

# Organic Certification Process



Ronald Rainey  
Associate Professor -  
Agricultural Economics  
and Agribusiness

Harrison Pittman  
Director - National  
Agricultural Law Center

Shannon Mirus  
Staff Attorney - National  
Agricultural Law Center

Katherine McGraw  
Research Associate -  
Agricultural Economics  
and Agribusiness

Jennie Popp  
Professor - Agricultural  
Economics and  
Agribusiness

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## What Does Organic Mean?

Products labeled as “organic” or containing the USDA Organic seal have been produced or processed by a grower or handler that meets all of USDA’s requirements under the National Organic Program (NOP). Only producers or processors that have been certified through the National Organic Program are allowed to use the term “organic” on their labels. The NOP is for marketing purposes only; the regulations do not address food safety or nutrition. A food labeled “organic” only carries the guarantee that it was grown and processed under the specified conditions. It is not a health or nutrition statement.

## Why Should I Become an Organic Producer?

Organic products typically sell for higher prices than conventionally produced products. This is partially because of the increased costs associated with raising organic products, but also because consumers are willing to pay extra for organic products. These price premiums can range anywhere from 6% to 100% higher than prices paid for conventionally grown crops, with the premiums typically being higher at the wholesale level than at the farm gate level. By entering the organic market, producers are able to take advantage of the price premiums that consumers are paying for organic products<sup>1</sup>.

Over the past several years, there has been tremendous growth in consumer demand for organically produced products. The increase in demand for organic food products has resulted in more organic production as the number of certified organic operations has continually increased, surpassing 7,000 in 2001, doubling the 1993 number of farms. From 1997 through 2001, the number of certified organic acres in the United States has increased by almost 1 million acres, growing from 1.3 million acres in 1997 to 2.3 million acres in 2001. According to the 2007 Census of Agriculture, there were 24,000 farms operating on 2.26 million certified organic acres. This includes 1.3 million acres devoted to organic crops with the remaining acres in pastureland. In 2007, there were a little over 600,000 acres being converted to organic.

## How Do I Become an Organic Producer?

Although you may already be following many of the requirements of the National Organic Program, to be able to sell your products as “organic” you must be certified by a USDA-accredited certifying agent. To receive your certification, you must meet all the requirements of the NOP regulations. These regulations cover such topics as what substances you may use in production and processing, conservation measures,

<sup>1</sup> Dimitri, Carolyn, and Lydia Oberholtzer. “Organic Price Premiums Remain High.” *Amber Waves*. September 2005, available at <http://www.ers.usda.gov/AmberWaves/September05/Findings/OrganicPrice.htm> (last visited February 21, 2011).

record-keeping requirements and other administrative procedures that are required.

The National List of Allowed and Prohibited Substances identifies synthetic substances that may be used, and the nonsynthetic substances that cannot be used, in organic production and handling operations. The list is developed by USDA and updated periodically with substantial input from the National Organic Standards Board (NOSB)<sup>2</sup>.

The NOSB's main mission is to make recommendations about whether a substance should be allowed or prohibited in organic production or handling, to assist in the development of standards for substances to be used in organic production and to advise the Secretary on other aspects of the implementation of the 1990 Organic Act. You may submit substances for consideration to be added to the list. The current list is available on the National Organic Program web site at <http://www.ams.usda.gov/nop>.

The certification process for a farm involves developing and submitting an application through a USDA-accredited certifying agent and an on-site inspection. It is important to note that, if your operation is currently using conventional production methods, there is a three-year transition period to be fully certified.

The following sections summarize each area of the certifying process and detail available resources.

## USDA-Accredited Certifying Agents

There are several USDA-accredited certifying agents across the country. Some are private companies that provide the service, and others are branches of state government, usually state departments of agriculture.

The fees charged by the certifying agents may vary by location and type of agent. Additionally, the type and size of farm may impact the fees charged, which can range from \$25 to well over \$500.

As of publication, there are no USDA-accredited certifying agents in Arkansas. Although Arkansas does not have accredited certifying agents, the Arkansas Agriculture Department does have a cost-share program that offsets some of the certification costs. A current list of certifying agents may be found on the National Organic Program web site at <http://www.ams.usda.gov/nop>.

## Application

The application that you submit must contain the following information:

- **Type of operation to be certified.** The operation may be certified for producing or processing of crops, wild crops, livestock or handling.
- **History of substances applied to land for the previous three years.** All organic land must be treated organically for three years prior to harvest of the organic crop before it can become certified as organic.
- **List of organic products being grown, raised or processed.** The type of products will determine what regulations apply to your farm.
- **The organic system plan (OSP).** The organic system plan is a plan that describes the practices and substances used in production. The plan must also provide for monitoring practices, a record-keeping system and lay out your procedures for preventing the commingling of organic and nonorganic products and contamination by prohibited substances.

## On-Site Inspection

After you have submitted your application, the certifying agent will review it for certification eligibility. If your operation is eligible, a qualified inspector will conduct an on-site inspection. Depending on the size, type and complexity of the operation, this generally takes two to five hours. Operations with livestock or on-farm processing may take longer. Fields, equipment, crop storage and documentation will be reviewed, including field borders where nonorganic crops adjoin organic crops, in order to verify there are sufficient buffer zones to avoid drift of nonapproved materials.

## Certification and Annual Inspection

The certifying agent will review the inspection report along with the application submitted. If the information is adequate to prove that the applicant is following the proper standards and requirements, the certifying agent will grant certification to the operation and issue a certificate. This certification remains in effect until it is terminated, either voluntarily or through enforcement processes by USDA.

Any changes in the operation, such as the addition of a new crop, additional processing or application of a prohibited substance, must be reported immediately to the certifying agent. Annual inspections by a qualified inspector are required to maintain the certification.

## Guidance Handbook

In 2010, USDA published a guide book to assist certifying



<sup>2</sup> The Organic Foods Production Act of 1990, part of the 1990 Farm Bill, authorized the Secretary of Agriculture to appoint a 15-member National Organic Standards Board (NOSB).

agents and organic producers with understanding the NOP process and regulations. The guide can be downloaded from USDA's National Organic Program Web link. The goals of the guidebook as listed on the NOP web site<sup>3</sup> are:

The goal of the Program Handbook is to provide those who own, manage or certify organic operations with guidance and instructions that can assist them in complying with the National Organic Program (NOP) regulations. The Handbook includes three types of documents: 1) guidance, which provides interpretations of NOP statutory or regulatory requirements, 2) instructions, which informs certifying agents and certified operations about best practices for conducting business related to certification, accreditation, international activities and compliance and enforcement and 3) policy memos, which provide formal communication to public audiences on NOP policy regarding a specific regulatory requirement. It is our intention to expand this project over time by issuing draft guidance on additional topics,

soliciting public comment and finalizing new guidance for inclusion in the Handbook.

Exemptions From Certification

The NOP regulations allow small producers and handlers who follow the organic regulations on production and handling to sell their products as organic without being certified. This exemption applies only to those small producers and handlers whose gross sales of organic agricultural products are \$5,000 or less per year. Although exempt from the certification process, these producers and handlers must still comply with the NOP regulations that govern production, labeling and record-keeping for organic products.

Restrictions for Exempt Organizations

There are several restrictions in place for producers and handlers that are exempt from the certification process. Products from an exempt operation may not be sold to a handler to be further processed and used in products labeled "organic." Processors selling certified organic products or products labeled as "organic" may only use ingredients from a certified organic producer, not from exempt organic

producers. Additionally, exempt organic producers may not use the USDA Organic seal on their products. Producers that are exempt may use the word "organic" to market their products, but the USDA Organic seal may only be used on certified organic products.



Exempted producers may sell their products at farmers' markets but should have procedures in place to store, transport and display organic and nonorganic products separately. These products may also be sold to grocery stores and restaurants for resale as organic, but the retailer may not process or repackage the product and then sell it as organic.


Labeling Foods as "Organic"

The National Organic Program regulations give the term "organic" a special legal meaning when used on food products. The regulations specify when a food can be labeled as "100% Organic," "Organic" and "Made With Organic."

Labeling of organic products and use of the USDA Organic seal.

100% Organic	Organic	Made With Organic	No Label of Organic
Must contain 100% organic products	Must contain 95-100% organic products	Must contain 70-95% organic products	Products with less than 70% organic products
May use USDA Organic seal	May use USDA Organic seal	May NOT use USDA Organic seal	May NOT use USDA Organic seal

USDA Organic seal.



This seal is used by certified producers to identify products that are produced and/or processed according to the guidelines and allows consumers to easily identify certified "organic" products.

<sup>3</sup> USDA National Organic Program web site, <http://www.ams.usda.gov/AMSv1.0/nop> (last visited on February 21, 2011.).

## Penalties

Penalties are in place for labeling products as “organic” if you are not a certified organic producer and for claiming to be exempt if you do not meet the qualifications. Making these false claims is fraud and can result in a civil penalty of up to \$10,000 per violation. The National Organic Program regulations are federal regulations and are enforced by

the United States Department of Agriculture. You may also be in violation of state fraud or misbranding laws, which carry their own penalties separate from those enforced by USDA.

## For More Information

1. USDA Agricultural Marketing Service National Organic Program Web page, available at <http://www.ams.usda.gov/nop>.
2. National Sustainable Agriculture Information Service – ATTRA Web page, available at <http://attra.ncat.org/organic.html>.
3. National Agricultural Law Center's National Organic Program Reading Room. The Web link is <http://www.nationalaglawcenter.org/readingrooms/organicprogram/>.