GE Alfalfa – Who Really Won?

The U.S. Supreme Court handed down its decision June 21 in *Monsanto v. Geertson Seed Farms*, a case involving Monsanto's efforts to introduce Roundup Ready Alfalfa, a genetically modified crop engineered to tolerate the herbicide Roundup. Alfalfa is the fourth most widely grown crop in the U.S. and a key source of dairy forage.

The Court, on a 7-1 vote, held in favor of Monsanto but did so in a way that leaves standing a lower court decision preventing Monsanto from introducing the alfalfa crop until the government complies with the National Environmental Policy Act (NEPA). The Supreme Court decision has much less to do with environmental law and much more to do with the remedies the plaintiffs sought and whether an injunction issued by the district court was too broad. Here's the background:

In introducing a new type of plant, Monsanto must comply with the Plant Protection Act. The PPA gives authority to USDA to issue regulations "to prevent the introduction of plant pests into the United States or the dissemination of plant pests within the U.S." USDA, through the Animal and Plant Health Inspection Service (APHIS), has used its authority to regulate genetically engineered (GE) plants by presuming that such plants are plant pests under the PPA. One provision of that regulation allows a person or company seeking to introduce a GE plant into the environment to petition to avoid regulation under the statute. That's what Monsanto did. APHIS, under the Bush Administration, granted the petition after conducting a required environmental analysis under NEPA and finding that the introduction of the Roundup Ready alfalfa would have no significant environmental impact.

Two conventional alfalfa farmers and The Center for Food Safety (CFS) sued the Secretary of Agriculture challenging the decision to deregulate the GE alfalfa. Central to the issue is unwanted transgenic drift: GE alfalfa can spread uncontrollably by way of bees that can cross-pollinate plants many miles away, contaminating both conventional and organic alfalfa with foreign DNA, patented by Monsanto.

The farmers' fears were that the GE crops could contaminate the conventional crops. In addition, conventional farmers point to evidence that crops engineered to tolerate herbicides are leading to a huge increase in pesticide use as weeds are developing pesticide resistance. While the case was initially pending in District Court, the RRA was commercially available and not regulated and was planted by about 3000 farmers across the country. [see **Alfalfa**, page 22]

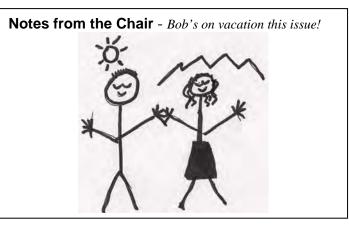
"AND NOW FOR THE RUMOURS BEHIND THE NEWS"

How the Media got GM Alfalfa Wrong

From the Center for Food Safety

The media got it wrong and let the public down when it erroneously reported Monsanto's wholesale victory in its Supreme Court appeal of the GM alfalfa case - the first-ever Supreme Court case on GMOs. Despite claims and headlines to the contrary, Monsanto is still prohibited from selling and planting its Roundup Ready GM alfalfa. The true victors in the case are farmers, consumers and environmentalists who have argued that planting GM alfalfa would contaminate conventional and organic crops and lead to spraying noxious pesticides in regions where over 90% of alfalfa farmers do not use or need them.

So, why did the press get it so wrong? Monsanto hit the press early and convincingly and the press failed to do its due diligence by corroborating Monsanto's facts with both sides in the case. It should have known better and acted more carefully despite the rush to get the first story published, but it didn't. Monsanto's Goliath PR machine [see **Goliath**, page 22]



Inside:

Certifer/Inspector Dialog p 8 Incorporation 101 p 10 PLUS Canadian update, BOD minutes, Calendar, *and More!*

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*aka Independent Organic Inspectors Association

IOIA Scholarships Available for Organic Inspector Training

IOIA accepts applications for the annual Rutherford Scholarship Andrew Award, which provides full tuition for an IOIA-sponsored organic inspector training course during the following year. Both prospective and experienced inspectors are eligible to apply for the Rutherford Scholarship. It is awarded to an individual on the basis of need and potential as judged by the IOIA Scholarship Committee. Applicants can choose to attend any IOIA-sponsored training. The Scholarship pays for tuition, room and board but does not cover transportation or other expenses.

The late Andrew Rutherford was a farmer, organic inspector, and organic agriculture researcher from southern Saskatchewan. He served on IOIA's initial steering committee and then several years as a Founding Board Member.

IOIA also offers the annual Organic Community Initiative Scholarship, which provides full tuition for an IOIAsponsored basic organic inspector training during the following year. It is awarded to an individual on the basis of need and their potential to have a positive impact on their regional organic community. The Organic Community Initiative Scholarship is only open to applicants from outside of the US or Canada. Applicants can choose to attend any basic IOIAsponsored training. The Scholarship pays for tuition, room and board but does not cover transportation or other expenses.

application materials For and information on IOIA training programs, contact Margaret Scoles. IOIA Executive Director, IOIA, P.O. Box 6, Broadus. MT 59317-0006, Email ioia@ioia.net. or visit www.ioia.net to download application forms. The deadline for returning Scholarship applications is October 1. Scholarship recipients are notified by December 15.

A Funny Story from Last Year's Inspections

By Anonymous

I was inspecting a farmer on the High Plains where field size is sometimes measured in quarters or sections. I asked, "do you have a Complaint Log?"

He replied, "you bet I got a complaint log."

Hmmm... I thought to myself. That's a bit of an exuberant reply to such a mundane question where most folks admit to having never made a single entry to their 'complaint log'.

"Okay. Can I see it?"

"Nope. It's in the tractor and that's about 15 miles away."

"Really? Any reason why you keep your Complaint Log in your tractor," I ask.

"Well, you know, when you're out there drivin' the tractor you get to thinkin' and I tell you, I gotta lot of complaints about this here 'organic program'."

In retrospect, my failure was not driving the 30 mile round trip to retrieve the "Complaint Log".

Well, maybe not. The fantasy is probably better than the reality.

#

It Comes with the Territory

In Montana, there have been several Grizzly Bear sightings and a few incidents of bears gaining access to porches and/or barns on the plains.



For all inspectors, please take all appropriate precautions and have bear spray [pepper spray] with you

if you are inspecting farms or ranches anywhere along the Rocky Mountain Front or adjoining plains. It seems that Bears are not just in the Mountain and Parks any longer. Be safe and aware!

2010 Membership Directory Updates

(Changes made by R. Higgins 8/5/10) Please make the following changes to your 2010 Membership Directory. Any changes are italicized. Other parts of the addresses remain the same unless noted. Any additions or corrections to information categories other than addresses and contact numbers will be listed in the 2011 Hardcopy Membership Directory or can be viewed in the 2010 Online Directory.

Address Changes

Inspectors:

Sam Welsch 427 N 33rd ST Lincoln, NE 68503

Supporting Members:

Dana Shapiro S 5801 B N Viroqua, WI 54665 Cell: (312)339-0470

Valeria Spezzano 23 Marlow Circle Hillsdale, Ontario LOL 1V0 CANADA Home: 416.629.8422

Welcome New Supporting Individual Members:

Claire Casey (Simms, Montana) Sandra Corlett (Shelbyville,Kentucky) Eric Germann (Ulm, Montana) Sarah Huntington (Bow, Washington)

IOIA Board of Directors		
Bob DurstChair		
Michelle SandyVice Chair		
Eric Feutz Treasurer		
Jennifer CliffordSecretary		
David KonradDirector at Large		
Julio PerezFirst Alternate		
Bob HoweSecond Alternate		
The Inspectors' Report is the newsletter		
of the International Organic Inspectors		
Association. IOIA is a 501 (c)(3)		
educational organization, whose mission		
is to address issues and concerns		
relevant to organic inspectors, to provide		
quality inspector training and to promote		
integrity and consistency in the organic		
certification process. Editor: Diane		
Cooner, Box 1259, Guerneville, CA		
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fax 707-869-1478.		
ioiaweb@ioia.net		

ioiaweb@ioia.net Deadlines are Feb 1, May 1, Aug 1 & Nov 1. Published quarterly on recycled paper.



Upcoming Trainings

Webinar: Verifying compliance to NOP Pasture Rule - August 31, 2010 9A-12 PDT, 10-1 MDT, 11-2 CDT, 12-3 EDT

This essential session for the livestock inspector or reviewer will prepare participants to verify compliance with the new NOP Pasture Rule. Co-presenters are Garry Lean of Ontario and Sarah Flack of Vermont. The course includes pre-course reading assignments and is geared for inspectors with an understanding of livestock inspection. The session reviews the new regulations, and provides inspection tools and guidance to verify them. Topics include basic grazing management; an overview of the various common grazing systems for ruminants; factors that cause pasture Dry Matter Intake (DMI) to go up or down; methods for determining Dry Matter Demand (DMD); and an introduction to making quantitative and qualitative assessment of pasture. The course focuses primarily on cattle dairy operations but also includes information for beef, sheep, and goats. Participants will see examples of DMI calculations and work sample exercises. At the conclusion of the course, participants have the opportunity to complete an additional assignment to qualify for a Certificate of Completion. Session consists of 2 parts, each 1.25 hours long with a break between. Enrolment is limited to 20 per session. Early registration discount is available until Aug. 17. To register, see http://ioiaregistration.ganconference.com/

Chungbuk, Korea - September 29 – October 3, 2010 IOIA and KOIA, will cosponsor a 4.5 day Basic Organic Crop Inspection Training using the Korea Organic Regulation (EFAPA) as a reference. The course will be given in Korean and held in Chungju, Chungbuk, Korea. For enquiries, please contact Isidor Yu at Ph: +82-10-9133-5431 Fax: +82-505-116-5431 e-mail: <u>Isidor.yu@gmail.com</u>

Corvallis, Oregon - October 4 - 8, 2010 IOIA and Oregon Tilth Certified Organics (OTCO) will co-sponsor Basic Crop Inspection Training and Basic Processing Inspection Training Oct. 4-8. Courses will run concurrently. IOIA and OTCO will co-sponsor Advanced Organic Inspector Training (Processing focus) Oct. 4-5. Demeter Association and IOIA will co-sponsor Biodynamic® Inspection Training Oct. 6-7. All trainings will be held at LaSells Stewart Center on the Oregon State University campus. Each basic course includes 4 days of instruction including a field trip to a certified organic operation, plus ½ day for testing.

OTCO is the certification program of Oregon Tilth. OTCO certifies organic operations both nationally and internationally. Visit: <u>www.tilth.org</u> for more info. The Advanced Inspector training will focus on current topics for working inspectors, with a primary focus on processing inspection. The IOIA/Demeter Biodynamic® Inspection Training is geared primarily for experienced organic inspectors. A limited number of spaces are also available for new inspectors with knowledge of Biodynamic practices. For more info about the Demeter program, see <u>www.demeter-usa.org</u>. For more info about OSU or a detailed map, visit <u>www.oregonstate.edu</u> and, for the LaSells Stewart Center, <u>www.oregonstate.edu/lasells</u>.

A room block is reserved at the Hilton Garden Inn, <u>www.hgicorvallis.com</u>. Participants are responsible for making their own room reservation if they desire a private room. IOIA offers a shared rooming option to assist those who want a roommate. IOIA will prepare the shared rooming list. The Hilton Garden Inn is located on the OSU Campus, directly across the street from LaSells Center. Applications and more details are available at <u>www.ioia.net</u>.

Peetow, Changhua, Taiwan - November 1-5, 2010 IOIA and MingDao University in Taiwan will cosponsor a 4.5 day Basic Organic Crop Inspection training using USDA National Organic Standards as a reference with comparison to EU standards. The course will follow a 2-day Biodynamic Agriculture Seminar Oct 30-31 at MingDao University. Instruction will be conducted in English. Participation in this course will be prioritized for applicants from South-East Asia with good knowledge of the English language. Please contact Prof. Shih-Shiung Chen or Mr. Chih-Hao Chen at Tel. +886-4-887 6660 ext. 8219 or 3702 Fax: +886-4-887 6669, <u>matoap2007@gmail.com</u>

Brandon, Manitoba – November 2-6, 2010 IOIA and Assiniboine Community College (ACC) will cosponsor Basic Organic Process Inspection Training using the Canadian Organic Standards as a reference. The course includes 4 days of instruction including a field trip to a certified organic livestock operation, plus ½ day for testing. For more info about this training, please contact Mary Petersen at Ph: 204-725-8700 Ext 6683 Fax: 204-725-8740; <u>PeterseM@Assiniboine.net</u> ACC is located at 1430 Victoria Avenue East in Brandon, Manitoba.

State College, Pennsylvania - November 15-19, 2010 IOIA and Pennsylvania Certified Organic (PCO) will co-sponsor Basic Organic Livestock and Processing Inspection Training November 15-19. All trainings will be held at the Penn State Conference Center Hotel. Livestock and Processing courses will run concurrently Nov. 15-19. Each basic course includes 4 days of instruction including a field trip to a certified organic operation, plus ¹/₂ day for testing. Livestock field trips will be dairy farms.

Participants in the Livestock training will be offered an optional field trip opportunity on the afternoon of November 19 to a poultry operation. If any additional spaces are available, they will be offered to the Processing course participants and advanced inspectors.

Advanced Organic Inspector Training will precede the training on November 13-14. The advanced course will include presentation from the NOP office, pointers for unannounced visits, residue sampling, NOP pasture rule update, materials training, labeling of finished product, international standards update, and current initiatives and directives that impact inspectors. Agenda is under development.

PCO is a USDA-accredited certification agency that certifies approximately 350 producers in Pennsylvania and adjoining states (New York, New Jersey, Delaware, Maryland, West Virginia, and Ohio). For more info see <u>www.paorganic.org</u>. Applications and more details are available at <u>www.ioia.net</u>.

San José, Costa Rica - November 15-19, 2010 IOIA and Eco-LOGICA will cosponsor a 4.5 day Basic Organic Farm Inspection training using USDA National Organic Standards as a reference. The course will be held at ICAES Coronado in San José, Costa Rica from November 15-19, 2010. Instruction will be conducted in Spanish. Please contact Sue Wei at ph.: (506) 2297-6676, fax: (506) 2235-1638 or e-mail: swei@eco-logica.com for further info.

Watch upcoming IOIA newsletters and the www.ioia.net for details as these and other trainings develop.

Packed Schedules at Expo East

All roads will lead to Boston in October as the Expo East show – home of the Organic Trade Association's All Things OrganicTM show – runs October 14 – 16 at the Boston Convention & Exhibition Center.

ATO will offer 14 sessions featuring some of the industry's most successful companies, leading market research firms, and key government officials. Sessions will look at such topics as organic private label, regulations for organic non-food products, health benefits of organic, a National Organic Program update, sustainability efforts, organic integrity, the organic market, retail differentiation, and food safety developments.

Prior to Expo East and ATO, another event, The Organic Summit, will be held nearby at the Seaport Hotel, also in Boston. The Organic Summit is a forum for complex discussion and learning for all stakeholder groups in the organic industry. From family farmers to large scale manufacturers, co-ops to big box, NGOs to academics, the Organic Summit provides a singular opportunity for all groups to come together and have equal voice and participate in the discussion shaping the future of organic.

Roundtable Discussion Topics include: NOSB preview, with John Foster;

Our Responsibility for Organic: An open dialog about some of the factors challenging organic today both from within and from outside, with Dag Falck; NOP's Age of Enforcement on Certifiers and Operators, with Jake Lewin;

Seed Matters: The Clif Bar Family Foundation created Seed Matters with three expert nonprofit groups - Organic Farming Research Foundation, Organic Seed Alliance, and Center for Food Safety - that have demonstrated success in organic seed research, education, and advocacy. With Matthew Dillon.

Farm Bill update, plus late-breaking issues!

Meanwhile, Organic Products Expo-BioFach America will continue to be colocated at Expo East.

For more info including registration, visit <u>www.ota.com</u> for ATO info; and <u>www.theorganicsummit.com</u>

2011 AGM

Where and when will IOIA celebrate its 20th Anniversary?

IOIA was born in Baltimore, Maryland on September 5, 1991, following a year of work by a Steering Committee. The bank balance was \$357.04. A group of 19 founding members considered Steering Committee proposals for Codes of Ethics and Conduct and Accreditation Guidelines. Dues were set at \$50/year for inspector members and \$25/year for individuals. supporting Supporting Organizational dues were set at \$250. At that meeting, Directors elected were Jim Riddle, Monique Scholz, Margaret Scoles, Norm Bernhardt, Joe Smillie, Philip Hale, and Andy Rutherford. Twenty years later, almost half of those original 19 members are still IOIA inspector members. IOIA looks forward to a unique Annual Meeting that will encourage members to look back to our accomplishments and forward to the future.

Where should we meet? Date and location are yet to be decided. We know only that IOIA will meet in the USA. Your input is invited. At the 2010 Annual Meeting, members expressed a strong preference for the southeastern USA, rather than the northwestern USA. However, we know by experience that those who attend one AGM are not likely to attend the next. So IOIA is polling the membership to find preferences.

When should we meet? IOIA avoids meeting in the same time frame as the UMOFC in La Crosse, Wisconsin or Expo West in Anaheim in mid-March. The first and last weeks of March are suggested.

What type of venue? Needs include:

- Within 1 hour of a major airport.
- Meeting space for up to 35 people for the advanced training
- Maximum cost of rooms about \$100/night
- At least 30 lodging rooms available for 4 nights
- Willingness to work with organic food donations
- Some recreational aspect to encourage families and partners to attend
- Proximity to interesting organic field trips. Non-organic, but sustainable programs such as urban agriculture are good

• Sunshine and warmth are preferred *Some ideas:*

- Tampa, Florida
- New Orleans, Louisiana
- Others?

Please send us your ideas for locations, venues, speakers, and topics. IOIA will select the venue in the coming months. Watch the next newsletter for more details. And plan to attend the IOIA AGM to help envision and shape the IOIA of the future!

ALL the usual suspects were gathered at Haines City, Florida, in this photo taken back in the day, actually March 2000! Left to right, Fearless Leader Margaret Scoles at her first AGM as official presiding ED; Harriet Behar; Joe Montecalvo; Drew Stuckey; Janine Gibson; Chip Kraynyk; Rick Martinez ↓↓ and Stanley Edwards.



THE INSPECTORS' REPORT/SUMMER 2010/PAGE 4

Notes from the ED

By Margaret Scoles

The world of inspection feels somewhat unfriendly this year. Summer is always a busy time, but this year seemed to bring even more challenges along with stress and anxiety. Certifiers have more and more demands while the competition for work grows tougher. That competition can create a ceiling on the ability of experienced inspectors to be compensated fairly. IOIA took a hard step this year, stepping back one basic crop training in the USA. Those are IOIA's most profitable trainings, because they always fill up with a list waiting. But we simply stopped doing one of three. Part of the input in taking that step is that certifiers were saying they didn't need more crop inspectors. A tough economy always brings an increase in the number of people wanting to become inspectors to IOIA, but it would be irresponsible to over-train too many new inspectors.

Our training season ran a little late this year into June and one of the most challenging advanced trainings in IOIA history. I served as Trainer for a grueling (for both trainer and participants) MT Dept of Ag training. I will always maintain that it is important I remain active as an inspector, a trainer, and a mentor even if only a little of each. This work keeps me in touch with the real world. With only a handful of inspections and being privy to all of IOIA's pasture info, I still found the real world of the new pasture rule a bit challenging. If it wasn't trying to explain the new rules to two renewing livestock operators, it was trying to assess compliance for a rancher whose cattle are on pasture virtually 365 days per year. But the paperwork doesn't fit yet! After not having an apprentice for a few years, I had a small flood of them this summer. There is nothing like apprenticeship to keep you on your toes and make you do it right. Well, unless maybe it is being watched by the USDA ARC auditor, which happened too. Delia Hollbach probably set some sort of record by driving from Michigan to western Wyoming to meet me at an airport, drive 2 hours, watch an inspection, and drive back to the airport with me. An Australian, she had just completed the IOIA courses in KY. The producer shook her hand, thanked her for coming, and said he'd never had anyone come that far to visit his farm before. I wasn't sure if he meant Michigan or Australia. Both probably fit. And now my husband and I are going 'down under', a lifelong dream for both of us, for IOIA training. As serendipity would have it, Delia has gone home for a visit. She offered to meet us at the Melbourne airport and

chauffeur us to Adelaide, the site of the training. This is no small jaunt - 727 km or 436 miles. It is hard to impress someone from Montana about distances. But anyone who drives from Michigan to western Wyoming just to watch a 5 hour inspection? I take my hat off to that.

IOIA's activities for the summer have focused largely on transition to a new Office Manager, Webinars and International happenings. See page_ for International info.

Webinars: IOIA's first webinar with a registration fee was June 2 on the NOP Pasture Rule. By popular demand, two more were scheduled in late June, another on Aug. 31. Teri Lindberg, who is in charge of IOIA's USA-based training services, the trainers, and I learned the ropes of the site. What have we learned? First of all, it works. Webinars can be effective and green. For best quality, keeping an interactive seminar under 25 is important. The relatively high cost of a small enrolment webinar means that the pasture webinars were a member service more than a profit enterprises so far. We need more certifier involvement in the process to make the trainings relevant to certifier needs. The process of getting into the webinars and getting identified was challenging for many participants. Teri prepared a guide to instruct participants how to connect smoothly. We will avoid largescale emails of documents in the future and plan instead to simply send a link to direct participants to a training page where they can download them. The webinars included pre-course reading and written assignment; an in-process quiz, and an optional postassessment exam. Successful participants will receive a Certificate. The learning curve was steep, but evaluations have been positive. We not satisfied with our handling of the exam. Some June 2 participants expressed disappointment that they didn't receive the exam more quickly. We held off and sent the exam to all 3 groups at once, with 10 days for completion. In the height of the busy season for farm inspection, that wasn't long enough for some. Messy for sure, and we are committed to doing better.

USDA's Audit, Review, and Compliance Branch contacted IOIA this spring to ask whether we could provide training on the Canadian Organic Regulations. A webinar format seemed best. Garry Lean and Kelly Monaghan presented the 12 hours of webinar jointly from Ontario on June 6-8. The imminent publication of the new Canada Organic Office Manual made for some harrowing preparatory work. Eighteen USDA ARC staff and auditors completed the course. This was IOIA's first contract with the USDA, and we don't think it will be the last.

On July 30, IOIA collaborated with the Non-GMO Project (Megan Westgate) and FoodChain Global Advisors (Canaan Rice and Sandy Kepler) to present the first webinar format Non-GMO Project Product Verification Standard training. IOIA handled the logistics and technology and FCGA and the Non-GMO project provided the technical content. The webinar included pre-course reading and an assignment to complete. All participants received a Letter of Participation for the event, co-signed by IOIA and FoodChain. FCGA worked with veteran IOIA trainer Garry Lean to develop materials. Lean also did part of the presentation for them. More webinars will be scheduled, with a likely date of early December. Eighteen participants took the training.

IOIA welcomes **Renee Higgins** of Broadus as she takes on the role of Office Manager. Renee is now the primary voice at the end of the IOIA phone line and has taken over

membership services and the financial books.



A lifetime resident and rancher in this area, she brings a degree in biology, experience as sanitarian for two counties, and experience managing the books for her husband's construction business to IOIA. Renee will work part-time, and continue to serve as county sanitarian. She has four children 8 to 14 years and raises Black Angus cattle on a ranch near Broadus.

IOIA sends our best wishes to outgoing Office Manager Rita Wenzel, who has worked for the past two years. She and her husband Mark have purchased the local Broadus IGA grocery store, where Mark has worked for many years. IOIA is pleased to see more organic items in the grocery in the past few months since that change took place. Thank you, Rita, for contributing your expertise and organizational skills to IOIA and bringing so much stability to IOIA. We won't say good-bye. Rita has agreed to stay on for limited hours during the transitional period of training. She will stay on indefinitely on a call-in basis to help out with IT.

SECTOR NEWS NOP Prohibits OCIA from Operating in China

US Department of Agriculture's National Organic Program has struck a settlement agreement with OCIA that prohibits the certifier from operating in China. OCIA retains its accreditation for its certification activities in other countries including the US, Canada and Mexico.

In August 2007, the NOP conducted an onsite audit of OCIA and its certified operations in China as a part of the program's organic accreditation renewal process. The audit found that OCIA used inspectors connected to the Chinese government, who had a conflict of interest with the certified organic operations. In July 2008, NOP proposed revocation of OCIA's accreditation in China. OCIA appealed the proposed revocation.

As part of the settlement, OCIA would be able to apply for re-accreditation as a certifying agent in China after one year. In order for OCIA to be approved to start certifying organic operations in China, OCIA would have to hire inspectors who have no connection to any governmental or quasi-governmental Chinese entity to inspect OCIA certified operations in China. OCIA has agreed to increased NOP oversight and inspection of the company and its operations if the company is accredited to certify operations in China again.

NOP postpones pesticide residue sampling policy

The NOP reported in a memo that due to the need for additional work, it has decided not to implement its pesticide residue sampling policy discussed in the webinars it held with Accredited Certifying Agents (ACAs) last month. Instead, it will continue to work through the details for collecting pesticide residue samples and the projected dates for which sampling activities will have to be completed.

NOP amends National List for crop production

On July 2, the NOP posted <u>announced</u> <u>amendments</u> to the National List of Allowed and Prohibited Substances for crop production. The final rule adds sulfurous acid to the National List of allowed materials for organic crop production based upon an evaluation and recommendation by the National Organic Standards Board. It also adds an Oct. 21, 2012, expiration date for the use of tetracycline. The final rule was published July 7 in the *Federal Register*.

Bob Scowcroft to Step Down from OFRF

Organic Farming Research Foundation (OFRF) Executive Director Bob Scowcroft has announced plans to retire next spring. Scowcroft, who co-founded OFRF in April 1990 with Californiabased organic farmers, has served as its sole executive director. During Bob's twenty-year tenure, OFRF has played a central role in gaining organic research support at the federal level. Bob and OFRF were also there supporting the organic movement as National Organic Program implementation took hold and organic gained traction in the marketplace. Bob, along with a key group of organic farmers, seized upon the idea that organic farmers needed research support to improve their production and marketing strategies. Together, they made that vision a reality. Under Bob's leadership, OFRF has awarded more than \$2.5 million in grants to organic research and education projects. OFRF has worked in Washington, D.C. to gain organic farming policies and programs benefiting organic farmers. When Bob and his team launched OFRF, there was virtually no federal support for organic agriculture; today, organic momentum is definitely building in federal policy and programs at more than just the USDA.

OFRF has launched a national executive search. For more information, visit the OFRF website at <u>http://ofrf.org</u>.

PCO Seeks Program Director

Pennsylvania Certified Organic (PCO) is looking for a full-time Certification Program Director to administer its organic certification program.

Applicants should have an agricultural background (organic preferred but not required), management experience, excellent communication skills (both written and oral), knowledge of organic standards and regulations, and familiarity with certification procedures.

This is a full-time position and includes benefits; salary will reflect experience. The director will work at the Spring Mills, PA, office, with some travel required. Electronic submission of application materials is preferred. Direct inquiries and applications to:

April Fix

Public Relations Coordinator Pennsylvania Certified Organic 106 School Street, Suite 201 Spring Mills, PA 16875 april@paorganic.org

OFRF's Mark Lipson to coordinate USDA organic activities

Mark Lipson, former Senior Policy Analyst at the Organic Farming Research Foundation, has accepted the new position of Program Specialist for Organic Farming at USDA in Washington, D.C. beginning June 14. According to the job description, this position will coordinate development of a national organic farm plan and identify, monitor and evaluate organic activities across USDA agencies. Lipson helped create the California Organic Foods Act of 1990, worked on the national Organic Foods Production Act, and has been an articulate and forceful advocate for the organic system through four farm bills and much federal rulemaking.

Miars chosen to head OMRI

The Organic Materials Review Institute Board of Directors has selected Peggy Miars as its new executive director and CEO. Miars most recently has served as the executive director/CEO at California Certified Organic Farmers (CCOF). Miars is scheduled to leave CCOF in August, and begin her transition at OMRI in September.

Consequently, CCOF has begun a search to recruit *their* next executive director. More info is at www.ccof.org

Organic agriculture degree survives University of Guelph cuts

The University of Guelph has given a four-year reprieve to its Bachelor of Arts degree program in organic agriculture. The program had been on a list of programs and majors for possible cuts. However, the University's Senate has extended its life until at least 2014 to give the program a chance to grow in enrollment.

NOP vows to study consumer confusion on personal care products

USDA's NOP has announced its intention of publishing an Advance Notice of Proposed Rulemaking for personal care products. NOP plans to "develop and implement a consumer and economic determine survey to consumers' understanding of personal care products labeled as organic and the amount of personal care products being labeled and sold as such in the market place," with U.S. Food and Drug Administration review, and is working with the Federal Trade Commission on a consumer survey and ways to establish market data.

NOP announces venue for fall NOSB meeting

The fall 2010 NOSB Meeting will take place Oct. 25-28 in Madison, WI. As they become available, additional details will be posted on the <u>NOSB meetings page</u>.

Gates Foundation funds organic farming manual for African farmers

Working in partnership with the International Federation of International Agriculture Movements (IFOAM), the Research Institute of Organic Agriculture (FiBL) in Switzerland has launched a project to develop a field manual to help small African farmers adopt appropriate organic farming practices. The project is funded by a \$302,000 grant from the Bill and Melinda Gates Foundation, the foundation's first grant to support the development of organic farming in Africa.

Still No Organic Wine in the EU

The EU Regulation does not have specific rules for organic wine production, only for wine made with organic grapes. Therefore, wine labels will not be allowed to display the new EU logo, obligatory for other organic products packaged in the

for other organic products packaged in the EU.

In 2009 the EU Commission put forward a proposal for regulating organic winemaking in the EU. The proposal was based on the conclusions of the Orwine Project, which was aimed at developing the legislative framework for wine from organic viticulture. Since its publication the EU proposal has been subject to long discussions among Member States and its approval delayed several times (see TOS 94, February and TOS 101, September 2009). Finally, it was clear that no agreement could be reached, and after the last meeting of the Standing Committee on Organic Farming (SCOF), the Commission withdrew the proposal on 17 June 2010.

The draft proposal sought a number of processing requirements for organic wines, including a lower limit for sulfites and a smaller list of permitted additives and processing aids than used in conventional wine production.

It also proposed the restriction of certain oenological practices and the prohibition of others.

The most controversial point - and the most decisive in making an agreement impossible - was the limit of sulfite in wine. The proposed rule tried to establish a limit of 100 milligrams per litre for red wines and 150 for white and rose wines, or 50 milligrams less for each category compared to current levels allowed in conventional wines. Germany, Austria and other northern Europe countries as well as Portugal and France opposed these limitations, as they considered them too the rigid. However, Commission document was considered acceptable by the countries of southern Europe, where climate conditions facilitate the reduced use of sulfites.

From The Organic Standard, July 2010

IFOAM Membership - 'Yes' to New OGS Proposal

In the membership vote of 18 July 2010 on the IFOAM Organic Guarantee System (OGS), 134 Members (out of 667 members, voter participation of 17%) cast their votes on the question:

'Do you agree with the political direction of the presented OGS and do you give the World Board the mandate to start offering the five proposed services to potential clients and to report progress to the next General Assembly 2011 in Korea?'

125 Members (93%) answered 'Yes, I agree' and 9 Members (7%) answered 'No, I disagree'. 2 votes were invalid.

The suggested Organic Guarantee System is now decided and the IFOAM World Board has the mandate to start implementation of the new system, while observing IFOAM's procedures and policies. The IFOAM World Board will report to the General Assembly 2011 in Korea.

Pesticides Linked to Increased Risk of ADHD

A team of researchers at the University of Montreal and Harvard University has concluded that dietary exposure to organophosphate (OP) insecticides increases the risk of children getting attention-deficit/hyperactivity disorder (ADHD).

The team measured the levels of key OP metabolites in the urine of 1,139 children ages 8 to 15. For each 10-fold increase in OP metabolite levels, the risk of ADHD increased a remarkable 55% to 72%. The effect was even seen at the low end of the exposure curve. In conclusion, the team wrote –

"The present study adds to the accumulating evidence linking higher levels of pesticide exposure to adverse developmental outcomes."

About 4.5 million children suffer from ADHD according to the Centers for Disease Control and Prevention. The authors projected that food -- especially fruits and vegetables -- are the primary source of OP exposures among these children.

The Organic Center has highlighted evidence in a recent report showing that imported fresh produce accounts for a disproportionate share of OP residues and risk. Imported sweet bell peppers, green beans, cucumbers, peaches, and grapes are among the fresh produce items containing residues associated with relatively high dietary risks.

Source: Maryse Bouchard, David Bellinger, Robert Wright, and Marc Weisskopf, "Attention-Deficit/Hyperactivity Disorder and Urinary Metabolites of Organophosphate Pesticides," Pediatrics, Vol. 125, No. 6, June 2010.

Wisconsin Loses Organic Advocate

The entire organic agriculture community and the state of Wisconsin was hit with <u>tragic news</u> on July 21 when Department of Agriculture, Trade & Consumer Protection Secretary Rod Nilsestuen drowned in Lake Superior while vacationing with his family in Michigan. Secretary Nilsestuen was an avid supporter of organic and local food, and a long time friend and ally of organic ag.

IOIA Initiates Certifier-Inspector Dialogue

By Margaret Scoles

On May 17, IOIA hosted the first Certifier-Inspector Dialogue Conference Call through IOIA's new training website. The IOIA Chair (Bob Durst), the IOIA Vice-Chair (Michelle Sandy), and I participated on behalf of IOIA. Certifier participation included QAI, OTCO, ICS, OCIA, CCOF, PCO, and Ecocert Canada. At the conclusion of the call, we all agreed to schedule more such calls at regular intervals. Every three months was the suggested interval. Those present also agreed to participate in an IOIA survey of certifiers on some important issues impacting inspectors. That survey is the next step. This ongoing dialogue can be a meaningful and important membership service.

The call began with my introduction to **IOIA's Training Institute** and how it can tie into a more valuable and credible inspector accreditation program. There were no comments from the certifiers present on these new initiatives. Inspector liability insurance and independent contractor status, the other two key discussion topics, were more controversial. Insurance and independent contractor status were also key discussion topics on recent BOD meetings that followed the AGM in AZ. Inspector liability insurance remains an ongoing live topic at the Board level.

During the call, it quickly became clear that the needs of all certifiers are not the same. The lack of commonality was surprising. When IOIA initiated the certifier-inspector dialogue, we assumed that certifiers talk to each other more. We found a very wide range of approaches to insurance and independent contractor status among just the small group of certifiers on the call. Most of the certifiers didn't know what the other certifiers were doing on these issues. So the dialogue was useful not only inspectors to certifiers but also certifier to certifier. Establishing independent contractor status was a key issue for QAI, but not a pressing issue for the other certifiers. OTCO is requiring professional liability insurance, but this was not a pressing issue for other certifiers. Some certifiers have insurance that covers inspectors, while some have

contracts that specifically exclude them from coverage. Some say they require it, but they don't scrutinize or enforce to make sure that inspectors who say they have it actually do.

Business and Professional Liability Insurance: IOIA has been exploring the possibility of endorsing a liability policy all year - one that would offer a significant discount for IOIA inspector members. While we haven't given up on this option, we encountered some obstacles. One difficulty encountered was that the policy we were exploring was a combination of business and professional liability. Inspectors would need to purchase both policies; they couldn't choose which one they wanted. A more serious difficulty became evident over time. The agent also wants to insure certifiers with a significant IOIA membership discount. However, they would only insure certifiers if they required their independent contractor inspectors to have liability insurance. The Board decided against IOIA endorsing particular insurance provider. any Particularly, IOIA did not want to support an environment where it would become the norm for certifiers to require professional liability insurance. Rather than endorsing one company, we are working on providing a short list of different companies that could provide similar insurance (probably less than 5 in the US, and fewer in Canada). The policy we were originally exploring may end up as one of several options. It will cost about \$200 more per inspector without IOIA's endorsement. The current price quote is \$1700. IOIA's current position is that it is better not to endorse any particular insurance policy. The BOD decided that IOIA would not benefit financially from any marketing relationship with an insurance company. Inspectors can anticipate a cost of business plus professional liability insurance of less than \$2000/year. It remains uncertain whether the industry is ready for an additional cost per professional inspector of \$1500-\$2000. Even a policy at this level would likely carry a deductible of \$2500.

The following question was put to the certifiers during the dialogue call: *What do you see as the liability risks?* One certifier answered that their biggest concerns with inspectors were late reports

and improper equipment. They find that outdated or incompatible software makes it impossible for some inspectors to use forms provided. Another responded, "Soil sampling (farms) and food safety (processing). Proper training for inspectors." Another said that they require vehicle insurance, business owner's policy, proof of worker's comp coverage, but that professional insurance isn't necessary if there is a good inspector contract. They felt that breach of contract can cover the liability risks, and their inspector manual covers professionalism. There was general agreement that in an increasingly litigious society, spreading the risks can help keep costs down for everyone. They also all recognized that having a business insurance policy helps establish independent contract status.

Business liability insurance is widely generally available, and while professional liability insurance is not. IOIA encourages members to seek business insurance out locally if you need it and don't already have it. This insurance is widely available and shouldn't cost more than about \$600/year, probably less in Canada. QAI held off on implementing insurance requirements for a few months to allow IOIA time to explore a group policy. IOIA encouraged QAI to accept proof of business use of our vehicles, rather than the more detailed coverage outlined in their contract.

One thing is clear, the dialogue will continue. And professional liability insurance will continue to be an issue for inspectors who contract with OTCO, at least.

And IOIA will continue to work toward providing members with a short list of insurance providers.

Independent Contractor Status: Question to certifiers: What do certifiers currently do with independent contractor status? A round or responses showed that the requirements and the importance varies by state or province. Some certifiers said they only look for proof that the inspector works for more than one certifying agency. The PCO contract for inspectors states that they are an independent contractor. In some states, such as Oregon, state law is very clear. Independent contractors must perform the [see **Dialog**, p 20] same service

Canadian Update

By Kelly Monaghan

Standards and PSL Update

The 5th ballot of the CGSB's Organic Technical Committee is now in the hands of the Committee's voting members. After all votes are received by August 13th, the ballot results will be compiled and any negative ballots or comments will be reviewed by CGSB staff, myself (as Committee Chair) and the Working & Task Group Convenors to develop proposed actions. These proposed actions will be forwarded to the full Committee for consideration. Once consensus is reached and the committee approves the amendments, they will then be advanced for second level approval, translated, submitted to the Standards Council of Canada and edited and published.

The second level review by the CGSB Panel on Process Assurance provides procedural review of all actions related to approval of the standard, ensuring that relevant CGSB and Standards Council of Canada policies and procedures for standards development have been adhered to. The Standards Council of Canada confirms adherence to the requirements for National Standards of Canada.

In the meantime, the Working and Task Group members remain hard at work reviewing suggestions for improvement that have been received on the Standards and PSL. There are currently over 200 items on the work list that are undergoing assessment and may result in recommendations for amendment presented to the Technical Committee.

2011 marks the five-year anniversary of Canada's Organic Standard and PSL. In accordance with CGSB procedures, this means that the Technical Committee must undertake a full revision of the Standard and PSL to begin in 2011.

This will result in two votes that must be passed by the Technical Committee – one for the Standard as a whole and one for the PSL as a whole. The Working Groups are attempting to initiate these reviews using each suggestion for improvement as a starting point for discussion on a given paragraph or table in order to review the documents in their entirety.

Canada Organic Office

After conferring with Conformity Verification Bodies and making several revisions over the past two years, the COO released a revised COO Operating Manual in June. This document is a key element of the Canada Organic Regime and addresses items such as the assessment and designation of conformity verification bodies, the accreditation of certification bodies and certification procedures.

Canadian International Negotiations

European Union – Representatives from the European Union came to Canada in May and had a successful visit at the COO's office in Ottawa and travelled farther afield to visit and audit CVBs, Certification Agencies and organic operators. This visit was to assess the COO's ability to control, monitor and enforce the regulation.

In June, the tables were turned as representatives from the COO traveled to Europe to perform a detailed review of the European organic regulatory system. Canadian officials met with various operators, certifiers, accreditors and regulators in the U.K. and Belgium.

These visits appear to have been successful and represent one of the last stages of negotiations towards a possible equivalency agreement between Canada and the EU.

Both the EU and Canada are to prepare and submit reports from their respective peer reviews to determine the equivalency status by September 2010.

United States - A meeting between the COO and NOP originally scheduled for May has been postponed with no new date yet made public.

Two issues of great interest to the sector are the confusion around interpretation of the equivalency agreement regarding primary versus processed products, and the need for some Canadian operators to continue to apply for and receive NOP certification (as opposed to certification to COR or to the terms of the equivalency agreement). Canadian operators and certification bodies have provided the COO with examples of scenarios in which this would be the case. For example, a Canadian processor who is preparing a snack mix labelled "organic" for the Canadian market and "100% organic" for the U.S. market would require NOP certification in order to label the American-bound product in compliance.

The COO hopes to be reviewing these outstanding issues with the NOP in August.

OVCRT

In late June, members of the Organic Value Chain Round Table (OVCRT) met in Quebec City. This group is an industry-advisory board to Agriculture and Agri-Food Canada (AAFC) which works to provide recommendations and strategic focus priorities for the organic industry to government agencies. An effort is underway to develop an international market strategy for organic which will directly assist Canadian producers of organic products.

Standards Interpretation Committee

The Standards Interpretation Committee is continuing its work on reviewing interpretation questions and hopes to have the 3^{rd} set of Question & Answers prepared very soon. There is a question of continued funding for this body which all in the industry hope is resolved very soon.



Kelly Monaghan is Chair of the Canadian General Standards Board's Organic Technical Committee. She also acts as IOIA's Membership Chairperson. www.ashstreetorganics.com.

Incorporating for Inspectors

Edited by Diane Cooner

Incorporating a business is the act of making a business officially registered with the state in which the business primarily operates. A corporation is a separate and distinct legal entity and is owned by shareholders. When a person becomes incorporated, s/he is allotted certain protections from the activities of the business. The person is immune from debts, assets and legal aspects of the incorporated business. The decision to form a corporation or an LLC is a common debate among business owners that deserves careful consideration. While both are excellent choices for personal liability protection, each entity offers its own set of distinct advantages. Choosing the right one for your company depends on your particular business, operational needs and tax strategy.

For the purposes of this article, there are 3 basic types for US corporations, C-Corporation; S-Corporation; and LLC or Limited Liability Corporation. Situations in Canada and elsewhere will be similar, but the details may differ. Please see the chart on the next page for a very basic comparison.

In all cases, your personal finances must be kept completely separate from the corporations' finances. Thus, you can't dip into the corporate bank account if you come up a little short on personal cash for the week.

Incorporation costs vary depending on the business type and in which state your business operates. Fees also change periodically. You can incorporate a C or S corporation in several states for just \$50, while Texas charges \$300. And in some states, such as California, the annual renewal costs start at \$800. These fees are usually paid to the secretary of state in the state where you register.

It's worth noting that you do not have to incorporate your business in the state where you reside or where the company was founded. You can incorporate in any state of the union. Some states, such as Delaware and Nevada, are well-known for being lower-cost places to incorporate.

The big variable in incorporation costs comes if you employ an attorney to help you with your incorporation filings. This can cost thousands of dollars, depending on the complexity of your business structure and the hourly rate of the attorney you hire. However, with the rise of online incorporation sites such as <u>Incorporate.com</u> and <u>Legalzoom.com</u>, many new business owners are incorporating over the Internet without legal help. Business.gov keeps a list of each state's rules and links to their registration information at <u>here.</u>

Protecting Your Personal Assets

Many small business owners incorporate because they believe that incorporating will protect their personal assets if they get sued. However, when you are both the owner and one of the principal employees (or the only employee) in your small company, you often don't gain much of a liability shield by incorporating. Here's why:

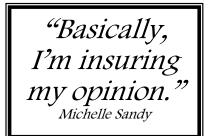
Even though you, as a shareholder of your own corporation, may not be responsible for the debts of the corporation (since the corporation is a separate "person"), there is nothing to prevent someone from suing you personally for actions you performed. For instance, suppose you personally created an ad campaign for your corporation criticizing a competitor. The competitor views the campaign as malicious and untrue and decides to sue. They might sue your corporation and you, personally, as the creator of the ad. While you would not be liable for any settlement the corporation has to pay as a result of the suit, your personal assets could be attached to pay off any judgment the competitor won in its case against you the individual.

In addition, even though you might not technically be liable for the corporation's debts, if you owned a very small corporation, chances are you would have to dig into your own personal bankroll to come up with the money to fight the lawsuit.

Thus incorporation does not necessarily prevent liability problems. One important step you can take to help protect your assets against loss is to obtain adequate liability insurance (business property, professional errors and omissions, and product liability). [E/o insurance will be the subject of a future article – Ed].

Corporate Veil

The term 'corporate veil' generally refers to the shielding of a corporation's shareholders from personal liability for the debts or actions of the corporation. The courts generally uphold this liability protection offered by the corporation or



LLC status of a business. In cases where it is found by the court that the business owners did not abide by all the corporate formalities or abused the company entity in any way which is harmful or defrauds others, and a judge rules a defendant personally liable for damages of the corporation, the corporate veil is said to be pierced or lifted. If the members of an LLC are found personally liable for damages of the LLC, this can also be referred to as "piercing the veil."

I visited with some IOIA members (Stan Edwards, Bob Durst, Michelle Sandy) about their decision to incorporate. Responses were varied.

What led you to the decision to incorporate?

Stan: My tax accountant thought it would help me pay less FICA tax than if I remained a Sole Proprietorship or went to an LLC. That's why I decided on an S corporation. Also, it helps me protect my personal assets, in theory...

Bob: Primarily the inclusion of consulting in the mix of 'organic' activities previously dominated by inspecting. In addition it was done for tax purposes to clearly differentiate business activities from 'hobby' status.

Michelle: 1) tax considerations and 2) limit personal liability.

Your Overall Concerns?

Stan: The cost of maintaining the corporation is quite high and involves filing a separate tax return. Also, my wife had to have a separate phone plan (I could not just add on a line for her).

Advantages so far?

Stan: By creating a Health Reimbursement Arrangement (HRA) Plan, I am able to deduct all out of pocket medical costs and insurance via the business. I am saving money on taxes. It is easier to manage my accounts

 C Corporation Taxed at two levels: the corporate level and dividends are taxed at the individual level Shareholders (owners) are not typically held liable for the debts of the corporation Salary is subject to self-employment tax No restriction on number of shareholders Typically for owners needing maximum tax and ownership flexibility, combined with liability protection 	 S Corporation There is no tax at the entity level; income is passed through to owners (Shareholders) Shareholders (owners) are not typically held liable for the debts of the corporation Shareholder distributions are not subject to employment tax Can only have 100 shareholders and must be a citizen or resident alien Typically for owners wanting the liability protection of a corporation, with the simplicity of pass-through taxation of income 	 LLC Easy to set up and maintain Members are typically not liable for the debts of the LLC Income and losses can be passed through to members as in a sole proprietorship or partnership LLCs do not have the same corporate formalities as a corporation An LLC has a flexible management and ownership structure
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separately and have a steady pay check (I'm an employee). Basically, I get 1/3rd of my money as a paycheck for which I pay FICA tax (about 30%). My salary has to be set at a reasonable rate for the work I perform each day in order to avoid scrutiny from the IRS. The rest is a draw, it is money that passes through the corporation and is only taxed on my personal return at my regular tax rate (currently 15.3%).

Bob: It makes it easier to do taxes and I can include more items as deductions on my taxes (e.g., business use of home). While these may be doable w/o incorporation, it does provide a clean separation of work and play activities.

I have been able to use business status to get better rates on some purchases (office supplies primarily).

Michelle: The S corporation covers my business liability and limits my personal liability so that our farm and personal assets are protected.

Disadvantages?

Stan: S Corporations are complicated in general. It's very hard to decide whether to be an LLC or an S corp. There is conflicting information out there so it is important to have an accountant and lawyer that you trust and just go with that. I understand that if I need to dissolve my corporation, that it will be difficult.

Bob: Some additional paperwork to file with county (business assessment that has so far been \$0), state (registered business name) and Fed's (trademark).

What state are you in?

Stan: Utah, but I incorporated in Idaho.Bob: Oregon.Michelle: Virginia.

How much did it cost?

Stan: Initially, about \$900.00 for the corporate paperwork and another \$500.00 for the HRA. Ongoing, about \$50.00/mo for state and federal tax accounting and other issues. About \$250.00/year for corporate tax filing.

Bob: It's been long enough ago that I can't remember for sure, but in the range of \$500. \$350 was for trademark registration (has to be renewed every 10 years). Ongoing, \$50/yr (state registration).

How does it affect your dealings with IRS & filing taxes?

Stan: See above, I have an accountant do it all.

Bob: It certainly appears to me to make my taxes easier to file as everything that I'd like to deduct has a place. Should I ever be audited, I think the IRS would find everything in order and not have any problems with the various deductions, depreciated equipment, etc.

Did you ever consider an LLC, and if yes, why did you choose S corp over LLC?

Bob: I have an LLC. At the time (10 years ago) I was advised that an LLC was more appropriate, but haven't paid any attention to whether this has changed since then.

Do you feel confident that the S corp adequately protects your personal assets? Bob: N/A since I have an LLC. I have heard it stated that an S corp is better, but can't remember the reliability of the source. E&O would certainly help, but given the cost (which years ago, when I last seriously checked was prohibitive) I haven't bothered with it.

Did you do this yourself or have an atty and/or accountant help you?

Bob: This was originally set up with some advice, but little direct involvement from an attorney and accountant. Since then I've done all the renewals etc. myself. I do use an financial advisor/tax consultant to prepare my taxes.

Michelle: I discussed the matter with my tax accountant and also got advice from my attorney, who is also listed as my 'agent' in the corporation.

Any tips or pitfalls for organic inspectors to watch for?

Michelle: No pitfalls. Tip: do stay on top of your taxes. I find it is easier to pay them quarterly.

The Bottom Line

Certifiers need assurance that inspectors who are contracting as independent contractors truly are independent and not employees in the eyes of the IRS. Incorporating is one **iron-clad** way to establish that you are not an employee. But you **must** do business, contract, and invoice in the name of the corporation.

None of the corporations offer full asset protection mainly because of the litigious nature of our society. But having some protection definitely helps ease the blow if something should come up.

At this writing, incorporating is a more affordable solution than professional errors and omissions insurance. Information taken from personal interviews with members by Diane Cooner and the following websites:

LegalZoom.com; Allbusiness.com; Businessknowhow.com; Corpamerica.com

BCS Cosponsored Training in Costa Rica, April 26 – 30

IOIA/BCS basic organic training carried out in the city of San José, Costa Rica was an opportunity to understand better the way to do business in the organic world based on the rules. At the beginning of the course the participants had an idea of what organic means. Now, they have developed their own criteria based on what they learned in the five-day course. They shared their experiences, problems and triumphs as producers, agricultural consultants, students, professionals along with the facilitator who once again has given his best performance with relevant information regarding the matter.

Dominican Republic Training, May 3 - 7

IOIA held a basic crop inspection training in the Dominican Republic in early May, postponed from March due to the earthquake in neighboring Haiti. The lead trainer was Luis Brenes. The following comments were submitted by attendees.



Este curso de inspectores orgánico impartido del 3 al 7 de mayo del 2010 por IOIA y ECOLOGICA en la universidad ISA, quisiera destacar el nivel de profundidad en los contenidos, metodología, material de apoyo, práctica, alimentación, organización, dominio del lenguaje y aspecto técnico por los facilitadotes y facilitadora,puntualidad,alcance y definición de la normas NOP como excelente. También nos permitió evaluar con profundidad, el rol, alcance, ética y herramienta que debe tener un buen profesional cuando realiza

una inspección y la calidad del informe que se espera.

En este curso no hubo tiempo para dormir,descansar,ni respirar,los compañeros de Cuba,Haití,Perú,Belices y los Dominicanos, juntos a los facitadores de Costa Rica, se observo una gran camaradería,amistad,solidaridad.

En conclusión ha sido el mejor curso que es participado desde el 1990 hasta la fecha en esa área de inspección y evaluación de una norma especifica por el nivel tan profesional de los facilitadotes y la profundidad de los temas. Felicidades,

Andrés Peralta Gómez, Presidente del Cluster de Agricultura orgánica de la República Dominicana.Inc.

Regarding this course of organic farm inspector training conducted from 3 to May 7, 2010 by IOIA and ECO-LOGICA at ISA university, I would highlight the level of depth in the content, methodology, support material, practice, power, organization, command of language and appearance by technical facilitators, timeliness, scope and definition of the NOP standards





as excellent. It also allowed us to evaluate depth, role, scope, ethics and tools to be professional when performing a quality inspection and report as expected. In this course there was no time for sleep, rest, or breathe. Among Cuba, Haiti, Peru, Belize and the Dominican Republic, together with the facit of Costa Rica, there is a great camaraderie, friendship, and solidarity. The conclusion is the best course that is shared from 1990 to date in this area of inspection and evaluation of a standard specified by the professional level as facilitators and depth of the issues. Congratulations, *Andrés Gómez Peralta, President of Organic Agriculture Cluster Dominicana.Inc Republic.*

I believe that this course has been of great benefit to those who have had the opportunity to participate in the course, I appreciate in particular the ECO-LOGICA/IOIA's intervention in the formation of land organic' inspectors in the Dominican Republic and above all with the masterful presentations of Luís Brenes, Philippe Descamps and Sue Wei. *Ing./Eng. Nickenson Pierre, República Dominicana/Dominican Republic*

THE INSPECTORS' REPORT/SUMMER 2010/PAGE 12

Still Going the Distance in Canada

By Lisa Pierce

Basic Livestock Training

Intense discussion and focus characterized the launch of IOIA's 'Canadianized' livestock curriculum referencing the Amended 2009 Canada Organic Standards (COS). Eight participants, facilitated by Lisa Pierce (IOIA Trainer) attended the IOIA/ACC Basic Organic livestock Inspector training sponsored by Assiniboine Community College (ACC) in Brandon, Manitoba Canada from May 10-14, 2010. Despite being billed as a 'basic' course, the depth and passion of discourse resembled an IOIA Advanced training as participants challenged, read and reread the derogations and the derogations of the derogations...

Special thanks to Mary Peterson, Agriculture Extension Program Coordinator for School of Agriculture and Environment who, despite her responsibility for the efficient running of twelve different programs at Assiniboine Community College, somehow managed to greet us every day with encouragements, photocopy requests and what became her legendary homemade pies, granola bars, and cookies.

The mock inspection field trip was hosted by Darcy Hickson (far left in class photo) of Hickson Farm, a 1275 acre family run farm and beef cow-calf operation certified by OPAM (Organic producers Association of Manitoba). The training group was impressed with Darcy's innovative farming approaches, including use of compost extract on



fields, and his gentle graciousness. Thanks also to Catherine Carroll (Interim Certification Manager of OPAM who granted us permission to use OPAM forms to complete our field inspection reports. The Trainer and participants were fortunate to have Kristen Wasylenchuk as part of the group to navigate through the forms and field our questions. Thanks OPAM!

Basic Crop Training

The Canadian Standard was the focus of the Basic Crop Training - co-sponsored with Assiniboine Community College. The Field trip to the Pollack Farm included - spring spelt and other western cereals, pedigreed alfalfa seed with leaf cutter bees, and vegetable production for the local Brandon market. On-farm spelt dehulling was part of the enterprise.

This Basic Crop Training was held May 3 - 7, with Garry Lean as the trainer. There were 8 participants.





A cold day at the Pollock Farm near Brandon Manitoba.

Gracious hosts Larry and Pat Pollock (center back row) with great guidance for the class participants and Group Leader, Garry Lean (front and center!

Coming in November

IOIA and Assiniboine Community College will be cosponsoring Basic Organic **Process** Inspection Training using the Canadian Organic Standards as a reference on November 2 – 6, 2010. See page 3 for full details.

IOIA/CÉGEP training in Victoriaville, Quebec

Monique Scholz, IOIA trainer and former BOD member, pioneered a new training format in French language in Quebec in May. This first training was cosponsored by a community college, CÉGEP de Victoriaville, with 12 participants. Delivery was a series of 2 day events each week for three weeks, covering the CARTV standard for Crops and Livestock, and the IOIA/IFOAM inspection and risk assessment protocols, etc. A crop/dairy inspection was conducted the final day, with assistance from IOIA member Christine Ouellet as a second group leader. Of particular interest was the use of the college's distance learning technology, which enabled two participants to attend the first two weeks without actually being in the classroom. This course could potentially re-occur every few years. Scholz has continued the training with several apprenticeships this summer.



Scholz also adapted IOIA training materials for an in-house training for ECOCERT Canada, specifically addressing organic food processing and handling standards and inspection procedures. The training was held at ECOCERT Canada's Levis, Qc., office in June. In both cases, IOIA benefited from a French translation of IOIA materials, user fees, and the sale of French language IFOAM/IOIA Manuals. Although English and Spanish manual sales have been steady over the past 10 years, very few French language manuals had been sold. And very little IOIA training has been done in French language or to the CARTV standard.

JOIA - Develop the program, Keep the Same Policy

By Mutsumi Sakuyoshi

A JOIA/IOIA basic farm inspector training course was held May 26-29, in my hometown of Fuji City, Shizuoka prefecture, Japan. JOIA (Japan Organic Inspectors Assn) did not hold a farm inspector training in 2009 - this was the first time since JOIA started conducting IOIA trainings. So this year, as a result of skipping a year, we expected more attendees than we had in the last 2-3 years, and is working to find new programs for our activities and income.

For various reasons, JOIA did the training in 3 days for previous farm courses. Of course, the schedule is very hard for 3 days, start early/finish late, with no time to write reports during the course. We discussed for several years to have one more day for the farm course. Finally, we set up a 4-day training (with attendees still writing reports after the course). Our new challenge was to set up a "mini-course" -2 day classroom study only, with report and exam, no mock inspection. This is useful for certification staff or distributors who would like to know more about organic certification. And we expected some people who could not spend time or money all at once to attend, even though they would like to work as inspectors.

What was the result? We got 5 attendees who took the mini-course. Then another 19 attendees worked 4 full days to finish the course. Of the 5 who took the mini-course, two of them were new staff at certifiers, and they mainly coordinate the inspection/certification process. The other two were staff at a large consumer co-op distributor. They are handling healthy foods products mainly, including organic. The two had just moved to the section which needs to control their contract farmers, so they needed to know about the organic certification structure. The last one was a local farmer who wished to apply for organic certification.

The recent trend in Japan is that the number of inspectors has increased, but new organic farms have not. Sometimes we have questioned to train more inspectors, but some certifiers say they are always looking for new (qualified) inspectors. Some certifiers sent their staff or contract inspectors because our courses are well-recognized among certifiers and government staff. In the last several years, the number of independent attendees has also decreased, with just a few at each training.

This balance was not changed this time. Only three of the 19 have a will to become inspectors independently, with the others mainly from certifiers and companies.

Regarding our program, we decided to make small exams on the first two days. Of course we had a final exam on the last day. The mini-course attendee's evaluations were done based on the 2 small exams, and full attendees were evaluated by the total of exams.

The difficulty of the agenda was we needed to finish basic presentations in the first 2 days, such as certification process, inspectors role, standards, Risk assessment, audit, on-farm processing, how to conduct farm inspection, review of farm input, how to write report. Even though we set up 4 days for this training, the busy schedule was not changed as much as we had expected. This is the point we would change next time.

To have small exams in the last half-hour of the first two days gave us more information. But this time, we could not use it fully. The balance of questions in the small exams and final exam, also the volume balance, we need to discuss more for next time. But the purpose and the level of the "JOIA/IOIA training course completion certificate" must be maintained.

After this training, board of members of JOIA and some other trainers got together and discussed future training, not only for inspectors, but also including consumers. The sessions may not be limited to organic, and could include food safety issues, or give more agriculture information to consumers or distributors. As is true for inspectors, the world is not limited to "organic", so we could make use of our skills/knowledge for other situations. There are lots of possibilities to develop our program. But we also recognize its value - we stand by organic inspection and join with IOIA. IOIA has a program related to the worldwide organic industry. This is JOIA's strongest point and we will continue to develop our activities on this policy.

Advanced Training in Big Sky Country

By Margaret Scoles

Eight participants completed the advanced training in Helena, Montana, cosponsored by MT Department of Agriculture. This in-house training, with an agenda developed in collaboration with MDA, was the longest advanced training in IOIA history, nearly 5 full days. Advanced training was conducted in tandem with basic crop inspection training for another eight people in the adjoining room. Garry Lean served as the trainer for the basic course, which included 6 MDA staff and 3 independent contractors. Margaret Scoles served as trainer for the advanced course. Periodically, the room divider was opened and the group became one. For a few hours, the trainers even swapped classrooms, with Lean providing instruction in the new NOP pasture rule for the advanced group. A highlight of the event was a no-host mentor/apprentice networking dinner.

The advanced group ranged from experienced inspectors, file reviewers, and certification staff to participants who had not yet taken basic processing.

Small group size allowed for great seminar-style discussions. Time was allotted for Doug Crabtree, Program Manager of the MDA Organic Certification Program, to present new forms, policies, procedures, and for a

group inspector/certifier discussion. MDA staff inspector Sean Mulla was guest speaker on inspector reporting to the combined basic/advanced group. Both Crabtree and Mulla are IOIA inspector members.

Crop, livestock, and processing topics, plus basic inspection protocols were included. After 3 days in the classroom, both groups headed out for field trip day. The basic group was hosted by Steve Baril of Steve 'n Cindy's Garden, a certified organic vegetable operation on the outskirts of Helena. After a group de-brief, they had the opportunity to test drive the brand new MDA crop inspection report forms. The advanced group went first to Three Forks to Wheat Montana, a certified handling facility. The group was broken into inspector teams to walk through the facility, using the process flow diagram and facility map, to identify potential organic control points. After lunch, the group traveled to Belgrade to visit C5 Organics. Brian Goldhahn of C5 Organics gave an abbreviated farm tour of the cropping system. The group saw sweet clover ready for having or green manure, mixed sainfoin (nonbloating legume) hay, and a stand of oats/peas/turnips for later grazing. Goldhahn raises pasture finished lamb and beef. Each participant received a grazing stick, and a hefty stack of resource



Montana Advanced Training group at Wheat Montana, Three Forks



Advanced group follows instruction from Wendy Williams, NRCS, on how to measure pasture using a meter hoop, clippers, paper bag, and scale. Grams/meter hoop = pounds per acre.

materials. Everyone expressed greatly improved confidence in their competence to verify compliance with the new pasture rule. Most expressed surprise at the chilly temperatures, while at the same time appreciating the spectacular background of the Bridger Mountains.



On Day 5, the basic group finished with the test. Both groups came back together for final topics of crop rotation and MDA inspector expectations for the season. Scoles presented a short presentation on crop rotations for the region and provided supporting crop rotation resources. Then Dr. Patrick Fuerst of Washington State University was brought in via IOIA's webinar site to speak on 'Dryland Organic Cropping Systems'. Compliance with the NOP regulations on crop rotation is an ongoing concern in semi-arid regions such as eastern Montana. MDA had identified a need for inspector education on this topic.

IOIA and the MT Dept of Ag cosponsored in-house basic crop inspection training for 5 employees and 3 potential contract inspectors June 7-11. Pictured at left are the group; Garry Lean, 2nd from left, Trainer; and Steve Baril, far right, the field trip host.

Basic Courses in Kentucky

By Margaret Scoles

IOIA's typical basic training rotation in the US is Midwest, East Coast, then West Coast. The first training of 2010 was scheduled for the Midwest. IOIA decided to stretch that region as far south as possible. Frankfort, Kentucky proved to a beautiful spring venue. How was KY selected? In early Feb, I was still searching after some uncertainty and false starts when I received this message from Mac Stone of the KY Dept of Ag Office of Agriculture, Marketing & Product Promotion:

"We will get our heads together next week and formulate a plan. How many folks will we be accommodating to look for meeting/meal/hotel space? Take a deep breath, we will save you a few grey hairs on this one."



Mac was right. The KDA strongly supported the training and there were no new grey hairs.

The Kentucky basic trainings (Crop May 18-22 and Process May 24-28) ran like clockwork with KDA's extraordinary support. Eunice Schlappi, a veteran of two IOIA basic trainings in the past year, managed to participate fully in the processing course, while assisting everyone. Michael Fitzgerald, head of the certification program, and also a veteran of prior courses, assisted. And even though Adam Watson was busy taking both courses, he also filled in as a van driver. Always, all of them helped with a smile and a dose of warm Kentucky hospitality.



Ezekiel Ogunsola of Nigeria at the U of KY CSA farm, checking out the potting mix.

Garry Lean and Margaret Dickson were the trainers for a packed course with 26 participants in the Crop course. The mix was one of the most international and geographically diverse in IOIA history. Participants came from Korea, Nigeria, and Australia. Brian Suk-Kyun Lee of Korea is working with the 2011 IFOAM World Congress, under development near Seoul. At the conclusion of the course, a few minutes were squeezed so that Brian could explain and promote the planned activities for September 2011.

Field trip to Harmony Fields Farm. Group Leader was Garry. Tour host was Larry Brandenburg of Harmony Fields.

That KY hospitality extended beyond identification of field trips, arranging transportation to airport and field trips, many trips for snacks, and delivery of photocopies. KDA also arranged local tours on the weekend break between the classes. On May 22, those who were staying over had a 'hard hat tour' opportunity at the certified organic Buffalo Trace Distillery in Frankfort. There were actually no hard hats, but Buffalo Trace did an in-depth tour of the distillery and the process. The tour ended with a tasting of spirits and chocolates. A tour of local sights including Daniel Boone's grave and dinner ended that outing. On Sunday, May 23, a small group was chauffeured to Louisville's Churchill Downs, the location of the famous Kentucky Derby. IOIA ED was seen there placing her first bet on a horse race before returning Frankfort.



Processing Course, Frankfort KY

by Stanley Edwards

Christine is a Queen, the thoughts of my dreams, she's with me wherever I go..

The light of my life, A smile that's so bright. The woman that captured my heart!

What the ???? Could a former auditor for the IRS really have written this verse? And could you imagine him, standing in front of the class on the last day, singing it with heartfelt passion? Most interesting is that this is about Michael Fitzgerald, Aka Christine Bennefield? Perhaps since Michael chose this identity on his nametag, we should petition the NOP to update the listing for the KY Department of Agriculture's Organic



Adam Watson, new KY Dept of Ag inspector, debriefing the field trip.

Program director!

We did not have an outrageous statement award at the KY Processor Training, but just being in KY made it loads of fun. While students came into the classroom after hours to retrieve their bottle of bourbon, there still was time to be serious and immerse us in the world of organic processing. As usual, it was a rigorous course. where Margaret guided us (me included) through





Amanda Birk of PA demonstrates how easily the Traveling Scale Hopper moves in the Mash house, under the direction of tour guide Freddie Johnson.

the agenda at a serious clip. At the end, we covered every single item and did almost all of the exercises! Christine/Michael had the last words of wisdom which I paraphrase here. "There is a life after the basic processing course, and



remember, that even the experts in the field are continuously debating just what the standards mean". [This article, decoded by Margaret Scoles: One of our class participants was indeed an enrolled agent with the IRS. And he had a 2nd gift of music. At the end of the class, just before the test, Les asked me to get Michael in front of the class and he sang this original song to him. It was hilarious and we all went into the test taking with a smile on our faces. The Beginning of the story is that when we completed our name cards to sit in front of us for the week, Michael, who is a great joker and a singer himself, announced himself as Michael Christine Bennefield. So Les thought about it all week and managed to come up with a song.]

> ←A sober group listens to a story about the last time a person fell into this giant vat and couldn't be rescued. When Tour Guide Freddie Johnson said they had to wait until the batch was drained to recover the body, ending solemnly with "it was the most full bodied whiskey' that they'd ever tasted, we realized he was pulling our leg.

BOD Minute Highlights – for full minutes, please go to the members only section of the ioia website, www.ioia.net

IOIA Board of Directors Conference Call April 20, 2010

Attendance: Bob Durst (Chair), David Konrad, Jennifer Clifford, Eric Feutz, Michelle Sandy, Julio Perez (First Alternate), Bob Howe (Second Alternate) and Margaret Scoles, ED. Minutes: Eric takes minutes to assist Jennie.

Committies: Appoint Bylaws Committee Chair - BOD appoints Garry Lean to Chair the Bylaws committee.

Accreditation Committee - ED talked with Monique Scholz, Accreditation Committee member, about this committee. ED noted that the Accreditation Program cannot be changed except by membership vote. Last year the ARP and the AC were consolidated. OTCO has agreed to fill the certifier member position and Dan Smith has agreed to continue as a non-IOIA member. The ARP current members will continue with ongoing business with any new applications but the development as envisioned in the TI will be outside that at this time, for the BOD to work on.

Designate BOD Liaisons with Committees - (BOD liaisons were announced in last issue) Editorial review will put under Training Advisory with Bob D as the liaison. Curriculum development should be put under this committee. Similar to the ARP and AC where the ARP is the mechanics and the AC is the development.

Liability Insurance for Inspectors - Discussion on the marketing contract from Organic Risk Advisors (ORA). ED thinks we are still in the information gathering stage and wants to make sure whether the same type of policy is available from more than one agency. Action Point is pre-mature. General consensus is that IOIA should not benefit financially from any insurance marketing relationship.

Inspector-Certifier Dialogue - Bob. D, we are not saying do not think insurance is needed, but we need to make it known if this is forced on inspectors there needs to be more compensation. Bob D offers to talk to OTCO and/or have him and Michelle on a call with OTCO regarding their insurance requirements for inspectors. All agree to have the chair and vice chair in on the certifier-inspector dialogue conference call. ED - certifiers were open about the discussions, thinks talking with the certifiers has been very positive. Certifiers are going to be under more scrutiny to ensure they have appropriately trained inspectors.

Training Institute - Update on the Livestock DMI Webinar. Mark Bradley and Judy Ragonesi were asked what the NOP's viewpoint would be on a non-proctored exam. They were clear that if the exam is not a proctored exam, NOP would not consider it valid. The issues of how to test webinar participants and how participants will earn certificates are yet to be resolved. Bob D. comments the concept now is how we conduct continuing education, until we know what they need first, we should not worry about the test. The class and the test are independent activities. Taking the class doesn't mean they have to take the test. And there are people with lots of knowledge that do not need to take a class to understand the rules and calculations. Dave suggested that he would participate in the webinar development on the certifier perspective. May contribute the certifier perspective addressing the issues the reviewer will have on it. Dave feels the BOD discussion on the TI addressed the need for feedback loops to review for teachability and technical content. Not appropriate for a certifier to determine content but it is appropriate to add the perspective of the certification process and give feedback on the actual presentation of material. Bob D. thinks it is appropriate to have certifier input to have their assurance they are getting the information to meet their needs. Dave notes that the lack of certifier feedback and advisory in the past is why more certifiers are doing in-house trainings.

IOIA in Asia and Developing International Structure - Julio provided an update that he is working on a Latin American survey and will pass on to the BOD to review.

ED Report - Good news, first call of the day was an interview with staff of the national TV show "Today in America". They are considering a segment on organic and whether consumers can trust it. The segment would air next winter.

IOIA Board of Directors Conference Call June 2, 2010 (originally scheduled May 18)

Attendance: Bob Durst (Chair), David Konrad, Michelle Sandy, Eric Feutz, Jennie Clifford and Margaret Scoles, ED. Absent: Julio Perez and Bob Howe (Alternates) Minutes: Eric takes minutes to assist Jennie.

Treasurer's Report - 1st Quarter Financial Reports: Balance Sheet-Total bank balance was \$134,752.43 available for operating expenses. Accounts receivable was \$4,411.00. Budget vs. actual-Net income at end of 1st Quarter was -\$22,564.95 under budget. Arizona training was not a profit and activities have been slow in the first quarter. Things are picking up in the second quarter. Achieving a balanced budget for 2010 was a challenge and the chance of a deficit is there. Michelle moves to accept treasurer's report, second by Dave, no discussion. Accepted.

Action Point: Eric to contact the Finance Committee re: cash reserve before the next meeting.

Committee Issues brought by BOD liaisons? Lori Wyman has volunteered for the Accreditation Committee (ARP). Will be an inspector member. BOD approves to accept Lori's appointment to committee.

No report from the LA committee. Sacha went to Humberto Gonzalez to see if he could start providing email contact info for course participants. She immediately received from him a complete list of contact information of inspectors attending a recent training. Includes inspectors, certifiers and other attendees. She will continue to gather information from trainers and/or cosponsors.

Inspector-Certifier Dialogue - Margaret reported on the Certifier-Inspector Dialogue conference call. Two key items discussed were liability insurance and independent contractor status. Third item on call, broadly accepted or at least open to consider, is to have IOIA develop COI forms and contracts.

Inspector Liability Insurance - Margaret gave update with ORA. When they learned that the BOD did not want a marketing relationship, they came back with higher rates. Margaret suggests we should have the policy reviewed by another professional, even if

we need to pay for it. We still don't have a policy or a place to send our members who are seeking insurance. Michelle - there are basically four companies that write these policies and a person can go through their own personal insurance agent. If not all certifiers are requiring inspectors to have a policy then why should we invest so much time into finding a group plan? Margaret - many of our members keep asking about it - even if it costs a \$1,000 more for the individual then we shouldn't keep trying to work on a group policy? Bob - issue is not closed but additional information still needs to be gathered. IOIA is moving in right direction with not endorsing them at this time. Action Point: Michelle to send the list of 4 insurance companies to ED, so she can contact the companies, get a short description of the companies, and make contact with them.

Training Institute - Have lost the ND training. Adapting in-person training to webinar format was turned down by the grant committee. Every trainer will need to be trained on how to use the webinar service and the attendees will need more guidance to get logged in. Dave - are we going to get feedback for technical content, teach ability, regulators involvement? Margaret comments we need to get the template(s) because doing them one by one is too expensive. Bob - need to get some in the planning stages so we can have them every few months. Bob - target audiences in the trainings vary with the certifiers focusing on how to make a decision, inspectors want two things, how to do it and the background on the subject. A 200 level course should be capable of providing enough information on how to make a decision. Margaret, one thing learned today is to keep it at 20-25 attendees, at least with the first trainings. Dave, need to limit the attendees for those reasons or content reasons? Both. Dave states we need a discussion on a pricing policy. Action Point: Margaret to have Draft Work Plan for TI and recommendations to the BOD on developing TI templates.

IOIA in Asia and Developing International Structure - Margaret- may need to have a second meeting on this topic. BOD meeting set for June 15, 2010 at 8:00 EDT for one hour to discuss this topic.

NOSB Endorsement Request - A non-inspector member running for the certifier position on the NOSB has requested IOIA recommendation. The BOD policy is to not grant this based on previous requests from members. Issue noted also that there another member running from another certification agency. We need to stay neutral. It is IOIA policy not to endorse candidates for the NOSB.

IOIA Board of Directors Conference Call April 20, 2010

Attendance: Bob Durst (Chair), David Konrad, Michelle Sandy, Eric Feutz, Jennie Clifford, Bob Howe (Alternate), and Margaret Scoles, ED Absent: Julio Perez **Minutes:** Jennie

Special topic meeting: International Structure

Background - Margaret: How should IOIA function internationally? IOIA has high impact in countries w/few resources allocated to the organic sector. Countries/areas who could/are currently benefiting from IOIA – Latin America, Pakistan, Africa. Countries/areas that have benefited from IOIA – Japan, Korea. IOIA began international trainings prior to 1995. Sacha manages the current international training activities. Profit is modest if existent. Do we want to become more active internationally or less? If more, we need to acquire funding sources.

BOD discussed differences between co-sponsors and sister affiliates. ED explained co-sponsors are often long term relationships. These cosponsors manage most basic international trainings. Sister Affiliates (not actually developed yet) could manage scholarships, memberships and handle training materials for their region.

We need training descriptions and facts. Half of IOIA's trainings are international.

Developing International Structure: Organic Inspector Organization Member for organizations that we work with. IOIA has a model for working internationally with co-sponsored managed trainings. ED Suggests as Priority: Create sister affiliate model

IOIA's Role Internationally: Facilitation/strengthening of regional inspector groups, globally. Facilitate by additional training or facilitate inspector organizations? Use training institute to facilitate regional trainers which in turn reduces costs and fosters regional inspector groups. How do we see IOIA internationally?

Conclusions: 1. Focus on the Training Institute, not on creating a sister affiliate category. The Training Institute is the best way to be active and relevant internationally. 2. Creating a new membership category for organic inspector organizations is worth considering. (i.e. JOIA is not truly a supporting certification agency member) 3. Keep on agenda: nurturing regional organic inspector organizations or gatherings.

THE INTERNATIONAL SCENE: IOIA is working to develop basic training and an international organic inspector meeting in conjunction with the 2011 IFOAM World Congress in Korea in September 2011. A special topic BOD meeting in June focused on IOIA's international presence. The Korean IFOAM agenda offers a unique opportunity to strengthen IOIA's ties with our Japanese and Korean members, and to meet other inspectors from around the globe. The last time IOIA had staff or Board members at an IFOAM General Assembly was 2002 in British Columbia. Sacha Draine, who is in charge of the international training program for IOIA, and the ED are making plans to attend BioFach in Germany next February. This will be a first for both and will likely help shape IOIA's participation in Korea.

Not all of IOIA's trainings make it onto the training schedule. Many trainings are presented as in-house trainings and therefore not advertised on our website or in the newsletter. In-house trainings under development now include South Africa, Guam, and Australia. IOIA has been asked to provide two weeks of training in South Africa in September with USAID funds. Lisa Pierce will do three 1-day workshops with farmers and 5 days of basic organic crop inspection training. The University of Guam has requested basic organic crop inspection training in early December (still tentative). Participants will be extension agents or potential inspectors. NASAA, a long-time supporting certification member of IOIA based in Australia, requested 2 davs of NOP training in August for their inspection staff. The ED will be traveling to Australia to do the training.

Odds & Ends

New NRC ag report The National Research Council report, Toward Sustainable Agricultural Systems in the 21st Century, is now available to view at http://www.nap.edu/catalog.php?record_i d=12832. To read the free HTML version of the report, scroll down the page until you see "Table of Contents" and then select the chapter you would like to read. Hard copies and pdf copies of the report also can be purchased on the site, and a pdf of the summary is available to download for free.

Equivalency resource Organic Processing Magazine's May/June issue features the article "One Year Later: A Practical Guide to the Canadian-U.S. Equivalency Agreement" by Matthew Holmes. The article provides insight into the historic arrangement and answers many questions readers have on compliance, "variances" and labeling. The article can be viewed online at http://www.organicprocessing-

digital.com/organicprocessing/20100506? folio=20#pg20

GMO Alfalfa The battle continues in the fight to stop genetically modified (GMO) alfalfa from approval. For the past several months, Food Democracy Now! and their allies have fought against allowing GMO alfalfa to be planted in the U.S. In a recent victory for organic consumers, the U.S. Supreme Court ruled in Monsanto v. Geerston Seed Farms that it was still illegal to sell or plant GMO alfalfa without USDA approval. Already Monsanto is on the offensive, with their cronies in Congress and agribusiness lobbyists scheming to pressure Secretary of Agriculture Tom Vilsack to allow GMO alfalfa to be planted as early as this fall.

Experts agree, if GMO alfalfa is planted, the \$1.4 billion organic dairy industry will not survive due to the certain genetic contamination of organic alfalfa. Even the Supreme Court acknowledged that the threat of genetic drift is real and now the USDA must complete a full environmental review, still leaving the decision open for deregulation. Now the final decision is in Vilsack's hands. And he needs to hear from organic advocates today!

Tell Secretary Vilsack to stand up to corporate agribusiness and protect organics for future generations. It's time to make the ban on Monsanto's GMO alfalfa permanent. Go to the website:

<u>http://www.fooddemocracynow.org/</u> to add your name to the petition asking Vilsack to protect organics.

MOSES Fact Sheets MOSES has two new organic farming fact sheets in their ongoing effort to answer frequently asked questions, address common issues, provide a variety of free resources, and help farmers to grow organic successfully. To see the entire list, go to http://www.mosesorganic.org/productioni nfo_factsheets.html

Web Soil Survey Check out this valuable, but underutilized online resource operated by the USDA Natural Resources Conservation Service (NRCS). It provides access to the largest natural resource information system in the world. NRCS has soil maps and data available online for more than 95 percent of the nation's counties and anticipates having 100 percent in the near future. The site is updated and maintained online as the single authoritative source of soil survey information.

http://websoilsurvey.nrcs.usda.gov/app/H omePage.htm

FDA issues draft guidance to limit use of antibiotics in food animals The U.S. Food and Drug Administration (FDA) on June 28 issued draft guidance on the judicious use of medically important antibiotics in food-producing animals. In the guidance, FDA states that evidence now indicates that the nontherapeutic use of antibiotics to promote animal growth does not protect or promote public health. Organic practices do not allow any use of antibiotics in food-producing animals, either at subtherapeutic levels for growth or for prevention or treatment. Only if all other measures fail, U.S. organic farmers will use an antibiotic to save an animal's life, but then that animal must be removed from the organic herd, and products from that animal can never be sold as organic.

Press release and links are at: http://www.fda.gov/NewsEvents/Newsroo m/PressAnnouncements/ucm217464.htm

OneCert has a new address 427 N 33rd St Lincoln, NE 68503-3217 sam@onecert.com www.onecert.com phone: 402-420-6080

Almond growers get OK to challenge pasteurization law A federal appeals court has ruled that organic almond growers can challenge a law requiring mandatory pasteurization of almonds intended to reduce risk of salmonella contamination, overturning a previous decision.

Pasteurization of almonds is carried out either by treatment with propylene oxide gas - in which case almonds cannot be considered organic - or by steam treatment. A law requiring treatment of raw almonds was first introduced in September 2007, largely in response to two salmonella outbreaks linked to unpasteurized almonds. But some organic almond growers have objected to the law, saying they can sell raw, unpasteurized almonds for up to 40 percent more than pasteurized ones. Concerns have also been raised about the cost of pasteurization and the market threat of cheaper, unpasteurized almonds arriving from overseas, as the law does not require imported almonds to be pasteurized.

This latest ruling, from Judge Brett Kavanaugh of the US Court of Appeals for the District of Columbia Circuit, stated that producers are able to sue to challenge agricultural market orders, although consumers cannot.

Dialog, from page 8

For more than one party. The OTCO contract requires independent contractors must perform inspections for one or more agency other than OTCO.

Standardized Inspector Forms: Another topic discussed on the call with certifiers was whether IOIA could improve efficiency for both inspectors and certifiers by developing IOIA standard (confidentiality inspector forms. declaration of COI, etc.) that would be acceptable to all certifiers. This would save time for inspectors. There was cautious but generally positive reaction from certifiers to moving in that direction. All of them expressed the caveat that they would need to be sure it didn't jeopardize their various accreditations (NOP, ISO 65, COR, JAS, etc) to not use their own forms. Generic forms could save time for certifiers and inspectors, as well as help support claims of independent contractor status. Validation by NOP would help make this more attractive to US based certifiers.

GMO News US Lawmakers Propose Labeling in Response to GE Alfalfa Decision

US House Representative Dennis Kucinich (D-OH) has introduced three bills in the House related to the labeling of food containing GE material, the cultivation and handling of GE crops, and the establishment of a set of farmer rights regarding GE animals, plants, and seeds. In his press release, Kucinich stated that:

"To ensure we can maximize benefits and minimize hazards, Congress must provide a comprehensive regulatory framework for all Genetically Engineered products. Structured as a common-sense precaution to ensure GE foods do no harm, these bills will ensure that consumers are protected, food safety measures are strengthened, farmers' rights are better protected and biotech companies are responsible for their products."

The bills introduced by Kucinich are:

(1)H.R. 5577. The Genetically Engineered Food Right to Know Act, as well as supporting legislation that will provide a comprehensive regulatory framework for all GE plants, animals, other organisms; bacteria. and (2) HR 5578, the Genetically Engineered Safety Act, which prohibits the open-air cultivation of GE pharmaceutical and industrial crops and establishes a tracking system to regulate and ensure the safety of GE pharmaceutical and industrial crops; (3) HR 5579, the Genetically Engineered Technology Farmer Protection Act, which would protect farmers and ranchers that may be harmed economically by GE seeds, plants, or animals, to ensure fairness for farmers and ranchers in their dealings with biotech companies that sell GE products.

This is the fifth attempt by Kucinich to push through GMO labeling and regulation bills, attempts that date back to 1999. In fact, he introduced the same bills back in 2003 and again in 2008. On both occasions the GE Food Right to Know Act got as far as the House Agriculture and Energy sub-committees.

With support of more democrats and on the heels of the Supreme Court decision, advocates are hoping that the bills have a better chance of surviving beyond the House sub-committees. From GMO Journal

Pigweed threatens Georgia Cotton Industry

Several years ago, pigweed found the weakness and breached the defense that Georgia cotton growers used to control it. It now threatens to knock them out, or at least the ones who want to make money, says a University of Georgia weed expert.

"It's been devastating in a lot of ways," said Stanley Culpepper, a weed specialist with the UGA College of Agricultural and Environmental Sciences who's taken a lead in fighting the weed in Georgia. "It's without a doubt the largest pest-management problem that any of our agronomic growers are facing, especially our cotton producers."

If not killed early, pigweed - also called Palmer amaranth - can grow as tall as a small shade tree in fields, gobble nutrients away from cotton plants, steal yields and in severe cases make harvest difficult or impossible.

How did we get here?

In 1997, farmers started planting GE cotton that was developed to stay healthy when sprayed with glyphosate herbicide, aka Roundup. Virtually all Georgia cotton grown now is "Roundup Ready" because it saves farmers time and money. But relying on one tool to do the job has led to problems.

In 2005, the first case of pigweed resistant to glyphosate was confirmed in middle Georgia, the first confirmed case in the world. At the time, it was localized to a few fields on about 500 acres. The resistance has since spread across 52 counties, infesting more than 1 million acres. Within the next year or two, Culpepper said, it will likely be in every agronomic county in the state. It's also confirmed in most other Southeastern states.

Glyphosate didn't cause pigweed to change genetically or to become a resistant mutant. All it took was a few weed plants in a field or area to be genetically different - in this case, resistant to glyphosate. The resistant ones survived to reproduce.

Pigweed is dioecious, meaning it needs separate male and female plants to reproduce. And it can reproduce a lot. The male produces the pollen. The female produces the seed. The resistant trait is passed through pollen, which can survive in the air and travel as far as a mile. One female plant can produce between 500,000 to 1 million seeds.

Economic survival?

According to a survey last year, half of Georgia's 1 million acres of cotton was weeded by hand for pigweed, something not normally done, costing \$11 million. Growers went from spending \$25 per acre to control weeds in cotton a few years ago to spending \$60 to \$100 per acre now. "We're talking survival, at least economically speaking, in some areas" Culpepper said, "because some growers aren't to survive this." going "Herbicides alone often will not provide adequate control. An integrated program must be developed to reduce the amount of Palmer that actually emerges," Culpepper said. "If it (pigweed) doesn't come up, we don't have to kill it." Deeply tilling the soil in a field can reduce pigweed seed germination by as much as 50% in that field. Using heavy cover crops like rve to provide a thick mat between plant rows can also reduce germination by as much as 50% and give cotton plants a competitive edge over the weed. The combination of deep tillage and cover crops in a field can reduce pigweed seed germination by as much as 80%. All of this helps but it won't knock the giant out.

Culpepper says, "we're going to have to change how we've handled this pest in the past. If growers don't, they simply won't be growing cotton."

U of Georgia South East Farm Press,

Another point of view

100 WORD RANT by Dave Maleckar

Oddly, It's Poison To Pigs.

Palmer Amaranth may sound like a J.D. Salinger protagonist, but it's actually a nuisance weed spreading across the American south. Also called "pigweed," it's immune to most pesticides. It's incredibly competitive, thriving even in extreme heat and drought conditions. And it's moving north. But here's the thing: this 6 1/2-foot-tall plant has a one kilogram edible seed head with more and better protein than whole wheat, while the leaves and stalks are more nutritious than spinach. If I was a farmer, I'd be doing everything I could to keep cotton and soy out of my amaranth fields.

Alfalfa from page 1

The district court found in favor of the farmers and CFS on the grounds that USDA violated NEPA. The court held that the government should not have found that the introduction of the roundup ready seeds had no environmental impact. **Importantly**, that finding - that the government violated NEPA - remains in tact and was not challenged on appeal. The Court further recognized that the threat of transgenic contamination is harmful and onerous to organic and conventional farmers and that the injury allows them to challenge future biotech crops commercialization in court.

At issue on appeal were two main questions. One had to do with whether the conventional alfalfa farmers were the proper parties to sue - in legal parlance had "standing" under Article III of the U.S. Constitution. The Supreme Court said yes. The Court also noted that Monsanto had standing to participate in the court case.

The second part of the decision involved a technical question about the scope of the district court decision to prevent the government from granting Monsanto's petition to deregulate its alfalfa seeds. The Supreme Court found that the district court had issued an injunction that was too broad: the injunction prevented the government from granting a petition without preparing a full environmental impact report (EIR) not only for complete deregulation but also for partial deregulation for, say, a very limited pilot project nowhere near other conventional alfalfa crops. The Court said that it was possible that Monsanto could propose some limited "partial" deregulation that would not require a full blown EIR but that the District Court opinion would prohibit such a possibility.

Nevertheless, the Court decision does not alter the current status quo, which is that "virtually no RRA can be grown or sold until such time as a new deregulation decision is in place." That's because the initial APHIS decision not to prepare a full Environmental Impact Statement was vacated by the district court. **Until the APHIS completes its review under NEPA, GE alfalfa cannot be sold or grown.**

USDA indicated at the Supreme Court argument that full deregulation is about a

"The bottom line is that the Supreme Court set aside the injunction because the vacating of the commercialization decision already gave us all the relief we needed, by forbidding RRA planting until a new decision is made by the agency. And at such time, farmers and consumers still have the right to challenge the adequacy of that process." said George Kimbrell, senior staff attorney for CFS. "The Court's decision affirmed that the threat of genetic contamination of natural plants posed by biotech crops is an issue of significant environmental concern now and in the future."

In short, the decision issued is really a narrow procedural win for Monsanto and the government and a victory for the plaintiffs on standing grounds. The real action will now be at the administrative level as the APHIS engages in its environmental review and decides whether to issue a decision deregulating the alfalfa seeds. This decision could also have an impact on cases challenging the introduction of other GE crops. For example, GE sugar beets are the subject of a case currently pending in Northern California. In that case the judge has held that APHIS violated NEPA but has denied organic farmers and the Sierra Club a preliminary injunction banning the selling and growing of GE sugar beets. His decision about whether to issue a permanent injunction - which he has said he is inclined to grant - is still pending and could be affected by the June 21 decision.

Legal Planet (Berkeley Law/UCLA), Center for Food Safety

Goliath, from page 1

succeeded in framing the Supreme Court decision as a slam dunk in its favor, to head off a drop in its stock market price. The real news - that it still can't sell its **patented GM alfalfa** – would surely have driven impatient investors to sell their stocks.

Not surprisingly, shortly after the publication of multiple stories announcing Monsanto's unequivocal win, an alternative narrative began to circulate on the web and people started asking questions about whether Monsanto actually "won" the case and what it meant to "win" the case anyway. Fulfilling the role of David against Goliath, bloggers exposed how the rightful victors had been unfairly slain by the press due to the unsavory alliance between the Goliath biotech giant and the major media.

The answer to the question of "who really won the case," requires examining on what grounds Monsanto appealed to the Supreme Court. Specifically, Monsanto asked the court to reconsider the lower court decision in the GM alfalfa case by: (1) lifting the injunction on GMO alfalfa, (2) allowing the planting and sale of GMO alfalfa, and (3) not allowing contamination from GMO crops to be considered "irreparable harm."

In truth, the Court only ruled on Monsanto's first request, which it affirmed by stating that the injunction was too broad to be allowed to remain in place. However, it ruled in favor of the farmers and Center for Food Safety on the two other remaining issues, which in many ways are even more important. First, the Court did not overrule the lower court's ban on the planting and sale of GMO alfalfa. The Court's decision to set aside the injunction was based, in part, on the fact that a prohibition on GMO planting was already in effect, due to the lower court's ruling and, therefore, the injunction was duplicative overkill. Second, the Supreme Court agreed with the lower court that the threat of GMO contamination was a sufficient cause of environmental and economic harm to support future challenges on GMOs. Unfortunately, these critical details about

Unfortunately, these critical details about the Supreme Court's decision were omitted in early press accounts, making it look as though Monsanto prevailed in its quest to deregulate GM alfalfa.

Days later, the real story about the outcome of the case emerged in some press accounts. Yet, any analysis about the need for civil society to demand greater corporate accountability in the face of government inaction to halt threats of GMO contamination has yet to surface in the mainstream media. Clearly, the greatest significance of this case is that it shows how Goliath corporations, like Monsanto, BP and the rest, can be held accountable for their actions by members of civil society who have the courage to take on the role of David in the battle to protect our environment and food supply.

INTERNATIONAL ORGANIC INSPECTORS ASSOCIATION

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August 20 How to Calculate Pasture Dry Matter on Your Organic Dairy Farm Webinar by eOrganic. 2PM Eastern Time (1PM Central, 12PM Mountain, 11AM Pacific Time. Space is limited. Registration is open at http://www.extension.org/article/28554

August 25 – 27 Looking ahead: Organic Dairy Conference. Madison, WI. Organic Valley will host an Organic Dairy Conference, designed as an educational event for stakeholders in the organic dairy community, To receive further details, contact <u>Aaron Miller</u> (608-625-3453).

September is Organic Harvest Month!

September 13 – 14 4th Annual Farm & Food Leadership Conference: "Taking Back Control of Our Food Supply". Jim Hightower keynote speaker, Mexican-American Culture Center, Austin, TX <u>http://farmandranchfreedom.org/conference-2010</u>

September 16 Maximizing Dry Matter Intake on Your Organic Dairy Pastures Webinar by eOrganic. 2PM Eastern Time (1PM Central, 12PM Mountain, 11AM Pacific Time). Registration is required

2010 Calendar

and is now open at http://www.extension.org/article/28807

September 28 – 30 Sustainable Feedstocks for Advanced Biofuels Workshop. SWCS is hosting a special workshop for the development of regional specific roadmaps for sustainable feedstock production and delivery. Atlanta, GA.

http://www.swcs.org/index.cfm?nodeID= 23416&audienceID=1

September 30 - October 3

BDA Conference: Biodynamics and the Future of Agriculture. With Keynote Speakers: Nicanor Perlas, Michael Schmidt, Fred Kirschenmann and Sister Miriam MacGillis. Chestnut Ridge, NY http://www.biodynamics.com/biodynamic -conference-2010

Oct 1 IOIA Accreditation Application deadline for 2011.

Oct 1 IOIA Scholarship Application deadline for 2011.

Oct 1 Setting up a Grazing System on your Organic Dairy Farm Webinar by eOrganic. 2PM Eastern Time (1PM Central, 12PM Mountain, 11AM Pacific Time). Registration is required and is now open at

http://www.extension.org/article/28799

Oct 2 – 3 Hoes Down Harvest Festival, Full Belly Farm, Guinda, CA http://www.hoesdown.org/

Oct 9-16 Canada Organic Week

Oct 13 – 16 ATO and Expo East, see story page 4.

Oct 25 – 28 NOSB meeting, Madison, WI. See story page 7.

Nov 12 - 13

It Takes a Region - 2010: A Conference to Build Our Northeast Food System. With, pre-conference trainings on November 11. Desmond Hotel and Conference Center, Albany, NY. http://www.ittakesaregion.org

Nov 15 - 16 6th Annual Sustainable Ag Expo. This Expo provides a unique opportunity for farmers, ag professionals, pest control advisors representing a variety of operations to learn about the latest in farming research. Monterey, CA. http://new.vineyardteam.org/events/expo. php

For a complete listing of upcoming IOIA trainings, please see page 3 of this issue