<table>
<thead>
<tr>
<th>Topic</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quick Update from OTA</td>
<td>Monique Marez, Director International Trade, Organic Trade Association</td>
</tr>
<tr>
<td>Global Supply Chain Integrity</td>
<td>Kim Dietz, Senior Manager, Environmental, Natural And Organic Policy, The J.M. Smucker Company</td>
</tr>
<tr>
<td>International Research</td>
<td>Brian Baker, President, IFOAM North America</td>
</tr>
<tr>
<td>Collaborations</td>
<td></td>
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<tr>
<td>Success through Equivalency</td>
<td>Bob Anderson, Founder, Sustainable Strategies LLC</td>
</tr>
</tbody>
</table>
OTA

We are the LEADING VOICE for the organic trade in the U.S., & Canada

Our MEMBERS include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, consultants, retailers and more.

Our Board of Directors are democratically elected by our members.

Our mission is to PROMOTE and PROTECT ORGANIC with a unifying voice that serves and engages its diverse members from farm to marketplace.
Join OTA for a seat at the table on issues that impact your business!

e-mail membership@ota.com or go to ota.com/membership/

IMPACT
We create a powerful voice at the federal, state and local levels to advocate for organic

CONVENE
We convene the industry on key issues that affect organic farms and businesses

EDUCATE
We provide information and education on critical issues and industry trends

ACTIVATE
We act fast to correct misinformation and protect the organic sector from outside attacks
U.S. ORGANIC EXPORTS

- Exports to 104 countries
- 61% to equivalency partners
EXPORTS: TOP 10 & 10

1. Canada
2. Mexico
3. Japan
4. Taiwan
5. Korea, South
6. Hong Kong
7. China
8. Guatemala
9. United Arab Emirates
10. Philippines

1. Apples Fresh
2. Grapes Fresh
3. Lettuce Not Head Fr/Ch
4. Strawberries Fresh
5. Spinach Fr/Ch
6. Carrots Fr/Ch
7. Tomato Sauce Ex Ketchp
8. Coffee Roast Not Decaf
9. Cauliflower Fr/Ch
10. Pears Fresh
- Increased by 34.4% from 2014
- From at least 111 different countries
- 21% from countries with equivalencies
U.S. Organic Imports in 2011
IMPORTS: TOP 10 & 10

1. Turkey
2. Mexico
3. Italy(*)
4. Peru
5. Ecuador
6. Argentina
7. Spain
8. Brazil
9. Canada
10. India

1. Coffee
2. Soybeans Except Seed
3. Bananas
4. Yellow Dent Corn, Except Seed
5. Extra Virgin Olive Oil
6. Honey
7. Avocado
8. Apples
9. Sugar
10. Almonds, shelled
FRAUD IN THE ORGANIC INDUSTRY

The Washington Post

Business

The labels said ‘organic.’ But these massive imports of corn and soybeans weren’t.

By Peter Whoriskey May 12

Finger Lakes Times

News
Sports Obituaries Lifestyle Business Health Opinion Photo

Business

Fighting organic fraud

Jul 9, 2017 0

OTA starts organic fraud task force

By Kate Walz June 29, 2017 4:18 pm EDT

Organic labeling fraud is booming

While organic market growth is at a double-digit pace, not all that’s labeled organic is so. Fraud and food safety issues abound.

John Vogel May 30, 2017

Fraud, malpractices plague India's organic food products: Icier study

The study points to a trust deficit with many dealers passing off inorganic products as organic.

By Tom Karst April 20, 2017 9:10 am EDT

USDA targets organic fraud

BG Web Team New Delhi
Last Updated at August 24, 2017 15:37 EDT
FRAUD IN THE ORGANIC INDUSTRY

Fresh Talk

USDA targets organic fraud

By Tom Karst  April 20, 2017 | 9:10 am EDT
The National Organic Program (NOP)

- **Mission:**
  Ensure the integrity of USDA organic products throughout the world

- **Vision:**
  Organic Integrity from Farm to Table, Consumers Trust the Organic Label

- **Core Role:**
  Implement the Organic Foods Production Act and the USDA organic regulations
FRAUD IN THE ORGANIC INDUSTRY

• Since 2000 over 1600 Certificates “Suspended or Revoked”
• Since 2010 over 75 Certificates Revoked
  • 7 US domestic Certificates
  • 68 Import Certificates
• Since 2008 over 80 Fraudulent Certificates Identified.
FRAUD IN THE ORGANIC INDUSTRY

- 6/28/17 - NOP Webinar – Organic Integrity in the Supply Chain

Organic Integrity in the Supply Chain

Miles McEvoy, Deputy Administrator
U.S. Department of Agriculture (USDA)
Agricultural Marketing Service (AMS)
National Organic Program (NOP)
OTA’s GLOBAL ORGANIC IMPORT INTEGRITY TASKFORCE

News

OTA starts organic fraud task force

By Kate Walz  June 29, 2017 | 4:18 pm EDT
OTA’s GLOBAL ORGANIC IMPORT INTEGRITY TASKFORCE

Mandate:

To develop a best practices guide to use in managing and verifying global organic supply chain integrity to help brands and traders manage and mitigate the risk and occurrence of organic fraud.
OTA’s GLOBAL ORGANIC IMPORT INTEGRITY TASKFORCE

Outcomes:

✓ Best Practice Guide
✓ Analysis of other programs
✓ Action to take when fraud is suspected or detected
OTA’s GLOBAL ORGANIC IMPORT INTEGRITY TASKFORCE

Three subgroups:

1. Consolidating Best Practices—supply chain integrity (20 members)

2. ACA: Create a supply chain map from farm to buyer (9 members)

3. Best Models – U.S. & International (9 members)
OTA’s GLOBAL ORGANIC IMPORT INTEGRITY TASKFORCE

Current Status of Taskforce Work

✓ Statement of Purpose

✓ Best Practices Guide – Outline
  • Conduct a vulnerability assessment
  • Design & Implement mitigation measures
  • Monitor & Verify (audits/testing)
  • Integrate practices into the certification system
THANK YOU TASKFORCE MEMBERS

Gwendolyn Wyard & Kim Dietz – Subgroup 1
Nate Lewis – Subgroup 2
Monique Marez – Subgroup 3
Hot Topics:
Global Organic Update

Brian Baker (bpb@cornell.edu)

All Things Organic
Natural Products
Expo East
BioFach NA
Baltimore, MD, USA
September 15, 2017
IFOAM North America

- IFOAM-Organics International is an international non-governmental organization founded in 1973 that leads and unites the organic movements worldwide
- IFOAM North America is a regional body of IFOAM-Organics International
- RBs are self-organizing structures that bridge the gap between the global and regional levels
- Governed by democratic principles, consistent with IFOAM’s landmarks (Definition, Principles, Vision, Standards)
IFOAM North America

› First Membership Meeting held September 2016
› Board elected December 2016
› Board meeting monthly by conference call
› Survey of members conducted May-July 2017
› Strategic Planning retreat August 2017
› Second membership meeting September 14, 2017
IFOAM North America

- Strategic Plan based on member survey results, IFOAM Principles, and Pillars of IFOAM
  - Principles: Health, Ecology, Care, Fairness
  - Pillars: Umbrella, Advocacy, Programs, Value Chain, Academy
- Basic Organizing needed
  - Incorporate
  - File for non-profit status
  - Develop funding to become financially viable
  - Build membership and capacity
  - Communications will be key
IFOAM North America
Strategic Plan

› Priorities:
  › Uniting the organic movements by engaging all organic stakeholders
  › Foster good communications
  › Connect North America with the rest of the organic world
  › Expand understanding of IFOAM Organic Principles and Organic 3.0.
  › Advocate for organic agriculture policies based on IFOAM Organic Principles and landmarks
  › Coordinate initiatives for alternative guarantee systems and for global harmonization of standards
  › Expand the reach of organic research, development & technology transfer
Building a Global Platform for Organic Farming Research, Innovation, and Technology Transfer

- Technology Innovation Platform of IFOAM (TIPI) launched in 2013 (BioFach, Nuremberg, Germany)


www.organic-research.net
TIPI Mission

- Engage stakeholders who benefit from Organic Food and Farming Systems (OFFS) research
- Develop global research agenda for OFFS
- Advocate for OFFS research to achieve Sustainable Development Goals
- Foster collaboration and facilitate exchange among researchers working on OFFS
- Disseminate, apply and implement innovations and scientific knowledge consistent with the principles of OA
TIPI Outputs

› February 2015: Summary of the discussion on the 1st Draft of the Research Vision
› February 2015: Start of a Inventory of Research Needs
› Tipi.ifoam.org
› Facebook.com/TIPINews
› Twitter.com/TIPIIFOAM
› Organic-Research.Net
“One Hundred Questions”

- Research Priorities vary from local and specific to global and general
- Priorities may be farmer-driven, market-driven, policy-driven, or donor-driven
- Action plan requires that we approach policy makers and funders in a coordinated way
- Africa, Asia, and Latin America need the most assistance
Annual spending on organic food and farming system research by arable continent

290 million = 0.6% of total research funding
## Key Indicators for Organic Food and Farming Systems Research

<table>
<thead>
<tr>
<th>Continent</th>
<th>Estimated research expenditures (million US$)</th>
<th>Organic farmland (million hectares)</th>
<th>Research expenditure per hectare (US$)</th>
<th>Retail sales (billion US$)</th>
<th>Research expenditure per US $1,000 retail sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>$5</td>
<td>1.7</td>
<td>$2.94</td>
<td>&lt;0.1</td>
<td>$50.00</td>
</tr>
<tr>
<td>Asia</td>
<td>20</td>
<td>4</td>
<td>5.00</td>
<td>6.9</td>
<td>2.89</td>
</tr>
<tr>
<td>Europe</td>
<td>180</td>
<td>12.7</td>
<td>14.17</td>
<td>33</td>
<td>5.45</td>
</tr>
<tr>
<td>Latin America</td>
<td>20</td>
<td>6.7</td>
<td>2.99</td>
<td>&lt;0.1</td>
<td>200.00</td>
</tr>
<tr>
<td>North America</td>
<td>60</td>
<td>3</td>
<td>20.00</td>
<td>42.8</td>
<td>1.40</td>
</tr>
<tr>
<td>Oceania</td>
<td>5</td>
<td>22.8</td>
<td>0.22</td>
<td>1.2</td>
<td>4.17</td>
</tr>
<tr>
<td>World</td>
<td>$290</td>
<td>50.9</td>
<td>$5.70</td>
<td>84</td>
<td>$3.45</td>
</tr>
</tbody>
</table>

Sources: (Niggli et al. 2016; Willer and Lernoud 2016).
Growing Importance of International Collaborations

- 2002: Organic Eprints, the international open access archive for papers related to research in organic food and farming is set up by DARCOF (today ICROFS) in Denmark.
- 2004: CORE Organic starts, the Coordination of European Transnational Research in Organic Food and Farming Systems = collaboration among governments for the joint funding of projects.
- 2004 Technology Platform (TP) Organics set up in Brussels to integrate views of the organic sector and civil society to represent a broad perspective on research priorities.
- 2007: SOCLA, the Latin American Scientific Society of Agroecology holds its first regional congress.
- 2008: The Network for Organic Agriculture Research in Africa. (NOARA) set up, linked to the Ecological Organic Agriculture Initiative.
- 2011 Scientific Journal «Organic Agriculture» launched by Springer and ISOFAR.
- 2013: Technology Innovation Platform of IFOAM (TIPI) launched in Nürnberg.
Questions?

Brian Baker
bpb33@cornell.edu

www.organic-research.net

/2012
Successful Collaboration Through Equivalency in Global Organic Trade

ROBERT ANDERSON | SENIOR TRADE ADVISOR
ORGANIC TRADE ASSOCIATION
WHAT IS AN EQUIVALENCY ARRANGEMENT?

A trade arrangement between countries that recognize the other’s organic certification designation to be “equivalent.”

Allows products produced, processed, and certified to either country’s organic standards to be sold as organic in both countries.
BENEFITS TO ORGANIC EQUIVALENCY

- Reduce barriers
- Reduce costs of duplicative certification, inspections
- Facilitates the growth of the global organic industry
- Increase markets access
STEPS TO REACH AN EQUIVALENCY DECISION

• Side by side evaluation
• Meetings
• On-site assessment of control system
• NOP continually monitors & ensures compliance
ORGANIC EQUIVALENCY ARRANGEMENTS

US-Canada Organic Equivalency Arrangement
June 2009

US-EU Organic Equivalency Arrangement
June 2012

US-Japan Organic Equivalency Arrangement
January 2014

US-South Korea Organic Equivalency Arrangement June 2014

UNDER CONSIDERATION
Organic Arrangements Around the World

22
Active players

5
Most active players:
USA, Canada, EU, Japan, and Switzerland
Arrangements in place

Organic Arrangements Around the World

Key
- Bilateral Arrangement
- Unilateral Arrangement
- U.S. Recognition

Exporting
Importing
Beneficiary
Grantor
Country
Country
Organic Arrangements Around the World

Prospective arrangements

Key

Prospective Arrangement
EFFECTIVENESS OF EQUIVALENCY
Impact of Organic Equivalencies

- 61% exports from countries with equivalencies
- 21% imports from countries with equivalencies
- In all cases exports and imports up as a result
- Example Japan imports up 300%
- [https://www.ota.com/tradedata](https://www.ota.com/tradedata)
BACKGROUND FOR ANALYSIS

**Organic Equivalency Policies**

Reciprocal arrangements:
- Canada (2009)
- European Union (June 2012)
- Japan (January 2014)
- South Korea (July 2014)*
- Switzerland (July 2015)*

Non-reciprocal recognition of U.S. organic exports
- Taiwan (2009)

**Organic Trade Data**

- 2011: HS codes for organic products first issued
  - 23 organic export products with HS codes
  - 20 organic import products
- August 2015:
  - 34 organic export products with HS codes
  - 40 import products

- Organic products with codes represent only a fraction of all organic trade.

- Note: because of the late effective dates, neither the South Korea or Switzerland policies are model in this analysis.

- Key for analysis: Organic HS codes pre-date the E.U., Japan, and Korea equivalency arrangements, but not Canada or Taiwan.
## RESULTS: EXPORTS USING 2011 HS CODES

Predicted Change in Annual Organic Exports Due to Organic Equivalency Policies *(2011 HS Codes)*

<table>
<thead>
<tr>
<th>Policy variable</th>
<th>All Policies together</th>
<th>Individual Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equiv Policy – Any</td>
<td>57.50%</td>
<td>-</td>
</tr>
<tr>
<td>E.U. Equiv Policy</td>
<td>-</td>
<td>-0.3%#</td>
</tr>
<tr>
<td>Canada Equiv Policy</td>
<td>-</td>
<td>454.60%</td>
</tr>
<tr>
<td>Japan Equiv Policy</td>
<td>-</td>
<td>219.70%</td>
</tr>
<tr>
<td>Taiwan Export Policy</td>
<td>-</td>
<td>211.10%</td>
</tr>
</tbody>
</table>
## RESULTS: IMPORTS USING 2013 HS CODES

Predicted Change in Annual Organic Imports Due to Organic Equivalency Policies *(2013 codes, 2013 – 2014 data)*

<table>
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<tr>
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<th>Individual Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equiv Policy – Any</td>
<td>+109.7%</td>
<td>+91.3%</td>
</tr>
<tr>
<td>E.U. Equiv Policy</td>
<td></td>
<td>+370.6%</td>
</tr>
<tr>
<td>Canada Equiv Policy</td>
<td></td>
<td>+267.5%</td>
</tr>
<tr>
<td>Japan Equiv Policy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CONSIDERATIONS BEYOND #S

- Scientific Research
- CODEX as norm
- Relationships / confidence
- Enhanced Political Will
- Global and Domestic Politics
- Constant Communication with Industry
- Transparency & Open Availability of public information
- Technical Analysis, Mitigation & resolution at implementation and ongoing
EQUIVALENCY SUCCESS STORIES

- Canada Trade UP 14%
- EU Trade Up 44%
- Japan Trade Up 17% (after steady declines)
- Korea Trade Up 50% (markets were closed)
- U.S. Global Organic Trade Up 20 %
- Estimated at $3.2 Billion Dollars