recommendations also directly led to the launch of the Organic Integrity Learning Center, which now has more than 1,200 users. These actions directly support compliance and fair and consistent certification across the industry.

*Question Submitted by Hon. K. Michael Conaway, a Representative in Congress from Texas*

*Question.* On August 11, 2017 the National Organic Program implemented additional control measures for organic imports originating in Kazakhstan, Moldova, Romania, Russia, Turkey, and Ukraine. These measures required that all affected shipments undergo individual document review and testing. Did these additional control measures identify any fraudulent imports?

*Answer.* The 2017 National Organic Program (NOP) directive to certifiers had a direct impact on the market. After the directive, NOP worked with Customs and Border Protection (CBP) to share information on imported organic corn. This led to CBP turning away two vessels at the border in 1 year due to phytosanitary requirements. The NOP also required certifiers to test overseas farms for pesticide use. Several tests came back positive, and those farms dropped out of the organic supply chain. The lessons learned from the Directive helped the NOP identify certifiers that needed to improve their capabilities to oversee complex farms and led to more and faster farm-level investigations. Alongside the work of the NOP, industry participants have also taken specific actions to protect the integrity of their supply chains, further advancing global organic integrity.

*Question Submitted by Hon. Glenn Thompson, a Representative in Congress from Pennsylvania*

*Question.* I have heard from poultry producers about the difficulty of finding organic feedgrain, such as organic soybeans. Is this an issue that you are following and what is the status of your involvement?

*Answer.* The integrity of organic feedgrains is one of the NOP's highest priorities. U.S. demand for organic feedstuffs outpaces American organic production, so the organic livestock sector depends on imports. Investigations of organic feed imports from the Black Sea have identified serious compliance concerns, and those supplies have dropped by 60 percent. USDA offers a number of support programs to help domestic producers transition to organic feed production, including conservation technical assistance, financing, and research at land grant universities.

*Question Submitted by Hon. Mike Bost, a Representative in Congress from Illinois*

*Question.* Under Secretary Ibach, you have mentioned the strides made in the 2018 Farm Bill for organic import enforcement.

One of the points that I think is most critical is the increased oversight provided of foreign certifying agents.

As your testimony states, just 2 months ago, USDA suspended a certifying organization in Turkey for failing to oversee organic operations in the Black Sea region.

Can you explain how the National Organic Program works to ensure certifiers, both foreign and domestic, are held accountable so that consumers are confident that an organic product really is organic?

*Answer.* There are currently 78 certifying agents accredited under the National Organic Program (NOP). Both foreign and domestic certifiers are held to the same standard around the world. USDA has conducted onsite evaluations of all 78 accredited certifying agents; these are repeated at least every 2.5 years, at the midpoint and at the renewal point of the 5 year accreditation term. USDA also conducts additional onsite audits of satellite offices for certifiers who operate offices in countries other than where their headquarters office is located.