

**Organic Advisory Board**  
**May 6, 2008**  
**WSU Tree Fruit Research Center**  
**Wenatchee, WA**

**Members Present:** Michele Catalano (Consumer Representative), Steve Hallstrom (Let Us Farm), Andrea Pipitone (Pipitone Farm), Aaron Avila (GS Long), David Granastein (WSU), Luis Acuna (CF Fresh/OTA), Harold Austin (Zirkle Fruit), Eiko Vojkovich (Skagit River Ranch), Dan Dufault (Emmanual Enterprises)

**Members Absent:** Phil Unterschuetz (IFM), Jay Gordon (Gordon Dairy, Inc.), Dan Odegard (Watts Brothers)

**Guests:** Paul Shepard (Brown and Cole), John Hyer (Challenger Farm/Desert Ridge Produce)

**WSDA Staff Present:** Miles McEvoy, Brenda Book, Del Long

**Recording:** Brenda Book

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### Introductions and Announcements

- Director Valoria Loveland has retired as of 5/5/08

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### Organic Program Update – Miles McEvoy

- OFP Performance Goals reviewed.
- Customer Satisfaction
  - Measurement of customer satisfaction via phone surveys continues.
  - Last quarter results = 4.2 out of 5
- Financial
  - The OFP continues to be on track in terms of revenue.
  - Expenses are higher than anticipated due to:
    - New staff and equipment
    - Replacement computers for inspectors
    - Replacement vehicle for David Simpson
    - Sampling of flooded areas
    - Accreditation expenses
      - *OFP will be moving to IOAS for ISO 65 rather than USDA to help with costs*
- Strategic Plan
  - Has not been updated due to upcoming agency wide changes regarding strategic planning.

- Staffing update
  - Ongoing process of evaluating employee satisfaction through “12 questions”
  - 3 new reviewers, 1 new admin staff added March and April
  - King County inspector interviews in the next two weeks
    - ▶ Discussion on staff workloads, responsibilities, priorities, and how new staff is affecting timeliness and compliance.
- Applicant Status – Number of applicants, growth trends

	2007	2008 – As of 5/1/08	Outstanding (have not withdrawn or renewed)
Producers	750	738*	49
Processors	190	169	47
Handlers	147	115	35
Retailers	13	21	0

\*¾ of Producer renewals have been completed and paperwork is in the hands of the inspectors.

- Notices of Noncompliance for nonrenewing producers were sent in April. Notices of Proposed Suspension will be sent in May.
- Notices of Noncompliance for nonrenewing handlers, processors, and retailers will be sent in May.
- Flood and sampling report
  - Samples did not reveal any contaminants that would affect the organic integrity of the fields and crops in flooded area. Press release went out regarding this fact.
    - ▶ OAB members are pleased on the staff’s response and follow up to ensure organic integrity is maintained.
- New database report
  - OFP staff are still disappointed with agency database project but will be seeing the project through to see if what end product looks like and whether it will suit needs.
  - E-cert program is an alternative as we have positive feedback from other certifiers. The program costs \$70-100,000 and OFP would like to budget for this.
    - ▶ Member discussion of pros and cons of two systems.

#### 2007 Internal Audit Corrective Action Plan – Miles McEvoy

- Krista Wanser of Tree Top Quality Systems conducted internal Audit in December 2007. Findings were discussed in February OAB meeting.

- Proposed Corrective Action Plan – *See Handout for Details*
  1. Analysis of Previous Findings - *Completed*
  2. Certification File Reviews – *No Action Needed*
  3. Changes in Standards and Certification Requirements – *In Progress, to be completed by end of 2008*
  4. Quality Manual - Updating and reorganizing manual - *In Progress, to be completed by end of 2008*
  5. Recordkeeping and Database – *In Progress through UDIS project*
  6. Internal Audits and Management Reviews – *In Progress, to be completed by 10/08*
  7. Human Resources – *In Progress*
  8. Appeals, Complaints and disputes – *Completed*
  9. Materials Review – *In Progress, to be completed by end of 2008*

**Motion: To accept the proposed corrective action plan as presented by OFP Staff.**

Motion by Steve Hallstrom

Second by Aaron Avila

Passed Unanimously

#### **Future of Farming – Steve Hallstrom**

- The Washington State Department of Agriculture (WSDA) Future of Farming project will develop a strategic plan to guide decision makers as they work to support the continued economic viability of the state's \$34 billion food and agriculture industry.
- WSDA has hired an agricultural economist, Jennifer Harte, to coordinate the project
- The goal of the project is to pass on a vibrant farm economy to the next generation of Washington producers.
- A project steering committee representing a broad cross-section of the industry has met to develop a framework for prioritizing discussions.
- Steve Hallstrom represents the organic sector on the steering committee.
- Steve is currently working on a summary paper regarding the needs and challenges in the organic industry for the next 20 years and is asking the OAB for their feedback.
- The summary papers will be used to put together the strategic plan in September 2008.
- Other sectors represented on the steering committee:
  - Aquaculture
  - Research and Education - WSU
  - Seed
  - Dairy
  - Organic
  - Wine
  - Cattle
  - Small farms and direct marketing
  - Food processors

- Hay
- Nursery/Landscaping
- It was noted that Steve's list of representatives does not include a tree fruit representative!

Discussion:

- ▶ Eiko – Organic is the only industry growing 20% per year. However the public funding is minimal. Organic farming protects soil and water for future generations, yet it has to fund its own certification. Organic farming needs the same state and federal support as other areas of agriculture.
- ▶ Per WSU research organic farming is putting nutrients back in food.
- ▶ Dan - Organic is still small percent of WA agriculture, but with significant growth trends. It makes it difficult to project out 20 years.
- ▶ Andrea – There is a need for tax relief for keeping land in agriculture, in order to secure the viability of farming for the future (this is a need for all farming sectors, not just organic).
- ▶ Luis – Need for a Crop Insurance Program that protects organic farms due to the higher risk they have regarding crop loss. Currently – insurance premium is higher for organic farms, but returns are at conventional prices. (noted that crop insurance is a federal program).
- ▶ John - What are concerns that are unique to organic versus conventional? There are also differences in the challenges between large and small organic producers.
- ▶ Harold – Organic farming has a high profitability right now, but inputs are going up. Revenue will have a downward turn due to the increased supply of organic tree fruit that has transitioned over the last few years. Sustainability of organic agriculture is needed to secure the longevity of organic industry in our state.
- ▶ Michele and David – Reminded of the Organic Commissions conversations of past. A commission is established by legislature and a commission is a way for the industry to help fund this sector.
- ▶ Organic has grown and become a significant part of our state tree fruit industry specifically. Existing commissions need to be modified to specifically fund organic farming, or there needs to be the creation of an organic commission to target funds for organic farmers.
- ▶ John – Organic farmers are coming up against other state regulations. For example: Dept of Ecology regulates commercial composting. The current regulations prevent organic farmers from making their own compost on a large scale... even though they have all the resources to make and need to build their soil per organic standards.
- ▶ David - Recycling of organic materials is vital to ensure we are not dependant on outside resources and inputs for fertility. Organic farming needs to be able to use, but conventional ag will use these same materials as well.
- ▶ Michele - Access to inputs – way to access regional nutrient inputs rather than ship and import in.
- ▶ Miles - Other WSDA programs are funded with a combination of fees and general funds. However, the organic program is solely fee funded. There is a need for equitability of funding in the state.
- ▶ Andrea - Organic offers the 'green' alternative that is being sought by consumers.
- ▶ GMO contamination is a concern for organic farmers and consumers. Need to be able to track and notify organic farmers of locations of gmo crops and even add compensation requirement if drift contaminates organic crops.. *See legislative proposals handout for more details.*
- ▶ Transportation costs is a concern and challenge for the future.
- ▶ Need to ensure there is a local preference from buyers and retailers in our state- incentives for choosing WA state products.
- ▶ Eiko – establish a carbon credit system for organic farming.

- ▶ Legislative incentives for organic farming and transitioning to organic farming are needed – cost share program on state level (Minnesota is an example).
  - ▶ See below Legislative Ideas for further discussion on this topic.
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### Legislative Ideas – Michele Catalano (*See Handout for further details*)

- In February, the OAB discussed their possible role in bringing organic issues to the legislature. Some specific possibilities were discussed:
  1. Notification of GMO crop locations
    - Important especially for foreign markets. Need to be proactive before more crops are impacted (tree fruit).
    - Steve – add compensation requirement if drift contaminates organic.
    - David – technology is changing quickly. May be difficult to even detect in the future.
  2. Require all organic operations to obtain organic registration
    - add funds for education too.
  3. Require land that is being converted from conventional to organic production to obtain certification during the transition.
    - Used to be a state requirement.
    - Ensure 36 month transition is met
    - Help track organic acreage that is coming into the program
  4. State funds for enforcement of organic standards
  5. Cost Share Program
    - State program to provide resources when National \$ is not there – Minnesota example.
  6. State funds to develop organic programs to meet emerging foreign market standards.
  7. Mandatory GMO labeling.

It was discussed that several of these ideas could be ‘packaged’ together. Possible package ideas include:

- 1, 2, and 4
  - 2, 4, and 6
  - 2, 3, 4, and 6
  - ▶ Michele and Luis will form a task force to work to fine tune legislative ideas for presentation to Ken Jacobson to bring to the state Agriculture Committee. They will also work to see if other groups would be interested in collaborating on this project (such as WA Food and Farming Network, PCC and other retailers, Non-GMO Project).
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### Organic Integrity Discussion

- Members expressed further concerns about operations that are not following the regulations and it was noted that mandatory registration would help ensure everyone is following either the exemption, exclusion, or regulation.

- Consumer education needs to increase but OFP doesn't have funds or staff to do this work at this time. Some possible ideas if funds are available would be:
  - Send info and point of purchase info to market managers or market vendors.
  - Provide market vendors with a WSDA Certified Organic sign
- Items the OFP is doing right now to ensure integrity:
  - Farmers market surveillance program
  - Following up with complaints
- Members reiterated expectations:
  - Respond to unexpected issues and concerns such as floods, feed from China, drift cases.
  - Follow up on complaints
  - Conduct surveillance
  - Ensure certified operations are following standards
- ▶ Brenda will send out list of exemptions and exclusions of what organic claims can be made under the National Organic Standards.
- ▶ Michele, Andrea, and Luis will work on putting together press releases on the organic label and claim... focusing on the difference between eco labels and the organic label.

**MOTION – WSDA Organic Food Program will purchase hats or shirts for all inspectors to wear during surveillance inspections at markets and retail operations.**

Moved: Andrea  
 Seconded: Eioko  
 Passed unanimously

### **National Organic Standards Board recommendations**

- Next NOSB meeting is at the end of May.
- The deadline for comments on recommendations was 5/5/08
- Commercial availability of organic seed
  - Guidelines were again put together by Crops and CAC committees.
  - Details in guidelines would create a significant burden on both small producers and certifiers.
  - WSDA submitted comments against the details in the recommendation.
- ▶ Harold Austin may be attending the NOSB meeting and is willing to give public comment on the recommendation on behalf of the OAB.
- ▶ Michele and Miles will communicate with Jennifer Hall regarding the issue and the concerns about the details of the current Commercial Availability Guidance recommendation. (Jennifer is on the CCA Committee)
- ▶ Miles will forward the OAB members a copy of the comments submitted by WSDA.
- Fish feed for organic aquaculture
  - WSDA operations are not involved with at this time and therefore the OAB will not take any action on this recommendation.

- Materials – new petitions, sunset review
    - Review of current recommendations. Noted that sunset materials are not due to sunset until 2011 and there will be other comment periods before final rule making.
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### International Programs

- Manure in organic production
    - Review of current WSDA EU program requirements around manure use and EEC 2092/91 language.
    - EEC 2092/91 = Manure/compost from extensive holdings is allowed. Manure/compost from confined animal operations is prohibited.
  - Canada's new organic law
    - Concern on manure issue since following EU. Different interpretations on requirements. Concern is from contamination of pesticides, antibiotics, etc. and animal welfare issue. We can test for contaminants, but welfare issue is difficult to enforce, regulate since these are nonorganic operations. Regional inputs versus importing in, need to build soil with own system.
    - no sodium nitrate
    - gibberelic acid ok
    - potassium bicarbonate may be ok
  - IFOAM revision of the Basic Standards
  - Change to standards will be happening in June
  - The change could result in WSDA dropping accreditation due to watering down of standard.
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### Material Registration Program

Katherine Withey provided an overview of current activities by the material registration program.

- As of May 2008, 573 approved materials are on the BNML with 79 products pending. This is an increase of 11.6 % from 2007. Fee income as of April 30<sup>th</sup> is \$139,713.00
- Contracts with other certifiers
  - On April 18<sup>th</sup> agreements were sent out to 55 domestic USDA certifiers. These contracts allow other certifiers to use the WSDA list as a review source for materials while they are making certification decisions. Service is offered free of charge. As of 4/30/08 11 signed agreements were received.
- Relationship with NOP
  - Miles and OMRI met with USDA regarding material registration programs. USDA came out with a statement recognizing these material review programs as a resource for certification agencies.

- ISO Guide 65
    - The material program is developing a more in-depth quality manual to ensure full compliance with ISO Guide 65 and enable the program to review materials to international standards for 2009.
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### Organic Advisory Board business

- Review of February 2008 Notes

**Motion: To approve February 2008 Organic Advisory Board Meeting Notes with minor changes to member information.**

Moved by Dan Dufault  
Seconded by Luis Acuna  
Passed Unanimously

- New Member Applications
  - Paul Shepard – handler (retailer)
  - John Hyer – eastern WA vegetable grower, handler

**Motion: To accept Paul Shepard's application for the Organic Advisory Board.**

Moved by Steve Hallstrom  
Seconded by Andrea Pipitone  
Passed Unanimously

**Motion: To accept John Hyer's application for the Organic Advisory Board.**

Moved by Steve Hallstrom  
Seconded by Aaron Avila  
Passed Unanimously

- Updated 2008 Meeting Schedule
    - **Fall Meeting:** Thursday, November 6th – Bellingham (in conjunction with Tilth Conference – 8am or 9am start time.
    - **EU Review Committee:** Wednesday, November 5th – Bellingham - Noon start time. David will not be participating.
    - A summer conference call will only occur if there is a specific topic that needs to be addressed. No call is scheduled at this time.
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## Open Forum

- Andrea – Sampling of China Feedstock for contaminants
  - Feed is in short supply right now and still remains a risk.
  - OAB would like to see OFP target and conduct sampling of these products.

## Agenda items for future meetings

- Future of Farming report from Steve
- Compliance, Surveillance, Enforcement – farmers market surveillance
- Legislative Proposal
- Farm Bill
- Market report – organic fruit volume – how doing and how it may affect future production

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## Handouts:

1. May 6, 2008 Meeting Agenda
2. Organic Food Program – 2008 Performance Goals
3. March Press Release re: December 2007 Floods
4. Legislative Ideas
5. February 5, 2008 OAB Meeting Notes - DRAFT
6. 2007 Internal Audit Report Summary
7. 2007 Internal Audit Corrective Action Plan

## Motions Summary:

### Passed Motions -

- WSDA Organic Food Program will purchase hats or shirts for all inspectors to wear during surveillance inspections at markets and retail operations.
- To approve February 2008 Organic Advisory Board Meeting Notes with minor changes to member information.
- To accept Paul Shepard's application for the Organic Advisory Board.
- To accept John Hyer's application for the Organic Advisory Board.

## Task Summary:

- ▶ Brenda will send out an updated OAB contact list.
- ▶ Tilth Conference – November 7<sup>th</sup> – Miles will look into holding a meeting/session involving OAB and certification.
- ▶ Summer updates provided by staff as they occur:
  - Canadian Rule and Accreditation
  - IFOAM
  - GMAP
  - IOAS Audit Results
- ▶ OAB would like to see OFP target and conduct sampling of feedstocks from China.
- ▶ Harold Austin may be attending the NOSB meeting and is willing to give public comment on the recommendation on behalf of the OAB.

- ▶ Michele and Miles will communicate with Jennifer Hall regarding the issue and the concerns about the details of the current Commercial Availability Guidance recommendation. (Jennifer is on the CCA Committee)
- ▶ Miles will forward the OAB members a copy of the comments submitted by WSDA.
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