

Nature's Focus

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The View from Here

Elizabeth Tigan, Certification Manager

It is with great pleasure that we introduce the 2018 edition of the new NICS Newsletter – *Nature's Focus!* Your intrepid certification agency has been hard at work putting together this publication to bring you the latest news in certification and all things National Organic Program related.

As we send our packets out for the new year, we take pause to look at the year that has passed and all that we have learned from it. As many of you well know, early in 2017 we lost our owner and Executive Director, Dave Engel, to brain cancer. Since then Dave's wife, Marta W. Engel, DVM, and their eldest son, Joshua Engel, have taken the reins of NICS to ensure that Dave's mission and all of his heart-felt dedication to the organic farming community live on successfully at NICS. Marta herself is the owner and operator of a holistic veterinary clinic and Josh is one of the owners of the CSA and market farm – Driftless Organics. Because they are both busy in their own operations, they have appointed Chris Fanta and Terri Scott as Co-Executive Directors. If you were lucky enough to know Dave, then you will know that it comes as no surprise that it takes at least two people to do what he did. That being said, the phone is still getting answered, it just isn't Dave who will answer at 4:30 am to counsel you with your sick cows. We move forward in 2018 in the helpful spirit of Dave Engel and with his wisdom to guide us. For that

we are grateful.

And we also are grateful for all of you, the NICS producers, who are the reason we have resurrected the newsletter. It is important for us to have a way to get information to all of you. While you are immersed in the work of organic farming and processing, Nature's International employees are immersed in organic system plans and policies. The Rule indicates that we need to provide our clients with enough information to enable them to comply with the regulations. We are glad to be able to provide you with a newsletter to help you with your organic endeavors.

As always, please do not hesitate to contact the newsletter team - by phone, letter, or email—and help out by offering suggestions, comments, and quandaries. All newsletter related emails may be directed to our general inbox: newsletter@naturesinternational.com. We are delighted to read your letters and answer questions you might have about the process of organic certification. We look forward to hearing from you, and we are proud to be a part of your organic journey!

Happy New Year!

- The Staff at NICS



What is the NOSB?

The National Organic Standards Board (NOSB) serves as an advisory body to the United States Department of Agriculture (USDA). The member make-up of the NOSB is prescribed by the Organic Food Production Act to be: four members who own or operate an organic operation, one retail establishment owner that has significant trade in organic products, three with expertise in natural resources, three who represent public interest or consumer interest groups, one expert in toxicology, ecology, or biochemistry, and one who is an accredited certifying agent. People are nominated to be on the NOSB, then voted on by sitting NOSB members. The NOSB meets twice a year publicly to vote on proposals and set agendas for future discussions. Members of the public can attend the meeting and comment on proposals in person, or provide written or electronic comments. If a majority of NOSB members accept a proposal, the proposal is then passed to the USDA through the National Organic Program (NOP). The USDA makes the final decision on any proposal from the NOP, and the proposal doesn't become law until a final rule is issued by the NOP.

In the Pipeline

Bringing You News of the NOP

David Hettenbach, Staff Inspector/Certification Specialist

- The NOSB voted unanimously (14 yes , 0 no, 1 abstain) to prohibit aeroponics in organic production. This recommendation will be sent to the NOP to be written into the Rule.
- Motions to prohibit hydroponic production, aquaponic production, and place restrictions on container production (requiring less than 20% liquid feed and minimum of 50% of N fertilizers in containers prior to planting) failed, meaning these practices will continue to be allowed, assuming compliance with all other applicable organic standards.
- NOSB members voted unanimously (15 allow, 0 not allow) to add sulfur to the National List of allowed inputs for use as external pest control on livestock and poultry. Use of sulfur will not be allowed until a final addendum is made to the Rule.
- Miles McEvoy, who served as NOP Deputy Administrator for 8 years, retired from office at the end of September, 2017. On October 19, 2017 Dr. Ruihong Guo was appointed to serve as Acting Deputy Administrator. Prior to this appointment, Dr. Guo served as Deputy Administrator of the AMS Science and Technology Program, providing scientific and analytical support to the agricultural community.
- In a notice sent out on November 9, 2017, the USDA delayed the effective date of the Organic Livestock and Poultry Practices (OLPP) final rule. The OLPP was intended to amend the final rule relating to organic livestock and poultry production requirements by adding new provisions for livestock transport for slaughter and avian living conditions. The OLPP also clarified existing requirements covering livestock care and production practices and mammalian living conditions. However, on December 18, 2017, the USDA published in the Federal Register its intentions to withdraw the OLPP regulations. The comment period for the proposed withdraw is open to the public until January 17, 2018. You may provide your formal comment at <https://www.federalregister.gov/documents/2017/12/18/2017-27316/national-organic-program-nop-organic-livestock-and-poultry-practices-withdrawal>.
- Each year the NOP publishes a report called the "Compliance and Enforcement/Appeals Summary Report" that includes counts of complaints and appeals, suspensions, revocations, and case dispositions. This years report, as well as reports from previous years, can be found at <https://www.ams.usda.gov/reports/organic-insider>.

How do I know if...

The product I want to use is approved for my planned use?



Gail Doesken, Certification Specialist

Inputs, products, materials, substances... There's no shortage of terms that may refer to something in use on an organic operation.

So how do you know if something you want to use is approved for use by your organic certifier?

We are constantly saying, "Please call NICS if you would like to begin using a new product that is not OMRI, CDFA, or WSDA approved."

Why? Because using a product that is NOT allowed in organic production could have serious consequences on your organic certification. Likewise, you are required to inform your certifier of any management changes on your operation, so even if you are sure the product is allowed, contacting NICS quickly regarding any new inputs is important.

The process works like this:

1. You communicate with NICS that you would like to use a new product.
2. NICS will ask you the following questions:
 - What is the full name of the material you would like to use?
 - What is the name of the manufacturer?
 - What specific purpose would you like to use this product for?

NICS will respond to your request in a variety of ways:

1. If the product you would like to use is known to NICS and found in our database, we will add it to your Materials Input Listing (MIL) and inform you the product is approved, as well as any restrictions associated with its use.

2. If the product is not in our database, we may ask you a few more questions, such as:

- What are the ingredients in the product?
- Can you provide a copy of the product label?

If a product is not in the NICS database, our Materials Team tracks down the details of the product you are requesting. This process may take some time, depending on the situation, and may involve contacting multiple suppliers; NICS must gather a complete ingredient list for every product and information about the manufacturing process (as applicable). Once NICS determines whether or not a new product is allowed for use, you will be notified of the results and the product will be added to your Materials Input Listing (MIL) if the product is authorized for use in organic production.

The MIL is a valuable resource for you while navigating the complex world of organic inputs. The *Product Status* and *Purpose for Use* are two important categories to keep in mind when referring to your MIL. Often questions arise regarding the product's "restricted" status. A product with a restriction may be used according to the stated restriction, while a prohibited product is never allowed in organic production. How you plan to use a product is also important, since the same product may be allowed for one use, but not another. In general, products must be used according to label directions and other federal regulations, in addition to any restrictions noted on the MIL.

To better serve you we have an email account devoted to materials questions: NICSMaterials@naturesinternational.com. We look forward to hearing from you.

Beyond Headlines: Organic Integrity Among Us

Bryany Everson and Jenna Miller, Staff Inspectors/Certification Specialists

While we hope 2017 was a successful year for all of our producers, we understand it surely took a toll on some. Many of our producers seasoned record flooding, drought, wildfires, falling commodity prices, and a flooded milk market. And to top it off, 2017 saw attacks on the organic label on both the national stage and in hometown coffee shops where people were abuzz about organic “scandals” and the ever-present rumors of “cheaters.”

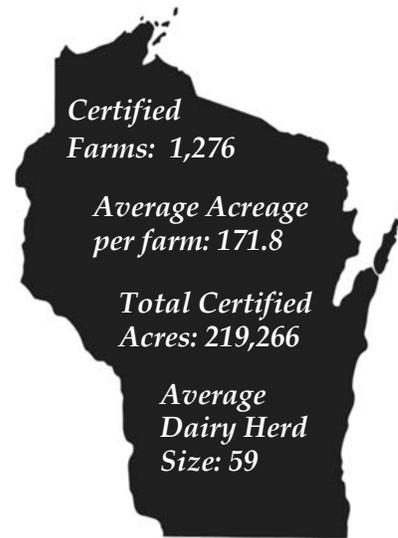
We heard about your concerns this inspection season at your kitchen tables and in your machine sheds. The frustration and questions from you, our producers, are warranted and understandable, especially when you ask: How does this happen? How is it that cheaters aren't caught sooner? How did these people get certified in the first place? And, why should I follow the Rules if others aren't held accountable to them?

The news reports about the organic industry are not only frustrating for producers, but for consumers, as well. When they go to the grocery store, consumers want reassurance that the food they are buying to feed themselves and their family was grown responsibly. According to the Organic Trade Association's (OTA) Organic Market Analysis, organic sales have steadily increased every year since 2006, and 82% of U.S. households buy organic, at least sometimes. These people are buying organic because they believe it is healthier, and they want to help support local, sustainable farms, like yours.

Unfortunately, in any market where there are additional profits to be made, there will be fraud.

Please be aware that NICS, along with every other accredited certifying agent, the National Organic Program (NOP), buyers of organic products, and numerous organizations dedicated to the success of organic production are working tirelessly to maintain organic integrity and ensure a fair playing field for all involved.

The organic regulations grant certifying agents certain tools designed to assist them in maintaining the integrity of the organic marketplace and to assist in ensuring clients are treated fairly, and with consistency. Some of these tools include the following:



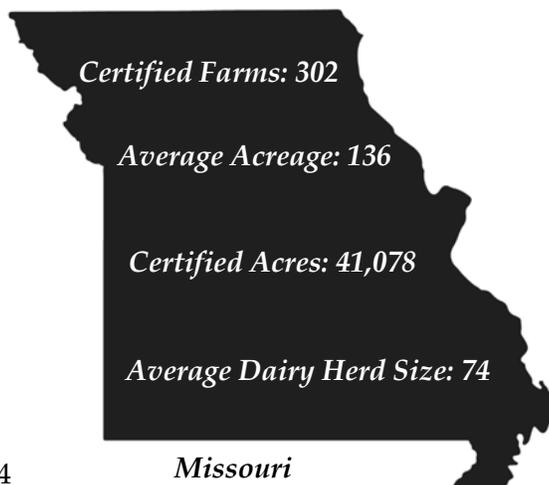
Wisconsin

Unannounced Inspections

An inspector may show up at any certified operation at any (reasonable) time to conduct a partial or complete inspection. If the producer fails to comply with the inspection, adverse actions may, and often do, occur. In fact, the regulations require that at least 5% of an agency's certified operations have an unannounced inspection each year.

Sampling

All organic products, finished or raw, are subject to sampling. Although this usually pertains to crops, other substances may also be tested such as soil, water, waste, seeds, and plant tissue. All samples must be taken by a representative of the accredited certifier to maintain chain of custody and, sent to an accredited third-party lab where the samples are tested for residues of products prohibited for use in organic production or Genetically Modified Organisms (GMOs). The regulations also require that at least 5% of an agency's certified entities are sampled each year. This testing is conducted at the certifying agency's expense.



Missouri

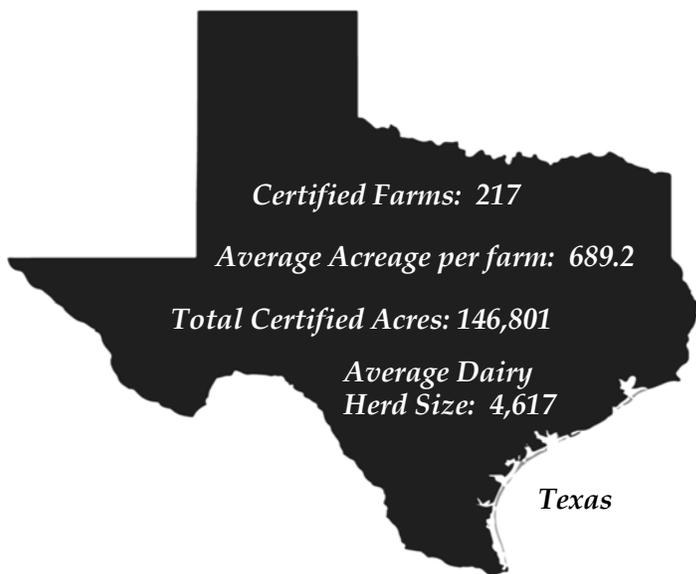


Audits

Audits are conducted at almost every inspection. Common audits include trace back audit and balance in/out audit. A trace back audit will identify a finished product and trace it back to its origin through the records to verify production from “seed to sale.” A balance in/out audit verifies what is going in matches with what is going out or that yield and production are sensible. Both methods are common ways to verify records. They are even used to investigate individual and multiparty complaints.

Training

As an Accredited Certification Agency (ACA), NICS is required to have staff who show “sufficient expertise.” All staff undergo regular training, much of which is based on investigation methods to track down requested information and verify production methods.



All figures come from: USDA/NASS Certified Organic Survey 2016 Summary, published September 2017. All figures represent NOP certified organic operations.

Process

The NOP Rule requires that the certifying agency’s decision to issue a certificate is made by a person different from the inspector. This ensures that at least two different people are looking at a certified operation over the course of an application or annual update period. Someone who has performed an inspection at your operation cannot make a certification decision until 12 months have passed from the date they conducted your last inspection.

Certified Organic operations caught “willfully violating” the organic rules, not only face loss of their organic certification, but additional penalties may be involved. Most of these are civil penalties (fines up to \$11,000 per violation), although there have been cases involving criminal penalties, such as jail time.

Additionally, operations who are willfully violating the regulations can be removed from organic production. In 2015, a major organic fraud investigation was conducted by the FBI, and after large-scale cheating came to light, the producers faced not only confiscation of property for retribution of fraudulent funds and jail time, but the operation has been barred from participating in the organic marketplace. The outcome of the 2015 organic fraud investigation made waves in the organic industry but was hardly reported by the national media. In fact, most outcomes of organic fraud cases do not make headlines. What you also won’t see in the news is that from October 2016 to June 2017, 181 operations were suspended and 11 operations were revoked from organic certification. The NOP publishes quarterly updates on Compliance and Enforcement and certifiers and the NOP remain in continual contact when significant organic compliance issues are uncovered.

By far, the vast majority of operations participating in the organic marketplace are compliant with the Rule and are, as they say, doing things by the book. These are the operations you don’t hear about in the news or at your local coffee joint. These are the people you often see at field days, at conferences, and at producer meetings.

Continued on next page



Continued from Beyond Headlines P.4-5

These are the growers, farmers, herdsman/women, and people providing the very product consumers believe they are buying for their families

If you suspect someone is violating the organic regulations, there are some things you can do to help:

- Please report the incident to your certifying agent as soon as possible. Include as much detail as possible.
- If you are willing, please put your concerns in writing. Should the violation end up in court, this can be extremely helpful.
- We understand that the offending person may be your neighbor and that you may wish for your concern to be anonymous.
- All credible complaints are investigated by certifi-

cation staff! Note, while it may be frustrating for bystanders, it can take quite some time to carry out a sound investigation.

Lastly, as news reports or rumors circulate about large-scale fraud or the local “cheater,” it can be tempting to feel defeated and like the Rule doesn’t apply to them, so why should it apply to you? To this, we can only encourage you to keep your faith in the production systems you have invested in, and to know that countless people are working hard to ensure the organic label means something and will keep the certified organic farms in business while providing a fair, sustainable market, and the product consumers expect.

Remember – headlines are made to be catchy – who doesn’t like a juicy story? But what often fails to register a headline are the everyday people doing exactly what they are supposed to.

NICS On The Road

NICS staff will be available to answer questions or collect paperwork and payment at the following conferences this year:

- **Minnesota Organic Conference**
January 11 - 12 St. Cloud, MN
- **Practical Farmers of Iowa Conference**
January 18 - 20 Ames, IA
- **Michigan Small Farms Conference**
January 26 - 27 Acme, MI
- **O-Grain Conference**
January 26 - 27 Madison, WI
- **Grassworks Grazing Conference**
January 30 - February 1 Wisconsin Dells, WI
- **Texas Organic Farmers and Growers Association (TOFGA)**
February 1 - 3 Georgetown, TX
- **Northern Indiana Grazing Conference**
February 2 - 3 Shpshewana, IN
- **MOSES Conference**
February 22 - 24 La Crosse, WI
- **Bauer Schuhl**
March 1 Hillpoint, WI
- **Organic Egg Farmers of America Egg Symposium**
March 13 Minneapolis, MN



Kris Olson,
Staff Inspector/
Certification Specialist

Inspection Reflections

Looking back at the 2017 inspection season, we thought it would be good to reflect back on the year and discuss what our inspectors have seen that can make your annual inspection take longer. Whether a producer is certifying crops, or both crops and livestock, a smooth, efficient inspection boils down to how well the records have been kept. While many of the records overlap, we'll break down what we have seen causing additional time at inspections.

During crop inspections, two specific areas of records come to mind: seed and sales records. When this documentation is not in order, a significant amount of time can be added to a crop inspection, particularly with regards to seed verification. Inspectors will need to verify a receipt for each seed purchased, a tag or bag for each variety, and applicable organic seed searches, along with untreated and non-GMO information, as is the case when any nonorganic seed is used. A few seed records can be easily overlooked, including additional seed purchases, i.e. for replanting, running out of seed to plant causing a last minute purchase, cover crop seed, and seed purchased from the neighbors. How everyone saves their seed documents is up to them, but we have seen people save the needed documents in ways that has been as easy as keeping the purchase receipts and tags in an envelope or plastic bag or having the seed tags stapled to the applicable receipts and placed in a 3-ring binder.

Sales information can be straightforward, but it is also an easy area to have the necessary documentation unavailable when the inspector comes. Inspectors will verify all organic sales documents from the previous calendar year (these may have been filed with your previous year taxes), along with applicable non-organic and buffer sales documents. Inspectors will also verify the sales for the current year, so this

documentation should also be available for viewing.

Having seed and sales records readily available, including records for the current and previous calendar year, can save you time at your inspection. Records for both sales and seeds should also include traded products, such as trading corn for hay or trading seeds for goods and services, as bartering is an area that is typically overlooked in recordkeeping. Having these records readily available can save valuable time at an inspection.

For livestock inspections, two recordkeeping areas again come to mind that may increase time at your inspection: purchased feeds and rations. With purchased feeds, inspectors look at purchase receipts for all feed, including calf feed, along with current certificates from all suppliers. Inspectors will either verify each individual purchase, including receipts/invoices and certificates, or if someone is keeping a ledger or a written record of all purchases, a sample audit on some of the feed purchases may be done. With rations, while most individuals usually have these documented in a way that works for their operation, they may not have the actual Dry Matter Intake (DMI) received from pasture calculated before their inspection. Inspectors can help calculate this information during the inspection, but having the DMI calculated for all groups will save significant time at the inspection. If you have questions regarding how to perform DMI calculations, please contact the office and someone will be more than happy to assist you.

In short, having records ready and in an understandable order can help decrease your inspection time and make your inspection run smoothly and efficiently. While other areas always have the potential to take longer during the inspection, the areas discussed above are the most common.



2018 Producer Meetings

RSVP Forms Coming Soon – Please let us know if you are coming!

Buffalo, MO - 9AM
Mennonite School
January 29

Wilton, WI - 10 AM
Wilton Town Hall
February 19

Mondovi, WI - 10 AM
Mondovi Family Restaurant
February 27

St. Charles, MN - 9 AM
Amish Market Square
March 5

Hazleton, IA - 10 AM
Location TBD
February 12

Coloma, WI - 9 AM
Coloma Village Hall
February 26

Granton, WI - 2 PM
Granton Town Hall
February 27

Hillsboro, WI - 10 AM
Beezer's
March 6

Edgewood, IA - 10 AM
Café Rose
February 13

Bonduel, WI - 10 AM
Red Rooster Restaurant
February 27

Woodville, WI - 10 AM
Woodville Town Hall
February 28

Lancaster, WI - 11 AM
Karla's Kitchen
March 7

Your Management Team

Chris Fanta

Co-Executive Director
(Operational)

cfanta@naturesinternational.com

Terri Scott

Co-Executive Director
(Administrative)

tscott@naturesinternational.com

Elizabeth Tigan

Certification Manager

elizabeth@naturesinternational.com

Amber Biver

Administration Manager
abiver@naturesinternational.com

Lisa Stoikes

Inspector Coordinator
lstoikes@naturesinternational.com

Your Inspector/ Certification Specialist Team

Bry Everson

beverson@naturesinternational.com

Bryan Parr

bparr@naturesinternational.com

Dan Kaatz

dkaatz@naturesinternational.com

David Hettenbach

dhettenbach@naturesinternational.com

Emily Fowell

efowell@naturesinternational.com

Gail Doesken

gdoesken@naturesinternational.com

Jenna Miller

jmiller@naturesinternational.com

Karen Mischel

kmischel@naturesinternational.com

Kris Olson

kolson@naturesinternational.com

Your Certification Specialist Team

Dee Malsack

d_malsack@naturesinternational.com

Lynn Johansen

ljohansen@naturesinternational.com

Megan Olson

molson@naturesinternational.com

Your Administrative/ Financial Team

Katie Buroker

kburoker@naturesinternational.com

Marilyn Collins

nic@naturesinternational.com

Kate Holmes

kholmes@naturesinternational.com

Leila Maidana-Holen

lholen@naturesinternational.com

Amy Tomky

atomky@naturesinternational.com