



CCOF

Organic Certification

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May 11, 2017

Notice Regarding Approval Requirements for Imported Grain Shipments

CCOF Certification Services lacks confidence in the organic status of foreign grain, including, but not limited to, organic corn, wheat, and soy from eastern Europe and non-EU member states. Current concerns include volumes, sourcing and potential for noncompliant treatments. To increase our confidence in imported grains received by CCOF operations we are implementing additional oversight.

Organic grain imports from these areas has increased rapidly in volume in a short time. Some volume spikes may be accounted for by current correct usage of organic tariff codes when in the past shipments may have been misidentified with standard commodity codes. We have conducted investigations into validity of organic status of imported grain within the past year. Given that we are aware of ongoing concerns and complaints, we believe it is appropriate to apply additional scrutiny in this area.

Effective May 12, 2017 and until further notice, approval is required for all imported grain shipments received directly by CCOF certified operations. The certified operator receiving imported grain directly from a ship must demonstrate full traceability back to growers along with volumes and demonstrate lack of prohibited material use in shipping to establish that the products meet organic standards. Shipments CCOF does not specifically approve are not considered to be in compliance as they have failed to demonstrate information necessary to verify compliance per NOP 205.2 "Audit Trail"; 205.103; and 205.201a(6).

CCOF will review this information and work with other agencies and certifiers as necessary to ensure that volumes are legitimate, product is not treated with prohibited materials in the supply chain, and product meets organic standards. We encourage other certifiers and actors in the supply chain to adopt similar processes.

Operations that receive imported grain shipments are strongly advised to consider their suppliers very closely and review, test and/or visit the production locations to verify the legitimacy of products. Operations with grain that is found to not meet organic standards will be notified that that product is not compliant. If an operation knowingly sells noncompliant product as organic it may lead to suspension of organic certification and potential civil penalties. We expect verification of organic status for imported grain to be challenging and complicated to achieve.

As the trade and international certifiers adjust to the need for additional documentation we recognize there may be challenges for US operations. We appreciate in advance the patience and dedication of CCOF operations and others. It is important that we work together to defend organic standards and ensure the integrity of organic products and continued consumer confidence by applying additional due diligence.

CCOF's formal policy is as follows:



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Imported Grain Policy

All CCOF certified operations who directly receive at-risk grain from inbound ships at ports or docks must meet additional compliance requirements. At-risk grain includes, but is not limited to, corn, wheat and soy that originates or is shipped from eastern Europe or non-EU Member states.

- 1) Operations must identify themselves to CCOF as receivers of at-risk grain.
- 2) Operations must provide information about each shipment of at-risk grain received since January 2016 including shipment numbers, all suppliers or brokers involved prior to receipt, and volumes received. If available, submit phytosanitary certificates, shipping manifests, certificates of origin, transaction certificates and other relevant documents. This information is helpful for understanding the trade and parties involved in shipments.
- 3) **As of May 12, 2017**, at least 2 weeks prior to receiving an inbound shipment of at-risk grain and/or sales of at-risk grain, operations must request CCOF approval for the shipment by providing additional documentation supporting the organic status of the shipment.

Review will be performed at CCOF Technical and other Services rates of \$125/hour, 6 hours minimum.

- 4) Documentation required:
 - a. Shipping manifest, certificate of origin, and phytosanitary certificate for each vessel used to move the product in the supply chain.
 - b. All transaction certificates for the shipment and sales to intermediate handlers, including brokers, traders, wholesalers, and transporters.
 - c. All residue, GMO, quality, or other analytical testing performed in the supply chain.
 - d. Bill of Lading and invoice(s) from all vendor(s).
 - e. Full verification of the volumes and full traceability for all grain in the shipment back to the growers. This information must be confirmed as complete and accurate by the certifier of the shipment and provided to CCOF.

Verification must include the following, at a minimum, and be in sufficient detail to be readily understood and audited:

- i. Identify all growers and suppliers, their acreage, certifier, certificate, certificate number, NOP ID (if applicable), and expected production volume.
 - ii. Volume of each grower's grain represented in the shipment.
 - iii. Identify each intermediate handler in the shipment's supply chain, their certifier, certificate, certificate number, and NOP ID (if applicable). This includes all brokers, traders, wholesalers, and transporters.
 - iv. Verification of mass balance for the shipment from the certifier of each intermediate handler.
 - f. CCOF may provide tools for completing this information.
- 5) CCOF will review documentation, determine if the shipment appears compliant with organic standards, and notify the operation. Additional inspections, pesticide residue or GMO testing, or documentation from the grower, supplier, intermediate handlers, and certifiers may be required at CCOF's discretion. Sales of noncompliant product may lead to proposed adverse action and potential civil penalties if an operation knowingly sells noncompliant product as organic.

