



Organic Fraud Prevention Plan

Guidance

What is Organic Fraud?

Organic Fraud is described in organic regulations as the deceptive representation, sale, or labeling of nonorganic agricultural products or ingredients as organic. Organic fraud poses a significant risk to organic integrity and confidence in the organic seal.

What is an Organic Fraud Prevention Plan?

Organic regulations now require that ALL certified operations have an Organic Fraud Prevention Plan (OFPP). Each OFPP must be designed to meet your operation's unique activities, scope of operation, and complexity. OFPPs will look different for a small farm versus a complex processing facility. All operations must outline their OFPP in their Organic System Plan (OSP) which will include a description of the practices and procedures to:

- Identify suppliers in your supply chain and the organic status of agricultural products received
- Prevent organic fraud
- Monitor the success of your OFPP
- Report instances of fraud

What is a Supply Chain?

A supply chain is the network of suppliers, storage facilities, transporters or growers that provide the ingredients or products your operation uses to create the products you market as organic. Every organic operation's supply chain will look different and include different products to consider. Supply chains for all incoming products must be evaluated back to the last certified operation that handled the organic product. Products may include seeds, raw ingredients, livestock, livestock feed, brokered products etc. Some supply chains may be short (CSA farms sourcing produce from another local farm) and others may be long (processors sourcing ingredients produced and exported from other countries). Some supply chains may be direct (another organic farmer delivers products to your door), and others may be more complex (a livestock hauler picks up livestock to take to an auction facility in another state).

How Do I Create an Organic Fraud Prevention Plan?

Each OSP includes an Organic Fraud Prevention Plan section that includes questions designed to collect the information required for your Organic Fraud Prevention Plan. As you prepare to provide this information on your OSP, use the following questions to assess your operation. Your OFPP should aim to describe:

- 1. Where may fraud be present in your supply chain?**
 - a. Vulnerability Assessment:** You must assess your operation and supply chain to understand where and when fraud may occur. These are considered critical control

points and may include activities tracing back to the last certified operation (including storage or transportation) of organic products you receive, as well as ports of entry, uncertified handlers, etc.

2. How will you mitigate and prevent fraud?

a. Mitigation Measures: You must determine what practices or actions you will use to prevent fraud from taking place based on the results of your assessment.

3. What are you doing to monitor this approach?

a. Monitoring/Continuous Improvement: You must assess the efficacy of your practices and actions to prevent fraud and adjust them as needed to meet new fraud concerns.

4. What are you doing to respond to occurrences of fraud?

a. Reporting: You must develop a plan for responding to and reporting occurrences of fraud to PCO or the NOP.

You will need to look at your unique operational circumstances to evaluate the risk factors that may impact your supply chain or products. The outcome of this work will look different for every operation. You may consider creating a **Supply Chain Map** if your operation or supply chain is complex in order to identify all entities within your supply chain, including linkages like importing, transportation, or storage.

What Increases the Risk of Fraud in the Organic Supply Chain?

There are several factors that may impact the likelihood of fraud occurring in your supply chain. Factors may include:

- Market prices or fluctuations
- High demand
- Low supply
- Long complex supply chains
- Uncertified operations in the supply chain
- Incomplete or missing recordkeeping
- Products crossing international borders
- New supplier relationships
- Poor organic control points
- Other risk factors

Organic Fraud Prevention Plan Examples:

Organic Fraud Prevention Plans will look different for every operation. Below are some examples to support a better understanding of the OFPP concept. Your operation's OFPP should be designed to meet your operation's unique production, recordkeeping, and documentation practices.

CROP: A crop operation may purchase certified organic seeds or seedlings. These products and supply chains would need to be reflected in the OFPP.

1	Vulnerability Assessment	<p>Risk identified: seed sourcing</p> <ul style="list-style-type: none"> • When sourcing organic seed, seed treated with a prohibited substance could be sent instead
2	Mitigation Measures	<p>To prevent this, you might:</p> <ul style="list-style-type: none"> • Only order from reputable suppliers • Only purchase from organic suppliers • Order in advance, before supply runs low
3	Monitoring & Continuous Improvement	<p>To monitor your plan, you might:</p> <ul style="list-style-type: none"> • Check purchased seeds and documentation when delivered • Verify seed treatments with the certifier before applying to fields • Annually review seed supplier reliability
4	Reporting	<p>Your reporting system might include:</p> <ul style="list-style-type: none"> • Documentation of activities for monitoring risk • Having a reporting process to document problems • Having a system to preserve evidence (seed tags, invoices, supplier name & related communications, etc)

LIVESTOCK: A livestock operation may purchase certified organic livestock, organic bedding (if it's roughage), and organic feed (such as grain or hay). For this kind of operation, each of these organic products and suppliers needs to be included in the OFPP.

1	Vulnerability Assessment	<p>Risk identified: Receiving ineligible or misrepresented livestock from another operation.</p>
2	Mitigation Measures	<p>To prevent this you might:</p> <ul style="list-style-type: none"> • Understand the requirements for livestock eligibility • Train staff • Review the operations being sourced from • Create a recordkeeping system to document all required traceability and identification points
3	Monitoring & Continuous Improvement	<p>To monitor your plan, you might:</p> <ul style="list-style-type: none"> • Verify eligibility and organic status prior to purchase • Review internal systems for verification and recordkeeping annually
4	Reporting	<p>Your reporting system might include:</p> <ul style="list-style-type: none"> • Creating a procedure for reporting concerns to the certifier

HANDLING: A handling operation needs to include all organic ingredients that are purchased to produce processed and/or packaged products. The OFPP must also include other handling activities (outside of processing) for example: when an operation is facilitating the sale of organic ingredients or products where there may or may not be physical possession of the ingredients or products; when an operation is storing organic ingredients or products.

1	Vulnerability Assessment	Risk identified: Imported ingredient from a geographic region of high risk of fraud
2	Mitigation Measures	<p>To prevent this you might:</p> <ul style="list-style-type: none"> • Interview supplier prior to purchasing • Verify organic status of supplier on OID prior to purchasing • Request documents to trace product back to source farms • Verify organic status of supplier through OID regularly • Create a process to manage incoming product that arrives with inadequate documentation
3	Monitoring & Continuous Improvement	<p>To monitor your plan, you might:</p> <ul style="list-style-type: none"> • Perform internal audits for high risk ingredients • Periodic residue testing • Staff training and communication plan
4	Reporting	<p>Your reporting system might include:</p> <ul style="list-style-type: none"> • Document all activities for monitoring risk • Have a reporting process to document problems • Have a system to preserve evidence (organic certificates, invoices, internal audit results, residue test results, etc)