



# State Organic Program (SOP)

February 02, 2016

Sacramento, CA

# Topics

- History of State Organic Program
- Overview of State Organic Program (SOP), National Organic Program (NOP) & Accredited Certifying Agency (ACA) Collaboration
- SOP's Enforcement Model
- Results of SOP Survey



# State Organic Program (SOP)

- California Organic Foods Act of 1990 (COFA) created the State Organic Program under the California Department of Food and Agriculture (CDFA)
- Organic Foods Production Act of 1990 authorized USDA to establish National Organic Program (NOP)
- California Organic Products Act of 2003 (COPA)
  - Amended in 2010
    - Reduced the amount of paperwork for certified operations
    - Allowed for development of online database

# State Organic Program (SOP)

- Assumes National Organic Program's (NOP) authority in the State of CA
- Enforces both Federal and State organic regulations in California
- Oversees all organic operations in California with the authority to regulate an organic claim at any point in the supply chain

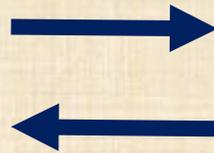
# SOP Registration

- Every person engaged in the production or handling of raw agricultural products sold as organic, Retailers who produce or process on-site, and Processors of products intended to be sold as organic that fall outside the jurisdiction of CDPH register with CDFA
- Every person engaged in the processing or handling of processed products intended to be sold as organic pursuant to the Health and Safety Code registers with CDPH



# State Organic Program (SOP)

CDFA administers the State Organic Program, and CDPH regulates processed organic products through a memorandum of understanding with CDFA



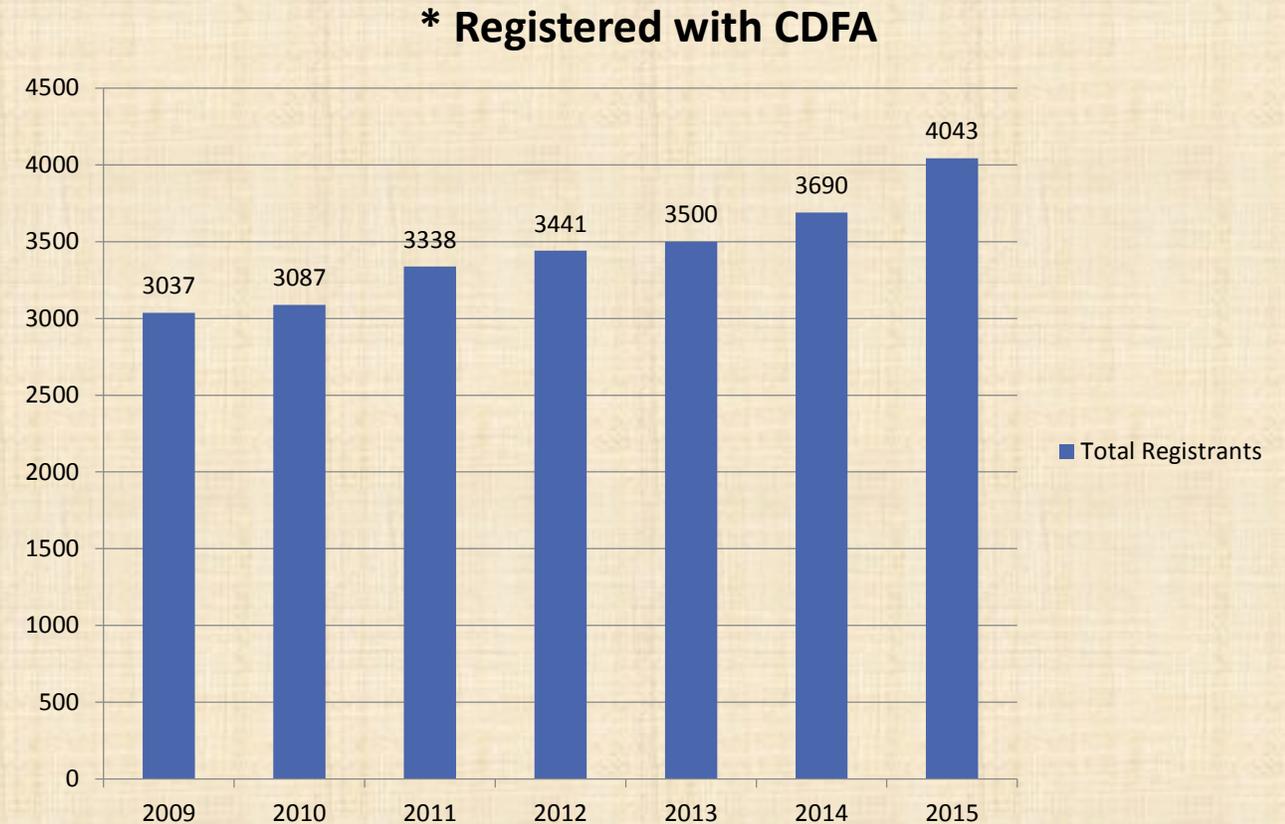
# SOP Registration

- California accounts for more than **40%** of all organic products sold in the US.
- More than **\$9 billion** in sales of raw and processed organic products in CA



# SOP Registrant Data

- Since 2009 the number of operations registered with CDFA has increased by **34%**
- There are currently **4,043** organic operations registered with CDFA \*
- And **2,694** organic operations registered with CDPH
- Combined, there are **6,737** operations registered with the SOP



# CDFA Registration Fees

During the 2014 Calendar Year:

- **53%** of all CDFA registrants paid fees of **\$25 to \$100**;
- **21%** paid fees of **\$175 to \$300**;
- **13%** paid fees of \$450 to \$750
- **9%** paid fees of \$1,000 to \$1,500
- **4%** paid fees of \$2,000 to \$3,000

**\*Veterans are exempt from registration fees**



# Registration Process

- Fees are based on gross sales
- Can register online or by mail
- Registration process varies between certified and non-certified operations
- Certified operations do not provide the same level of information as non-certified operations
- Registration information is provided once



# Registration Renewal Process

- **Renew each year**
- **Can renew online or by mail**
- **Only required to provide gross sales from prior 12 months**
- **Can update if needed**
- **Not asked to re-submit any information already on registration**



# Where is the Benefit?

- Don't operations already require certification?
  - Only if certification is required
- There are a handful of activities that are excluded or exempt from organic certification
- And the authority of an Accredited Certifying Agency (ACA) is limited to only the operations they certify



# Where is the Benefit?

- The SOP's authority is not limited to an operation's registration or certification status
- The SOP can regulate any organic claim at any point in the supply chain regardless if an operation is registered or certified



# A Complementary Program

## National Organic Program

- Administers the regulatory framework governing agriculturally produced organic products.
- Responsible for overseeing the SOP and accredited certifying agencies.
- Outside of California, investigates complaints alleging violations of USDA organic regulations.
- Sets standards for organically-produced agricultural products.
- Collaborates with other USDA agencies and governments to establish and maintain organic equivalency arrangements with other countries.

## California State Organic Program

- Under cooperative agreement between CDFA, CDPH, and CACs, the SOP oversees all organic operations in California; certified and noncertified.
- Conducts spot inspections at various points in the supply chain, including growing sites, certified farmers' markets, retail locations, and storage facilities.
- Administers a Residue Sampling Program, which is an integral part of surveillance designed to ensure the integrity of California organic products.
- Handles appeals, works with counties on mediation, and handles settlement agreements for all enforcement actions originating in California.
- Administers the Cost Share Program in California for the NOP.

## Accredited Certifying Agencies

- Accredited and overseen by the NOP, partners with with NOP and SOP for enforcement activities.
- Authorized to certify organic operations as in compliance with USDA organic standards.
- May revoke or suspend certifications of clients that they certify.
- Cannot take actions against non-certified operations or operations certified by another accredited certifying agent.



# Working Together

- CDFA also works in conjunction with other outside agencies and departments as well
- For example, the California Department of Pesticide Regulation (DPR)



# DPR Continued

- DPR collected **3,528** samples for pesticide residue testing in the 2014/15 year
- **232** samples were organic
- SOP incorporates DPR samples into enforcement model and follows up accordingly



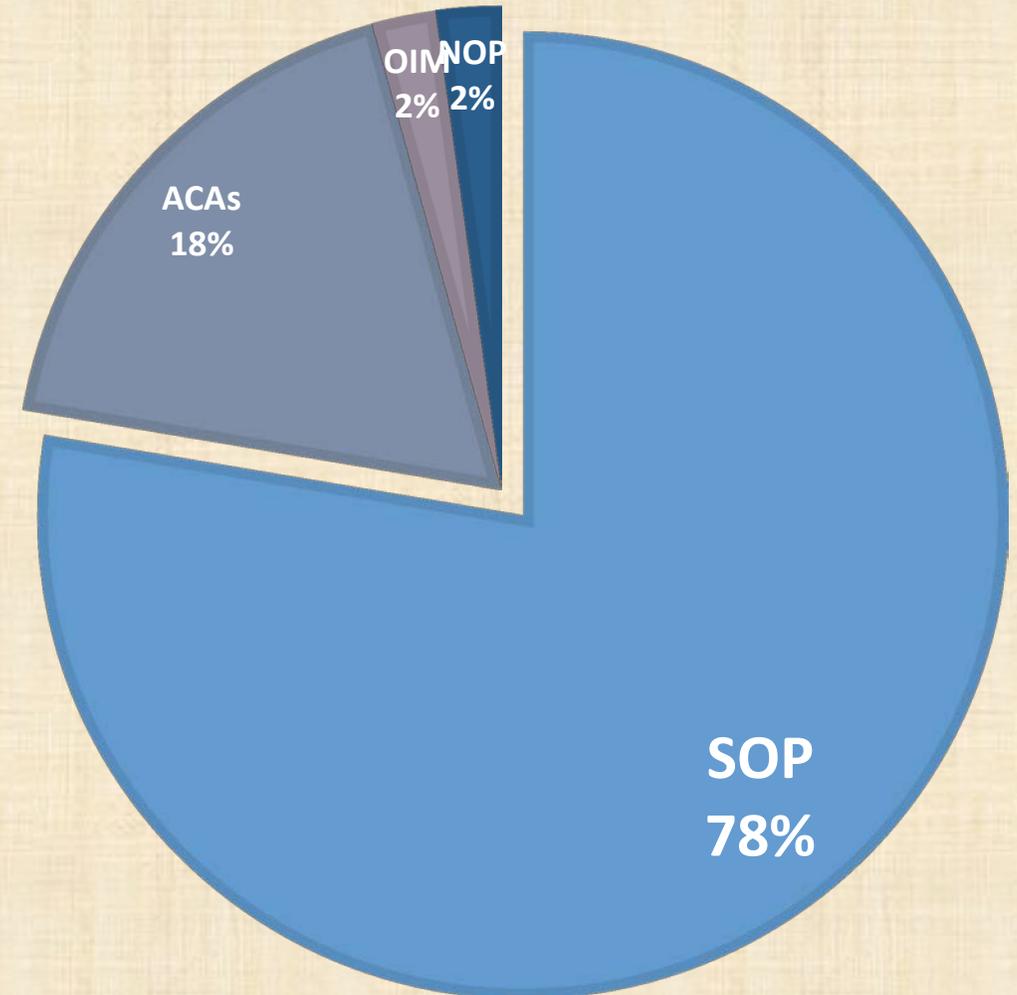
# Example of Collaboration

- CDFA received results of organic sample collected by DPR from wholesale operation
- CDFA initiated investigation
- Referred portion to ACA.
- CDFA investigated wholesale operation (exempt from certification)
- Findings showed product was not from organic grower
- CDFA took immediate action against wholesale operation and company who placed non-organic products into used boxes labeled organic.



# CDFA Complaint Handling

- The SOP investigates all complaints that involve organic operations within the state of California
- During **2014/2015** Fiscal Year
  - CDFA received and reviewed **94** complaints
    - 78%** handled by SOP
    - 18%** handled by ACAs
    - 2%** handled by OIM
    - 2%** referred to NOP



# Winery Complaints

- Since 2013 CDFA received **17** complaints against wineries from an individual complainant
- All complaints allege misuse of an organic claim
- CDFA investigated all **17** complaints
- **12** complaints were valid and Notices of Non-Compliance to each operation.
- All **12** complied by either removing organic claims or by obtaining registration and/or certification
- **5** complaints were not valid for the following reasons; operation was already in the process of obtaining registration and certification or claims did not violate organic regulations



# CDFA Surveillance Enforcement

CDFA has implemented a surveillance enforcement program to monitor all aspects of the supply chain through:

- **Surveillance Inspections:**

- Production and Handling Site Inspections
- **Farmer's Market Inspections**
- Retail Inspections
- Inspections of Exempt or Excluded operations (ie., restaurants, exempt retailers)

- **Surveillance Sampling**

- Collected from the point of production, handling facilities, retail facilities, CFMs, etc
- Test for the presence of prohibited substances
- Results can warrant immediate action

# Summary of Inspections FY 14/15

- **353 SPOT INSPECTIONS**
  - **257** Production Sites
  - **33** Handling Facilities
  - **4** Processing Facilities
  - **60** Retail Operations
- **348 CERTIFIED FARMER'S MARKETS**
  - **921** operations inspected
- **1,274** total inspections for the 2014/2015 fiscal year



# CFM Selling Opportunities

- There are currently **2,500** farmers certified to sell at Certified Farmer's Markets
- **375** of those operations are organic (15% of CFM farmers)



# CFM Selling Opportunities

- There are **4,043** organic operations registered with CDFA
- **567** are exempt from organic certification
- A majority of registrants who are not certified organic sell at CFMs
- Non-certified operations selling directly to the consumer are regulated through registration with the SOP



# CFM Selling Opportunities

- Over **800** Certified Farmer's Markets operating in California
- Roughly half are year-round and half are seasonal
- 400 year-round markets multiplied by 50 weeks a year = **20,000 year-round events**
- 400 seasonal markets multiplied by 15 total weeks a year = **6,000 seasonal events**
- Roughly **26,000** market events each year



# CFM Selling Opportunities

- **375** organic operations selling at CFMs
- **26,000** market events each year

**9.7 million** selling opportunities



# CFM Selling Opportunities

**9.7 million** selling opportunities

- For operations who are a majority of the time exempt from certification
- Where the SOP has the authority to take an immediate action for any violation regardless of registration or certification status



# Selling Opportunities

- And these numbers are conservative
- Only reflect certified farmer's markets
- Does not take into consideration other selling opportunities such as; farm stands, community supported agriculture (CSA) and food hubs



# Selling Opportunities

- It's clear the SOP's prevalence in the market place is extremely important
- Organic growers have already become accustomed to the ongoing inspections which has increased consumer confidence and grower protection



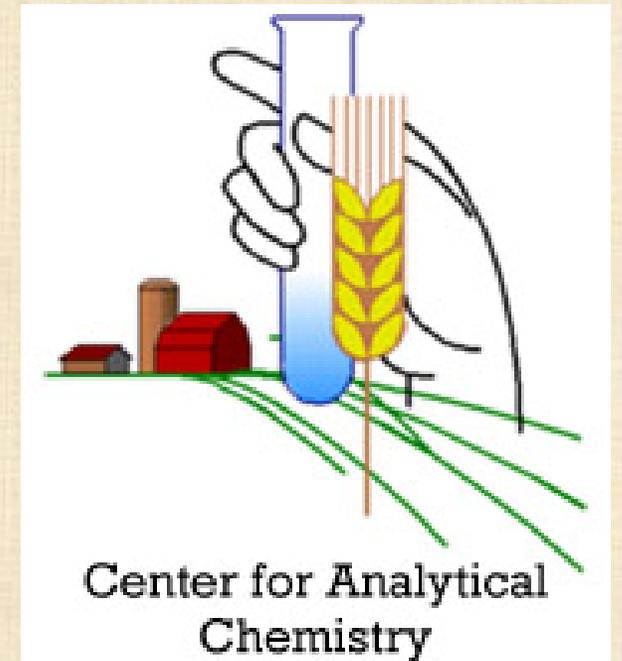
# Residue Sampling

- Crucial aspect of enforcement
- Contracts with local county commissioner's offices allows sampling to be conducted at any point the integrity of an organic product may be at risk
- From CFMs to Production Sites to Handling Facilities to Retail Establishments



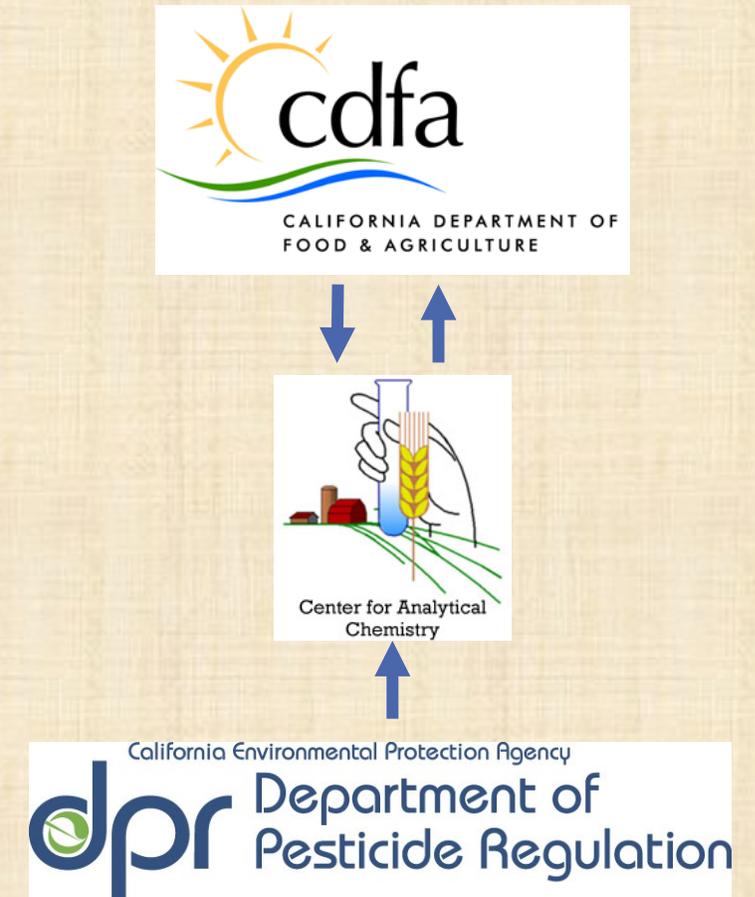
# Residue Sampling FY 2014/2015

- SOP collected **232** organic samples
- **23** tested positive for residues
- **11** exceeded tolerance levels and in violation
  - SOP investigated to source contamination
  - Appropriate actions taken on each



# Residue Sampling FY 2014/2015

- SOP also received and reviewed **232** organic samples collected by the Department of Pesticide Regulation
- Totaling **455** organic samples received and followed-up on by the SOP



# State Organic Program Survey



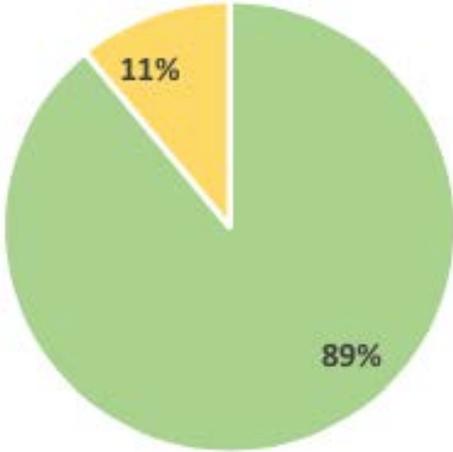
# CDFA Survey Results

- Survey was sent to **3,962** operations registered with CDFA at the time
- **652** responded
  
- **89%** of respondents were certified
- **11%** of respondents were non-certified
  
- **80%** of respondents were Producers



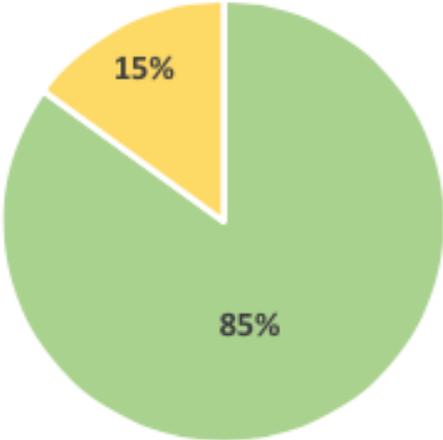
# CDFA Survey Results

### Respondent Demographics



■ Certified Operations    ■ Non Certified Operations

### How Does That Correlate to CDFA's Registrants?



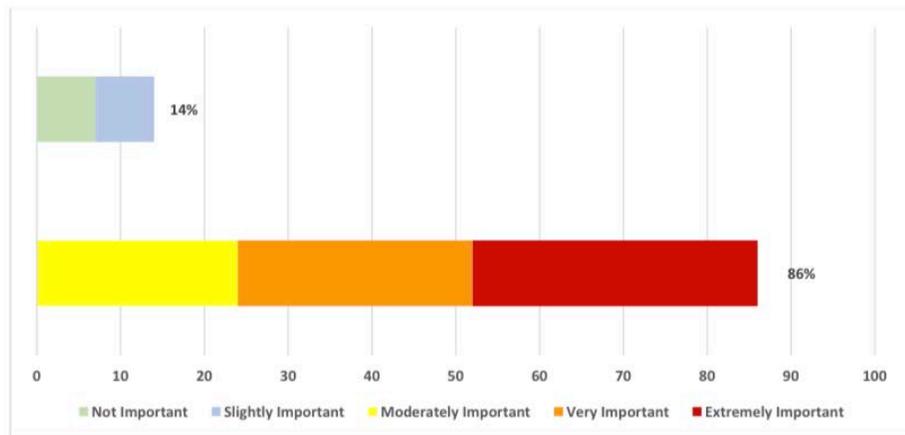
■ Certified Operations    ■ Non Certified Operations

# CDFA Survey Results

This section represents current activities of  
the SOP

# Pesticide Residue Testing

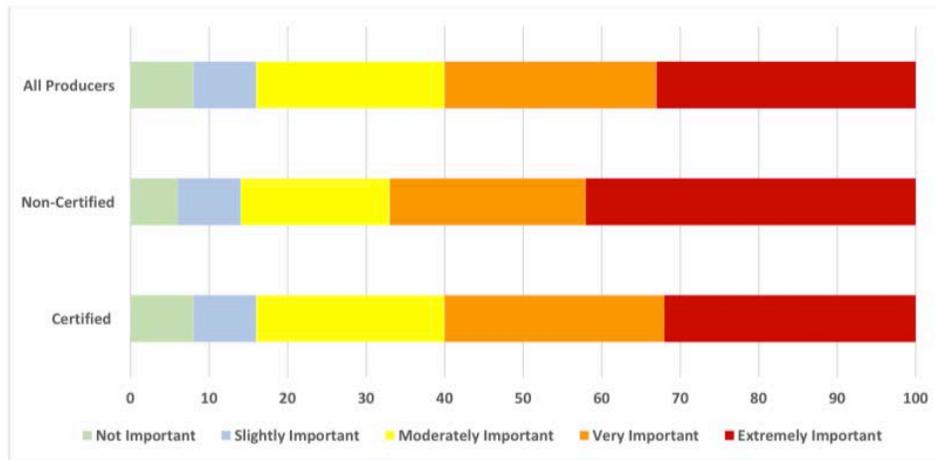
Pesticide Residue Testing



- **14 %** not important or slightly important
- **86%** stated overall important
- **34%** stated extremely important

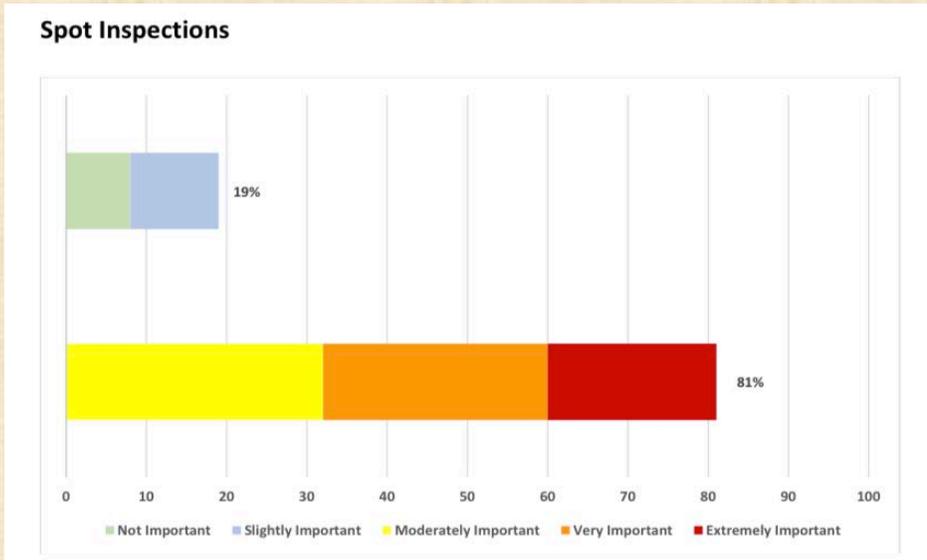
## Separated by Certified and Non-Certified

Pesticide Residue Testing



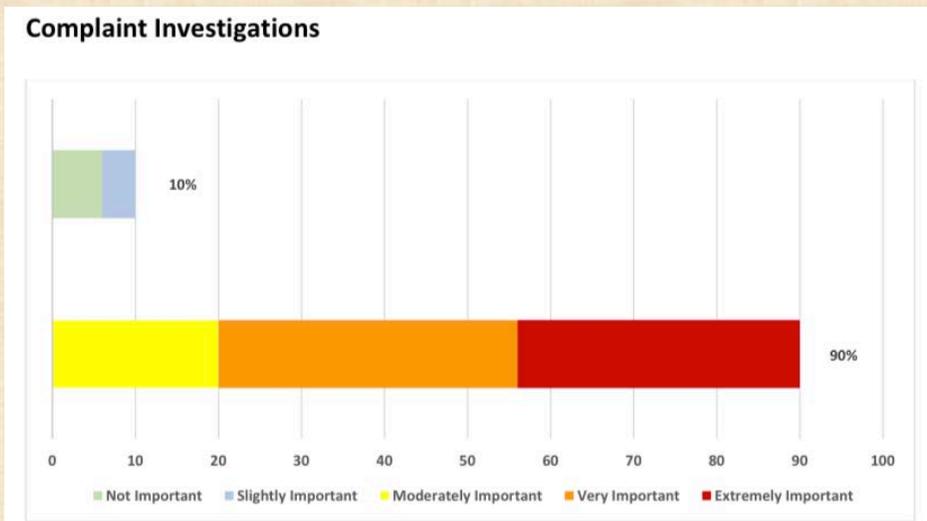
- **42 %** of non-certified operations stated Extremely Important
- **32%** of certified operations stated Extremely Important

# Spot Inspections



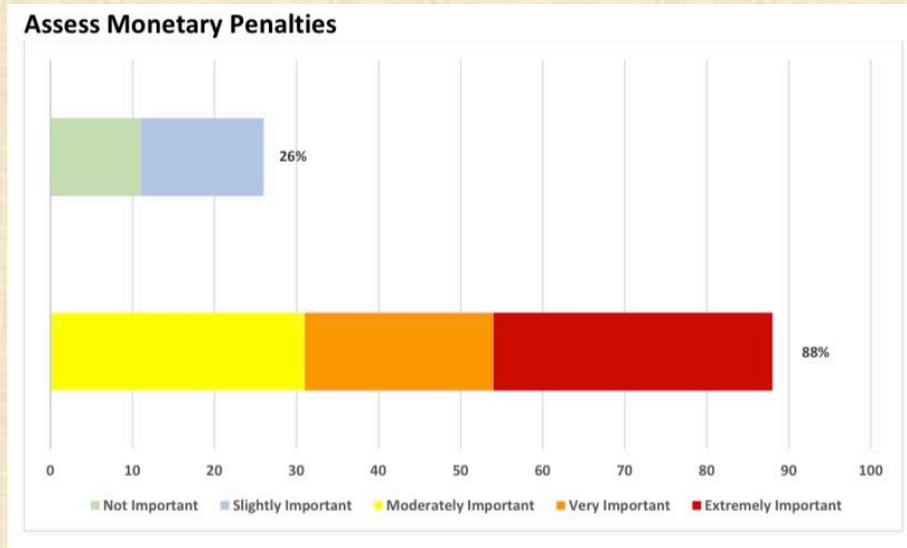
- **19%** stated not important or slightly important
- **81%** stated moderately important to extremely important

# Complaint Investigations



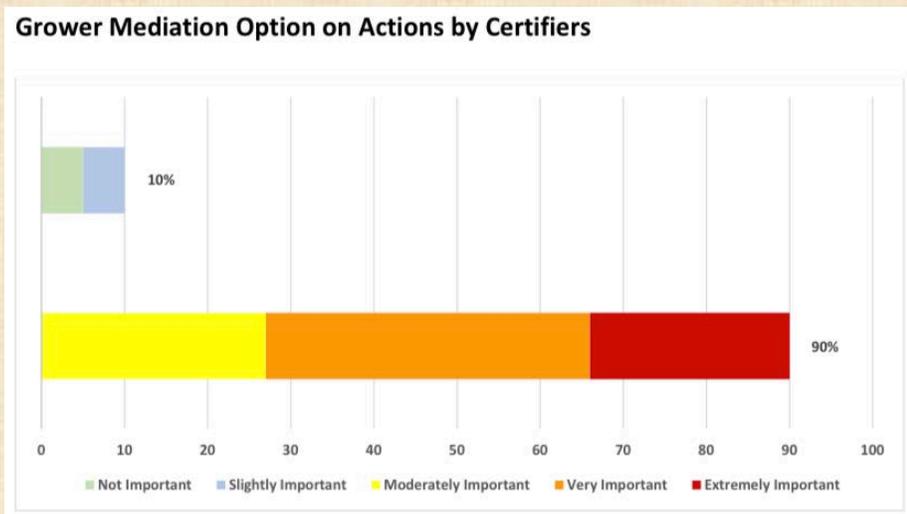
- **10%** stated not important or slightly important
- **90%** stated moderately important to extremely important

# Assess Monetary Penalties



- **26%** stated not important or slightly important
- **88%** stated moderately important to extremely important

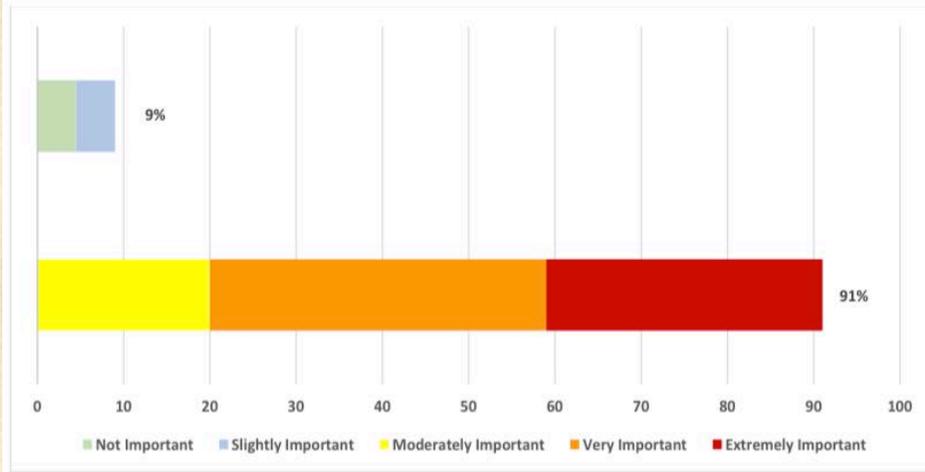
# Grower Mediation Option



- **10%** stated not important or slightly important
- **90%** stated moderately important to extremely important

# Due Process

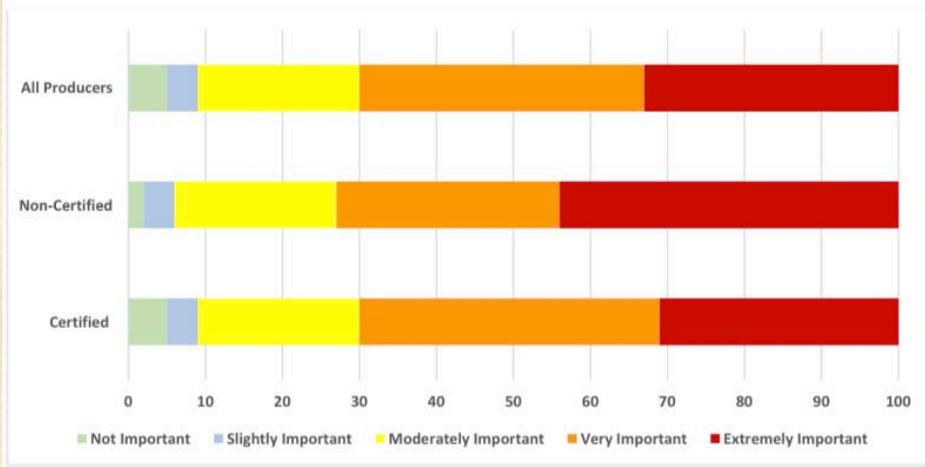
Due Process Upon Denial or Revocation of Registration/Certification



- **9%** stated not important or slightly important
- **91%** stated moderately important to extremely important

## Separated by Certified and Non-Certified

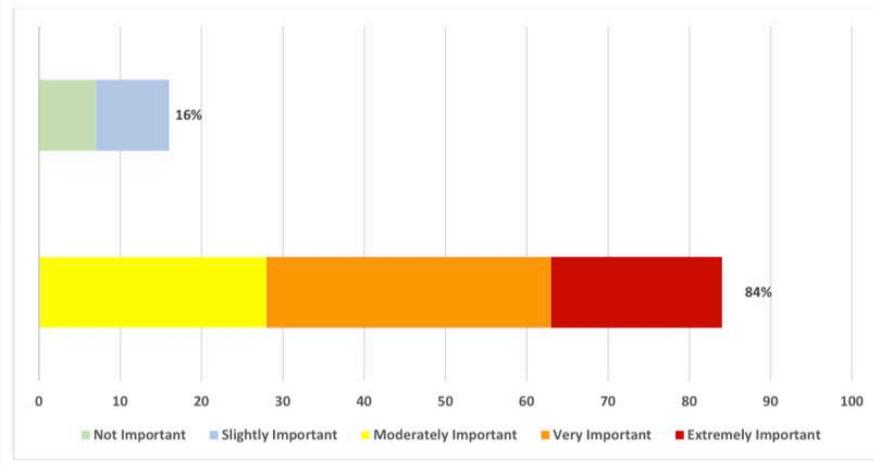
Due Process upon Denial or Revocation of Registration/Certification



- **44%** of non-certified operations stated extremely important
- **31%** of certified operations stated extremely important

# Providing Statewide Outreach

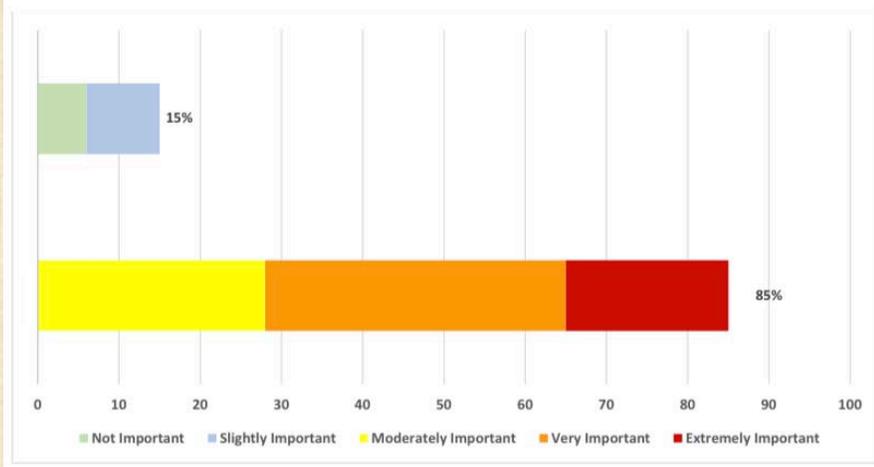
Providing Statewide Outreach



- **16%** stated not important or slightly important
- **84%** stated moderately important to extremely important

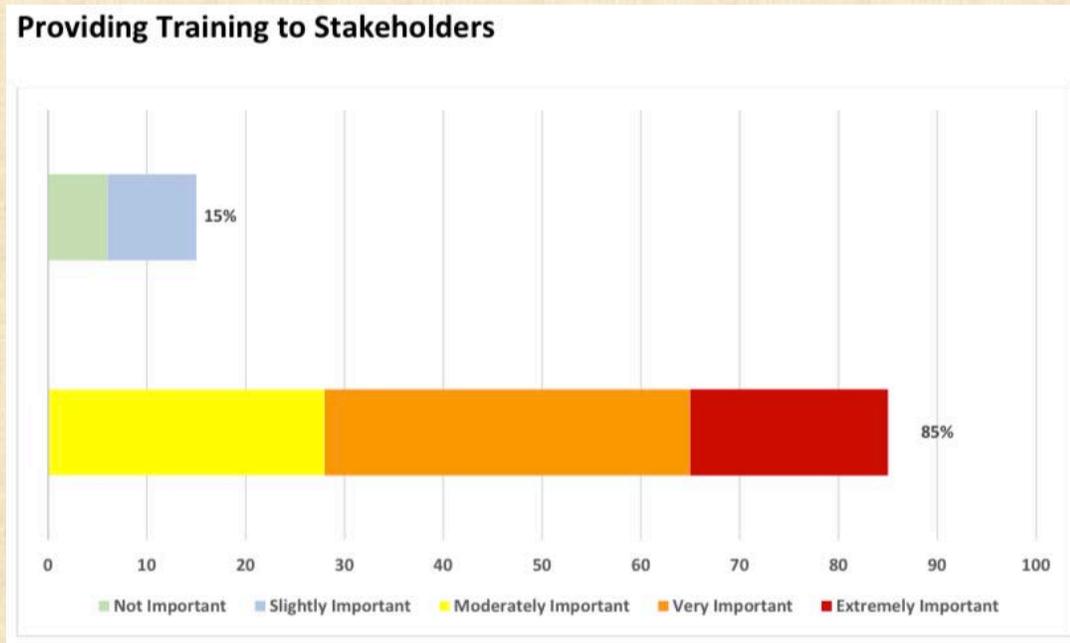
# Providing Published Data

Providing Published Data Reports



- **15%** stated not important or slightly important
- **85%** stated moderately important to extremely important

# Providing Training to Stakeholders



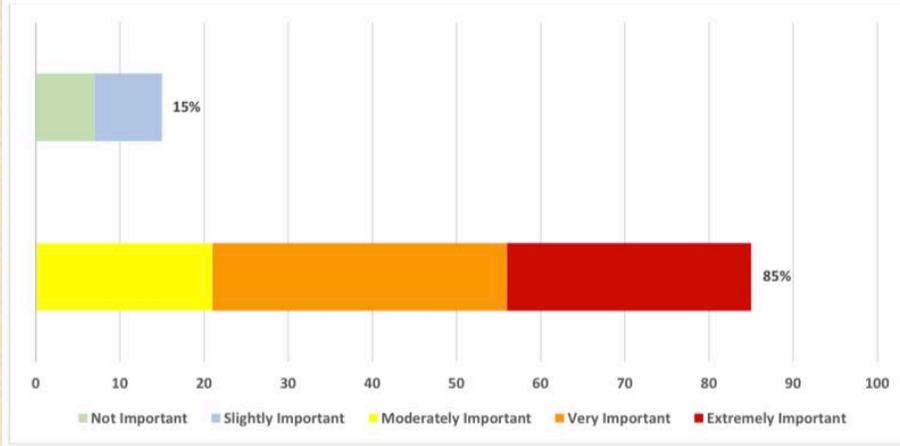
- **15%** stated not important or slightly important
- **85%** stated moderately important to extremely important

# CDFA Survey Results

The following section represents potential areas of activities that could be undertaken by the SOP

# Technical Assistance

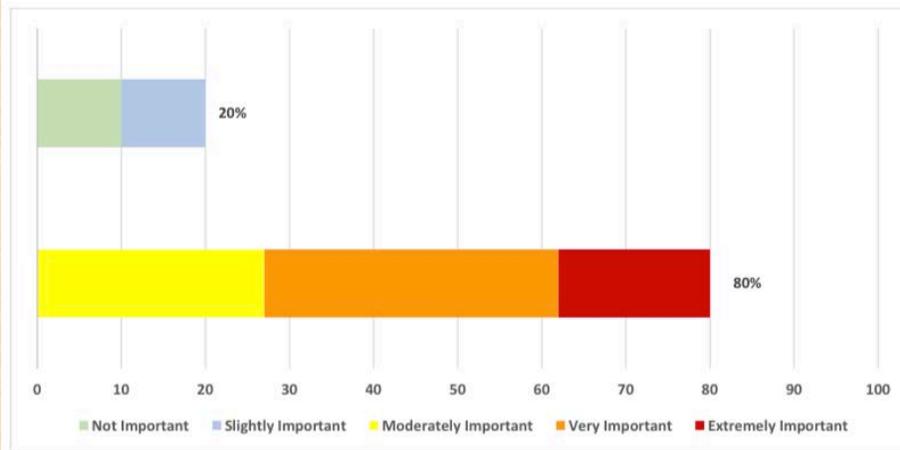
## Establish Framework That Allows Organic Farmers to Receive Technical Assistance and Information



- **15%** stated not important or slightly important
- **85%** stated moderately important to extremely important

# Identify Areas for Organic Research

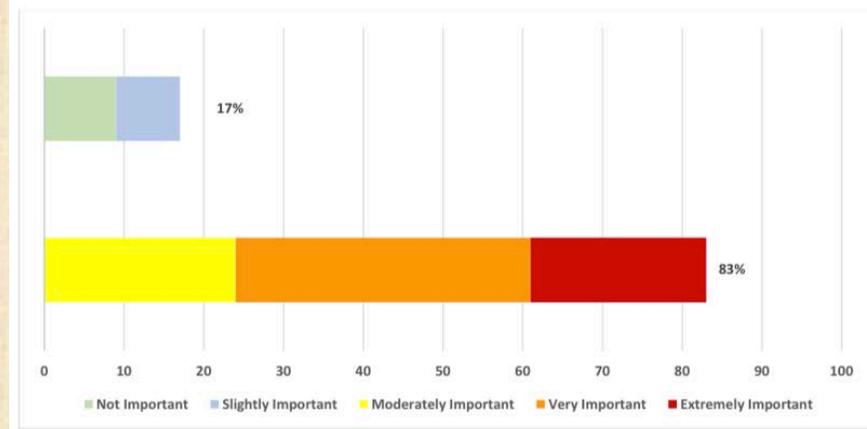
## Identify Areas for Organic Research Priorities



- **20%** stated not important or slightly important
- **80%** stated moderately important to extremely important

## Provide a Clearing House of Information

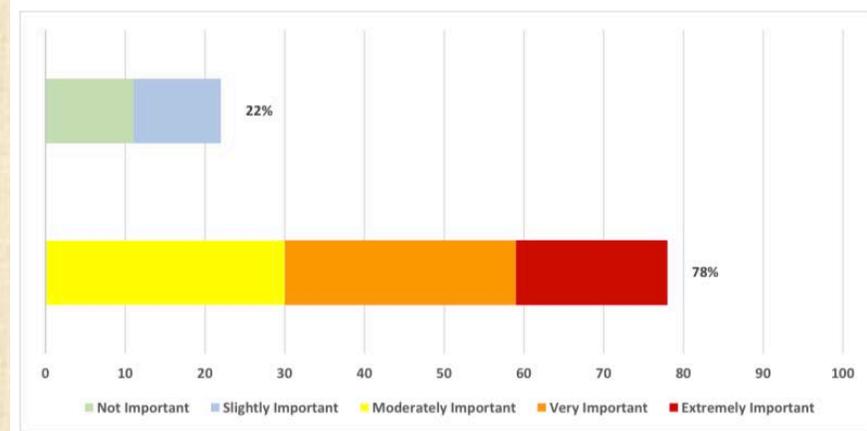
### Provide a Clearing House of Information, Research Findings, Practices, and Techniques



- **17%** stated not important or slightly important
- **83%** stated moderately important to extremely important

## Forum for Exchange of Grower Practices

### Create a Forum for Exchange of Grower Practices



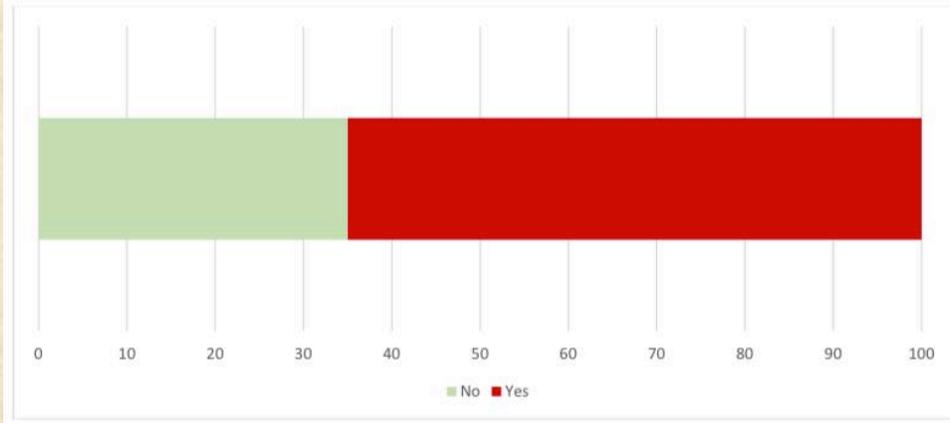
- **22%** stated not important or slightly important
- **78%** stated moderately important to extremely important

# CDFA Survey Results

This section represents results of the registration process and data collection

# Online Registration

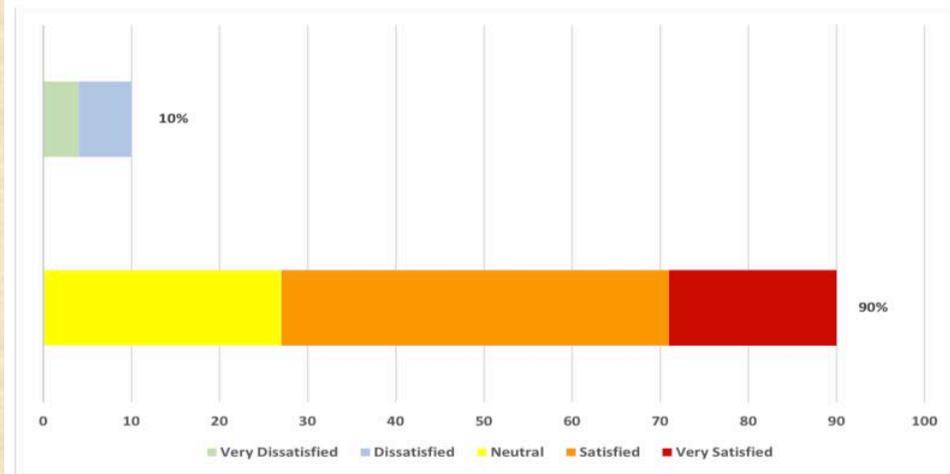
Do you Currently Utilize the Online Registration Process



- **35%** stated they **DO NOT** use the online database
- **65%** stated they **DO** use the online database

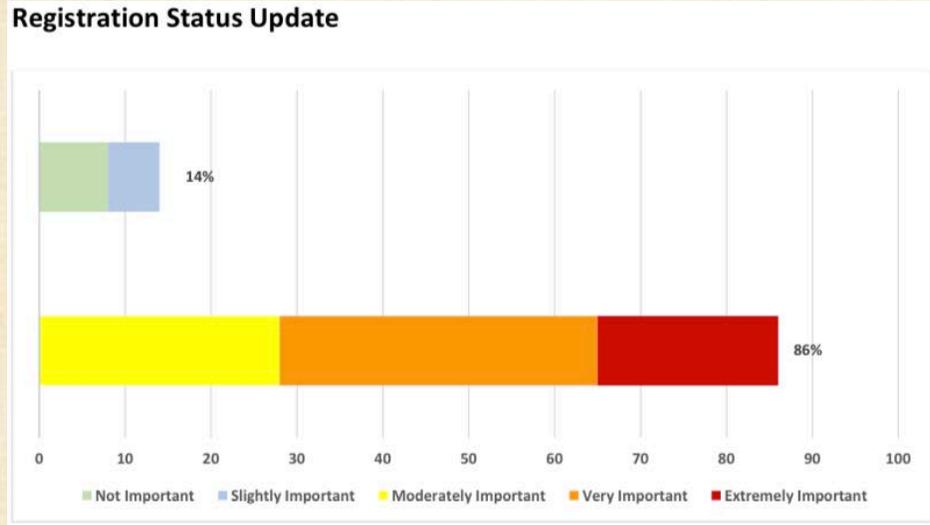
# Satisfaction with Online Registration

Satisfaction with Overall Experience Using the Online Registration Process



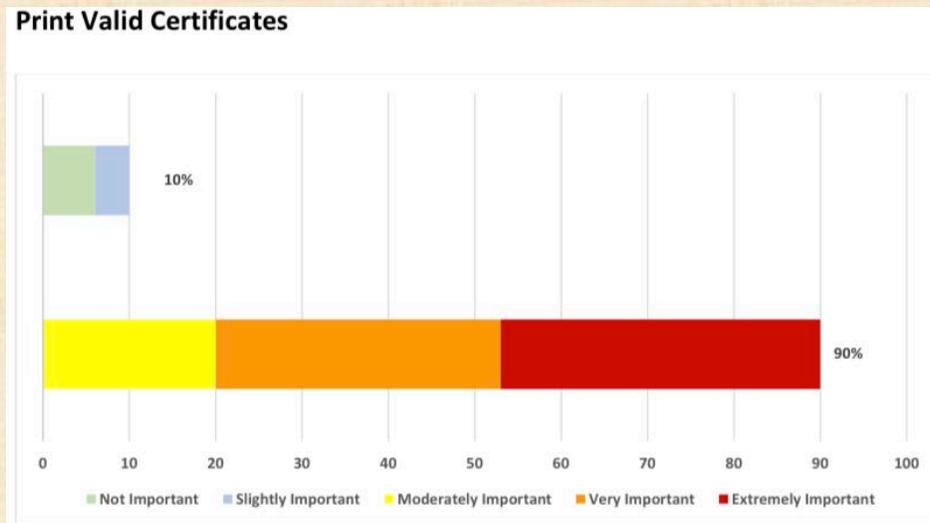
- **10%** stated dissatisfied
- **90%** stated they are satisfied

# Registration Status Updates



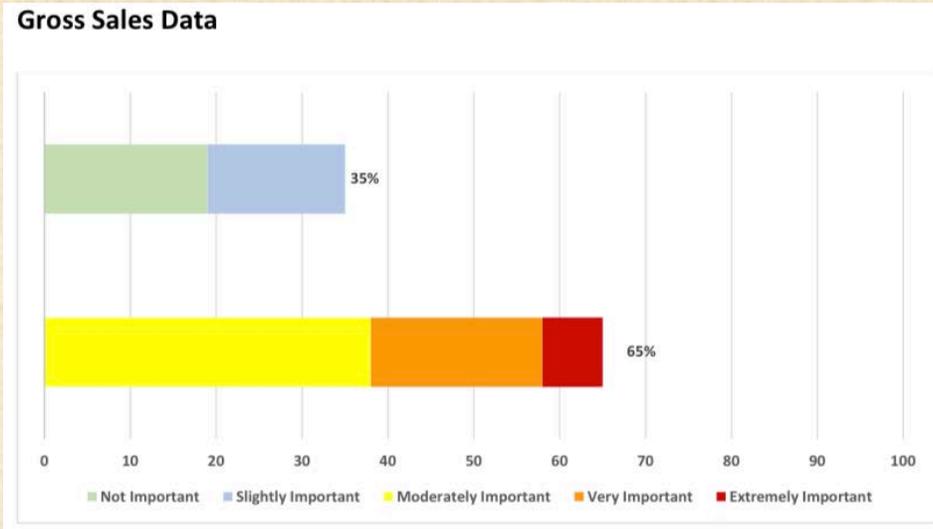
- **14%** stated not important or slightly important
- **86%** stated moderately important to extremely important

# Print Valid Certificates



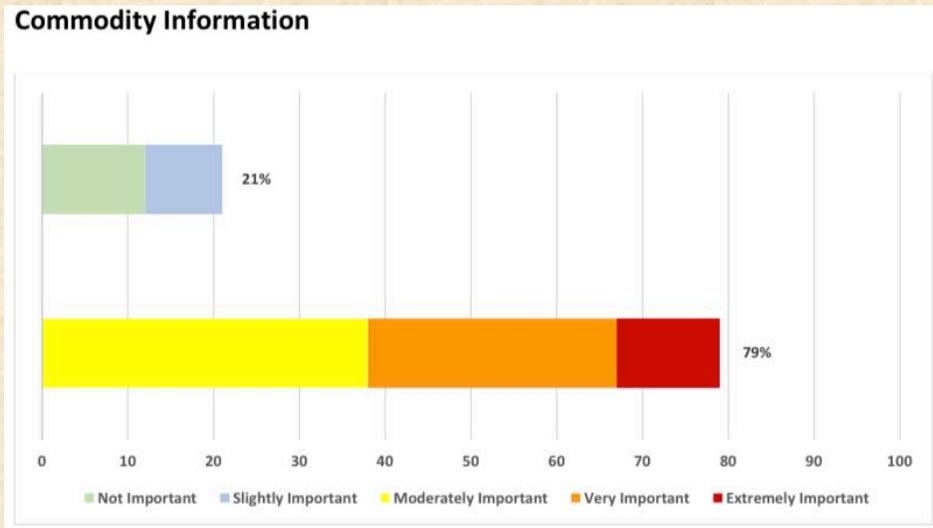
- **10%** stated not important or slightly important
- **90%** stated moderately important to extremely important

# Gross Sales Data



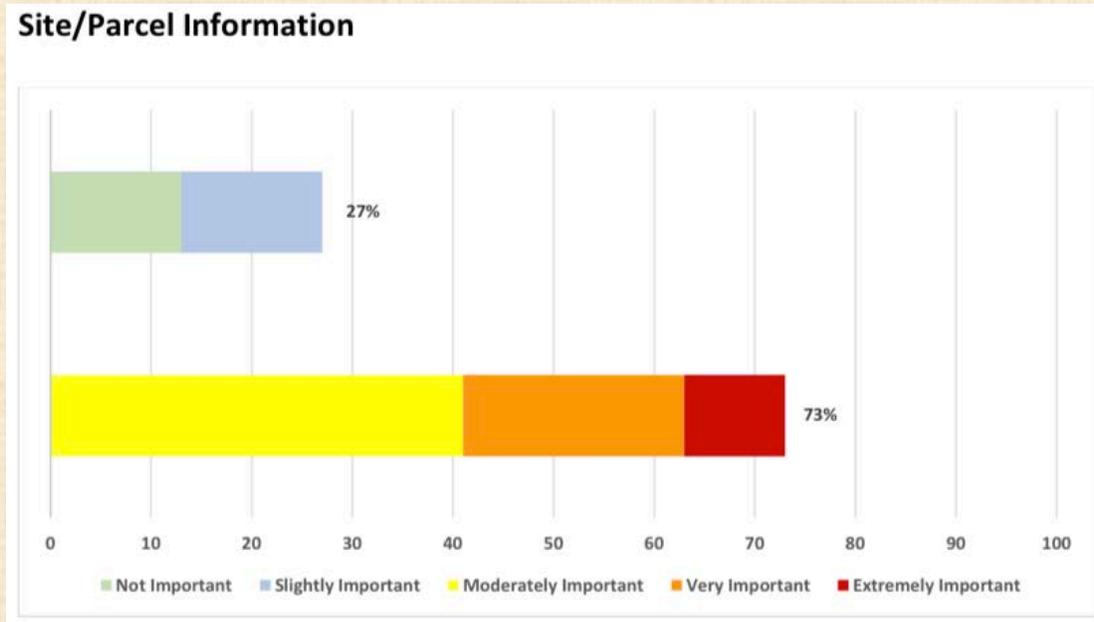
- **35%** stated not important or slightly important
- **65%** stated moderately important to extremely important

# Commodity Information



- **21%** stated not important or slightly important
- **79%** stated moderately important to extremely important

# Site/Parcel Information



- **27%** stated not important or slightly important
- **73%** stated moderately important to extremely important

Thank you