



Residue Testing For Import Organic Compliance Verification

By Julia Barton

For the last decade, at least, a chief concern of domestic organic producers has been fraudulent “organic” grains being imported to the U.S. and undercutting their domestic production with lower prices for fraudulent organic products. Conversations on this topic have occurred at kitchen tables, farm gates, winter conferences, in Zoom rooms, at the National Organic Standards Board meetings, on the Hill, and at USDA. Unfortunately, this problem is unsolved and has big impacts on domestic organic farmers.

THE PROBLEM

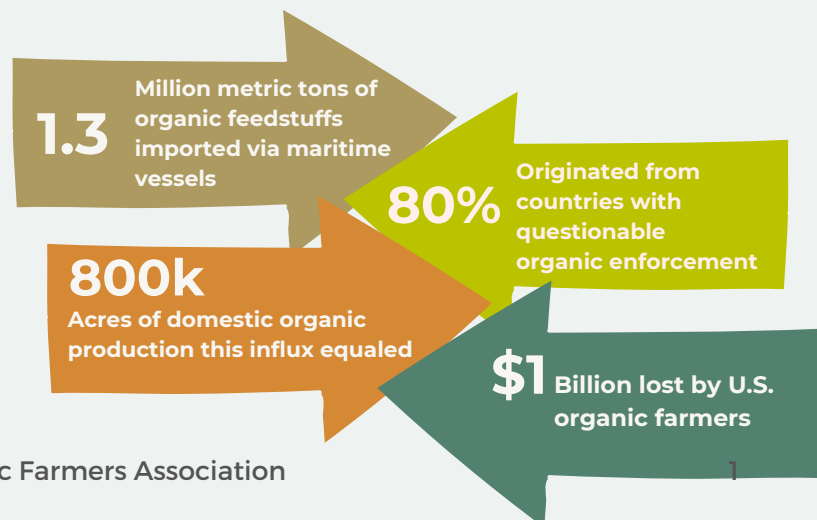
The U.S. is a net exporter of conventional commodities and a net importer of organic Commodities, but the domestic demand for organic products, especially grains for livestock feed, has consistently grown over the past decade. Organic commodities, which typically command a price premium over conventional, based on increased production costs, encourage U.S. transition to organic, but the price premium has also lured fraudulent players into the marketplace based on economic incentive. This fraud has caused significant price fluctuations in recent years and an unstable organic market for domestic organic producers.

While import fraud appears across commodities in the organic sector, organic feedstuff commodities are hit the hardest. These products (such as whole soybeans, soybean meal, corn, cracked corn, rape, rape meal, whole sunflowers, hulled sunflowers, sunflower oil, and sunflower meal) often enter the U.S. market through high-risk, complex, and opaque supply chains.

In the past year, 1.3 million metric tons of organic feedstuffs, were imported via maritime vessels, 80% of which originated from countries with underdeveloped agriculture sectors, poor infrastructure, questionable organic enforcement, and corruption challenges. This influx of organic feedstuffs equaled 800,000 acres of organic production and almost \$1 billion lost by U.S. farmers.

The quantities of organic grain imports, matched with the supply origin growing capacity and organic certification oversight, heighten the risk of organic import fraud. This adds volatility to an already fluctuating system, harming U.S. farmers' ability to compete in the premium market and creating uncertainty for purchasers of organic feedstuffs.

The justification for prioritizing the creation of the [USDA Strengthening Organic Enforcement Rule \(SOE\)](#) was built on the fact that maritime imports represent the most significant risk by volume. A single ship of cracked corn can represent 1 million bushels or \$10 million of product. SOE provides enhanced supply chain traceability by requiring importers, brokers, and previously exempt handlers to obtain organic certification and provide import certificates for every imported load of organic commodity. While the SOE provisions will help, they are not enough.



THE IDEA: RESIDUE TESTING AT POINTS OF ENTRY

Legislation requiring residue testing for imported organic commodities via bulk transport could help to protect U.S. producers from this type of fraud. To start, the large quantities of organic feedstuff imports coming through high-risk supply chains should be classified as high risk since SOE allows for additional enforcement and verification based on risk. Because of the risk, testing to verify compliance on bulk³ organic feedstuff imports should be prioritized.

Every load should be tested, just as it is for domestic organic producers.

To prevent additional fraudulent grain from entering the U.S. supply chain, grain testing positive for prohibited substances should not be sold as organic, so imports would need to be tested before leaving the point of entry. Testing would need to take place quickly, so as to not disrupt supply chains, but such an effort could serve to curb volatility and help stabilize organic feed prices over time. These efforts would also support workforce development for organic import verification inspectors.

While this seems like a new idea, it would actually be a typical stateside practice, newly applied to imported bulk shipments at the ports. Domestic grains are already being regularly tested at grain mills as required, not by the National Organic Program (NOP), but rather by mills and marketers. Furthermore, exported U.S. organic grains are undergoing similar residue testing at points of entry around the world. In the U.S., the USDA is legally responsible for ensuring the NOP has adequate regulatory standards, enforcement guidelines, and residue testing procedures.

Residue testing is already an essential and required tool for verifying compliance with organic regulations, with certifiers required to test 5% of the operations they certify each year. The Organic Foods Production Act (OFPA) and USDA organic regulations include authority and guidelines for Accredited Certification Agencies (ACAs) to collect residue samples and respond to sample results. Organic certification is also already intended to be a risk-based assessment process and places scrutiny on high-risk operations. Additional compliance verification through residue testing of imported organic commodities would help to level the playing field which is the next needed step.




WHAT WE NEED

U.S. organic farmers need continuous improvement in oversight and enforcement to strengthen the integrity of the organic movement and marketplace, and continuous improvement beyond the SOE rule. We need risk-based enforcement that is practical, timely, and rigorous. Residue testing is a tool that, if conducted consistently and expeditiously at points of entry, could help in compliance verification for organic regulations and in the stabilization of organic markets. We also need to set up a system that ensures that the testing costs of international shipments do not fall on the backs of domestic organic farmers. Importers should bear the cost of verifying that the products they are bringing into the U.S. are actually organic.

Domestic producers have invested time and money into organic transition and production and deserve to operate in a stable and equitable marketplace. Residue testing of imported organic commodities would subject all farmers to the same testing, whether domestic or international organic producers, and further secure organic consumers' trust in organic integrity. By leveling the playing field, we can retain U.S. organic producers, rather than losing them to market volatility, and leverage the investments in the Organic Transition Initiative to grow the number of organic farms in the U.S.

FOR MORE INFORMATION

Organic Farmers Association (OFA) was grateful to Amy Bruch of Cyclone Farms who shared her thinking and ideas about this proposed next step with OFA farmers on a webinar supported by the Transition to Organic Partnership Program (TOPP).

This idea will evolve into a marker bill, which could then potentially be included in the Farm Bill. Watch the webinar, discuss it with your organic colleagues, and let us know your thoughts. 



Julia Barton serves as the Farmer Services Director of the Organic Farmers Association. She loves working with farmers to identify challenges and find solutions.

1. Source: S&P Connect Global Trade and Commodity Analytics Suite/Maritime and Trade.
2. Maritime imports represent approximately 67% of organic feedstuff imports.
3. Bulk: Loose feedstuffs in ship holds, containers, super sacks, etc., not packaged goods.
4. A marker bill is a bill introduced in Congress to signal policy ideas and gather support for those ideas, most often with a goal of inclusion in an omnibus bill like the farm bill.

United States Department of Agriculture
Agricultural Marketing Service
National Organic Program
Transition to Organic Partnership Program

