The Impact of AB856 on the Organic Marketplace

US Composting Council
Annual Conference
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Presented by Bill Wolf

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Agenda

I. Introductions

II. How NOP Works

III. Certified vs. Allowed

IV. Who Approves Inputs

V. New Scrutiny in CA – AB 856

VI. The Bigger Picture

VII. Conclusion

Bill Wolf

President;

Strategic Planning Specialist

- 35 years building organic sector including pest controls, fertilizers and foods
- Founder, Necessary Trading Company
  1st national organic farm supply company
- Organic Trade Association,
  Past Board President
- OMRI, Founding President
- Founder, Concern ®
  Organic gardening supplies to retail
- New Resource Bank
  1st commercial green bank in USA

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Strategic Planning
Organic Business Strategy
Sustainable Initiatives

Global Organic Compliance
Organic System Plans
Certification Audits

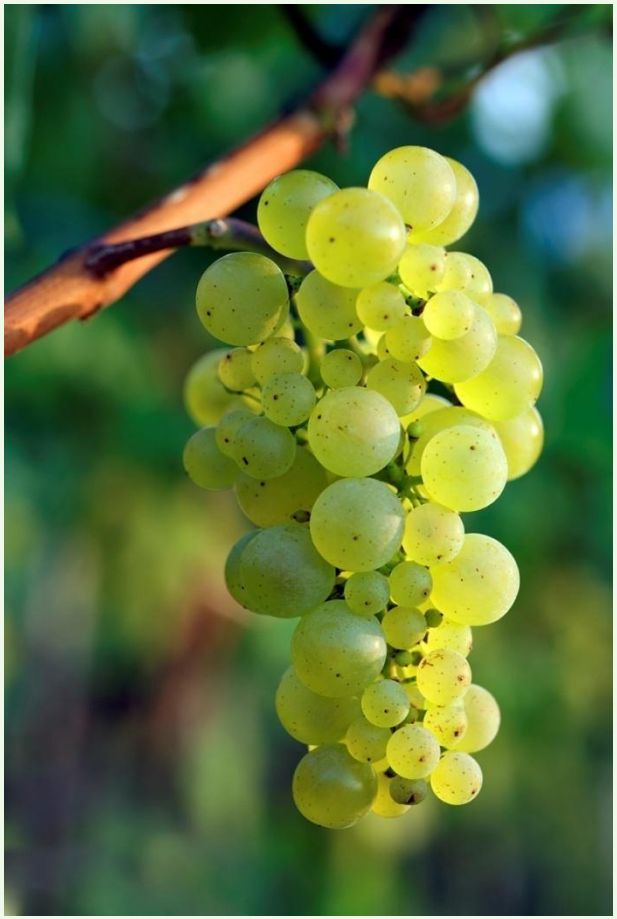
Informational Webinars

Sustainable Agriculture
Soil & Pest Management
Standards Development

Policy & Standards
Organic Regulations
International Trade Policy

Our mission is to deliver the strategic expertise to help organic, socially and environmentally responsible products and projects reach their full potential — flourish.

HOW THE USDA NOP WORKS



USDA ORGANIC

History of National Organic Program

1990	-	OFPA Federal Law
1992 to date	-	NOSB Meetings and Two Public Drafts
Dec. 21, 2000	-	Final Rule
Apr. 21, 2002	-	1st Accredited Certifier List
Oct. 21, 2002	-	Full Enforcement

All food product labeled “organic” in the U.S. must be certified by USDA accredited Certifiers and comply with 7 CFR 205.

Certified vs. Allowed Inputs

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CERTIFICATION of Agricultural Food and Fiber Products

EPA Logo for
Registered Pesticides only

Can also be on 25B exempt pesticides

ALLOWED INPUTS for use in producing organic products

How NOP Works – Accredited Agents

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WHO CERTIFIES ORGANIC PRODUCTION?

USDA Accredits 97 Independent Certifiers as agents of the Secretary of Agriculture to certify organic producers and handlers worldwide

(55 Domestic / 42 Foreign)

These agencies must verify that compost and other inputs comply with the NOP Regulations

3rd Party Review of Allowed Inputs

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WHO APPROVES COMPOSTS AND OTHER INPUTS FOR USE IN ORGANIC PRODUCTION?

- Organic Materials Review Institute (OMRI)
- Washington State Dept. of Agriculture (WSDA)
- Some Accredited Certifying Agents (ACA)
- California Dept. of Food and Agriculture (CDFA) - new regulation: AB856

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New Law Requires CDFA to Register Compost Labeled for Sale Organic Farmers

- Defines “Organic Input Material” (OIM)
- Requires OIM label approval by CDFA
- CDFA must verify NOP compliance
- Requires annual inspection of OIM production sites
- Authorizes CDFA to take on-site samples
- Sets new fees - $500 per label
- Increased penalties, fines, loss of license
- Full implementation – January 1, 2012

Why Legislature Passed AB 856

- **Protect farmers from misbranded or fraudulent products**
- **Increased scrutiny to catch cheaters**
- **Assure integrity and growth of CA organic production**
- **Provide CDFA with additional authority**

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THIRD PARTY REVIEWERS MUST VERIFY

NOP COMPLIANCE

1. Ingredients & Final Product meets NOP requirements.
2. Records confirm compliance with the NOP regulations.
3. Full disclosure of all ingredients (active and inactive)
4. Manufacturing process, QC, Testing, etc.
5. On Site Audit by competent inspector

December 14, 2009

Recognizing a Bigger Issue

- **Historically -- Input approval has been by desk audit**
  - **No Organic System Plan**
  - **No Inspection**
- **No uniform review system**
  - **NOP does not accredit materials review programs**
  - **ACAs are not required to recognize reviews by others**
- **Situation is Similar to organic certification pre-NOP**

Avoid Duplication

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CDFA Program Could:

Have a mechanism for cooperation with other review programs and avoid duplicative or conflicting material review decisions

Avoids adding additional expense for material reviews already being performed by another party

Possible Solutions to the Bigger Picture

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NOP Starts to Accredit Review Programs

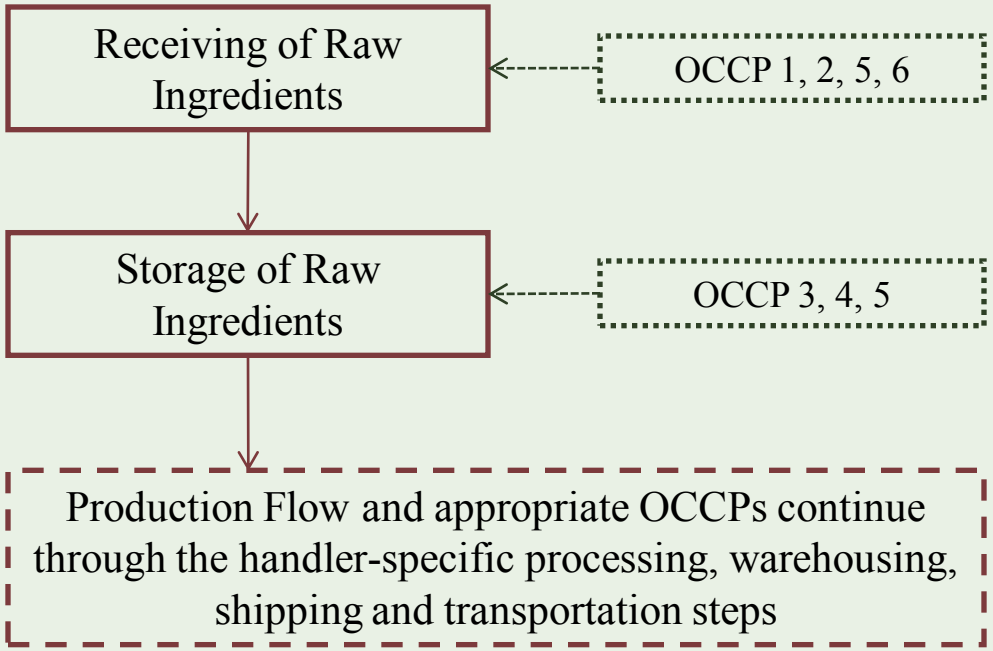
Fertilizer Producers Implement Input Compliance Plans (ICPs)

ICPs Protect Integrity of Organic System Similar to Organic System Plans (OSPs) in Certification

Sample Input Compliance Plan Contents

- **Facility Information**
  - Location, Facility, Equipment
- **Flow Charts**
  - Compliance Control Points, Processing, Lot Tracking
- **Inventory Management Records**
  - Purchasing
  - Manufacturing
  - Shipping Records
- **Standard Operating Procedures**
  - Receiving, Storage, Segregation, Shipping
  - Equipment (Cleanout and Lockouts)
  - Sampling / Testing (Retains and Testing Protocols)
- **Personnel Training**

Ex: Flow Chart Control Points Similar to OSP



Organic Critical Control Points (OCCPs)

1. Confirmation of NOP compliance
2. Identity Preservation (IP) – Lot # tracking and recording
3. No co-mingling with non-NOP compliant ingredients
4. No contamination with prohibited substances
5. Proper segregation and protection during storage
6. No contamination during transport

Example of an Organic Critical Control Point:

OCCP 1 – Confirmation of NOP compliance

Facility must have on file current documentation to show that each ingredient from each supplier is compliant to NOP. This may include certificates from independent 3rd party reviews (such as OMRI) and/or manufacturing process descriptions, declarations that Genetic Engineering, Ionizing Radiation, and Sewage Sludge are not used, etc.

For Further Information

CA Dept. of Food and Ag (CDFA)

http://cdfa.ca.gov/is/fflders/fertilizer.html

OTA Compliance Plan Guidance

http://www.ota.com/pp/regulatory/inputcompliance.html

For assistance with Input Compliance Plans

Wolf, DiMatteo + Associates

info@organicspecialists.com

Thank you!

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