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<http://www.wsj.com/articles/organic-farming-boom-stretches-certification-system-1418147586>

## Organic-Farming Boom Stretches Certification System

By Caelainn  
Barr



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The U.S. now has more than 25,000 farms and other organizations that sell organic crops and livestock, but the USDA's organic-certification program has been overtaxed by the rapid growth. Sam Hodgson/Bloomberg

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The \$35 billion organic-food industry has nearly tripled in size in the past decade, challenging the Agriculture Department's ability to monitor the more than 25,000 farms and other organizations that sell organic crops and livestock.

There are currently 81 accredited "certifying agents," or groups that stamp food as organic in the U.S. But of the 37 that had a complete review this year, 23 were cited for failing to correctly enforce certification requirements on farms

in audits, according to an internal Agriculture Department report. The 23 firms didn't properly conduct onsite inspections or correctly review applications for organic certification, among other things, the report said.

A separate Wall Street Journal investigation of USDA inspection records since 2005 found that 38 of the 81 certifying agents failed on at least one occasion to uphold basic Agriculture Department standards.

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In that time, 40% of these 81 certifiers have been flagged by the USDA for conducting incomplete inspections; 16% of certifiers failed to cite organic farms' potential use of banned pesticides and antibiotics; and 5% failed to prevent potential commingling of organic and nonorganic products, according to the Journal investigation.

Certifying agents—entities empowered by the USDA to inspect and certify organic farms and suppliers—include small nonprofit groups, state-run agencies and large multinationals. Each is paid by the farms or firms they certify.

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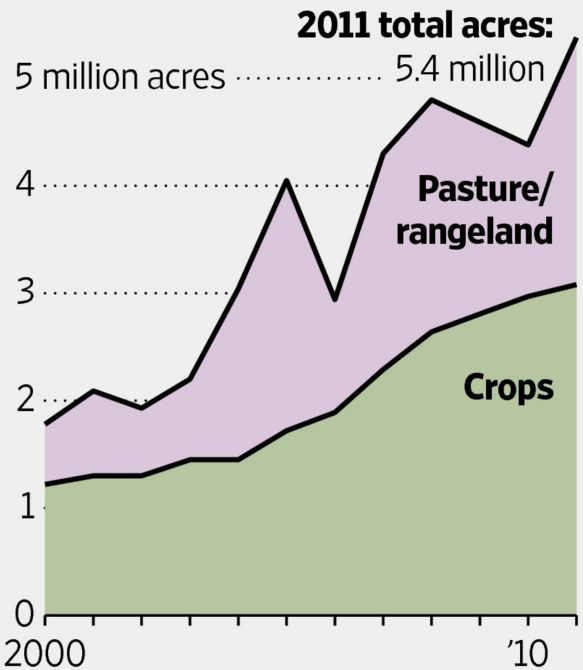
The USDA said it requires certifiers to comply with numerous requirements, and the problems found by the Journal and the agency's internal report reflected "a very rigorous accreditation process that requires full compliance and correction of identified issues." Those that fall out of compliance, like the 23 cited this year, get the opportunity to correct the problem, but are at risk of being removed from the certification program if the problem isn't fixed.

The USDA added that its certifiers were in compliance with 97% of its regulations.

Organic goods can cost as much as double that of conventional produce, but other than labels, consumers have no way to gauge what is really organic. The public must rely on guarantees from companies and nonprofit groups that the food was grown within federal guidelines.

## Growing Organic

Organic acreage has increased amid rising consumer demand.



Note: No data available for 2009

Source: USDA

The Wall Street Journal



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Organic goods can cost up as much as double that of conventional produce, but other than labels, consumers have no way to gauge what is really organic. Sam Hodgson/Bloomberg

“The whole setup of the system needs to be revamped,” said Chenglin Liu, a professor of law at St. Mary’s University in San Antonio, who has studied the organic-certification system and has raised concerns about the thoroughness of certifying agents and the lack of frequent checks by the USDA of these certifiers. “That leaves a lot of room for mistakes.”

Three agents have been removed from the certifying business by the USDA out of the 100 that have been accredited to operate since the start of the program in 2002, according to a USDA spokesman.

“We use the full set of enforcement tools that we have available to us, while also working with the legal parameters of the administrative law system,” a USDA spokesman said. “Any issues of noncompliance, however minor, are corrected.”

[Whole Foods Market](#) Inc., a leading organic supermarket chain, believes the organic stamp increases the level of “integrity” for retailers and consumers, says Joe Dickson, senior global quality-standards coordinator at the company. Mr. Dickson, who also is a member of the USDA’s national organic standards board, says the system will be improved when the agency adopts a real-time database of organic certified operations.

The USDA doesn’t currently maintain a centralized database of farms that have been suspended.

The USDA said it’s working to “increase the timeliness and accuracy of our list of certified operations” by developing a new system that will “serve as a modernized list of certified operations.” This system, the agency said, will “close any

current loopholes created by the constraints of the current database.”

Some farms found to have been in violation of USDA regulations have been allowed to reapply to the program with reduced penalties.

In 2008, Ryan Fehr was suspended by his certifier for failing to keep adequate records at his produce farm in Iowa, according to USDA appeal documents. He was reinstated in 2012, but suspended again in 2013 after he was discovered to have sold products as organic in 2010, a period when he hadn't been reinstated, the documents show. The USDA reached a settlement with the farm in 2013, allowing it to reapply to the program after paying a \$500 fine.

Mr. Fehr didn't return calls seeking comment.

*'The whole setup of the system needs to be revamped'*

—Chenglin Liu, a law professor at St. Mary's University

The agency has turned to such settlements with increasing frequency. In the nine-month period ending February 2014, it has settled cases at a rate five times higher than the average nine-month period since 2005, according to an analysis of USDA documents by the Journal. The USDA spokesman said such settlements allow agencies “to resolve compliance issues in a way that brings businesses into compliance without costly and extended administrative proceedings.”

Mr. Fehr's case followed “the standard process required for suspended operations to be considered for recertification,” the USDA spokesman said.

Some certifiers have kept violations from government agencies. In 2012, the USDA said in an audit that California-based Quality Assurance International Inc.—the nation's fourth-largest certifying agent by number of operations certified—failed to provide the results of a pesticide test to the state's agriculture department.

After the USDA reprimanded the certifying agent, it handed over the results, which showed organic cumin handled by an operation certified by QAI was contaminated with several pesticides, including Carbofuran, an insecticide that the Environmental Protection Agency prohibited for all food uses in 2009.

QAI said the incident was a single “exception,” that the certifier had notified the Food and Drug Administration and the National Organic Program of the results, and that the operation's sale of cumin was stopped “until corrective measures were in place.”

USDA said the firm “received a notice of noncompliance and implemented corrective actions to resolve the issue.”

—Rachel Graf contributed to this article.

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