



## Notice Regarding Requirements for Approval of Grain Shipments Imported from Eastern Europe and non-EU member states

In response to the discovery of fraudulent imports of soybeans and corn from Turkey (produced and handled in Kazakhstan, Moldova, Romania, Russia and Ukraine) that violated federal organic regulations, MOSA, with other accredited certifiers, is implementing additional requirements for approval of shipments of at-risk commodities from Eastern Europe. Certain corn and soy handlers involved in the supply chain falsified documents to misrepresent non-organic products as organic. Anytime there is fraud anywhere in the organic system, it devalues our Organic Seal, and hurts organic farmers. The success of the organic industry has resulted from the integrity of the organic certification process and organic operators' commitment to compliance and enforcement. Oversight of foreign organic suppliers must be robust. Fraud cannot be tolerated.

In order to deter any additional fraudulent shipments and protect the integrity of the organic system, MOSA is proactively implementing additional control measures, to help prevent future incidents of fraudulent imports. In 2016, the USDA National Organic Program (NOP) directed certifiers operating in Eastern Europe and Turkey to increase oversight of grain exporters in certain countries. This included additional unannounced inspections and mass balance audits, as well as sampling and testing of each corn shipment destined for the U.S. MOSA and the NOP are now expanding the additional oversight to include soy, edible dry beans, wheat, flax and sunflower meal. These requirements are being implemented for shipments received directly from handlers operating in Kazakhstan, Moldova, Romania, Russia, Turkey, and Ukraine.

Any MOSA-certified operator that receives imported grain directly from a ship must enable unannounced inspection(s), demonstrate full traceability along with volumes, and must enable pesticide residue and GMO sampling for each at-risk shipment. Any shipments that MOSA does not specifically approve are considered to be noncompliant with requirements to provide information necessary to verify compliance. Applicable National Organic Program regulations include sections 205.2 "Audit Trail"; 205.103; and 205.201 (a)(6).

MOSA will review applicable records and disclosures, and will work with other regulatory agencies as necessary to ensure that volumes are legitimate, that products are not treated with prohibited materials in the supply chain, and that products meets organic standards.

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 commodities 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 recognize that verification of organic status for imported grain may be challenging and complicated to achieve. We also recognize that there may be challenges for US operations as

international traders and certifiers adjust to additional documentation requirements. We appreciate the patience and dedication of MOSA-certified operations in responding to these additional requirements and helping us to maintain organic integrity. Working with us like this helps to defend organic standards and ensure continued consumer confidence in organic. Thanks for your help with the additional diligence needed at this time.

In addition to this policy specific to Eastern European imports, please note that MOSA will be increasing scrutiny in our organic system plan review and during annual inspections to ensure organic integrity in the supply chain in general, especially when parts of the supply chain are uncertified, or when organic commodities come from foreign sources. MOSA is also conducting extra unannounced surveillance inspections of some brokers, traders, and larger feed handlers who may source imported grains.

MOSA's formal policy follows.



## MOSA Imported Grain Policy

**Effective immediately and until further notice, the following is required for MOSA-certified operations that directly receive imported organic corn, soy, edible dry beans, wheat, flax, or sunflower meal from Kazakhstan, Moldova, Romania, Russia, Turkey, and Ukraine.**

- 1) Operations must identify themselves to MOSA 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) At least two weeks prior to receiving any inbound shipment of at-risk grain and/or sales of at-risk grain, operations must request MOSA approval for the shipment by providing additional documentation supporting the organic status of the shipment. Review will be performed at MOSA's Administrative Fee rate of \$90/hour, six 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 in the shipment, confirmed as complete and accurate by the certifier of the shipment and provided to MOSA. Verification must include the following, at a minimum, and be in sufficient detail to be readily understood and audited:
    - i. Volume of each commodity represented in the shipment.
    - ii. 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.
    - iii. Verification of mass balance for the shipment from the certifier of each intermediate handler.
  - f. MOSA may provide tools for completing this information.
- 5) MOSA will review documentation, determine if the shipment appears compliant with organic standards, and notify the operation.
- 6) Additionally, for every shipment (consignment) of at-risk commodities (as listed above) directly received by a MOSA-certified operator, we must sample and analyze for presence of pesticide residues and GMO's. We must collect at least representative sample of each

shipment.

- a. Sampling will be conducted according to [NOP 2610 Sampling Procedures for Residue Testing](#).
  - b. Laboratory selection will be conducted according to [NOP 2611 Laboratory Selection Criteria for Pesticide Residue Testing](#).
  - c. Samples will be tested for the list at [NOP 2611-1 Prohibited Pesticides for NOP Residue Testing](#).
  - d. We will respond to results according to instruction [NOP 2613 Responding to Results from Pesticide Residue Testing](#).
  - e. Sampling handling, including selection, retrieval, and shipment, may not be conducted by the certified operation. MOSA must maintain the chain of custody of each sample throughout the sampling process.
- 7) MOSA will also conduct at least one unannounced inspection before March 1, 2018. This may serve as the annual inspection, if the inspection covers the entire Organic System Plan. During the unannounced inspection, MOSA will:
- a. Verify product flows, traceability, and audit trails established by the operator;
  - b. Identify responsible parties in the supply chain and verification of certification for each, according to [NOP 4009 Who Needs to be Certified?](#) and [NOP 5031 Certification Requirements for Handling Unpackaged Organic Products](#) (ie: handlers transloading product from rail car containers into ship containers must be certified);
  - c. Verify audit trail documents, such as phytosanitary certificates, bills of lading (BOL), and fumigation documentation; and
  - d. Conduct sampling, according to item 6 above.
- 8) At-risk commodities for which the above requirements are not met are considered to be noncompliant with the NOP requirements. Additionally, if shipments are found to be noncompliant based on review of required documents or samples, the operator will be notified. Sales of noncompliant product may lead to proposed adverse action and potential civil penalties if an operation knowingly sells noncompliant product as organic.
- 9) MOSA will submit verification documentation, sample test results, a transaction certificate and/or NOP import certificate for each shipment, and summary reports of inspection and verification activities to the NOP Accreditation and International Activities Division.