

Inspectors' Report

VOL 14 NO. 1 WINTER 2005

Notes from The Chair

By Brian Magaro

I would like to take this opportunity to wish you a healthy, happy, and prosperous 2005. As for 'Notes from the Chair', please see the following:

The

2004 Annual Report

IOIA's mission is to address issues and concerns relevant to organic inspectors, to provide quality inspector training, and to promote consistency and integrity in the organic certification process.

Issues and Concerns relevant to organic inspectors: During 2004, the first real-time electronic IOIA membership database, including a searchable feature to make our membership information readily available on-line, was implemented. This allows realtime updating of membership data, training information, and accreditation status. It makes IOIA membership information readily accessible to anyone. It greatly facilitated publication of the annual membership directory and printing of inspector 'transcripts' of IOIA trainings.

IOIA continues to maintain membership in Grolink AB and the agreement with them to make The Organic Standard electronic newsletter available to our members for a nominal fee. About 25% of inspector members subscribe.

Although IOIA is no longer able to offer OMRI lists for a nominee fee to training attendees and IOIA members, OMRI now offers organic inspectors their lowest cost, educational subscription rate.

Promoting consistency and integrity: IOIA continues to maintain a promotion budget. IOIA attended three major organic events in the US and Canada with our booth and sent a modest display to the Middle East Expo in Dubai, UAE.

2004 was our 2nd year to officially sponsor the Guelph Organic Conference in Ontario. We attended and staffed a booth at "All Things Organic", the Organic Trade Association show in Chicago in May, which included OTA's Annual Meeting, NOSB, and other industry meetings.

We staffed a booth at the Natural Products East Expo in [see Report, page 4]

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Harvey v. Veneman – How Will It Change The NOP?

On January 26, the US Court of Appeals for the First Circuit, based in Boston, MA, issued its decisions in a lawsuit brought by Arthur Harvey against Ann Veneman, former Secretary of Agriculture, concerning the National Organic Program regulations. In its 36-page opinion, posted at www.ioia.net/HarveySuit, the court ruled in favor of three of the seven issues Harvey raised, which alleged inconsistencies between the national organic standards implemented in 2002 and the Organic Foods Production Act (OFPA) of 1990 (the law that created the NOP).

The three NOP regulations that the Circuit Court identified for change are:

1) The NOP regulations¹ have allowed synthetic substances to be used in organic processed foods on a limited basis. All of the synthetics allowed have first undergone technical review by the National Organic Standards Board (NOSB). The Circuit Court has now ruled (Opinion, pages 19-22) that since a provision in OFPA bars synthetics in processed foods², most of the synthetics that have been approved up to now would no longer be allowed.

2) The NOP regulations have a special transition rule for when a whole dairy herd is converted to organic production. The rules have allowed the feeding of a minimum of 80% organic feed for the first nine months, switching to full organic feed after that³. The Circuit Court has now ruled (Opinion, pages 29-32) that since a provision in OFPA requires all organic dairy animals to receive organic feed for 12 months prior to the sale of milk or milk products⁴, the special rule for newly converted herds violates OFPA and must be discontinued.

3) The NOP regulations have not been so strict about requiring individual reviews by the NOSB for every non-organic ingredient used in organic processed foods. The regulations have required individual reviews for synthetic and natural non-agricultural ingredients but have not required reviews for the other class of non-organic ingredients (those agricultural products not "commercially available" in an organic form). Those have been permitted in processed foods on a blanket basis⁵. The Circuit Court has now ruled (Opinion, pages 10-13) that non-organic agricultural products should have individual reviews in order to be used in processed foods⁶.

The first 2 counts were outright reversed by the Circuit Court. The third count regarding blanket exemption on 'commercial availability' was remanded, meaning it was sent back to the lower court for them to clarify the point.

As for the remainder of Mr. Harvey's appeal, he challenged four other provisions of the NOP regulations as contrary to OFPA, but the Circuit Court upheld the existing regulations, ruling as follows:

4) It is consistent with OFPA for products labeled "made with organic..." to be under organic certification, even though they are not expected to meet as high a standard as products labeled "organic" or "100% organic."

(Opinion, pages 13-19.)

5) It is consistent with OFPA to make wholesalers and distributors of sealed packaged products exempt from organic certification⁷, even though OFPA generally requires organic handlers to be certified. (Opinion, pages 23-25.)

6) It is consistent with OFPA to prohibit certifiers from giving advice⁸ when applicants for certification or operations that have already been certified encounter barriers to certification. (Opinion, pages 25-29.)

7) It is consistent with OFPA to prohibit certifiers under the NOP from requiring compliance with separate private standards that differ from the NOP standards⁹. (Opinion, pages 32-36.)

[See **Harvey**, page 12]

Reminder! AGM is Set for March 19 Info on page 5

What's Inside.... NOSB News.....p 5 Canadian Report.....p 6 **SPECIAL!** Mini-Directory Insert!----- Centerfold Plus Mad Cows, GMO's, Resources, Calendar,And More!

In Brief...

Dues Raffle Winner

Congratulations to **David Demler**, of Ohio, who was the winner of our first membership dues raffle! We had IOIA's accountant draw from the names of all those who paid the \$5 each for the dues raffle. David will be receiving a \$100 refund, as he had already promptly paid his dues, as well as inspection assessment fees. **Judy Schneider** will receive \$15 for being the 2nd name drawn.

Guelph Success

The Guelph Organic Agriculture Conference wrapped up its 24th year at the University of Guelph, drawing over 1,600 participants including almost 130 exhibitors, over 50 speakers and community leaders, and 75 volunteers.

"The event was a huge success and exceeded all of our expectations," says Tomas Nimmo, Conference Manager. A raging blizzard did not deter the many who traveled from all parts of the country to attend the three-day Conference.

The Organic Observer

This is an excellent new quarterly newsletter published by Emily Brown Rosen, started to primarily follow the regulatory issues happening at NOSB and NOP and provide a forum for more communication on organic issues. She plans to schedule issues before and after NOSB meetings, to provide an update on issues pending and reports after the meetings.

A sample preview issue is located in the Members-only section of the IOIA website.

Four issues annually: \$35 electronically, \$50 hard copy checks payable to: Organic Research Associates, LLC PO Box 5 Titusville NJ 08560 (sorry, no credit cards)

Membership Updates

The 2005 IOIA Membership Directory is hot off the press. If you ordered a hard copy, it has already been mailed to you. If you would like a hard copy but failed to order one, please contact IOIA. Supporting Certification Agency Members were all mailed copies as part of their membership dues benefits. We think members will appreciate the new spiralbound format.

The **On-Line Directory** is constantly updated and remains the best way to access current member info. We will continue to print regular membership updates in this newsletter.

2004 was our first year to provide the Directories only to members who requested them and paid the nominal fee, saving printing and mailing costs. One disadvantage was that some errors in the Directory weren't evident to the members for almost a year. We mailed out copies of the Directory entry to each member in November with their dues mailing. We were much chagrined to find by member responses that we had 3 members who 'farmed with horses and enjoyed sea kayaking' because of a cut and paste error from previous directories. Oops. So this year, we mailed out a copy of the Directory entry to each member in January, requesting review and edits. Please take a moment to review your entry.

Welcome to New Supporting Certification Agency Members!

Global Organic Alliance

Contact: Betty Kananen P O Box 530 Bellefontaine, OH 43311 Phone: 937.593.1232 Fax: 937.593.9507 Email: kananen@logan.net; www.goa-online.org

Organic Forum Intl, Inc.

Contact: Heidi Johnson 37189 532nd Avenue Paynesville, MN 56362 Phone: 320.276.8760 Fax: 320.276.8587 Email: ojohnson@tds.net

Stellar Certification Services Inc. Contact: Jim Fullmer 25844 Butler Rd Junction City, OR 97448 Phone: 541.998.5691 Fax: 541.998.5694 Email: jfullmer@peak.org

Membership Committee Chair Needed

IOIA would like to thank **Chris Kidwell** for chairing the Membership Committee for the past 2 years. This is a big job, as it includes the task of chairing the annual Nomination Committee to find candidates for the Board of Directors.

If you are interested in chairing this committee or want more info, please contact the IOIA office.

Special Mini-Membership Directory Pull-out in this issue!

This issue has our first ever **Mini-Directory**, which lists members' names and contact info only. We are interested in hearing feedback about how this abbreviated version works for our members, so please contact the IOIA office with any comments you may have.

Nov 1. Relevant articles are welcomed. We strive for accuracy, but the Editor and IOIA cannot be held responsible for errors or omissions.

Published quarterly on recycled paper.



Upcoming Trainings

Tokyo, Japan

IOIA and JOIA will sponsor Basic Organic Farm Inspector Training and Basic Organic Process Inspector Training to be held **February 18-20, 2005** and **March 13-15, 2005** respectively, in Tokyo, Japan. Both courses will be instructed in Japanese using JAS (Japanese Agricultural standard) for reference. JOIA will handle registration. For more information please contact: mutsumi.sakuyoshi@nifty.com or 81-45-313-1071 phone/fax.

Vancouver, British Columbia, CANADA

Livestock: IOIA will sponsor Advanced Organic Livestock Inspector Training at the Granville Island Hotel on March 17-18 immediately before the next IOIA Annual Meeting on March 19. The training will include a full-day field trip to Bradner Farms of Abbotsford, about 40 miles east of Vancouver. Bradner Farms is recognized as a state-of-the-art organic livestock operation including Holstein dairy, egg production, and egg hatchery. The operation milks about 400 cows at three sites, keeps an average of about 750,000 poultry birds of which about 5% are certified organic, and processes all organic feed on farm. The full-time veterinarian and feed specialist on staff will each provide a presentation. In-classroom presentations will include dairy nutrition, lameness in dairy cattle, humane livestock certification, and small group exercises on feed rations. Materials provided to course attendees will include feed exercises to do before arriving for the course and a resource paper by Emily Brown Rosen on NOP regulations for feed additives, supplements, vitamins, and minerals. Basic Livestock Standards: An additional half-day optional opportunity will be provided on the afternoon of March 16 for those who desire basic livestock standards training (NOP and COABC). The session is open to experienced inspectors who wish to brush up on their standards, inspectors who've completed some inspections but haven't completed IOIA Livestock training, and to other interested persons from certification groups. Community Grower Groups: In addition, a one-day training in inspection of Community Grower Groups is scheduled for March 18, presented by Trainer Luis Brenes of Costa Rica. This session is only an option for those not attending the Advanced Livestock Training. Fair Trade: IOIA is working to provide Fair Trade audit training on the evening of March 16 (still tentative). If you are interested in these additional training opportunities, please contact IOIA. Course minimums apply for all courses. Deadline to apply is February 18.

Manitoba, CANADA

IOIA and Assiniboine Community College will be cosponsoring Basic Organic Farm Inspector Training. The course is a combination of distance education and a weekend training practicum in Manitoba from April 29 to May 01, 2005. Distance education is individualized study supported by a combination of videos, audio tapes, electronic mail, fax, and telephone tutorial support. Course package requires home study and mail-in assignments to be completed between March 04 and April 15, 2005. Information and application are posted on the website by contacting Assiniboine Community College at 1-800-862-6307 ext 6617 or (204) 725-8712.

Las Cruces, New Mexico

IOIA will sponsor Organic Farm Inspector Training at the Marriott SpringHill Suites in Las Cruces, New Mexico on **April 6-9** and Process Inspector Training **April 10-13**, 2005. Certification agencies are invited to present information about their programs and meet prospective inspectors on April 9 after the Farm training concludes. Each course includes a field trip to a local certified organic operation. Nearest major airport is in El Paso, Texas, about 45 minutes away and accessible by shuttle. Las Cruces is the 2nd largest and fastest growing city in New Mexico. It is located at the foot of the Organ Mountains and along the banks of the Rio Grande. Popular area attractions include Stahmann Farms, the worlds' largest family owned pecan orchard, and the New Mexico Farm & Ranch Heritage Museum, the largest agriculture museum in the United States. Some exhibits feature ancient tools and living quarters of the first farming tribes in the state, recognizing the regions' 3,000 years of farming history. These courses are developed in collaboration with New Mexico Organic Commodity Commission. Deadline to apply is February 25. Info and application are available from the IOIA website.

Organic Fiber Processing Training

IOIA and the Organic Trade Association are developing a cosponsored Advanced Organic Inspector Training (Fiber Processing focus). This training, the first of its kind, will be open both to experienced inspectors and to interested persons from the organic industry. It will include a tour of a fiber processing facility, field trips to see value-added cotton manufacturing, and an introduction to the new OTA Fiber Council standards. Originally scheduled for April 2004 in Lubbock, TX this training was postponed until the fall of 2005. If you are interested in this course, please contact the IOIA office.

Other developing Future Trainings: The Idaho Department of Agriculture and IOIA are in discussion to develop Basic Organic Livestock Training in Boise, Idaho during 2005. Farm/Process training is expected to develop in New Brunswick in late 2005. Watch upcoming IOIA newsletters and the website for details as this and other trainings develop.

2005 Scholarship Winners!

Congratulations to **Cheryl Laxton**, of British Columbia, and **Bel Barahur Gurung** of Nepal, our 2005 Rutherford Scholarship and Organic Community Incentive Scholarship award winners. Please see page 7 for photos and bios on our 2005 recipients.

Report, from page 1

Washington DC in September. IOIA's Executive Director participated in OTA's Congressional Day at the US Capitol, helping to educate legislators about organics.

IOIA supports the Canadian General Standards Board work through the Canadian Committee budget.

IOIA participated in the IFOAM Networking Summit in Washington in September.

IOIA continues to support OTA, IFOAM, OMRI, COG, and Coop America through membership dues.

IOIA commented on the developing AG9000 standards work.

Training

IOIA and our team of Trainers led IOIA inspector trainings around the world including Japan, Costa Rica, Hong Kong, Taiwan, British Columbia, Manitoba, Florida, Hawaii, Arkansas, New Jersey, Montana, and Georgia (for a group from China) with 474 persons trained. This included 75 experienced inspectors or auditors of the advanced trainings. This year set a new record for the number of Advanced trainings in one year (1 in Latin America, 1 in Canada, and 2 in the US). Bilingual advanced training in Costa Rica met the needs of both English and Spanish speaking members. Interest in IOIA inspector training remains strong. The number of trainings increased over the previous two years. However, the trend of the past year to train fewer Basic attendees and put more emphasis on Advanced trainings continued this year, with 193 attendees of Basic trainings in the US, as compared to 289 in 2003. IOIA collaborated with Assiniboine Community College for the first livestock inspector training course in Canada, again using distance learning.

The National Center of Technology (NCAT) cosponsored one of the basic trainings with IOIA as the start of an excellent new partnership. NCAT and IOIA went on to collaborate on two USfunded grant proposals, one of which was funded. New Jersey's state program cosponsored the other US basic training. IOIA is in conversation with the NOP to redraft and resubmit a grant designed to train certification agencies.

This year, IOIA offered the first ISO 9001:2000 Lead Auditor Training in collaboration with AQS Management Systems. Course attendees were a mix of

experienced inspectors and IOIA supporting members including certification agency personnel and private consultants. IOIA is developing Organic Fiber Processing Training with OTA and the Texas Organic Cotton Marketing Cooperative (TOCMC), to occur later this year. This training will be geared for the fiber industry and experienced inspectors. We provided our first substantial organic fiber session at the Advanced Training in Costa Rica.

IOIA continues to diversify training opportunities. In 2004, IOIA participated in training for the National Association of State Organic Programs (NASOP) and the Natural Resources Conservation Service (NRCS). These trainings help IOIA to diversify revenue and gain recognition in the industry.

During 2004, the Board began to implement a plan to streamline IOIA's administrative procedures for trainings. The BOD recognized that upgrading the quality and consistency of IOIA's training programs, improving efficiency of management procedures, and managing the appearance of conflict of interest are elements for the IOIA to kev maintain/improve the relevance of our organization in a changing environment. IOIA invested in a week together for our Executive Director and International Training Manager to begin the work on revising IOIA's training procedures. Writing the management procedures was contracted to our International Training Manager, Lisa Pierce, and work is expected to be complete by the AGM. She has drafted a Training Guide and Training Guidebook. The draft included significant changes in oversight responsibility and defining the lines of responsibility. Training Managers oversee individual trainings, the BOD oversees business aspects of training including performance of the Training Managers, and the Training Committee oversees quality of training. Among the procedural changes, the Training Oversight Committee was absorbed by the Training Committee. The BOD will continue efforts to re-energize the Training Committee, in preference to maintaining the former CAPS and TOC subcommittees.

Finances

Financial health of our organization is sound, although IOIA experienced its 2nd deficit year, primarily due to shortfall in anticipated training and membership

income in the latter few months of the year. We continue to experience some transition pains, as we train far fewer basic inspectors. Members gave mediocre support to the idea of an assessment fee per inspection, although the decrease of the fee from \$2/inspection to \$1 seemed to increase participation. The increase in income for cosponsor-managed trainings hasn't yet increased to offset the increased staffing costs to manage those trainings. However, the work of Lisa Pierce, our International Training Manager, has freed up critical time for our Executive Director to work toward seeking grant funds, as requested by the membership. We were successful with one proposal in 2004 to develop education in the southern US with NCAT; are currently involved in a NRCS funded project with the Alternative Energy Resource Organization (AERO); and have begun the groundwork to submit another grant proposal this year for certification agency training. It is the goal of the Board to have these increased revenue sources stabilize the budget without dues increases. In addition, we've invested in the member database and upgrading training procedures to reduce staff time and expense in the future. This should allow us to expand our role in the industry and the services we offer both to our members and for sale.

Jack Reams, Treasurer and Chair of the Finance Committee, will present a detailed budget for 2005 at our AGM.

Staff

Margaret Scoles continues full-time as Executive Director and Training Manager. Phoebe Amsden, who served as Office Assistant for 3 years, left IOIA. In September, we welcomed Judy Hessong as the new Office Assistant.

International Training Manager, Lisa Pierce, manages IOIA trainings other than those directly managed out of the IOIA office. Formerly named 'regional trainings', these are more appropriately named 'Cosponsor-managed trainings'. About one quarter of IOIA's trainings are managed by the IOIA main office. The others rely on logistical support of IOIA recognizes cosponsors. and appreciates that Lisa's hours continue to far exceed the expected time for her position.

Diane Cooner continues to do a super job as Newsletter Editor and Website Manager.

[see Annual Report, page 18]

Notes from the ED: New Year's Resolutions

By Margaret Scoles

The IOIA Board is writing a 'case' statement for IOIA. Luis Brenes is the lead writer. As this work progresses, he asks me for details and statistics. Some I know...others I have to look up. I often pride myself (a bit arrogantly) on having the history of IOIA in my head. But my recall proves imperfect. Consulting the past years of archives since IOIA moved to Montana, I've learned some things. I anticipate the finished report enthusiastically, and you should too. This 'case' report is just the next step in IOIA's ongoing long-range planning. This year will be an extraordinary one for the IOIA Board.

As one example, Luis asked me to explain how I spent my time. I did my best to put my hours at this desk into cold, hard numbers. I looked back to year 2000, before the day of our first Office Assistant and before I was an employee, to my first 'Time Summary'. It was good to read and remember those understaffed, steeplearning-curve days when I worked nearly all weekends; took almost no vacation or holiday time: and had very little time for proactive work, such as industry meetings, commenting on public policy, writing grant proposals, supporting IOIA's committees, etc. I was always frazzled and never felt there was enough of me to go around. Chip Kraynyk, friend and BOD Chair for much of that time, reminded me constantly that working at an unsustainable level was a subsidy of IOIA.

I recall that time before we had a website (or a website manager, Diane), before I had assistance to manage trainings (or International Training Manager, Lisa), before we outsourced much of our accounting and tax preparation (before Dave Gardner, CPA, across the street), before I had help to copy training, accreditation, and scholarship materials (or an Office Assistant). I did virtually everything ...fortunately the Board was significantly involved in developing and managing projects and devoted much volunteer time. Those were great years for IOIA, especially from a financial standpoint. It seemed that we couldn't do anything wrong. We doubled the number of trainings, almost always filled up trainings, and increased members every year. We seemed to be on a roll. Now, in hindsight, we see that perhaps we erred to not re-invest some of that hefty training profit back into improved trainings. We were lulled into complacency and we allowed training to subsidize membership more and more. It was hard to believe that

we would not go on like that forever. One positive outcome of those strong financial years was finally adding some part-time staff to broaden our base.

In 2004, I actually (finally) wrote a grant proposal, worked with Lisa to formalize our Training Procedures, updated the IOIA Policy Manual, made great progress on the backlog of training records that had accumulated in the office basement. and sometimes even worked from a clean desk. I usually didn't work weekends. I took a real vacation that didn't include inspections, I visited with my kids more often, and I found myself able to participate in major events in my church and community. It felt very odd. Why the big change? Simply this....ongoing support through the years from the IOIA Board, and Support Staff.

Do I believe that IOIA is more sustainable with a less frazzled ED? Yes. Do I believe that we can maintain support staff and balance the budget? Yes, but it will be a challenge as we decrease reliance on basic inspector trainings. We will continue to realign and shift roles and responsibilities to maximize efficiency, especially as Judy brings her own set of strengths to add to the mix. Do I believe that IOIA will move toward a governance Board, rather than a management Board? Yes. Do I think Membership Service can improve without increasing the staff or the budget? Yes, although perhaps not in dramatic ways. One example: In looking at the shifting responsibilities over the past years, I see that shifting tasks to other staff allows me to shift time to proactive work and more time with IOIA committees. In the time crunch of the past few years, I'd handed over Accreditation support to my Office Assistant and Committee volunteer support to Diane. Both were vital membership services that truly more appropriately belonged to me. Last year was not a good year for committees. Volunteers need to be encouraged and sustained by BOD liaisons and the IOIA office. Do I think any of this will be easy? No.

New Year's Resolutions: Sustainability begins with self. I will be more sustainable. IOIA will be more sustainable. We do not want to go backward. We are in a position to move forward.

Thank you to Diane, Lisa, and Judy, for helping to make IOIA more sustainable. Thank you, IOIA members for your support of IOIA. I hope to see you at the AGM! *****

2005 AGM Meeting in BC

The 2005 IOIA Annual Meeting will be held March 19 at the Granville Island Hotel, Vancouver, British Columbia.

The AGM is set in a beautiful location: On the waterfront, next to the Public Market (theatres, artists, exceptional restaurants); Lovely and Comfortable Accommodations: Hotel features jacuzzi, sauna, meeting rooms with natural light, and sleeping rooms with high speed internet.

To see more about the location, visit www.granvilleisland.com but **please do not make reservations directly with the hotel.**

Entertainment and keynote still under development.

Auction Update!

Don't forget to contribute items for the FUNdraising Auction, or plan to buy something!

If you cannot attend the AGM but would still like to donate items, please send them to:

Lisa Pierce 2055 East Road Denman Island, BC CANADA VOR 1T0 Phone: 250-335-9000 Fax: 250-335-9012 email: dtearth@uniserve.com Packages can be shipped by Postal, UPS, or FedEX.



Our ace auctioneer **Brian Magaro** will again do the honors. Everyone had a grand time when we held this event for the first time in Sonoma – so don't miss out on the fun!

We have a growing list of items that will be auctioned off at the AGM, including this bicycle, donated by Drew Stuckey via OTA. See our website for more items! **IOIA Accreditation News** IOIA offers Accreditation in 3 categories as a membership service available to IOIA Inspector Members with at least 2 years of inspection experience in the category. Contact the IOIA office for application forms. The IOIA Accreditation Program is also available on the website. Deadlines are biannual. Next deadline: March 1. New in 2004: **Renewals:**

David Dahmen: Processing Carlos Humberto González Guerrero: Crops, Processing Jack Reams: Crops, Processing (already accredited in Livestock) Monique Scholz: Crops, Livestock, Processing Mary Wilson: Crops, Livestock, Processing

Harriet Behar: Crops, Livestock, Processing Philip Hale: Crops, Processing Robert Howe: Crops (already accredited in Processing) Chris Kidwell: Crops, Processing

IOIA welcomes long-time ARP member Stephen Grealy as new Chair of the Accreditation Review Panel. The ARP has a vacancy; please contact IOIA if you are interested in serving.

Current ARP members are: Inspector Members: Stephen Grealy, Linda Kaner; Alternate Inspector Member: Jim Fullmer Certifier Representative: John McKeon, CCOF; Consumer Representative: Ami Greenberg, Washington, USA

Upcoming Elections

Ballots and candidates bios for the upcoming IOIA Board of Directors election have been mailed to all members. Special thanks to this year's Nominations Committee: Chris Kidwell, Sandra Conway, and Garry Lean.

Current Board Members not up for election:

Brian Magaro (Pennsylvania, USA) Garry Lean, PAg (Ontario, CANADA) Jack Reams, PAg (British Columbia, CANADA) **Current Alternates are:** Karen Troxell (CA) and Ann Lameka (OR). **Current Board Members up for election:** John Foster (Oregon, USA) Ann Baier (California, USA) Luis Brenes (COSTA RICA)

2005 Official Ballot:

Ann Baier (California, USA) Luis Brenes (COSTA RICA) Wendy Clark (Manitoba, CANADA) Carlos Andres Escobar Fernandez (COLUMBIA) John Foster (Oregon, USA) Bob Howe (New York, USA) Marina Sexty Buchan (Alberta, CANADA) Sylvia Welke (Québec, CANADA

Canadian Committee Chair Meets with Organic Task Force Following Guelph Organic Conference By Janine Gibson

At the invitation of Joe Southall, head of the new Organic Task Force (OTF), a joint Canadian Food Inspection Agency (CFIA)/Agriculture & Agri-Food Canada (AAFC) regulation initiative, I met Dr. Mary Gardner and Richard Lalonde of the CFIA Corporate Learning Section, Human Resources Branch on January 24th, 2005. These individuals indicated they were very pleased to hear of the work IOIA has done in developing standardized, uniform training for organic inspectors within Canada and across the world. Mr. Lalond spent the following morning with me, asking questions and taking notes as I presented the Guide to the IOIA Organic Inspector Training Program, the IOIA Membership Directory, the IOIA Inspector Accreditation Program, the IOIA Directory of Trainers, a copy of the IFOAM/IOIA Training Manual and the cover page of the IOIA Cosponsor Training Manual (only available to training cosponsors), which clearly indicates that the office of the IOIA International Training Manager, Canadian Lisa Pierce, is in Canada. Mr. Lalond will be presenting an outline summary of IOIA's work in CFIA format to Mr. Southall and team, along with some initial recommendations for building upon current training options. The OTF team members have indicated clearly they wish to develop an organic regulation under the Canadian Agricultural Products Act that strengthens the system providing organic consumer protection, while respecting the existing functional system components as much as possible. As AAFC, though previously involved with the organic sector, has no jurisdiction to regulate and the CFIA does, the many CFIA staff on the OTF have been on a steep learning curve since November when the Task Force was announced. They are now working fast and furiously to try and have an organic sector-endorsed regulation well under way when Canada applies to be on the European Union's Third Country list, a sector and government priority.

Mr. Lalond indicated he was heartened to know of the IOIA inspector accreditation program but unclear as to why there was such a low percentage of Canadian inspectors currently accredited. In the 2004 Directory only five of the 54 Canadian inspector members of IOIA are accredited in one or more of the categories. In response we discussed the fact that certifier support via hiring practices, for the IOIA Apprenticeship and Accreditation program has been spotty at best. Mr. Lalond indicated his recommendations would include looking at why all certification bodies in Canada are not using IOIA trained inspectors and what measures could be put in place to ensure consistent training and apprenticeship requirements and perhaps a mandatory track to accreditation for inspectors experienced and active in a given inspection category. Mr. Lalond expressed respect for the well-organized, detailed material available on the various IOIA programs and the opportunity for me to present and discuss these details with him. His positive response and respect for IOIA organizational efforts reinforced what Mr. Southhall had said to Dag Falck and myself during a brief conversation snatched during the busyness of the Guelph Organic Conference. Mr. Southall said "IOIA will be the benchmark for organic inspector training in Canada." Encouraging and respectful words. I look forward to the opportunity to further strengthen IOIA and our training program on behalf of our Canadian members and all those working toward more sustainable agriculture.

Laxton Awarded 2005 Rutherford Scholarship

Cheryl Laxton graduated from the University of British Columbia in 1999 with a Bachelor of Home Economics. As a registered professional Home Economist, Chervl has worked in the area of organic produce storage, distribution and sales, organic product processing as well as contributing to community initiatives and education on the topics of eating locally, home preserving and GMO awareness. Chervl has held a position on the BC Home Economics Association's executive committee for five years and shares information about BC's organic industry with BCHEA members. Over the last two years Cheryl has been managing a community economic development project on Salt Spring Island while learning to be an organic inspector. Cheryl began inspecting crops and processing facilities in spring 2004 and is looking forward to taking the livestock/advanced inspector training in Vancouver 2005. The 2005 inspecting year is going to be an exciting one!





Bel Gurung Awarded 2005 Organic Community Initiative Scholarship

IOIA is pleased to congratulate Bel Bahadur Gurung of Nepal, who was awarded this years' Organic Community Initiative Scholarship. Bel was born and raised in Nepal. He has a bachelors degree in humanities, and taught English for 8 years. He speaks Nepali, English, French and Hindi. He is currently a program officer for the HELP Center in Pokhara. He has studied permaculture and worked with a local organization linking local initiatives for biodiversity research and development. He enjoys music, sports, enjoying the outdoors, farming and serving his local community.

Bel has submitted a short article on organic farming in Nepal for our readers' edification, excerpts of which follow:

Organic Farming in Nepal

Nepal is a mountainous country with massive natural resources. The majority of the population in the country (86%) reside in rural areas and depend solely on agriculture for their livelihood (CBS, 2003). However, the system of agriculture is

not systematized as expected. With increased commercialization of agriculture, the use of chemical fertilizers and pesticides is also increasing in Nepal. Due to overuse of these chemicals, the land is turning over into desertification, with a negative impact on human health, nature and its species neglected. The experience of Nepalese farmers has been clearly shown that the soil fertility is decreasing unexpectedly due to the overuse of chemical fertilizers, pesticides & insecticides. Desertification was 0% per hectare in the past 25 years but now it has increased tremendously (Sharma, 2000). Although the farmers are investing their labor and time over agriculture they are still compelled to live a miserable life. If we do not become timely conscious, the situation will be beyond our control and it will be a great threat to the human existence in this world.

Scope for research and development in Nepal

Organic farming is in the initial stage in Nepal but is increasing gradually over time. Private entrepreneurs, Government Organizations (GOs), Non-government Organizations (NGOs), social organizations and some individuals are working for the sustainability of agriculture, carrying the core principles of organic farming. However, the situation is not satisfactory. Necessity of experts & advanced technology is needed to attain significant achievement. Nepal lags far behind in the technology even though we have some experts internationally recognized. To institutionalize (support) organic farming nationwide and globally, further steps must be taken. Our initial action in this regard can be of great recognition for our future generation.

References

CBS (2003). Statistical Year Book of Nepal. Central Bureau of Statistics, National Planning Commission Secretariat, HMG/Nepal. Kathmandu, Nepal.

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SECTOR NEWS NOSB Gets 5 New Members

The NOP has released the names of the five new members that have been selected to serve on the National Organic Standards Board. Terms are for a period of 5 years. Jim Riddle, chair of the NOSB, said in a phone interview that he had met the newcomers, was pleased with them and is looking forward to a productive year. The new members are:

Gerald A. Davis: Producer - an agronomist and pest control advisor for Grimmway Farms in Bakersfield, California, since 2001. He holds a bachelor's degree in horticulture from Oregon State University and currently resides in Arvin, California.

Rigoberto I. Delgado: Producer - owner and manager of the 60-acre Delgado Farms in Esperanza, Texas, where he has been farming since 1988. Delgado Farms is one of the first Hispanic-owned farms in Texas to be certified organic. He also works as an independent management consultant. Mr. Delgado holds an MBA from the University of California at Berkeley and a bachelor's degree in agricultural economics from the Universidad Autonoma de Chihuahua, Mexico. He currently resides in Houston, Texas.

Ms. Bea E. James: Retailer - Ms. James is currently the Whole Health Manager of the Lunds and Byerly's retail food stores. She oversaw the organic certification of Lund's and Byerly's 20 produce departments and was responsible for the creation and implementation of the natural foods training program for more than 5,000 employees. She is a graduate of Southern Oregon State University and is working on a bachelor's degree in holistic nutrition from Clayton College of Natural Health. Ms. James resides in Golden Valley, Minnesota.

Hubert J. Karreman: Environmentalist -Dr. Karreman owns and operates a veterinary practice specializing in dairy. He works with farmers who are "ecologically motivated," and is responsible for all emergency, routine and preventative medicine, surgery, reproduction and obstetrics on more than 100 family dairy farms. He received his veterinary medicine degree from the University of Pennsylvania. He is a member of several professional societies, including the Veterinary Botanical Medicine Association, the American Association of Bovine Practitioners, and the American Holistic Veterinary Medical Association. Dr. Karreman currently lives in Quarryville, Pennsylvania.

Julie S. Weisman: Handler - Ms. Weisman is the vice president of Organic Product Development for Elan, Inc. She is also the founder and president of Flavorganics, LLC. She has a master's of social work degree from Smith College and a bachelor's degree from Hampshire College. Ms. Weisman is a member of the Flavor and Extract Manufacturer's Association and the Organic Trade Association's Manufacturing, Packaging, Processing, and Labeling Committee. She currently resides in Tenafly, New Jersey.

NOSB Seeking Task Force Members to Draft Standards

NOSB has announced the formation of two ad hoc task forces to develop draft organic standards:

1. Aquatic Task Force: Develop proposed production, handling, and labeling standards for food and animal feed products derived from aquatic animals.

2. Pet Food Task Force: Develop proposed organic labeling standards for pet food. NOP is taking nominations for members to

NOP is taking nominations for members to these task force groups. Nominations should be sent to:

Ms. Katherine Benham, Advisory Board Specialist USDA-AMS-TMP-NOP 1400 Independence Ave. SW Room 4008-S Ag Stop 0268 Washington, D.C. 20250-0268 Phone: 202-720-3252

Nominations must be postmarked by February 23, 2005.

ANSI Report and NOP Reply Available on NOP Website

The USDA voluntarily underwent an audit of its accreditation process for certifying agencies under the NOP in 2003-2004, and has finally publicly posted the results and its 7-page response (in .pdf format) on the NOP website at www.ams.usda.gov/nop.

"The voluntary audit by the American National Standards Institute (ANSI) of NOP's accreditation program highlights what can be done to improve NOP's organizational structure and policies concerning accreditation as well as any procedural and documentation changes needed to have an improved accreditation program," Katherine DiMatteo, executive director of the Organic Trade Association, said in a January 14 press release. The audit identifies a variety of issues raised by ANSI, including the need for a quality manual, and actually makes for good reading. You can access both the 31-page ANSI report and NOP's 7-page response at www.ams. usda.gov/nop - the reports are in the Certifying Agents section. In their reply, NOP states, "NOP has carefully reviewed these suggestions and will address them in their work plan for the coming year." The organic sector finds itself still calling for NOP to establish a peer review panel for certification agencies, as mandated by the Organic Foods Production Act. "The ANSI audit should not been seen as a substitute for the mandated peer review panel for certification agencies. The latter is still needed," DiMatteo said.

New Ag Sect'y Lays Out Plans

Former Nebraska governor Mike Johanns was confirmed as the new Secretary of Agriculture in early February by a voice vote in the Senate. One of the biggest issues Johanns will face in the coming year is the impact of growing budget deficits on Farm Bill programs. Supporters of conservation programs found little reassurance in the Secretary's responses to questions about how funding constraints might impact various programs. He described subsidy programs as an "investment" that allows Americans "to be consumers of some of the, really, the best products in the world, the safest products in the world." On the other hand, while expressing the Administration's support for conservation programs, he cautioned, "We have to do it in a way that meets the budget expectations that we have." In addition, Secretary Johanns reiterated the Bush Administration's position that countryof-origin labeling should be voluntary rather than mandatory. Finally, he stated that his "top priority" was the effort to reopen beef exports to Japan, which has refused U.S. beef since the discovery of a BSE-infected cow in late 2003. Meanwhile, outgoing Agriculture Secretary Ann Veneman will be taking over as the head of the United Nations Childrens' Fund (UNICEF). A full transcript of the press conference is available at: http://www.usda. gov/wps/portal/!ut/p/_s.7_0_A/7_0_1OB?cont Excerpted comments from Johanns confirmation hearing - questions were posed by Vermont Senator Patrick Leahy.

Sec. Johanns: I believe USDA should fully support organic agriculture as an excellent marketing opportunity for producers to succeed in today's competitive global market. Support for organic agriculture should include a full commitment to the integrity of the USDA organic label.

I will make it a priority to work with the Agency to assure that clarifications are issued and published on the National Organic website for all interested parties.

It is my understanding that USDA has received input from the National Organic Standards Board and is currently developing a position description for an Executive Director. The Executive Director position will be established at a grade level consistent with its responsibilities. Adequate funds are available to support this position.

Yes, I will work with the Agency to consult with the National Organic Standards Board to formalize a peer review panel on an on-going basis.

I will work with the Agency to make the ANSI audit findings and USDA's response to those findings available on the National Organic Program website.

I believe USDA should continue its commitment to upholding the regulations describing the requirements for access to the outdoors and pasture. $\rightarrow \rightarrow \rightarrow$ I believe USDA should continue reaching out to every organic producer, processor, and certifying agent in the United States in order to obtain a diverse pool of qualified candidates for filling the five vacancies on the National Organic Standards Board. Further, I believe that the candidates submitted for selection should represent a broad spectrum of interests within the U.S. organic community.

I will fully support efforts to coordinate organic production and handling data collection and analysis among all USDA agencies, and will work to promote U.S. organic products.

Canada's 4th case of Mad Cow

The discovery in mid-January of a fourth Canadian animal infected with BSE, or "mad cow" disease, has caused panic on both sides of the border. In the US, some politicians and cattlemen are fighting harder than ever to keep the border closed.

Ralph Klein, Alberta's premier, briefly floated the idea of culling some of more than 1.7m older cattle, valued at about CDollars 350m, before backing away yesterday. The idea of a cull was not taken seriously by either Canada's industry or its government, said Stan Eby, president of the Canadian Cattlemen's Association. Yet it reveals the heightened concern in Alberta, the home province of all four BSE cases.

Since Canada's first discovery of mad cow disease in May 2003, Canadian ranchers have lost CDollars 5bn (Dollars 4.2bn, Euros 3.2bn, Pounds 2.2bn) in sales, as importing countries, especially the US, have denied access to their markets.

The US, destination of 80 per cent of Canadian beef exports, said on December 29 that it was ready to reopen the border to young live cattle in March. But two days after the announcement, Canada disclosed its third BSE case, followed by a fourth this week.

Live animals are a big part of Canada's cattle business. The US bought 1.7m live animals in 2002. While box beef - butchered cuts with no bones - moves freely across the border, live cattle have been barred since 2003.

Canada argues that the incidents fall within statistical norms, and Ann Veneman, the outgoing US agriculture secretary, has insisted that trade restrictions will still be lifted on March 7 for live Canadian cattle aged under 30 months.

Yet other US politicians and cattle trade groups want to keep the border closed, or at least delay the reopening pending a stringent examination of the procedures Canada uses to prevent the disease from spreading.

The Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America, has begun a lawsuit to reverse the US Agriculture Department's decision, while US regulators and another cattle lobby group, the National Cattlemen's Beef Association, are heading to Canada to conduct their own investigations.

Behind the immediate crisis, the Canadian industry is pushing on two fronts to adapt its business and to reduce dependence on US imports of live cattle.

Most immediately, the industry aims to ramp up slaughterhouse capacity. Box beef travels without restrictions because it does not contain nerve tissue, the leading suspect for transmitting BSE.

The second push aims to open new markets for Canadian beef, especially in Asia, Mexico and the Caribbean. Mexico accounts for 6 per cent of exports, and is a big success story, Mr Eby said.

Japan Has First Death From Human Mad Cow Disease

Japan confirmed on February 7th its first case of the human variant of mad cow disease after the death of a man believed to have contracted the fatal brain-wasting illness from eating infected beef in Britain.

The man died last December from variant Creutzfeldt-Jakob disease (vCJD), the Health Ministry said. He probably contracted the fatal illness during a month-long stay in Britain in 1989, it said. "I know that this will make many people worry, but we must take note of the fact that his stay was only one month," Tetsuyuki Kitamoto, a Tohoku University professor and head of the ministry panel on the disease, told a news conference.

Kitamoto said he could not rule out the possibility that the man had contracted the disease in Japan because, on a medical basis, nothing could be entirely ruled out.

More than 160 people, most of them in Britain, have died worldwide from definitive or probable vCJD after eating meat contaminated with mad cow disease, formally known as bovine spongiform encephalopathy (BSE).

Britain has been the worst hit by BSE, which is thought to be transmitted among animals via feed containing bovine brains or spinal cord.

About 7 million animals had been slaughtered in Britain by the end of June

2004 under a plan to stop the spread of the infection.

Japan has reported 14 cases of BSE and began testing all its cattle for the disease after the first case in September 2001. It banned imports of Canadian beef in May 2003 and of US beef in December 2003 after cases of mad cow disease were found in those countries. It is in drawnout talks on when to lift the ban.

Cases of vCJD have also been reported in France, Canada, Ireland, Italy, the United States and China, Health Ministry officials said. In all cases outside Europe, victims are believed to have contracted the disease during stays in Britain, but a one-month period would be the shortest stay reported so far, the experts on the health ministry panel said.

The Japanese man, who was in his 40s when he first showed symptoms of the disease in December 2001, had no record of blood transfusions or brain surgery -- other ways in which the disease could be transmitted.

Doctors on the panel said people could consult physicians, but added that, at present, there was no way to determine whether a person would show symptoms, or to stop the progress of the disease.

Scientists estimate the incubation period for vCJD is 10 to 20 years.

AND IF THAT WASN'T BAD ENOUGH Bad News for Mad Cows

Mad Cow disease may be far more widespread than scientists had previously thought. In Janaury, the journal Science revealed that prions, the mysterious misshapen proteins that are responsible for spreading the fatal disease, may be found throughout the infected animal, contrary to prior theories. Researchers from Zurich, the Institute of Neurology in London, and Yale University School of Medicine confirmed study results showing prions are not restricted to areas of the animal body like the spinal column, nervous tissue and the brain, but may also exist in muscle tissue. This means that infected meat and blood may be currently entering the human food supply, at least in countries such as the US, Canada, and Mexico, where comprehensive, universal testing for the disease is not required. Given the serious public health implications of these findings, researchers are calling on the global community to take action. No case of Mad Cow has ever been detected in an animal raised its entire life on an organic farm.

IOIA Supports OTA re: AAPFCO Revisions

The Organic Trade Association has submitted a letter to the Association of American Plant Food Control Officials (AAPFCO) asking for the AAPFCO Labeling and Definitions Committee to support the revision of all of their definitions of "organic" to be consistent with the USDA National Organic Program requirements for fertilizers and soil amendments.

At their mid-year meeting February 19-24, AAPFCO's Labeling and Definitions Committee will review these comments and decide whether or not to recommend these revisions for approval by all AAPFCO members at their summer annual meeting.

OTA's Suppliers Advisory Council is heading up this effort to change the definitions. IOIA recognizes the value of creating a uniform definition of "organic" consistent with NOP and has sent a letter to AAPFCO in support of OTA's comments.

Excerpts from IOIA's letter of support:

The Organic Trade Association Suppliers Advisory Council includes 59 companies that provide products to the organic farming industry. The Independent Organic Inspectors Association is not a member of the Suppliers Advisory Council. However, as a concerned member of the Organic Trade Association and a voice for strong organic standards and organic integrity, IOIA is writing to support the Suppliers Advisory Council's position paper submitted to you on November 30.

IOIA supports a proposed definition for "organic input" that is linked to requirements for organic production under the USDA National Organic Program (NOP). We are pleased that the Association of American Plant Food Control Officials has initiated discussion about AAPFCO's definitions of organic fertilizers. However, we believe it is essential that all existing AAPFCO terms that use the word "organic" be revised to be in agreement with the USDA National Organic Program requirements. The initial proposal is insufficient to prevent confusion and misbranding in the marketplace. We support reconsideration of the existing terms: organic fertilizer, natural organic fertilizer, natural fertilizer, and organic base fertilizer, in order to assure uniformity and consistency in the marketplace and protect organic farmers from serious consequences resulting from use of a substance prohibited for use under USDA organic regulations.

Consumers have a common understanding of "organic food" and believe that fertilizer products labeled "organic" are suitable for organic gardening or farming. Consumers are easily misled when they purchase fertilizers currently labeled as "organic." The USDA has specific requirements for product inputs that are permitted on certified organic farms. These rules permit non-synthetic materials and a specific list of synthetic materials. Compost has to meet specific requirements, and sewage sludge/biosolids are prohibited in organic production.

A consistent organic labeling term permitted for use on fertilizer and soil amendments would assure uniformity and limit confusion caused by the differing meanings of other terms currently in use for fertilizers, including T-12 – organic, T-13 – natural organic, and T-36 – natural fertilizer. These meanings conflict with the USDA organic rules in that they permit biosolids and synthetic nitrogen sources such as urea, which are prohibited for organic production.

Organic certification agencies and organic inspectors encounter frequent problems and confusion due to the different definitions used for organic labeling of fertilizer and soil amendments. Inspectors, as those on the 'front-lines' with growers, are especially aware of the serious repercussions for farmers. If a prohibited material is used in good faith, through improper labeling or understanding, a field is decertified and organic premiums lost for 3 years. Many products making organic claims might be compliant with USDA NOP regulations, but many are not. Certifiers, farmers, and inspectors cannot trust the labeling as it exists, and must re-verify products used.

Conclusion

Adjustment of these terms will help reduce the confusion caused by multiple definitions of the word "organic." By adopting this uniform definition, manufacturers will be able to distinguish products that are suitable for organic production, and buyers will be more able to determine which products are suitable. A consistent use of the word "organic" will aid organic farmers seeking products that will not compromise their organic certification status. Manufacturers seeking the use of this labeling term should be willing to provide evidence of compliance (full disclosure of ingredients and their NOP status) to the appropriate control officials, or verification from a recognized agency.

Cornucopia Alleges Factory Farms Violating Federal Organic Law

The Cornucopia Institute filed a formal complaint with the USDA's National Organic Program on January 10, asking them to initiate an investigation into alleged violations of the federal organic law by a factory farm operating in Colorado. At issue is whether it is legal to confine cows in an industrial setting, without access to pasture, and still label milk and dairy products organic. Similar factory farm operations in Idaho and California are also under investigation by The Cornucopia Institute and will likely be targeted with formal complaints to the USDA in the near future

"We have been interested in these confined animal feeding operations, or CAFOs, for some time," said Mark Kastel, Senior Farm Policy analyst, at the Wisconsin-based Cornucopia Institute, a progressive farm policy research group. As demand for organic milk has skyrocketed, investors have built large industrial farms mimicking what has become the standard paradigm in the conventional dairy industry. "It is our contention that you cannot milk 3000–6000 cows and offer them true access to pasture as required by the Organic Foods Production Act of 1990, the law that governs all domestic organic farming and food processing," said Kastel.

This Chicago Tribune published an investigative report that compared the 5600-cow Aurora Dairy in Colorado to a more traditional 70-cow organic farm in central Wisconsin. One of the owners of the large Colorado farm, in Platteville, Colorado, Mark Retzloff, has justified an exemption from the requirement for pasture based on not enough rain in the area to support it. Federal law does give the farmer the ability to remove cows from pasture for "temporary" reasons based on weather, environmental, or health considerations. However, in their complaint, The Cornucopia Institute countered that the claim that pasture is impractical, or not cost-effective, in arid Colorado is no excuse under the law. "There are many places in the United States that are not ecologically compatible with livestock agriculture. If the Aurora dairy cannot incorporate a meaningful amount of pasture into their operation, because they are located in an extremely dry, arid region, that is no excuse for them to scoff at the organic regulations," Cornucopia's Kastel said.

Read more about it at www.cornucopia.org

IOIA Financial Report

Copies of the 2004 Financial Reports (Revenue and Expense Budget vs. Actual and Balance Sheet) were mailed to all members on February 1. They are available to others upon request. The 2005 Budget will be presented at the Annual Meeting.

Assets as of December 31, 2004 (Cash Basis):

Savings:	\$26,996.49	
Inventory Asset:	5,091.33	
Petty Cash:	98.40	
Accounts Receivable:	-1,176.25	
(payments for invoices from prior		
years)		
Undeposited Funds:	4,514.01	
Total Current		
Assets:	\$35,523.98	

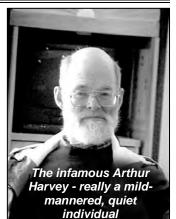
Behind the Lawsuit

Arthur Harvey, an organic blueberry grower, longtime IOIA inspector member, former Alternate to the IOIA Board, and current chair of the IOIA Bylaws Committee, was interviewed regarding his lawsuit in the December 2004 issue of Organic Business News. In the interview, Harvey said that he became increasingly concerned when he saw the NOP taking more authority than the OFPA allows.

"I had to do this, or otherwise the government could get away with anything they wanted," Harvey said. "It just seemed to me that it was necessary to do it."

What particularly bothered him was the NOPs allowance of synthetics in organic finished products. While he is not opposed to some synthetics being used in organic handling, he believes the NOP has gone much further than OFPA allows. In addition to the 38 synthetic ingredients on the National List, he said, the USDA now allows 315 synthetic food contact substances containing chemicals that have been approved by the FDA but would never 'pass muster' in the organic industry.

Arthur is pleased with the results of the suit. His only disappointment is that more certifiers did not back him. Only NOFA-Mass joined in the supporting briefs. The Rural Advancement Foundation Int'l (RAFI), the Center for Food Safety, Public Citizen, Sierra Club, Organic consumers Association and Beyond Pesticides all files 'friend of the court' briefs in the case.



Michael Sligh, Director of Sustainable Agriculture Policy for RAFI and founding chair of the NOSB stated, "We were compelled to submit a 'friend of the court' brief in this case to urge the court of appeals not to cede to USDA new powers not provided for in the law. Basic principles of good government process and the integrity of the USDA Organic seal were at stake." Harvey supports adequate phase out periods to give manufacturers time to make changes.

Arthur has been and remains opposed to an adversarial stance with OTA on the issue. However, in a telephone interview, he said he disagreed with OTA's comments on the court's decisions, specifically regarding the use of synthetic ingredients in processed foods and the 'commercial availability' issue. In his view, a stricter interpretation will create a demand for organic versions of those same ingredients. He sees this as having a net positive impact on organic family farms and not, as OTA has expressed, endangering those farmers.

Arthur recently posted these comments (regarding chlorine use) to the IOIA list serve: "This discussion is a classic example of the tension between a consumer-oriented certification and a profit-oriented one. The Rule is filled with provisions that favor special interests and large companies. It also has conflicting provisions to uphold organic integrity. Each inspector has to make a choice which provisions to focus on, and each certifier also. The certifiers have a powerful incentive to side with their clients, but some certifiers retain some loyalty to consumers...This leaves the lonely conscientious inspector as the last feeble line of defense for the consumer." "IOIA gives us the change to at least know what is happening. It remains to be seen whether we can do anything about it."

OTA's Position

After Congress passed OFPA in 1990, the USDA published organic standards in proposed form in December 1997 and again in March 2000 before adopting the NOP Final Rule in December 2000. The Final Rule was a carefully crafted compromise among various interests. It took into account numerous changes in organic production and processing that had occurred in the ten years since Congress passed OFPA. Courts have traditionally given substantial discretion to regulatory agencies to interpret laws to meet evolving circumstances within the framework of Congressional intent.

Some controversy has arisen around OTA's position and statements on the Harvey vs. Veneman lawsuit. Numerous posts appeared on the IOIA Forum regarding a fundraising letter that OTA put out in early January. In it was a paragraph stating:

"Regulators will propose changes that need to be responded to, legislators who don't understand how organic contributes to the health of the economy will need to be engaged, consumers will be exposed to misinformation that needs to be corrected, and organizations who have other agendas will try to undermine us. Look no further than the latest NOP directives, or the Harvey v. Veneman lawsuit, to see why the industry needs to stay unified and strong."

Prior to filing the lawsuit, Harvey offered to consult with OTA about it and kept the leadership informed as it proceeded. According to Harvey, at no point did OTA respond to his overtures for comment or input. Further queries to OTA elicited this response from executive Director Katherine DiMatteo:

"Arthur Harvey presented his case for this lawsuit and subsequent appeal to OTA through our committee structure and there was not support from OTA members for taking this action. In addition, public policy is best changed through public discussion and debate (which did happen during the 12 years preceding the implementation of the National Organic Program rules) not through the courts. OTA is not attacking Arthur Harvey but the lawsuit has set changes in motion that require that OTA analyze, gather data on its impact to members, respond to inquiries from inside and outside the organic community, and develop next steps that continue to build a strong organic industry. Therefore the lawsuit, the directives, the Hudson Institute accusations, etc., are similar in their effects on OTA and its members. It is unfortunate that some IOIA embers perceive OTA's actions as they do. As membership organizations it is almost impossible to have 100% agreement. That's why we strive for consensus but sometimes have to move forward based on majority opinion."

Some organic industry insiders take is that Oat's concern is that of losing control of the message, i.e., they want to control the discussion, or fear anti-organic forces will come in and do a hatchet job on the industry similar to what occurred in the infamous "20/20" interview, where information was presented out of context.

Chronology of Harvey Suit

October 23, 2002 – Civil lawsuit filed in US District Court for District of Maine

January 7, 2004 – US District Judge D. Brock Hornby granted summary judgment for Secretary Veneman and against Mr. Harvey on all 9 original counts. March 8, 2004 – Harvey files notice of appeal with First Circuit Court of Appeals

January 26, 2005 – First Circuit Court rules in favor of Harvey on 2 of 7 resubmitted counts and remands a 3rd count back to the lower District Court.

Harvey, from page 1

Impact on the Organic Community

Once implemented, the decision handed down in this case will have tremendous impact upon not only the specific standards that were ruled on but also on the entire regulation. This ruling could be bad for business. The two counts on which the court ruled that the regulation is inconsistent with the original law are intimately connected to two of the major profit centers for organic agriculture: organic processed food and the entry of new dairy cows and herds into organic production.

No synthetics in processed foods: As the court affirmed, the law prohibits the use of synthetic additives in the processing ("handling") of organic foods. This conclusion is incontestable. Despite two proposed and one final rule that circumvented the OFPA's prohibition on synthetics in processing, the USDA has not used the preamble to justify or support its decision that synthetics could be allowed.

Michael Pollan wrote a *New York Times Magazine* article entitled "*The Organic-Industrial Complex: How Organic Became a Marketing Niche and a Multi-Billion Dollar Industry*" on May 13, 2001 that addressed this subject. An excerpt:

Gene Kahn (of Cascadian Farm fame) served on the USDA's NOSB from 1992 to 1997, played a key role in making the standards safer for the organic TV dinner and a great many other organic processed foods. This was no small feat, for Kahn and his allies had to work around the 1990 legislation establishing organic standards, which prohibited food additives. Kahn argued that you couldn't have organic processed foods without synthetics. Several of the consumer representatives on the standards board contended that this was precisely the point, and if no synthetics meant no organic TV dinners, the TV dinners were something organic simply shouldn't do.In the end, it came down to an argument between the old movement and the new industry, and the new industry won: the final standards simply ignored the 1990 law, drawing up a "national list" of permissible additives and synethetics, from ascorbic acid to xantham gum. "If we had lost on synthetics," Kahn told me, We'd be out of business."

All successive NOSBs followed suit in this collective denial, and now the list of synthetics allowed in processing totals 38 compounds (including ingredients and sanitizers).

So the industry loses 205.605 (b), which is the list of synthetics allowed in processed foods. The impact is that there is no longer any allowance for these as ingredients at all, although they might still be allowed as processing aids. It should be noted that the ruling did NOT impact the crops or livestock lists, which do have extensive lists of allowed synthetics.

206.605(b) includes things like sulfur dioxide in organic wine, which the majority of vintners claim is essential for shelf life; pectin (lowmethoxyl); and bleached lecithin, a significant ingredient. It includes vitamins and minerals as synthetics, currently added to many organic products. In some cases, other statutes of the law might require certain vitamins or minerals, such as those of the Federal Meat Inspection Act or the Federal Food, Drug and Cosmetic Act. Certifiers will need to establish policies and develop consistent verification protocols relevant as to how such mandated uses are to be documented, if at all. Many of the identified synthetics such as pectin, ascorbic acid, and lecithin seem fairly innocuous, and even 'natural'. However, if the material is defined as a synthetic by the FDA, it is a synthetic.

The National List allowance for adding up to 100ppm of sulfites to wine is different than all other allowed synthetics. Because the original OFPA expressly prohibited sulfites in any processed product, a friendly rider was used in the 2000 ag appropriations bill to amend OFPA to allow up to 100 ppm sulfite in wine. It was a surgical insertion that had no baggage and left little wake. One could make the case that the allowance for sulfites is statutory, and while the court case essentially threw out 205.605(b), the sulfite provision has statutory standing and should persist.

Whole herd conversion: Some industry observers believe it is unlikely that the industry will contest the dairy conversion ruling. One line of reasoning is that most of the dairy people who wanted to transition have already done so. It is not in the interest of the currently certified dairy producers to fight to make it easier to get into the marketplace. The industry might just shrug their shoulders over this one and it will simply become the new status quo. This ruling does make it a lot harder for new dairy producers to come into organic. It also makes inspection and certification of dairy a lot easier, since it will no longer be necessary to verify the 80%-20% over 9 months. It will be 12 months of organic feed, period.

Commercial availability: The intent of this clause was to support demand for all organic ingredients while recognizing that commercial availability implies not all ingredients must be organic. The marketing scheme of "100% Organic" was added as a good faith incentive for those in the marketplace to get to fully "organic" status. Individual review of each non-organic ingredient in the 'organic' category will now be required. This could hamper processors until enough organic alternatives become available and the NOSB could be overwhelmed in dealing with making recommendations for additions to the National List.

From the Organic Trade Association's (OTA) point of view, the lawsuit will have significant impact on organic businesses and they expect confusion in the marketplace. OTA spokespersons say that one of the outcomes of

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the lawsuit will be products with <u>less</u> organic integrity as few products will qualify for the "Organic" status. Therefore the market could drive product choices to the lowest common denominator - 70% organic ingredients and 30% conventional ingredients plus all types of synthetic processing ingredients

Ruminations

There was a problem with synthetics from day one: the law forbade it, but a constituency insisted on it. That leaves two rational paths: change the law or disappoint the constituency. It is debatable whether the organic industry is going to publicly petition to have an allowance for synthetic ingredients carved into the law. Given the disruption and confusion that this ruling creates, the organic industry may very well have to re-open the OFPA and bring some order by writing more coherent authorizing legislation. The organic industry is loathe to do this because, as scrutiny of any legislation that rolls off Capitol Hill proves, any deal involves compromises. Readers will recall the saga of Fieldale Farms and their complaint of a lack of availability of organic chicken feed. Their congressional representative slipped a rider into an omnibus spending bill giving the company an exemption from this provision. The organic industry demanded that this exemption be rescinded, and it was, in subsequent legislation – that had another rider directing USDA to certify wild caught aquatic animals as organic. The danger in opening the law to 'fix it' is that it opens the door to all interests, no just the 'loyal' organic people. But the bottom line remains: OFPA must be changed to become consistent with the rule or the rules must be changed.

To some observers, the law seems to be twisted and turned to sanction a litany of operations that don't resemble each other in sustainability, regional appropriateness, and association to family-sized farms. The term organic has always been ambiguous - by its very nature it supports diversity, not conformity, of production, and many different pre-existing organic standards were morphed into the current regulation. The organic community is now very vulnerable to charges of hypocrisy. It seems that the door is closing on family farms, while 4,000 to 5,000 cow dairies are certified. The standards have failed miserably if we freeze the number of organic family dairy farms and use one year replacement animals to re-stock mega-dairies for the bulk and private label markets. Anybody who was serious about the standard setting process - and you can read lots about this in the wordy preamble – has to admit that this is a failure. There is no real future for organic dairy if it does not hold open the potential for at least SOME of the existing family dairies to enter production. This is a public relations time bomb with no ready answer if we stray from the commitment to pasture systems that were the foundation of the final rule regarding ruminants.

What's Next

The First Circuit Court has directed the U.S. District Court in Portland, Maine, to issue a declaratory judgment that will bind the USDA to use that interpretation. The USDA now has certain legal avenues to challenge the rulings. If it finds sufficient grounds, it could petition to have the case reheard in the Circuit Court. The USDA will have 45 days from the date of judgment to submit such a petition. If the USDA takes an appeal, this would be to the U.S. Supreme Court. If the USDA decides not to take further legal action, the case will normally return to the U.S. District Court in Portland. The return of the First Circuit's decision to the District Court of Maine will not take place until at least 7 days after the 45-day period. Action by the District Court to carry out the First Circuit's order could be further delayed if either party seeks review before the US Supreme Court.

In a telephone interview, Mr. Harvey said he does not think the USDA will appeal for the reasons that; 1) the appeals court judge was the top in the district and the Supreme court wouldn't bother to review his decisions; and 2) the case was well examined by this appeals court. As to whether he would appeal, Harvey said it would be prohibitively expensive to take it to the Supreme Court, and that he was satisfied with the judgment, with the possible exception of count 5, regarding USDA's failure to certify wholesalers & distributors, which he was considering revisiting, but that generally further appeals would be a waste of time. He did note that USDA could decide to stonewall the entire matter, in which case it could then be subject to further court action.

So, foregoing any appeals from either side, the District will then order the USDA to issue new regulations to replace the provisions that the Circuit Court has found to be unlawful. The USDA would need to draft and propose new regulations, receive public and industry comment and then promulgate final regulations.

The NOP has expressed the position that rule changes take 3 years. Industry observers anticipate these rule changes taking less than 3 years. There could be fast and furious efforts to write amendments to OFPA that would change the effect of this decision and allow some synthetics.

Implementation will be an extended process with the opportunity for public input. It is at this rulemaking stage that parties in the affected parts of the organic industry could submit comments on the need for appropriate phase-in periods. Jim Riddle, chair of the NOSB, said that it is undetermined what role the NOSB will have, but as it is a forum for stakeholders, it is most likely any changes will have input through the NOSB. Says Riddle, "There is now an opportunity for inclusive and thoughtful changes with all stakeholders and those concerned. The problem is that there is a potential for a divisive situation and it doesn't need to be this way. We must use this opportunity to find solutions that work for organic farmers, processors, certifiers, inspectors and consumers."

The potential fall-out of this ruling could include bad press for organic. Newspapers could put a spin on it, claiming that organic products are full of synthetics or contain ingredients not compliant with OFPA.

In short, nothing will happen to the current Rule immediately. Barbara Robinson, Deputy Administrator of the NOP, issued a memo to the NOSB, OTA and Accredited Certifying agents, saying, "The Department is continuing to review the implications to the Court of Appeals decision. Until such time as you receive further official notification from NOP, you should not take any actions based on this Court decision with your clients." However, some certifiers who were philosophically in support of the ruling may move to implement it, even before the NOP mandates it.

OTA will likely play a crucial role in negotiating with USDA to resolve the issues in the lawsuit. Katherine DiMatteo, Executive Director of OTA, has already met with USDA to discuss the decisions and USDA's response. "The court decision may hamper the growth rate in the short term, but OTA is optimistic that its members and others in the organic community can pull together to maintain the momentum for organic agriculture." Said Demotte. OTA has retained legal counsel for advice on potential legal options.

Conclusions

Like a political candidate whose rise in the polls invites closer public scrutiny, organic producers and handlers are now being challenged to defend actions and positions that were once resolved 'inside the family.'

We are now in the stage where the national standard, which certifies a process rather than products, is being tested in the marketplace.

More thorough investigative reporting (corporate machinations and lawsuits against the federal government are delectable chum for the media) will bring greater attention to contradictions and inconsistencies in the standards that the organic industry by and large learned to live with.

Will the discrepancies between the perception of organic consumers and the reality of organic standards undermine the surging confidence in organic agriculture and disrupt market development?

The Big Picture is that it's healthy to have this honest public discussion about these issues. Hopefully, in the long term, public discussion and the industry's desire for a rigorous certification system for organic will grow the organic industry. Indications are overwhelmingly positive: many people are awakening to the fact that conventional food production, processing, and marketing are creating human health, cultural, and environmental crises. Organic is now a major point of entry to public awareness and education about their food and where it comes from. The number of consumers that will seek out and pay a premium for healthful food is small but growing very rapidly. Consumer confidence in the USDA organic seal remains very high.

How can we continue to affect positive change? Our problems have answers – we have a process to solve those problems. The organic industry needs to focus on the positive standards process and not put politics into the debate. Individuals, including inspectors, must continue to be heard at NOSB meetings, be willing to submit petitions for rule changes, and engage in dialog within the community.

Harvey's lawsuit was one was to bring about change. Are additional lawsuits in the future? It seems to be an unlikely venue for most changes to occur. Arthur Harvey deserves credit and respect for taking on USDA on this matter. He brought these issues up to OTA and IOIA and, not finding satisfaction, felt that the lawsuit was the only way to bring the matter to full attention and gain some change. His efforts were motivated by an interest in preserving organic integrity. We in the organic community express varying levels of surprise and comfort at his win. Ins spite of great odds and with minimal support, he won because the Court read the OFPA and the NOP Rule and agreed with Harvey that they were not consistent. His success was based simply on the fact that he was right. It's exceptional and admirable that one person could effect change so big.

Like that political candidate who suddenly has some explaining to do, the organic community should be frank and forthright in explaining where it stands and why.

There is an old advertising slogan that 'an educated consumer is our best customer'.Organic standards that genuinely 'walk the walk' will indeed satisfy consumer expectations and thrive in the marketplace.

This article was based on a number of interviews and press releases with various parties, including OTA, Center for Food Safety, Organic Consumers Assn., Farmers Legal Action group, Inc., Arthur Harvey, Mark Keating, Jim Riddle, and Margaret Scoles.

1 7 CFR § 205.600(b). 2. 7 USC § 6510(a). 3 7 CFR § 205.236(a)(2)(i). 4 7 USC § 6509(a)(3). 5 7 CFR § 205.606. 6 7 USC § 6517(a), (d), (e); 6518 (k), (l), (m). 7 7 CFR § 205.101(b)(1). 8 7 CFR § 205.501(a)(11)(iv). 9 CFR § 205.501(b)(2).

See page 11 for more on the Harvey suit.

Board of Directors - Full Board Conference Call Minutes - December 16, 2004

Board and Staff Members Present: Ann Baier, Luis Brenes, Dag Falck, John Foster, Garry Lean, Brian Magaro, Jack Reams, and Margaret Scoles (staff). Brian called the meeting to order at 8:08pm EDT

Agenda Item #1 Approve Agenda

Motion: Jack Second: John

Motion wording: The agenda was approved as written above. Endorse: All

Agenda Item #2 Secretary's Report

a. Approval of Minutes from Nov.18

Discussion: Review of the minutes from last meeting was done with less pre-meeting review than is typical.

Motion: Dag Second: Garry

Motion wording: The minutes were approved as amended.

Endorse: All

b. Review of Action Points

Discussion: Several Board members acknowledged that there are action points pending. Encouragement was given to do the work we have committed to.

Action Points: All Board members review and complete pending commitments.

Agenda Item #3 Training Issues

a. Training Oversight

Discussion: Training Oversight has been a topic of discussion in the last several meetings of the BOD. The Training Implementation Plan was approved at the November 2004 meeting with the specific methods of oversight to be decided later. Ann presented proposed procedures for oversight of IOIA's Training Program. Other BOD members offered input. The IOIA Board is ultimately responsible for oversight of all activities carried out by the organization. A membership organization, IOIA values the contributions of volunteer committees. We also value input from other stakeholders insomuch as they further the mission of IOIA. The BOD receives information from different bodies that have distinct roles and responsibilities with respect to the tasks essential to carrying out IOIA Trainings. The Training Oversight Procedures (described in the attached table and diagram – available online at our website) outline the roles and responsibilities for oversight of various individuals and bodies. In summary,

- IOIA BOD is responsible for the business aspects of training. Staff and Training Committee report to BOD, mainly through the Board Liaison for Training.
- IOIA staff are responsible for coordination of trainers in carrying out the training tasks. Staff report directly to the BOD, primarily through the Board Liaison.
- IOIA Training Committee is responsible to oversee and implement feedback on training quality. The Training Committee reports to the Board through goals and annual reports.

This plan was developed with the following objectives:

- Provide appropriate oversight of the IOIA Training Program
- Define Roles and Responsibilities, Reporting and Review Procedures
- Carry out Training work with professional promptness, clarity, and efficiency
- Manage conflicts of interest
- Serve the needs of IOIA clients
- Make appropriate use of IOIA's Human Resources including staff, contractors, and volunteer Board and committee members, according to their interests, expertise and availability.
- Revise the Committee structure to eliminate the two former subcommittees and reinvigorate the Training Committee as a functioning entity.
- Invite all interested members, especially those who had participated on the CAPS and TOC sub-committees members, to become active in the Training Committee. Recommend that the Training Committee develop goals each year that are consistent with IOIA's strategic directions. (For example, invite the Training Committee to offer input into the criteria for Trainer evaluation, including grievance procedures.)
- Develop, as part of the Oversight Plan, written procedures, manuals, job descriptions, guidelines and evaluation criteria for staff, Trainers and Trainings. These components should receive BOD review and approval.

This Training Oversight Plan will be in effect on an interim basis for the next two months until the February 25, 2005 BOD meeting. During that period, we invite input from all interested IOIA members. We are open to all comments and will amend the Oversight Plan (described here and supplemented by the appendices to these minutes. Description, Table, and Diagram) as needed until it is finalized at the February meeting. The BOD noted that several components of this Oversight Plan have already been approved as part of the Training Implementation Plan presented to the BOD by staff at the June meeting and discussed at subsequent meetings.

Motion: Ann Second: Garry

Motion wording: Approve the IOIA Training Oversight Plan, including the division of roles and responsibilities as described above and in the attached appendices.

Endorse: All

Action Points: All BOD carefully review the above Plan and provide input.

b. Curriculum & Professional Development

This item is only on the agenda because we agreed that it would stay on as part of the live agenda. No further discussion is needed at this time. Discussion:

Lisa has developed the Guidebook for the IOIA Training Program and the Cosponsor Manual and associated documents. These are already being used in their current form. Lisa sent these to the Board in early November. BOD review is urgently needed, as they need to be formatted into their final form around January 1, 2005.

Minutes, continued

Action Points:

- Margaret will forward these documents to the Board again by email.
- All Board members will respond to Lisa about these documents as soon as humanly possible.

Agenda Item #4 AGM Issues

a. Implementation of 2004 First/Second Alternate Bylaw Amendment

Discussion: Brian contacted both the alternates whose terms will be continuing past the next AGM. Both said they would be willing to participate as alternates. Karen Troxell is available to serve. Ann Lameka said she would be spending time in a rural area without reliable access to a phone such that it may be difficult for her to participate in conference calls. For that reason, the BOD will recommend to the membership that Karen will serve as first alternate until the 2006 election. This recommendation for how to fill the positions of first and second alternate positions still needs membership approval.

Action Point: BOD will ask the membership to approve appointment of Karen Troxell and Ann Lameka respectively as the First and Second Alternates.

b. BOD meeting/retreat for 2005

Discussion: Margaret needs input regarding in-person BOD meetings. The BOD of IOIA has historically met in person in the Fall, often at Expo East, and other times in LaVeta and Broadus. This year we did not meet in person apart from the AGM. Budget was a consideration in this decision. Next year we will need to budget for travel expenses for Karen, as first alternate, and for half the travel expenses of newly elected BOD members. The Board discussed plans to meet for two days following the 2005 AGM. Each Board has decided how to meet. An in-person meeting will be particularly important as there will be a change in Board composition as a result of the upcoming election.

c. Nominations Committee

Discussion: The nominations committee is making progress on developing a slate of Board candidates.

Agenda Item #5 Long-range Planning: Continuation of Action Point and Action Plan for 2005

a. Summary Report Update

Discussion: Luis was not able to have a draft prepared before this call, and recommitted to prepare a draft Case by the first of the year for distribution for review by the Board before the next meeting.

Action Points: Luis will send a draft case study to the Board by January 1, 2005.

Agenda Item #6 Training Manager's Report:

a. Update on Additional Training Fee changes

Margaret discussed the fee structure as written in her report. As requested by the BOD at last meeting, the fee schedule for Cosponsor Managed trainings was simplified and now includes a surcharge on Trainer Fees to be used for professional development.

Agenda Item #7 ED Report

Discussion: The Accreditation Committee is not responding to applications in a timely manner.

Mike Wise is not responding to Margaret's attempts to contact him. We should consider reassigning certain responsibilities for accreditation such that the work can be completed.

Judy is emailing and calling every member that has not yet renewed. The response has been positive, with several renewals having paid dues. She will continue to work on this.

Margaret may be switching conference call services according to the best rates available, and will provide the number to the BOD before each call. IOIA will receive grant funds (about \$4000) from an NRCS project via a subcontract with AERO to do organic training and resource development for NRCS. Working with the NRCS on projects in MT last year and this year helped IOIA get a great letter of support for our grant proposal to CSREES.

Agenda Item #8 Adjournment

The Chair adjourned the meeting at 9:02 pm EDT.

Appendix A

Description of Training Oversight

IOIA Training Manager (staff) and International Training Manager (currently a contractor) are responsible for planning, implementation and evaluation of Trainings, including selection of Trainers and signing of contracts with Trainers and Cosponsors, and development of training materials including but not limited to draft manuals and guidebooks and curricula. ITM, Lisa, manages cosponsor-managed trainings and reports primarily to the TM (Margaret) but also directly to the BOD where appropriate. In some cases, similar oversight is needed for both Lisa and Margaret. Margaret manages IOIA-managed trainings and reports to the Board. Reporting consists of: Training Summaries (summaries of each training), Quarterly Training Reports (include summary and analysis, participant statistics, income and expenses, and summary of quality improvement reasonmendations) and draft Annual Reports to the Lision for ravious and the ROD for reference. In addition Quarterly Contract (Contract

recommendations), and draft Annual Reports to the Liaison for review and the BOD for reference. In addition Quarterly Contract Reports (Contract information and evaluation--confidential) go to the Liaison for review. Both TM and ITM submit relevant draft training materials for to the Training Committee for comment, and to the BOD for approval.

IOIA BOD Liaison for Training is responsible for facilitating relevant communications to the BOD after reviewing reports and communications from the Training Managers and the Training Committee. (Due to confidentiality of information in reports, active Trainers are not eligible for this Liaison position).

IOIA Training Committee is responsible for feedback on training quality. Volunteer members of this Committee develop committee goals, receive draft materials related to training quality from the TM and ITM, and provide input, ideas and recommendations to the TM, ITM and to the BOD. IOIA BOD is responsible for oversight of the business aspects of training. IOIA Staff and Training Committee report to BOD, mainly through the Board Liaison for Training. The BOD reports to the membership, presenting the Annual Training Report at the AGM.

GMO NEWS NOP Policy Statements RE: GMO's

The following is an excerpt from a letter by Bill Hawks, Under Secretary, Marketing & Regulatory Programs, to Gus Douglass, Commissioner, Nat'l Assn of State Dept of Ag., Dec 21, 2004. The full letter and reply are online at:

http://www.ams.usda.gov/NOP/NOP/PolicySta tements/Letters/NASDALetter.pdf

"You ask if there is a working definition of the word 'contamination' within the NOP, noting that the word 'contamination' is used frequently in the final regulations, and if all products of genetic modification are considered 'prohibited substances' as defined in the final regulations? And, what actions are authorized or required when organic crops or products are found to contain unintended or inadvertent genetically modified hybrids or other genetically modified substances?

"Reply: There is no definition in the final regulations of the National Organic Standards for the word 'contamination,' even though, as you point out, it is mentioned frequently. By our count, 'contamination' is mentioned nearly 50 times in the regulations. All geneticallymodified practices or products are indeed considered prohibited as cited in 205.105, the paragraph that describes 'excluded methods.' Please refer back to the above issue when considering the adventitious presence of a genetically-modified or genetically-engineered substance. Such adventitious presence does not affect the status of the certified operation and does not necessarily result in loss of organic status for the organic product, provided it was produced in adherence with all of the organic requirements under 7 CFR 205. Again, the action regarding the final product's status in this case is left to the determination by the buyer and seller of the product."

Farmers Push for Liability Shield

Farmers in Vermont, Montana, and North Dakota are supporting legislation to make biotechnology companies, not farmers and grain elevators, liable for damages from GM crops. These bills would also prevent the manufacturers from suing farmers whose fields are contaminated by genetically engineered crops and are unintentionally growing these crops. Legislative committees in Vermont and Montana heard testimony recently supporting Farmer Protection Acts. More hearings are scheduled in both states for further consideration of the legislation. A hearing was also scheduled in North Dakota by the Senate Agriculture Committee on Senate Bill 2235.

Farm advocacy groups across the nation are working with farmers to ensure protection for farmers and by holding companies responsible for any damage caused by their products.

"We've done our homework for Vermont's farmers and our bill is strong and clean. We must make sure that farmers are not bearing the burden for the manufacturers who are marketing a product that is designed to contaminate," stated Amy Shollenberger, policy director of Rural Vermont. "I am encouraged by the strong support for S.18."

In Montana, wheat growers lined up to support Senate Bill 218 during a hearing by the Senate Judiciary Committee.

"If genetically engineered wheat is introduced, this bill will protect farmers from the liabilities associated with this crop resulting from contamination by making sure biotechnology companies are responsible for their product," said Dena Hoff, a farmer near Glendive, Mont., and representative of the Northern Plains Resource Council. Hoff cited a recently released study, Monsanto vs. Farmers, by the Center for Food Safety that found that Monsanto has sued or is suing more than 100 farmers for patent infringement. Even farmers who have not planted the seeds are at risk of these lawsuits.

Currently, farmers who buy GMO seeds must sign a Technology Use Agreements. These agreements shield the patent company from liability for contamination and place the full liability burden on farmers. Farmers contend these agreements essentially pit farmer against farmer when conflicts arise.

Farmers are equally concerned about the affects on grain elevators. "Losses to a country elevator for a 400,000 bushel train load of wheat to a west coast port could equal a half-million dollar loss of milling grade, transportation costs, and railroad charges for a train load of wheat sitting idle at the port," said Todd Leake, a wheat farmer from Grand Forks County, N.D., and member of the Dakota Resource Council. "These losses would bankrupt these country elevators."

GE Crops Threaten Organic Farming Industry

Contamination from genetically engineered crops threatens Vermont's growing organic farming industry, advocates said in a January report.

The number of certified organic acres has more than doubled in the past five years, from 15,967 in 1999 to 35,826 in 2004, according to a report released January 27th by the Vermont Public Interest Research Group. The number of organic farmers has more than tripled from 90 in 1994 to 332 in 2004, the report said.

Organic dairy farms also have jumped from 38 to 87 between 1999 and 2004, the report said.

But, according to the report, the growing use of genetically modified organisms threatens to contaminate organically certified crops with their pollen, potentially increasing costs for organic growers.

"Over the past 10 years a remarkable consumer demand for organic food has propelled a very vibrant and rapidly expanding organic sector of Vermont's farm economy," said Ben Davis of VPIRG.

"But there's a problem. And that is for Vermont farmers to cash in on that demand they are going to need to be protected and GMOs undermine that ability for them to cash in," he said.

The amount of GE seeds sold in Vermont rose from 416,698 pounds in 2003 to 506,372 in 2004, the Agriculture Agency reported in January.

GMO contamination of organic corn in Vermont has already been documented, Davis said.

The Senate Agriculture Committee passed a bill (also in January) that would make seed makers liable for damages from genetically engineered seeds or crops.

"I do have great interest in discussing the Farmer Protection Act, the liability bill," said Rep. David Zuckerman, P-Burlington, chairman of the House Agriculture Committee.

"My goal as chair of the committee is to make sure that all these topics get more adequately addressed, or get fair hearings, get open information from all of those involved, from organic producers, seed producers and lawyers to understand really what are these consequences because we're really going into uncharted territory with genetically engineered seeds in our food system." VPIRG would like the state to go further and ban the use of GMOs to give lawmakers time to fully consider their economic, ecological, and human health impacts, Davis said.

FDA Issues Controversial Guidance on Biotech Foods

The November 24 issue of the Federal Register announced the availability of draft guidance for food biotechnology industries from the Food and Drug Administration (FDA). The guide is titled "Recommendations for the Early Food Safety Evaluation of New Non-Pesticidal Proteins Produced by New Plant Varieties Intended for Food Use." According to the announcement, "FDA believes that any potential risk from the low level presence of such material in the food supply would be limited to the possibility that it would contain or consist of a new protein that might be an allergen or toxin." The nonprofit group Friends of the Earth disagrees, citing the flimsy requirements for safety assessment, the lack of requirements for safety tests in animals, and the illimitable amount of contamination allowed in foods. The group notes that 47 percent of genes in current field trials are trade secrets, thus protecting them from public detection and scrutiny. Full story at:

http://www.foe.org/new/releases/1104fda. html

GM Crops Stalled

GeneEthics has refuted claims by the industry-backed International Service for the Acquisition of Agro-biotechnology Applications (ISAAA) that the global area of GM crops increased rapidly from 2003 to 2004. Their latest annual review shows the GM crop industry remains stalled.

"GM crops are only 1.4% of global agricultural area and are not taking the world by storm," GeneEthics Network Director, Bob Phelps says. "The ISAAA's own figures show commercial GM crops are not a global industry, as 98% of GM crops are grown in just six countries -USA 59%; Argentina 20%; Canada 6%; Brazil 6%, China 5%, and Paraguay 2%. 93% is in the Americas," he says. "The GM industry's crop product range has also stalled, with only four broad acre commercial crops - soy, corn, canola and cotton," he says. "The ISAAA report offers no evidence that the GM industry can keep its promises of more nutritious foods, longer shelf life products, drought

and salt tolerant crops," he says. "Over ninety percent of all commercial GM crops are monopoly owned and controlled by Monsanto, which is heavily backed by the US government at home and abroad, with subsidies and sweetheart policies," he says. "Despite this, North American farming organizations rejected GM wheat last year and Monsanto cancelled its GM wheat research," he says.

Glyphosate-resistant Ragweed Confirmed in Missouri

Missouri has the first known case of a summer annual weed resistant to the popular glyphosate line of herbicides. The resistant weeds, a biotype of common ragweed, were found in a 20-acre field in central Missouri. Plants from the field, examined by University of Missouri weed scientist Reid Smeda and by officials of Monsanto Company, were found to be resistant to 10 times the rate of glyphosate herbicide that normally controls common ragweed. Glyphosate is the active ingredient in Monsanto Roundup herbicides as well as other brands. Full story:

http://www.newfarm.org/news/2004/1204 /121704/glypho_resistant.shtml

Anti-GMO Decree in Italy

The much-contested Alemmano GMO decree was passed by Italy's Lower House with amendments, which would make it more difficult for GM crops to be grown in Italy. With the passage of the Alemmano GMO decree, the Italian Lower House has found a loop-hole in the EU legislation that will allow Italy to inplement its own policy on the grounds of co-existance of transgenic, conventional and organic crops. The EU has been slowly opening the doors to GM crops, and has asked its member states to do the same.

However, Italy has several regions that have banned together to block the sale and use of genetically engineered crops.

Early in November, Italy moved to open its doors to GM crops, while granting the authority to regional areas to implement their own bans or open-door policy.

Italy is not the only dissenting EU member state. It is joined by France and Austria, who lead a coalition of EU member states that oppose opening the doors to GM crops. While Holland, Spain and the UK have voiced a more open-door policy to GMOs.

Ermete Realacci, of the Italian Margherita party, is pleased with the modifications to the Alemanno GMO decree and its subsequent approval in the Lower House. "This time the quality lobby won. The one that cares about the quality of Italy's produce and is not convinced that our country can compete with other countries with GMO corn."

"We hope that the senate will approve the decree swiftly. Our agriculture, the growers and the citizens need precise rules which guarantee freedom of choice which is our only chance to give our produce a place on the world market," says Realacci.

GMO hearings begin in P.E.I.

The public debate over genetically modified organisms has begun in Prince Edward Island (PEI) on February 2. And a record number of people want to have their say before the committee.

The hearings could recommend P.E.I. become a GMO-free zone.

Some farmers see the opportunity to market their products as coming from a GMO-free province as an advantage.

Others are still trying to figure out what banning GMOs would mean.

Eddie Dykerman, who owns Brookfield Gardens, is the new head of P.E.I.'s Federation of Agriculture.

"I wouldn't call it sitting on the fence, but we are being cautious. We think the market is going to drive what is going happen from here on in. If the place doesn't want it, we are not going to produce, as farmers, crops that people do not want to buy."

Premier Pat Binns, who also happens to run his own farm, sparked the debate. He does see an opportunity to carve out a unique place on the store shelves.

There are genetically modified crops being grown on the Island. GM soybean, corn and canola cover thousands of acres.

Those who grow the crops argue they're engineered to resist disease and repel pests. They say the seed costs more, however; they don't spend as much on pesticides.

The debate also includes concerns about large companies owning the patents on GMOs, and consumer suspicions about how GM foods may affect the body. More than 70 groups and individuals from all over North America will make presentations before the legislative committee, setting the stage for a passionate and polarized debate.

Annual Report, from page 4

Increasingly the website is IOIA's 'face' to the public. IOIA mails out fewer hard copy information packets, as inquiries are directed to the website and applications, forms, and info are available for direct download. Diane also moderates The IOIA Forum (inspector list serve). Diane's ongoing work to develop the technical advisory feature for the "Inspectors only" section of the website is waiting for IOIA's new web hosting service, slated for 2005.

Committees

The **Membership Committee**, chaired by Chris Kidwell, worked with the BOD to develop a certifier mailing, which was mailed to all of the USDA accredited certification agencies and IOIA supporting certification agencies. This mailing garnered two new Supporting Certification Agency Members. As well as soliciting certifier input and involvement with IOIA, the mailing encouraged certifier feedback to inspectors and promoted the value of IOIA training for inspectors.

Membership appears to have adjusted to the two changes made in redefining Inspector membership status in 2003. The Inspector member category increased modestly this year and reflects a slow but steady flow of new Supporting Individuals into the Inspector category after they have appropriate inspection experience. A positive result observed is more stability in the voting member base of IOIA. Members who were dropping membership were encouraged to contact IOIA to let us know why they were dropping. This informal poll indicates that most are simply not doing inspections any longer. A big thank-you to Chris for his work as Nominations Committee Chair. The Membership Committee Chair doubles as Chair of the Nominations Committee.

The **Scholarship Committee** this year reviewed 8 applicants for our inspector scholarship and 2 applications for the Organic Community Initiative Scholarship. Congratulations to this year's Andrew Rutherford Scholarship winner, Cheryl Laxton of British Columbia, and OCIS Scholarship winner, Bel Bahadur Gurung, of Nepal. The 2003 winner, Sandeep Bhargava of India, attended training in Hong Kong and was the first OCIS winner to actually be able to use their scholarship. Wendy Ziehl attended the Arkansas Farm training on her scholarship during 2004. IOIA extends a special thank you to new Chair, Nancy Ludwig and to outgoing Rochelle Eisen for her many years of Chair service.

The **Ethics Committee**, chaired by Joyce Ford, had another quiet year with no formal inspector complaints. The Committee was requested by the BOD to review the complaint fee, in response to a request by an IOIA member, but they recommended no changes.

The Accreditation Committee, with Chair Jake Lewin, oversees the IOIA inspector accreditation program. The Accreditation Review Panel reviewed 9 applications for crops, livestock and/or processing accreditation. Twenty-seven IOIA members are accredited, which reflects the first increase in 3 years. Stephen Grealy is the new ARP Chair.

The Latin American Committee supported Latin America's hosting of the 2004 AGM in Costa Rica. IOIA increased the budget for this committee to award 4 scholarships to IOIA Latin American members to assist them in attending the Advanced Training and AGM. Lidia Gaivironsky's resignation as Chair of this Committee was accepted regretfully but with much appreciation. The position has not been filled.

The **Canadian Committee**, chaired by Janine Gibson, participated in development of the Canadian Standards, staffed the Guelph Organic Conference booth, and will assist in hosting the 2005 AGM.

The **Bylaws Committee**, Chaired by Arthur Harvey, proposed two Bylaws Amendments in 2004. Both were adopted by the members. Following animated discussion at the AGM regarding Bylaws changes, the BOD decided to encourage, whenever possible, to delay votes on Bylaws Amendments until discussion at the AGM could be better digested and some written material provided to members with the ballot. One Bylaws Amendment changed the structure of the Board of Directors, reducing the number of Alternates to two. These are designated First and Second Alternate, with the First Alternate participating in all BOD meetings so that they can engage in informed voting whenever a vacancy exists on the BOD. If the Board has a vacancy, the First Alternate will be appointed to fill the vacancy.

The Communications and Marketing

Committee, under Chair Bob Howe, submitted a promotional article for the Expo East news magazine. This was likely one factor in establishing a new contact at Expo East and a relationship with a consultant who wants to collaborate with IOIA to take inspector training to the Islamic world.

This list of committee activities is far from comprehensive. IOIA appreciates all volunteers. Committee Reports will be available at the AGM. Poster sized committee reports were displayed for the past 2 years at the AGM (special thanks to Diane).

IOIA Board

There were no changes on the BOD of Directors during the 2004 election. This remains the most international Board IOIA has ever had; a minority of the current Board are from the US. Three board members are up for re-election this year and have expressed their desire to continue to serve IOIA. These include Ann Baier, current Secretary; Luis Brenes; and John Foster. Dag Falck opted not to run for re-election. Dag's ability to think like a computer with a heart will be sorely missed on the Board.

In 2004 the Board held only one full board business meeting in person, in Costa Rica. Budget concerns and the higher cost of meeting in Costa Rica for the AGM was part of the decision to meet only once in person. The BOD opted instead to increase frequency of conference calls.

IOIA was proud to host our first completely bilingual Annual Meeting in 2004.

Jamaica to Invest \$20 Million in Organic Farming Industry

The Jamaica Observer reports that the Jamaica Organic Agriculture Movement has backed a government plan to invest \$20 million over the next three years to develop the nation's organic farming industry. With the hope of entering rapidly growing international organic market, the government will develop a national policy on organic agriculture and offer technical support to farmers. http://www.jamaicaobserver.com/news

Intaxication: Euphoria at getting a tax refund, which lasts until you realize it was your money to start with.

Resources

Free Certified Organic Seed Sourcing Service Save Our Seed has announced that it will offer a free Certified Organic Seed Sourcing Service in 2005 to support certified organic growers in finding the seeds they need, as well as being clear when the seeds they are looking for are not available. URL: <u>http://www.savingourseed.org/pages/sourcing.htm</u>

The 2005 Farming Sourcebook with a Focus on Sustainable and Certified Production is available at no cost courtesy of Oregon State University. You may download the 32 page PDF file at: <u>http://oregonipm.ippc.orst.edu/2005 farming sourcebook final.pdf</u>

World Agriculture and the Environment: A Commodity-by-Commodity Guide to Impacts and Practices. Jason Clay. Island Press, Washington, DC, 2004. 568 pp., illus. \$35.00 (ISBN 1559633700 paper).

Rust, Resistance, Rundown soils and Rising Costs - Problems facing Soybean producers in Argentina. Charles M Benbrook, Date published: 20, January 2005. Format: Adobe PDF

Download the full report: http://www.greenpeace.org/international_en/reports/ex-summary?item_id=715074&language_id=en For other Benbrook technical papers on GM crop issues, go to http://www.biotech-info.net/highlights.html#technical_papers

Have you seen *The Non-GMO Report*? See the January issue on the IOIA website, www.ioia.com in the Books & Goods section. The Non-GMO Report is a monthly newsletter that provides useful information and resources to help food producers:

* Produce IP, non-GMO products from "seed to shelf"

* Connect with potential buyers

* Prevent GMO contamination

* Stay up-to-date on GM food issues and trends in food traceability.

* Find non-GMO ingredient sources

In addition, we have published The 2005 Non-GMO Sourcebook, bigger and better than last year's directory of non-GMO and organic suppliers and service providers. You will receive the Sourcebook free as a bonus for subscribing to The Non-GMO Source newsletter. Special reduced annual subscription of \$35US by post OR \$25US email version through IOIA Please reply to <u>lindy1@lisco.com</u>

<i>I am interested in the following:</i>	Please Type Mail to IOIA, PO Box 6, Broadus, MT 59317		
IOIA Membership Application All members receive our quarterly newsletter All members may receive a hard copy member), by Fred Magdoff and Harold Van Es. 240 dition, Expanded and Rewritten. Published by	
directory for \$15 each. Please specify category – all funds payable in US \$ - All dues are annual	 Canadian Organic Growers. An invaluable resource. While preserving the best of the now out-of-print and no longer available first edition, this edition is updated to include info on GMO's, E. coli issues in manure, and many additions to the crop section. 222 pages, spiral bound, \$30.00. Food Plant Sanitation and Safety, by Dr. Joe Montecalvo, 184 pp, \$50.00 Introductory Food Science, Dr. Joe Montecalvo, 187 pp, \$50.00 Managing Cover Crops Profitably, 2nd Edition, published by Sust. Ag Network, \$18.00 		
 Inspector - \$100 Supporting Individual - \$75 Business/Organization \$100 Certifying Agency - \$250 Patron - \$500 Sustainer - \$1000 	 Organic Livestock Handbook, published by Canadian Organic Growers. Edited by Anne Macey, 179 pp, spiral bound, \$25.00 Organic Tree Fruit Management, published by COABC, 240 pages, \$30.00 Steel in the Field, published by Sustainable Ag Network, 128 pages, \$16.00 Introduction to Certified Organic Farming. Published by REAP CANADA, 200 pg. \$25.00 IOIA Caps - \$20.00 – Please specify color 1st choice2nd Choice [black, navy, royal blue, forest green, white, khaki/forest, maroon/black] 		
□ The Inspectors' Report – 1 year subscription (4 issues) \$30	IOIA Tees - \$20.00 – Please specify size L XL XXL IOIA Sew-On Patch - \$7.00 OR 3/\$20 OR 5/\$30 I See our Caps and Tees in the Books & Goods section of our website, www.ioia.net Name I Address		
2005 IOIA Membership Directory - \$25	Business Address		
IFOAM/IOIA International		none Fax	
Organic Inspection Manual:	Check Enclosed – Total Amount \$		
□ \$60 non-members			
,	Signature	Exp. Date	

February 18-20, IOIA/JOIA Basic Organic Inspector Farm training, Tokyo, Japan. See page 3 for details.

February 20-22, National Campaign Annual Conference, Washington, DC. Info: www.sustainableagriculture.net

February 24- 26, 16th Annual Upper Midwest Organic Farming Conference, La Crosse Center in Downtown La Crosse, WI. Info at: 715-772-3153; fax 7115-772-3162; info@mosesorganic.org

February 24-27, BioFach, Nuremberg, Germany. Info: info@nuernbergmesse.de www.biofach.de

February 28 – March 3, NOSB meeting, Washington Terrace Hotel, Washington, DC. info (202) 720-3252. or www.ams. usda.gov/nop

March 5, CT NOFA End of Winter Conference, Windsor, CT. http://www.ctnofa.org/ conference/index.php

March 5 – 6, 2005 Annual OEFFA Conference, Johnstown, OH. Info: www.oeffa.com

March 13-15, IOIA/JOIA Basic Organic Processing Inspector training, Tokyo, Japan. See page 3 for details.

2005 Calendar

March 17 – 18, Organic Inspector Training, Vancouver, British Columbia. IOIA will sponsor Advanced Organic Inspector Training at the Granville Island Hotel on March 17-18 immediately before the next IOIA Annual Meeting on March 19. IOIA and Fraser Valley Organic Producers Association will also cosponsor Organic Livestock Inspector Training in Vancouver in conjunction with these events. See page 3 for details or go to <u>www.</u> <u>ioia.net</u>

March 19, IOIA Annual General Membership Meeting, Granville Island, British Columbia. Info: <u>www.ioia.net</u>

April 6 – 9, IOIA Organic Farm Training, Las Cruces, New Mexico. See page 3 for details.

April 10 - 13, IOIA Process Inspector Training, Las Cruces, New Mexico. See page 3 for details.

April 17 - 18, 8th Annual Organic Products Europe and Natural Products Europe. Grand Hall Olympia, London, England. <u>http://www.naturalproducts.co.uk/op euro</u> pe/index.shtml

April 29 – 30, Organic Beekeeping Workshop, Chestnut Ridge, NY For active beekeepers as well as beginners and it includes a hands-on session. Info: www.pfeiffercenter.org

May 1 – 3, All Things Organic – OTA Trade Show. McCormick Place, Chicago, IL. Info: www.organicexpo.com, organic expo@divcom.com, or call 207-842-5504

May 7 – 10, Int'l Organic and Agroecology Products Fair, São Paulo Brazil. Contact Maria Cristina Botelho, (55 11) 4689 3166, <u>cristina@francal.</u> <u>com.br</u>

May 21 - 22 6th Annual Heartland Festival, Double T Acres, Stevinson, CA Info: www.eco-farm.org (831) 763-2111 info@eco-farm.org

July 12 – 24, VI International Shortcourse on Agroecology 2005 Santa Cruz, California. http://www.agroecology.org/ shortcourse.htm

July 29 – Aug 20, Organic Agriculture Development Advanced International Training Programme, Sweden. Participants for shall come from developing countries in Asia. Info at <u>www.grolink.se</u>

September 19-23, 15th IFOAM World Congress, Adelaide, Australia. Info: Fax: +61 8 8339 7800, http://www.nasaa.com. au/ifoam/

E-mail: ifoam2005@nasaa.com.au

Keep IOIA Strong - Lend Your Strength And Get Involved!



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