USDA Fails: New Report Puts Farmers Back in Charge of Organic Certification

Source: The Cornucopia Institute

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USDA Has "Willfully Failed" on Congressional Mandate to Prevent Fraud

When farmers lobbied Congress to pass the <u>Organic Foods</u> <u>Production Act in 1990</u>, their intention was to create a level playing field in the market and to affirm the credibility of organic labeling in the eyes of consumers. Unfortunately, according to a newly released report by The Cornucopia Institute, the USDA's poor oversight of federally accredited third-party certifiers has paved the way for illegal output from "factory farms" that now dominate the \$50 billion organic market basket.



Prior to 2002 when federal regulations kicked in, a hodgepodge of state laws and dozens of independently owned certifiers created their own organic standards. Although Congress intended the enforcement of uniform national regulations, a handful of the largest certifiers have allowed livestock factories producing dubious milk and eggs and hydroponic, soil-less indoor farming to illegally squeeze out legitimate family scale organic farmers and ranchers.

In addition to <u>Cornucopia's investigative analysis</u>, the nonprofit farm policy research group also released a <u>guide</u> rating all 45 domestic certifiers on their adherence to the "spirit and letter of the organic law" as gauged by the most prominent allegations of malfeasance currently facing the organic industry.

"This might be the most provocative project we have worked on during our 15-year history," said Mark A. Kastel, a Cornucopia founder and its current Executive Director. "Make no mistake about it, farmers will be empowered to disrupt the revenue streams of some of the largest and most powerful certifiers in the organic industry by switching to truly ethical alternatives."

Cornucopia alleges that many of the certifiers established by farmers, some in existence since the 1970s and 80s, have morphed from nonprofits dedicated to helping promote environmental animal husbandry and the economic justice benefits of organic farming into multimillion-dollar corporations more interested in pursuing multibillion-dollar corporate agribusinesses.

The report focuses on three hot button issues in organics:

- •Milk produced on giant industrial dairies, managing 2,000-20,000 animals each and pushing them for high production resulting in short lives and nutritionally deficient milk. Instead of grazing on pasture as legally required, these cows spend most of their lives in filthy feedlots;
- Industrial-scale, primarily conventional, egg producers housing as many as 200,000 birds in a single building with minuscule enclosed porches substituting for federally-mandated access to the outdoors; and
- Multinational agribusinesses producing soil-less, hydroponic fruits and vegetables in the desert Southwest or importing them from Mexico, Canada, and Europe,

despite USDA standards that clearly call for careful soil stewardship that results in the superior flavor and nutrition of authentic, organically-produced produce.

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An "organic" hydroponic operation: 60 acres under glass Certified by QAI

"For the first time, farmers will be able to invest their hard-earned money with certifiers based on their dedication to maintaining a fair and balanced playing field in the competitive market for organic food," said Marie Burcham, a Cornucopia attorney and policy analyst who helped write the report. "Consumers will also be better able to judge whether food products meet their expectations, based on which certifier is listed on the package."

Federal law requires that manufacturers and distributors of certified products that prominently display the word "organic" and/or the USDA organic seal specify on their packaging which certifier has audited their supply chain and manufacturing process. This facilitates wholesale buyers' and consumers' use of Cornucopia's certifier ratings.

A number of the largest certifiers, many affiliated with the powerful industry lobby group the Organic Trade Association, promoted a boycott of Cornucopia's research and sent preemptive, damage-control letters to their farmer-clients. One organic farmer receiving such a letter from his private certifier, Pennsylvania Certified Organic (PCO), was Neal Laferriere of West Virginia.

"Why didn't my certifier just respond to the [Cornucopia] survey? What don't they want me to know?" asked Laferriere.

"Subversion tactics aren't going to work," he said. "Farmers want answers. Certifiers are the gatekeepers to organic production. We want to know who and what they're letting through the door."

In addition to surveys signed by officers of the certifiers, The Cornucopia Institute's ratings depended on the USDA organic database, aerial photography, satellite imagery, and documents secured through the Freedom of Information Act.

"You can run but you can't hide," said Kastel. "Congress intended this to be a transparent process and we aim to shed sunlight on the cozy relationship between organic scofflaws and the certifiers they are paying."

Farmers, and their customers who want to invest in truly organic food, might want to do their homework.

"That's not what Congress had in mind when they handed over the reins of the rapidly growing organic industry to USDA regulators," said Kastel. "But the reality is, sadly typical in Washington, the regulators have conspired with the regulated to place profits over integrity and it's time for organic stakeholders to regain control."

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Pam Smith, a former board member of Florida Organic Growers (FOG) who resigned in protest recently because of what she perceived to be a tenor change in the organization, told the Washington Post, "It's a constant fight on the national level to keep the spirit of organics alive, that the earth is as important as the people eating the food."

"I started feeling like the [FOG] director himself wanted to make more money. There's more money in the certification than in the farming itself, especially if you're no longer concerned about small family farms. It's way easier to certify the large ones."

FOG's former executive director, who just left the organization, was a long time board member of the Organic Trade Association (OTA).

"Although we did not rate certifiers based on their membership status in the industry's preeminent lobby group, The Organic Trade Association, the pattern illustrated on our scorecard is pretty revealing," said Cornucopia's Kastel.

Of the bottom-ranked certifiers, categorized "Documented Unethical Behavior," 53% are OTA members, some making substantial contributions over and above their base membership fees. In contrast only 9% of the balance of certifiers rated as fair to exemplary hold OTA memberships.

The Cornucopia Institute has been a longtime critic of what it calls a "cozy" relationship between the certifiers and USDA regulators charged with overseeing their conduct.

Cornucopia filed two ethics complaints regarding conflicts of interest against the National Organic Program's (NOP) former director, Miles McEvoy, who had previously run a certifying agency himself. McEvoy "waltzed through Washington's revolving door," going to work for the country's largest certifier, CCOF. More recently the former federal bureaucrat accepted a consulting position with the OTA, focusing on helping the industry trade and lobbying group ferret out fraud in the industry —a problem that had soared while he was in charge at the NOP, despite McEvoy's long assertion about the rigor of the agency's oversight.

"You don't need to take the word of The Cornucopia Institute on the inadequacy of the accreditation process. The program has been the subject of critical reviews by the USDA's Office of the Inspector General with no discernible changes in the NOP's approach," said Burcham.

In their most recent audit, the OIG stated, "...our interviews with six certifying agents disclosed that three of the six

allowed organic herds to continue to be transitioned and producers to add cattle to organic herds while the remaining three do not allow the additional conversion of conventional cattle to organic status."

"The passage above illustrates one of the criterion we used to separate the ethical certifiers from others that are all-too-accommodating to factory farm interests in organics. The USDA should not allow a free-for-all where certifiers create their own rules," Burcham added.

Other examples of corruption by major certifiers that Cornucopia cited included Quality Assurance International (QAI) approving major pharmaceutical companies, like Parke-Davis and Abbott Laboratories, adding a gimmicky, genetically mutated DHA oil derived from algae in certified organic infant formula even though the material hadn't gone through the legally-required review by the National Organic Standards Board to assure its safety.

"Not only was this accommodating certifier sidestepping legal requirements for prior review and approval of the product by the NOSB," said Kastel, "the oil is extracted from the biomass of algae using hexane, a volatile solvent that is a byproduct of gasoline refinement and specifically banned in organic production."

Along with scorecards ranking dairy products, eggs, soy foods, breakfast cereals, and more on their adherence to fundamental organic philosophy and legal requirements, Cornucopia describes the Certifier Guide as another tool families can use to purchase the safest and most nutritious food when paying premiums for organics.

Domestic USDA Accredited Certifiers

[ABO] A Bee Organic; [ASCO] Agricultural Services Certified Organic; [AI] Americert International; [BARO] Basin and Range Organics; [BOC] Baystate Organic Certifiers; [CCOF] CCOF Certification Services, LLC; [CU] Clemson University; [CDA] Colorado Department of Agriculture; [ECO ICO] ECOCERT ICO; [GCIA] Georgia Crop Improvement Association, Inc.; [GLO] Global Culture; [GOA] Global Organic Alliance, Inc.; [ISDA] Idaho State Department Of Agriculture; [ICS] International Certification Services, Inc.; [IDALS] Iowa Department of Agriculture and Land Stewardship; [KDA] Kentucky Department of Agriculture; [MOCA] Marin Organic Certified Agriculture; [MDA] Maryland Department of Agriculture; [MOSA] Midwest Organic Services Association, Inc.; [MCIA] Minnesota Crop Improvement Association; [MCS] MOFGA Certification Services, LLC; [MTDA] Montana Department of Agriculture; [MCCO] Monterey County Certified Organics; [NFC] Natural Food Certifiers; [NICS] Natures International Certification Services; [NHDAMF] New Hampshire Department of Agriculture, Markets & Food; [NJDA] New Jersey Department of Agriculture; [NMDA] New Mexico Department of Agriculture; [NOFA-NY] Northeast Organic Farming Association of New York; [OEFFA] Ohio Ecological Food and Farm Association; [ODAFF] Oklahoma Department of Agriculture, Food and Forestry; [ONE] OneCert, Inc.; [ODA] Oregon Department of Agriculture; [OTCO] Oregon Tilth Certified Organic; [OC] Organic Certifiers, Inc.; [OCIA] Organic Crop Improvement Association; [PCO] Pennsylvania Certified Organic; [PL] Primus Labs; [QAI] Quality Assurance International; [QCS] Quality Certification Services; [RIDEM] Rhode Island Department of Environmental Management; [SCS] SCS Global Services; [TDA] Texas Department of Agriculture; [UDAF] Utah Department of Agriculture & Food; [VOF] Vermont Organic Farmers, LLC; [WSDA] Washington State Department of Agriculture; [YDA] Yolo County Department of Agriculture