



**John W Spink, Ph.D.**

Director, Food Fraud Prevention  
Academy

Also: Assistant Professor, Department of  
Supply Chain Management, Business  
College, Michigan State University (USA)



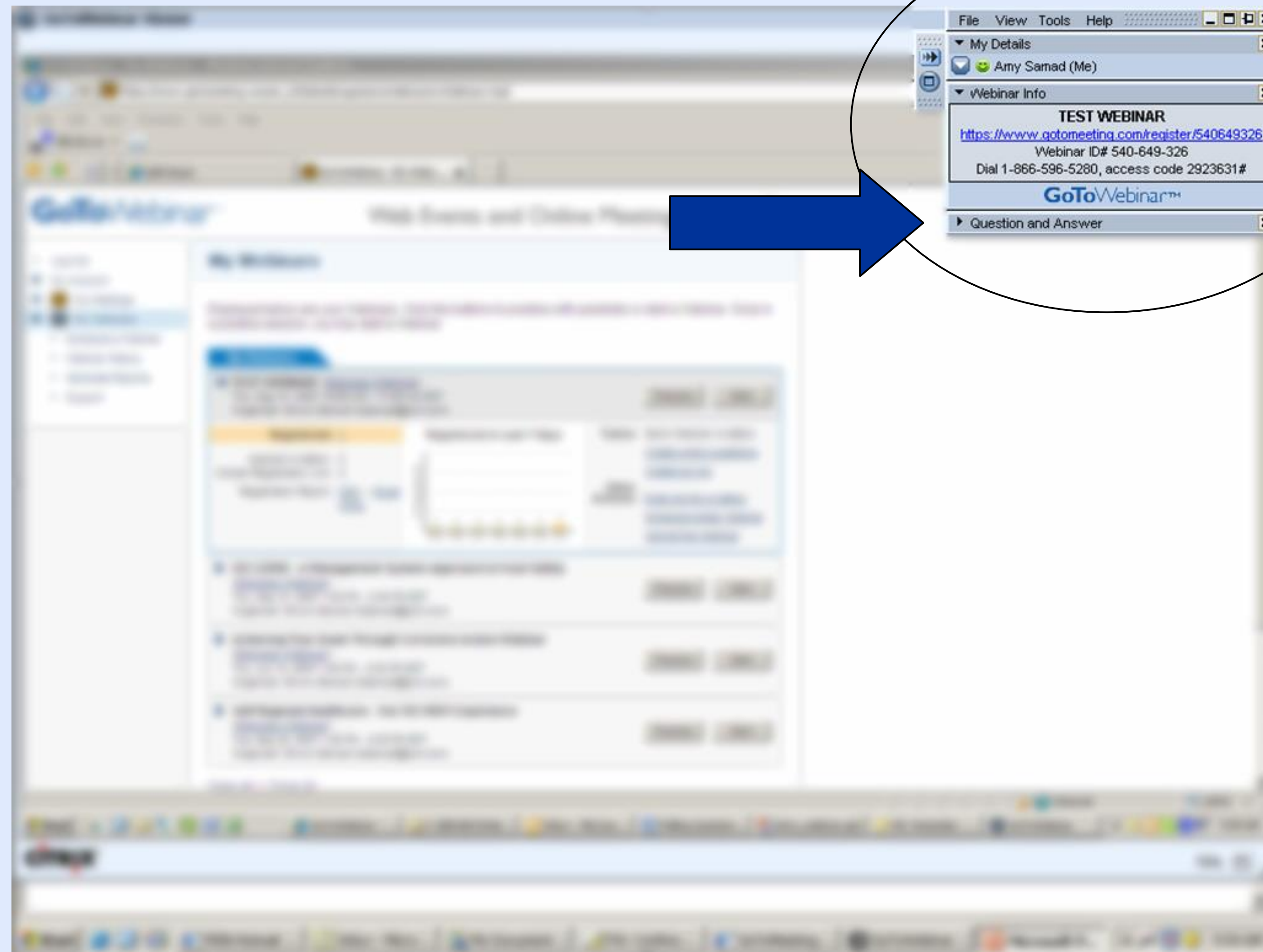
**Gwendolyn Wyard**

Vice President or Regulatory  
and Technical Affairs

**PJRFSI – Your Partner for Food Safety**



# Food Fraud Prevention in an Organic World



File View Tools Help

My Details

Amy Samad (Me)

vWebinar Info

**TEST WEBINAR**

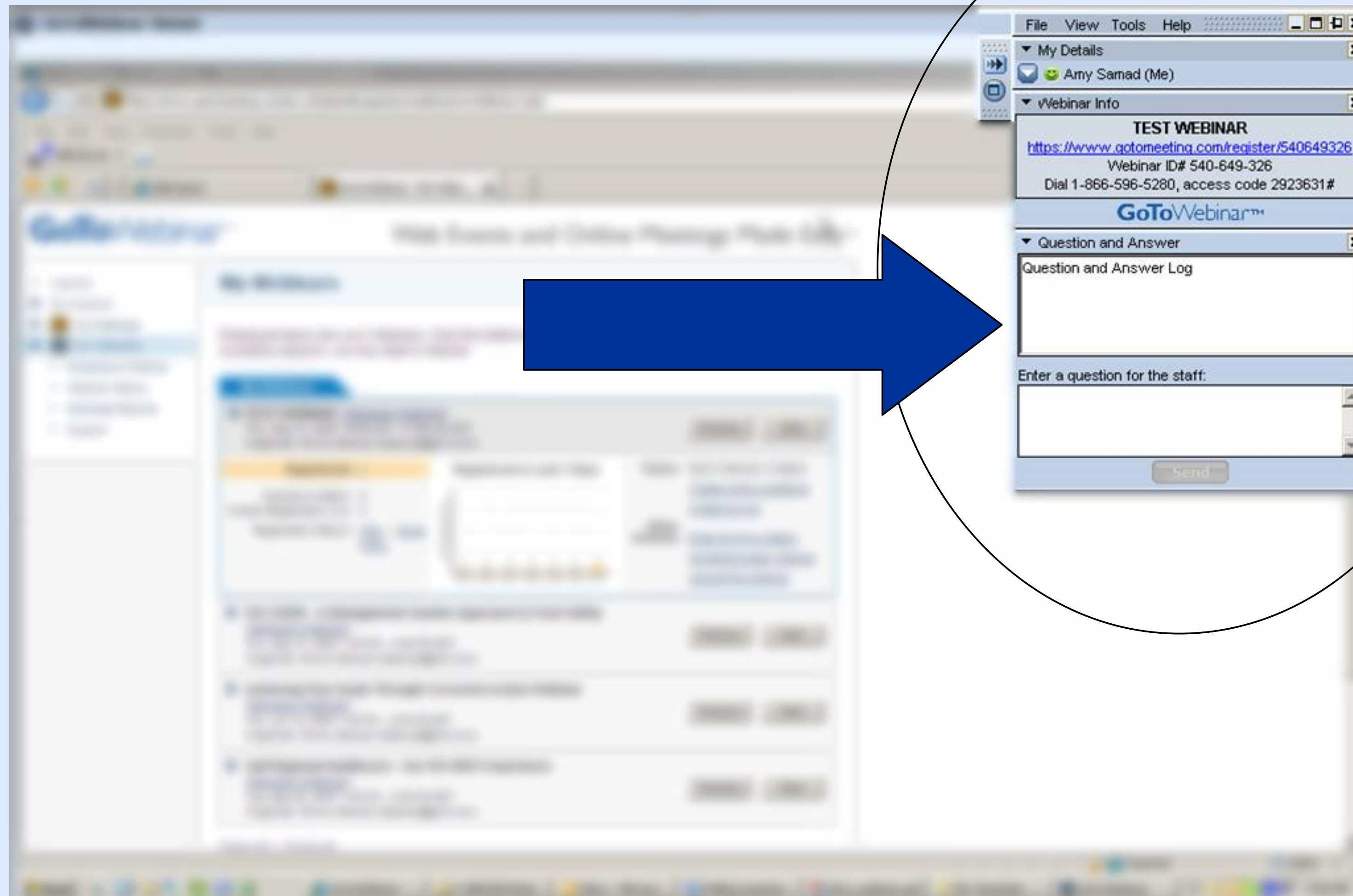
<https://www.gotomeeting.com/register/540649326>

Webinar ID# 540-649-326

Dial 1-866-596-5280, access code 2923631#

GoToWebinar™

Question and Answer







**Paul Damaren**

Senior Vice President of  
Food Safety & Supply  
Chain, PJRFSI



**PJRFSI – Your Partner for Food Safety**





# Food Fraud Prevention in an Organic World

PRESENTED BY

Gwendolyn Wyard

VP Regulatory + Technical Affairs

Dr. John Spink

Assistant Professor







# Organic Trade Association

We were founded in 1985 by a group of visionaries who created the association to promote, protect, and advance organic.



**TODAY, WE ARE THE VOICE OF THE \$62 BILLION ORGANIC INDUSTRY,  
REPRESENTING 9,500 BUSINESSES ACROSS 50 STATES.**



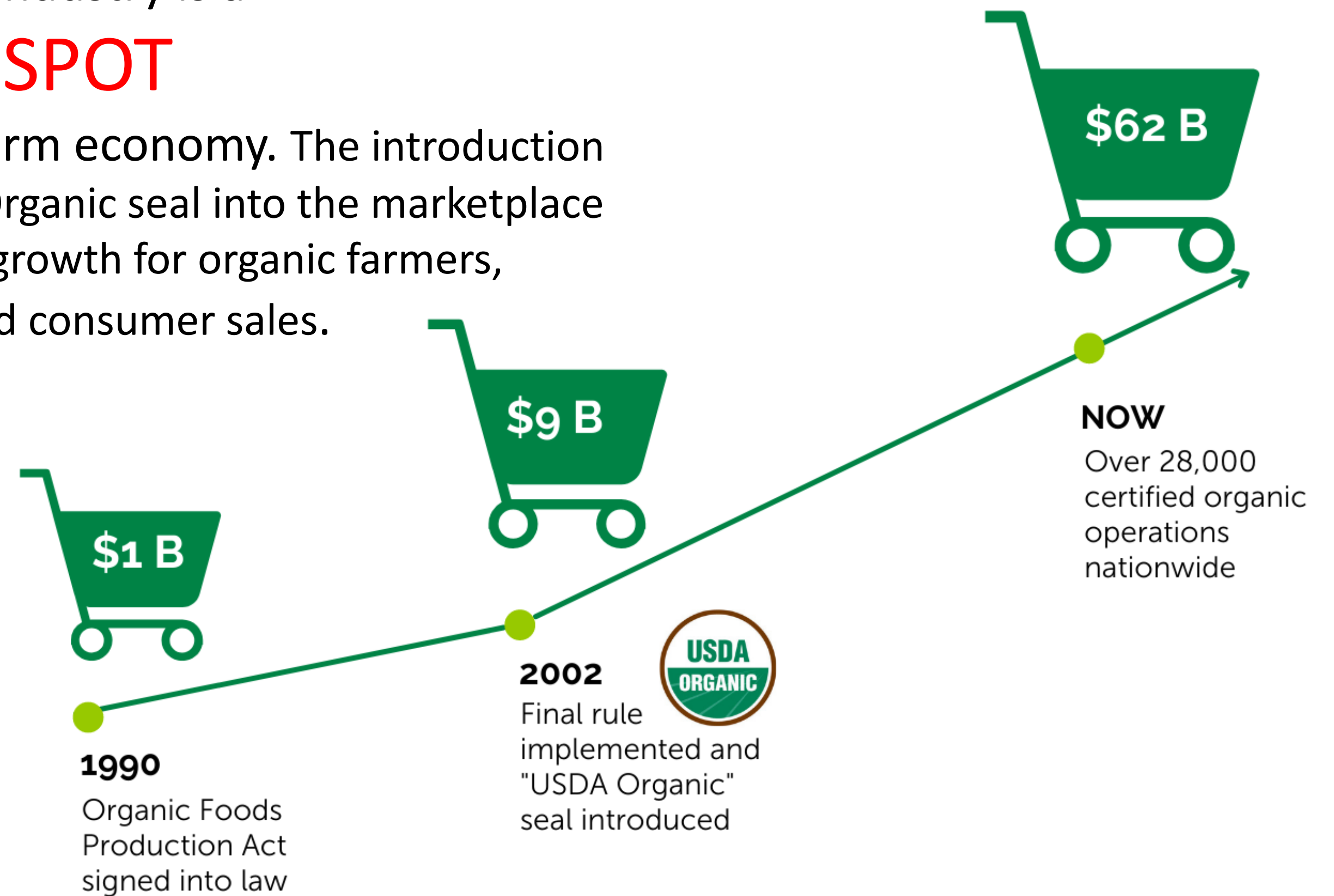


# Organic is the most heavily regulated + closely monitored food production system in the United States.

The organic industry is a

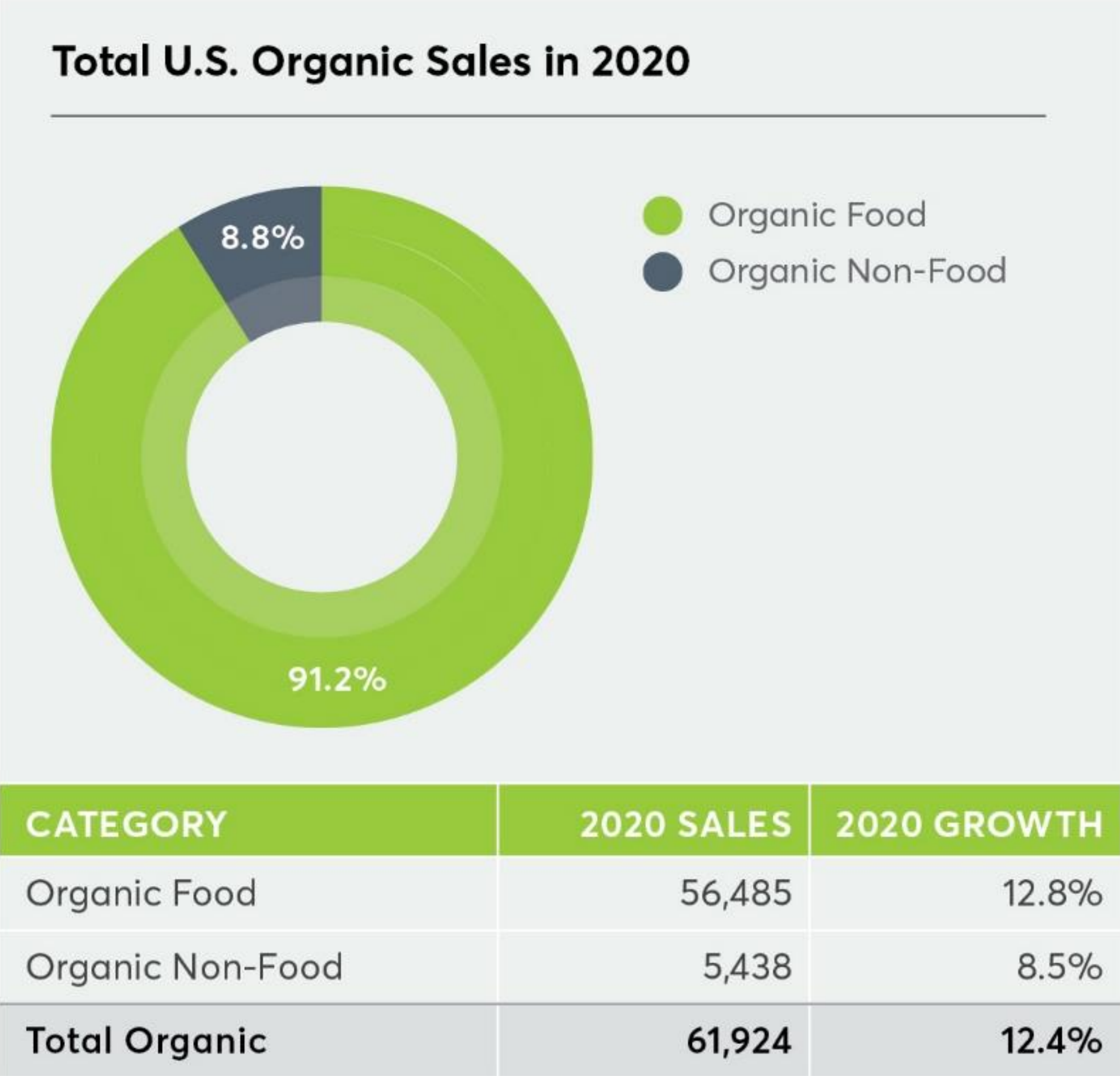
## **BRIGHT SPOT**

in the U.S. farm economy. The introduction of the USDA Organic seal into the marketplace has captured growth for organic farmers, businesses and consumer sales.





# U.S Organic Food Sales by Product

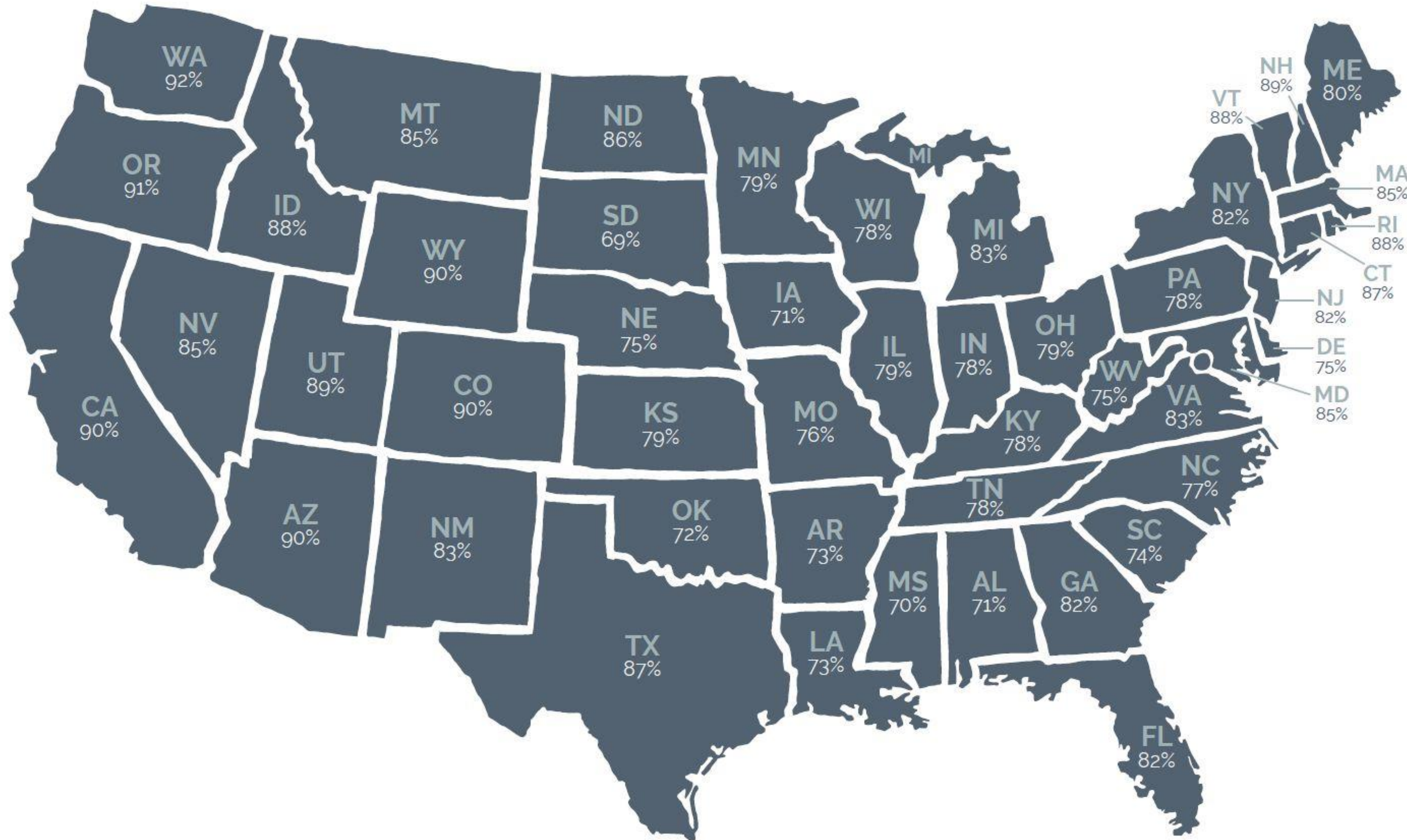


Source: Organic Trade Association's 2021 Organic Industry Survey conducted 1/13/2021–3/22/2021 (\$mil., consumer sales).





# Household purchasing



Over **82%** of  
U.S. households  
buy organic





# Global organic market continues to grow

The global market for organic food reached **122 billion US dollars** in 2019 (approx. 106 billion euros). The **U.S.** is the single largest market (nearly 42% of the global market), followed by the **European Union** (39%) and **China** (8%).

**Denmark** has the highest per capita consumption (344 euros). The highest organic market shares were in **Denmark** (12.1%), **Switzerland** (10.4%), and **Austria** (9.3%)





# Global organic supply chain requires new tools to prevent fraud

Fraud cannot be tolerated in organic, inside or outside of the United States. Anytime there is fraud anywhere in the organic system, it takes value out of the organic chain.





# Action is Needed on Several Fronts

**Government  
Engagement**



**Private Sector  
Prevention**



**Reporting and  
Complaints**





# USDA-NOP Proposed Rule on Strengthening Organic Enforcement

## *What?*

- LARGEST regulatory change since the organic regulations were implemented in 2002

## *Why?*

- To address organic fraud, ensure organic integrity and protect consumer trust
- Increase accountability and visibility

## *Who will be impacted?*

- **Everyone** in the global organic supply chain

***“This rule is a game-changer”***





# Where are we at in the process?

December 2018

August 2020  
60 day comment  
period

Expected out  
in Spring 2022!

One year (or more)  
after publication of  
a final rule

Farm Bill 2018  
(LAW)

Proposed Rule & Public Comment

Final Rule

Implementation





# Topics Covered in the Proposed Rule:

1. Reduce types of handlers exempt from organic certification (traders, brokers, distributors)
2. Require use of electronic import certificates
3. New recordkeeping and **fraud prevention procedures** to improve supply chain traceability
4. Enhance accreditation and certification oversight in these areas:

Confirming organic status	Robust inspections	Overseeing certifiers
<ul style="list-style-type: none"><li>• nonretail labeling</li><li>• standardized organic certificates</li><li>• data reporting</li><li>• certifier information sharing</li></ul>	<ul style="list-style-type: none"><li>• unannounced inspections</li><li>• inspector training</li><li>• trace-back and mass balance audits</li><li>• grower groups</li></ul>	<ul style="list-style-type: none"><li>• notification of new offices</li><li>• equivalency reviews</li><li>• adverse action process</li></ul>





# SOE Proposed Requirement § 205.201(a)(3)

## Requires certified operations to develop an **Organic Fraud Prevention Plan**

**AMS expects a robust plan for supply chain oversight and organic fraud prevention would include:**

- A map or inventory of the operation's supply chain which identifies suppliers;
- Identification of critical control points in the supply chain where organic fraud is most likely to occur;
- A **vulnerability assessment** to identify weaknesses in the operation's practices and supply chain;
- Practices for verifying the organic status of any product they use;
- A process to verify suppliers and minimize supplier risk to organic integrity;
- **Mitigation measures** to correct vulnerabilities and minimize risks;
- Monitoring practices and verification tools to assess the effectiveness of mitigation measures;
- A process for reporting suspected organic fraud to certifying agents and the NOP.





# ORGANIC Fraud Prevention SOLUTIONS

An Organic Trade Association Program



The Best Practice Guide forms the basis of an organic industry fraud prevention program:

- Voluntary program that involves training, enrollment, assessment and ACA confirmation
- Internal quality control program, NOT a certification or verification program
- Certified operations will be developing mitigation measures and an Organic Fraud Prevention Plan
- Updates to the Organic Systems Plan will tie the program to the annual certification process

**Leadership and commitment from organic businesses will drive the adoption process and strengthen the organic supply chain.**





# Participant Handbook

# ORGANIC Fraud Prevention SOLUTIONS



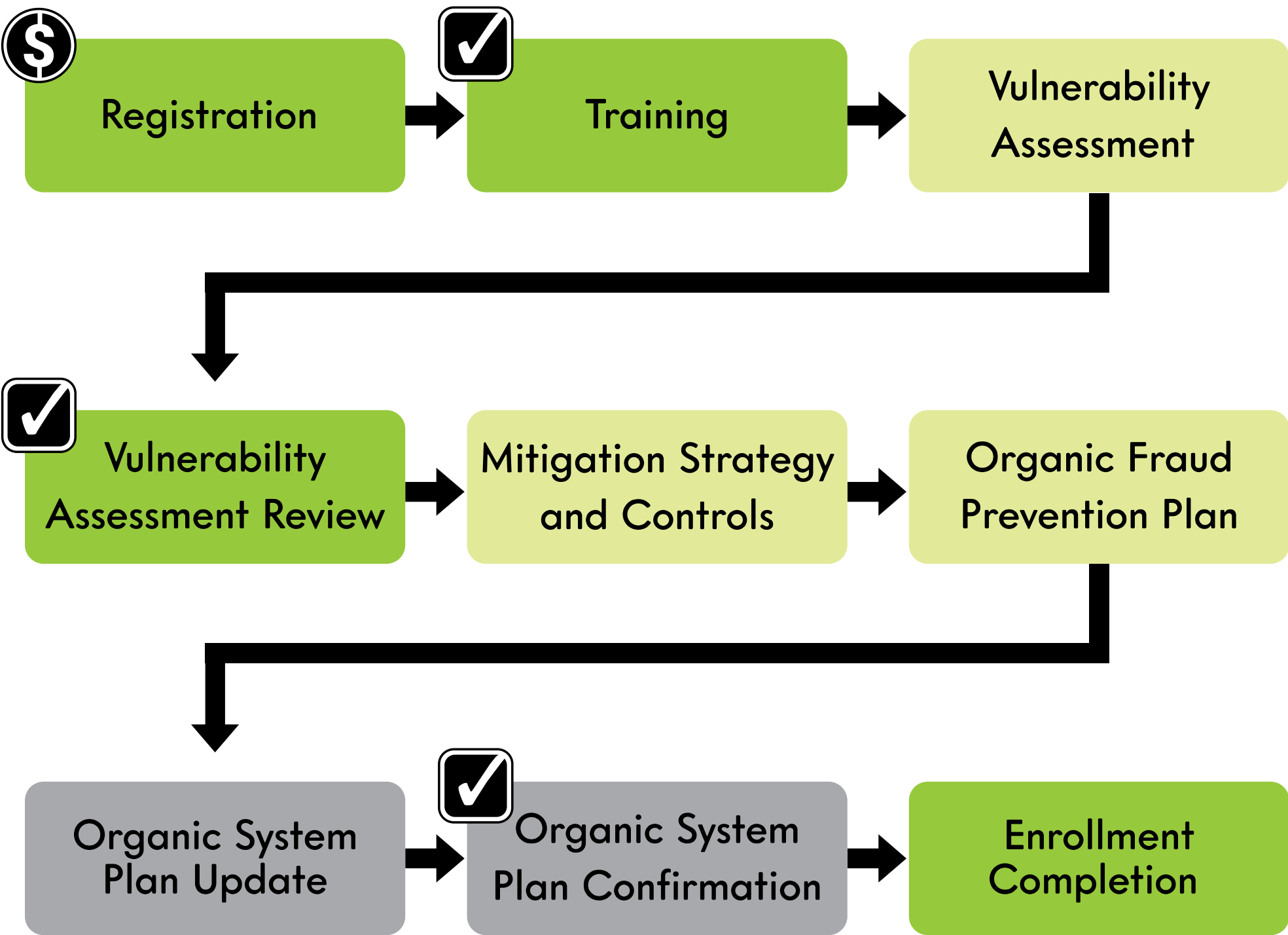
## TABLE OF CONTENTS

1. ABOUT THE ORGANIC TRADE ASSOCIATION
2. ABOUT THE PARTICIPANT HANDBOOK
3. ABOUT THE ORGANIC FRAUD PREVENTION GUIDE
4. ABOUT THE ORGANIC FRAUD PREVENTION SOLUTIONS PROGRAM
  - 4.1. Who can participate in the program?
  - 4.2. Why is it important?
  - 4.3. Why should I enroll?
  - 4.4. What are the benefits?
5. WHAT DOES THE ENROLLMENT PROCESS INVOLVE?
  - 5.1. How much time and resources will it take?
  - 5.2. How much does it cost?
  - 5.3. What is the required organic fraud prevention training?
6. HOW DOES THE PROGRAM SUPPORT USDA-NOP CERTIFICATION?
7. DOES THE PROGRAM INVOLVE A CONSUMER-FACING LABEL?
8. WHAT ARE OPPORTUNITIES FOR CERTIFIERS, CONSULTANTS AND ADVISORS?
  - 8.1. Competent Partners and Trusted Advisors
  - 8.2. Additional training for certifiers and inspectors
9. RESOURCES
10. GLOSSARY





# Enrollment Process



- Internal Steps Taken by Company
- Interaction with Organic Certifier
- Payment Step
- Critical Enrollment Step

# ORGANIC Fraud Prevention SOLUTIONS



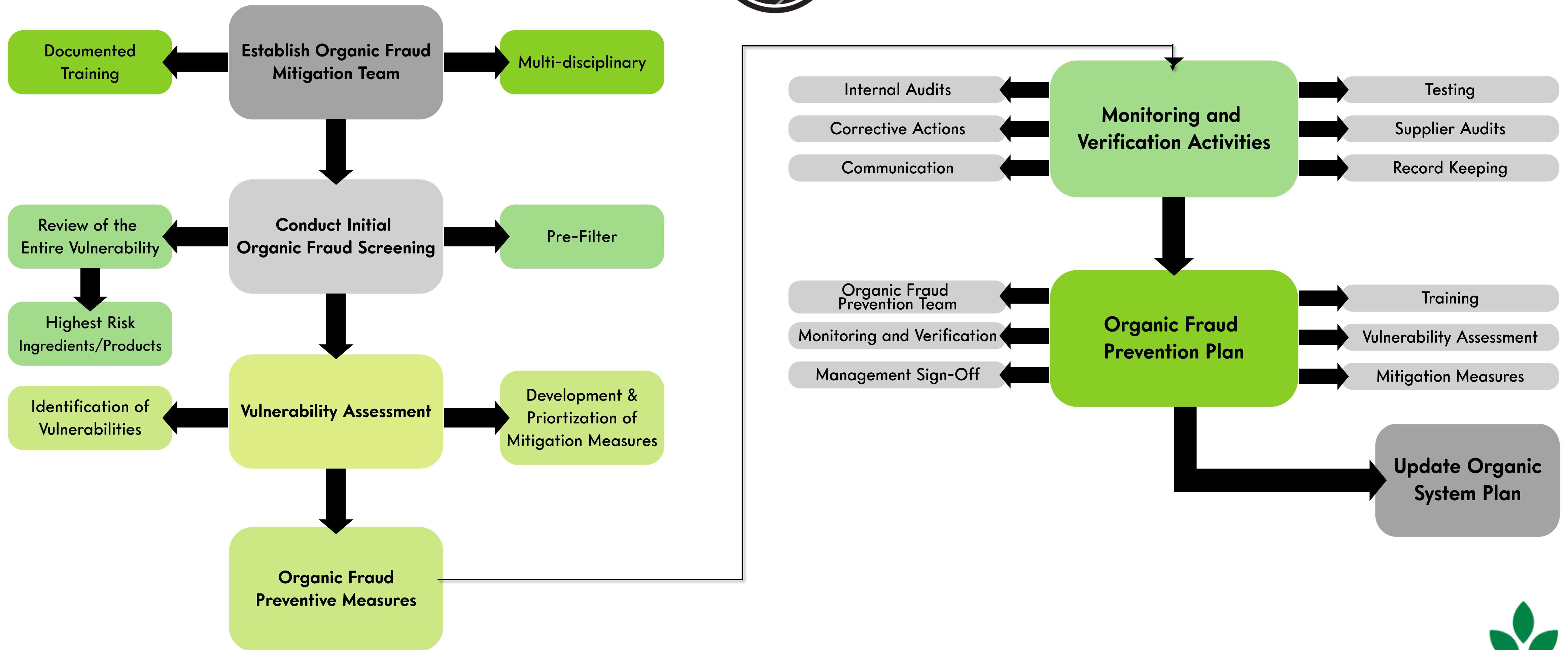
ORGANIC FRAUD PREVENTION SOLUTIONS ENROLLMENT PROCESS CHECKLIST	
STEP 1 	<b>REGISTRATION:</b> The first step is to contact the Organic Trade Association and fill out the on-line enrollment eligibility form. Upon submission of the form, the Organic Trade Association will verify your eligibility and provide you with a registration link. When a company registers, they receive a Company Start-Up Kit that includes the Participant Handbook, the Organic Fraud Prevention Guide, required training information and the Satisfactory Vulnerability Assessment Declaration.
STEP 2 	<b>TRAINING:</b> The lead personnel responsible for leading the vulnerability assessment and implementing the organic fraud prevention program must sign up for a required training. The training is an on-line, on-demand class offered at no additional charge. After appropriate company personnel have successfully completed the training and achieved the certificate of completion, the company continues to step three. <See section 5.1 for more information on the training>
STEP 3	<b>VULNERABILITY ASSESSMENT:</b> The most critical step in the implementation of an organic fraud prevention plan is forming an organic fraud prevention team and conducting the vulnerability assessment. This assessment maps out weak points in a supply chain that increase exposure to organic fraud. Information is collected at the appropriate points along the supply chain (including raw materials, ingredients, prod-ucts and packaging) and evaluated to identify significant vulnerabilities for organic fraud. This sets the stage for developing an organic fraud mitigation strategy.
STEP 4 	<b>VULNERABILITY ASSESSMENT REVIEW:</b> The quality of the vulnerability assessment is key to having a strong organic fraud prevention program. This step ensures that a company has carried out the vulnerability assessment in a thorough fashion. The review must be conducted by a designated and qualified individual referred to as a "Competent Partner." Once the vulnerability assessment is found to be satisfactory, the Competent Partner will sign off on a Satisfactory Vulnerability Assessment Declaration that will be included in the Organic Fraud Prevention Plan.
STEP 5	<b>MITIGATION STRATEGY AND CONTROLS:</b> Once the vulnerability assessment and review are complete, the company can then identify and select proportionate mitigation measures and design a mitigation strategy based on the outcomes of the vulnerability assessment. To ensure that organic fraud mitigation measures are adequate and effectively implemented, a monitor-ing program, including verification activities and incident management procedures, must also be documented and formally built into the Organic Fraud Prevention Plan.

(Continued on next page)



# ORGANIC Fraud Prevention SOLUTIONS

An Organic Trade Association Program





# ORGANIC Fraud Prevention SOLUTIONS

An Organic Trade Association Program




## EXTENSIVE TRAININGS REQUIRED & AVAILABLE

### USDA-NOP Organic Integrity Learning Center



Agricultural Marketing Service  
National Organic Program

## ORGANIC INSIDER



### New Learning Center Course

#### Preventing the Organic Fraud Opportunity

This course, developed by a food fraud expert, teaches certifiers and inspectors fundamental supply chain risk management concepts that can reduce the organic fraud opportunity. Participants review case studies and apply intelligence gathering and analysis techniques to understand where supply chain weaknesses occur. The course helps certifying agents and inspectors understand whether certified operations have implemented effective organic fraud prevention strategies and whether the strategies are active and being reviewed for effectiveness.

**Lessons**

1. Introduction and Overview of Organic Fraud, Requirements & the Prevention Plan
2. Advanced Inspections and Deeper Case Studies

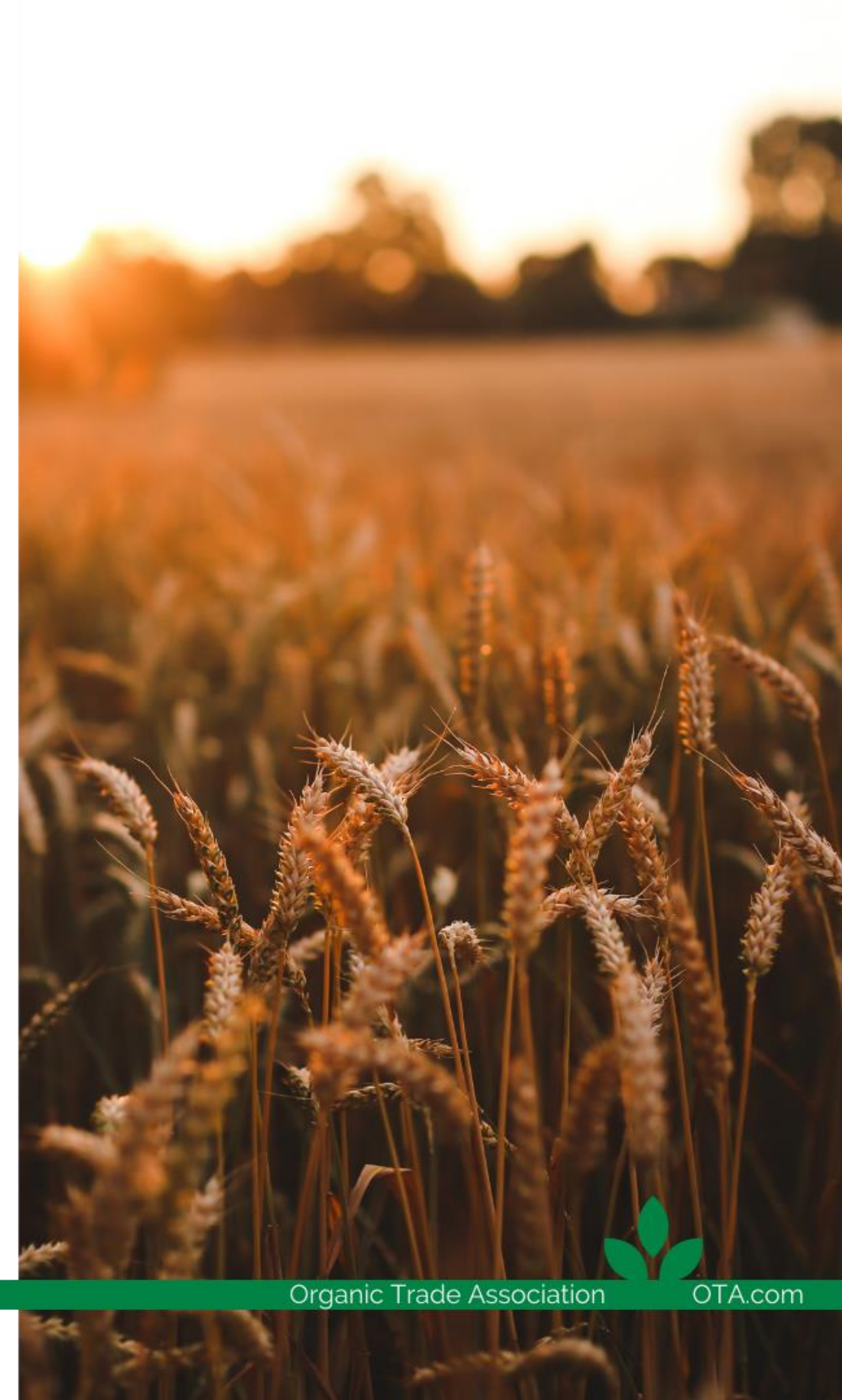






## Opportunity for certifiers and industry partners!

**Supporting Partners** are encouraged to take advantage of additional trainings offered through USDA's National Organic Program and available on the USDA Organic Integrity Learning Center. The courses are tailored for organic certifiers, inspectors, reviewers, and other professionals working to protect organic integrity and are offered at no charge online.





# CALL TO ACTION – ARE YOU READY?



Enroll Now

Improve Quality Control

Protect Your Business

Grow Consumer Confidence

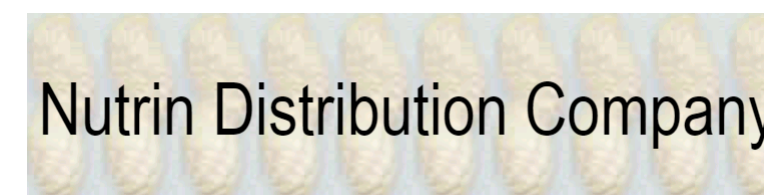
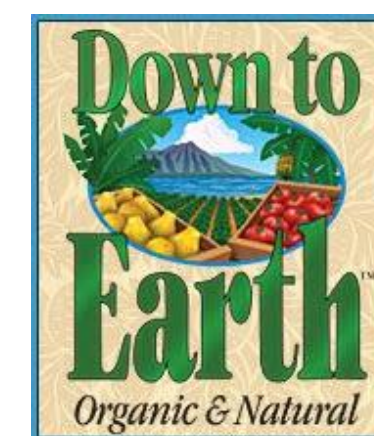


[OTA.com/OrganicFraudPrevention](https://OTA.com/OrganicFraudPrevention)

- AMS estimates that at least 1,922 new handlers will need to get certified (961 domestic).
- AMS estimates that 26,408 certified operations in the U.S. and 18,352 in foreign countries will be impacted









# Organic Trade Association Resources



**WE'RE THE ORGANIC  
TRADE ASSOCIATION**

[> JOIN US](#)

**TOGETHER, WE GROW ORGANIC**

**VISIT**

[www.OTA.com](http://www.OTA.com)

for resource  
downloads + more  
information



# Organic Trade Association Resources



Summary of SOE: <https://ota.com/advocacy/critical-issues/organic-oversight-enforcement>

Enroll in Organic Fraud Prevention Solutions: <https://ota.com/OrganicFraudPrevention>

Find Organic Ingredients and Products: <https://find.organic/>

Organic Market Overview & 2021 Survey: <https://ota.com/resources/market-analysis>

International Trade Data Reports: <https://ota.com/tradedata>

Global Organic Trade Guide: <https://globalorganictrade.com/>

Become an OTA member: <https://ota.com/membership/become-member>







# Thank You

SINCE 1985  
*Organic*  
trade association



# Upcoming Webinars

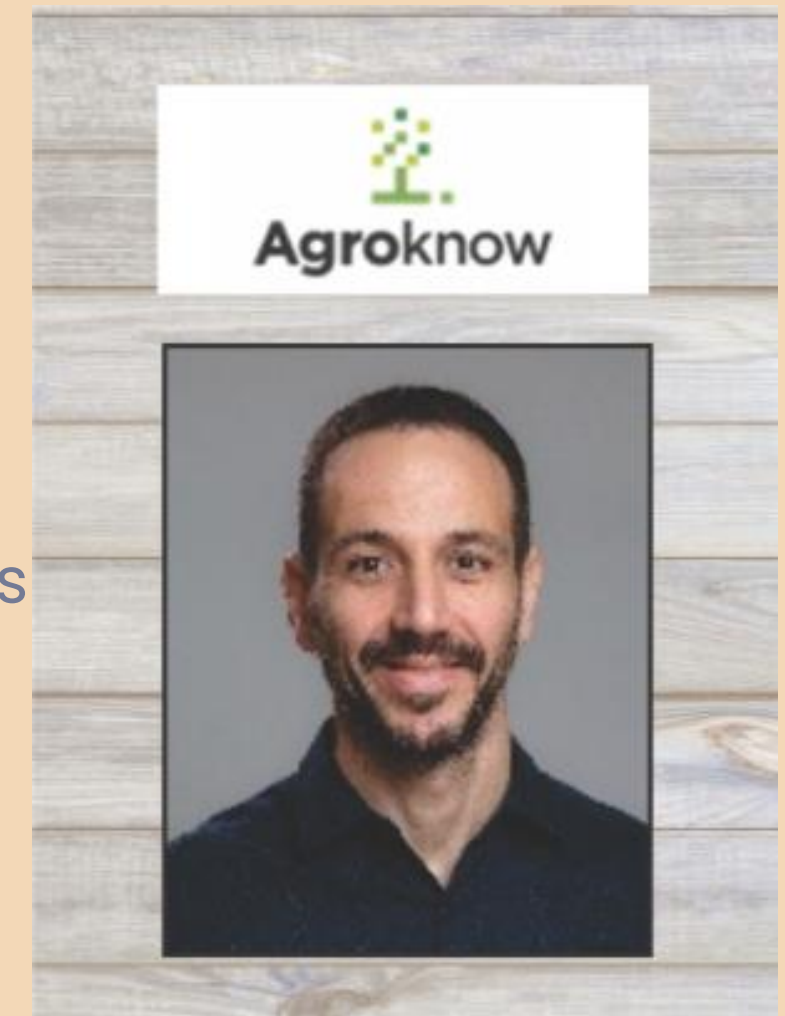


## [Food Risk Intelligence and AI for Food Risk Prevention](#)

**December 2, 2021 – 11:00 am EST**

Speaker: Nikos Manouselis, CEO, Agroknow

Description: Join Nikos as he explains and demystifies the 3 key areas of food risk intelligence being i.e. monitoring, assessment and prevention and how digital technologies can help.



## [Brand Protection, Going Beyond Food Safety in 2022](#)

**December 9, 2021 – 2:00 pm EST**

Speaker: John Kukoly, Global Director, BRCGS

Description: During this session we will explore brand protection with John Kukoly, Director of BRCGS. John will take us a step beyond food safety, highlighting the importance of quality management as it applies to the food industry.





# Audience Q&A

[www.OTA.com](http://www.OTA.com)

