

106 School Street Suite 201 Spring Mills, PA 16875 **PHONE** 814-422-0251 **FAX** 814-422-0255 paorganic.org

MARCH 2021

DEAR PCO CERTIFIED OPERATION,

This letter is to inform you of recent organic industry updates related to import and export of organic products.

### 1. Termination of US-India Recognition Agreement

The National Organic Program (NOP) has recently changed its approach to organic oversight in India. Specifically, the USDA Agricultural Marketing Service informed India's Agricultural and Processed Food Products Export Development Authority (APEDA) on January 1, 2021 that the NOP is ending the US-India organic recognition, which was established in 2006. This decision starts a transition period which will allow organic operations certified by APEDA-accredited certifiers to apply for direct certification by USDA-accredited certifiers to the USDA organic standards.

By July 12, 2021, a business in India wishing to export organic products to the US must have applied for USDA-NOP certification. This does not mean that only the final India-based exporter of the product must be seeking USDA-NOP certification, rather that all entities in the supply chain must be seeking certification. By July 12, 2022, all organic products being exported to the United States from India must be certified organic to the USDA-NOP and have a valid organic certificate.

If you are buying from an organic supplier certified by an APEDA-accredited certifier, communicate with those suppliers about the need to apply for NOP certification to a USDA-accredited certifier by July 12, 2021 to continue their business with you. After July 12, to continue accepting products from those suppliers, you will need to use the Organic Integrity Database to verify that any organic supplier is already certified or has applied for organic certification with a USDA-accredited certifier. This verification process and how your operation implements it will be reviewed by your Certification Specialist and checked at your annual inspection.

#### 2. US-Canada Equivalency Arrangement Aquatic Plants Update

The current US-Canada Organic Equivalence Arrangement (USCOEA) allows the trade of organic seaweed products (including spirulina and chlorella) certified under either the USDA NOP regulations or Canada Organic Regime (COR) organic agriculture standard. As of **January 15, 2021**, seaweed products certified to the COR standards must also meet the Canadian aquaculture standard (Organic production systems Aquaculture – General principles, management standards and permitted substances lists, <u>CAN/CGSB-32.312-2018</u>). This was determined by Canada's Safe Food for Canadians Regulations (<u>SFCR- Part 13</u>). Under the USOCEA, both USDA and COR certified seaweed products continue to have access to both Canadian and US markets. While this change does not appear to have direct impact on PCO certified operations as this revision is only relevant to operations certified directly to the COR standards, PCO wanted to ensure our clients were informed of this change.

## 3. EU Certificates of Inspection Extension

On July 7, 2020, the European Commission (EC) published an update (2020/997) permitting certain exceptions to the EC organic regulations due to the COVID-19 pandemic. One of these exceptions was that certificates of inspection (COIs) were no longer required to be printed, hand-signed, and hand delivered with imported products. Under this provision, COIs could be generated in the Trade Control and Expert System (TRACES). The original cut-off time for this exception was September 20, 2020. The most recent update from the EC extended this deadline to February 1, 2021, however some countries are still not requiring a printed and signed



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COI. If you are planning to export an organic product to the EU, please be prepared to verify if a physical copy of the COI will be required.

#### 4. Formation of a US-UK Equivalence Arrangement

Effective January 1, 2021, the United Kingdom (UK) officially exited the European Union, finalizing the long transition period often referred to as "Brexit." In order to maintain trade of organic products between the UK (including England, Scotland, Wales, and Northern Ireland) and the US, the USDA and the UK have formed a new equivalence arrangement. This arrangement will allow organic products to be certified to either the USDA NOP or UK organic standards in order to be labeled and sold as organic in both countries.

This new equivalence arrangement requires that organic products certified to the USDA NOP standards being sold into the UK must be accompanied by a new UK import certificate. The UK will utilize a new export document manually processed outside of the EU's <u>TRACES</u> document system. The Great Britain Certificate of Inspection (COI) mirrors the COI used by the EU and needs to be signed by PCO before the shipment leaves the United States. Organic shipments will be accepted by the local Port Health Authority (PHA) or Local Authority (LA) in the UK with a copy of the COI, but the original Great Britain COI must be presented and endorsed to PHA or LA within 10 working days for the consignment to be sold as organic. Shipments of USDA organic products into Northern Ireland will continue to use the EU TRACES certificate of inspection system.

The US-UK equivalence arrangement is limited to organic products that have been either raised within the US or UK, or products for which the final processing or packaging occurs within the US or UK. This includes products processed or packaged in the US or UK that contain organic ingredients from third countries that have been certified to the USDA or UK organic standards. Exported products, including wine, must meet the labeling requirements of the destination country. Exceptions to this arrangement include agricultural products derived from animals treated with antibiotics and aquatic animals (fish, shellfish) which may not be exported to the US as certified organic.

#### 5. Organic Exports to Mexico

On December 26, 2020, the Mexican Ministry of Agriculture and Rural Development (SADER) published a measure which requires that organic products exported to Mexico must be certified by SADER to Mexico's organic standards under the Organic Products Law (LPO) beginning on June 26, 2021. Only products listed in sections b) to f) of Annex 1 of the published measure will be required to be certified to Mexico's organic standards. This update is being followed closely by PCO and other stakeholders in the organic industry. PCO will notify its clients as more developments occur.

# As a reminder, prior to exporting certified organic product outside of the US, a PCO-certified operation must:

- 1. Complete and submit to PCO an International Trade Supplement for OSP.
- 2. Indicate on the Product Profile of specified products which country you plan to export product(s) to. Submit all applicable labels to PCO for review and approval.
  - a. Products for export, produced and certified to foreign national organic standards or foreign contract buyer requirements, may be labeled in accordance with the organic labeling requirements of the receiving country or contract buyer: Provided, That, the shipping containers and shipping documents meet the labeling requirements specified in §205.307(c).



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- 3. Have the compliance program indicated on your Organic Certificate Addendum (OCA) for trade equivalency arrangements.
- 4. Indicate to PCO when a specific shipment is being exported, <u>prior to the export of the product</u>, through the completion of the appropriate export document. See below for country specific requirements.
  - a. Failure to contact PCO prior to export or shipment may result in a noncompliance.
- 5. Pay applicable fees.
  - a. Effective January 1, 2020, PCO has instituted an International Export fee of \$250, which applies to operations exporting organic products. This fee also applies to operations who request verification that their organic products meet the terms of an equivalency arrangement between the US and another country. Please contact your Certification Specialist if you have questions about whether this fee is applicable to your operation.

Sincerely,

Kyla Smith

Certification Director