



Thursday, February 12, 2009

## Organics fraud sparks industry discussions

*Leading certifier revises policy on fertilizers*

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Last week at the annual board meeting of California Certified Organic Farmers, fraud in the organic-certifying system was a prime topic.

"Our members are concerned on a number of levels; first of all, that cheating could be taking place," said Claudia Reid, the organization's policy director, after the meeting. "It's an industry that depends, at least for now, on trust."

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The current talk of the organics industry revolves around the now-defunct California Liquid Fertilizer. In December, the Sacramento Bee reported that the California Department of Food and Agriculture took two and a half years to decide what should be done after learning that the Salinas-based company was using synthetic nitrogen in its organic products.

CCOF has since revised its policy on fertilizers, mandating third-party inspections of its approved fertilizer manufacturers. By Oct. 1, the certifier will notify its member growers of any manufacturers that failed the test.

"We're working very hard to make sure everybody knows what's going on," said Jane Baker, director of sales and marketing with CCOF. "We're doing our part to push for strong oversight. I think everybody needs to play a role. We're all in this together."

Those in the industry have argued that CDFA, which is responsible for enforcing the rules of the National Organic Program in California, needs sharper teeth. The result of the agency's long investigation was a quiet settlement with California Liquid Fertilizer that removed its tainted products from the market. The company, which once controlled about a third of its market, has since been sold to Converted Organics Inc.

At a Feb. 3 hearing of the Senate Committee on Food Agriculture, CDFA gave testimony that portrayed its enforcement program as insufficiently equipped to crack down on large-scale fraud.

When the state began investigating the case, investigators contacted the Organic Materials Review Institute of Eugene, Ore. - the leading third-party reviewer of organic input products - for records the organization compiled during its certification process of California Liquid Fertilizers' products.

David DeCou, executive director of OMRI, testified to the ag committee that CDFA had requested that OMRI not notify the company of the investigation.

Meanwhile, OMRI kept the company's products on its safe list. Having already certified them, the organization could not revoke its approval without proof of transgressions, DeCou told the senate committee.

California Certified Organic Growers likewise kept mum about the suspicions surrounding California Liquid Fertilizer. When questioned by Sen. Dean Florez, D-Shafter, chairman of the Senate ag committee, Certification Services Director Jake Lewin said he couldn't explain CCOF's lack of action because it had occurred under previous management.

Meanwhile, CCOF declined to revoke the certification of member growers who used the tainted fertilizer, citing good-faith efforts.

"If they have been victimized, we're not going to further victimize them by destroying their livelihood," Lewin said.

Florez argued that had the growers suffered some damage, they might have had grounds and motivation to sue the fertilizer maker.

Likewise, Florez said, the manufacturer suffered no real punitive action, and thus the system lacks the checks and balances that could prevent such incidents in the future. As it turned out, he said, the only loser is the consumer, who bought organic produce that wasn't really organic.

"What good is the whole organic market if you can't give people confidence (because) some growers are currently growing product that they call organic, that is really not organic because of this huge mishap?" Florez said.

In collaboration with CDFA and other groups, Assemblywoman Anna Caballero, D-Salinas, is authoring legislation to boost the agency's enforcement mandate. Proposals so far include increasing fines and felony provisions for input manufacturers, and requiring organic registration and labeling of organic fertilizers sold in bulk, said Caballeros spokeswoman Angela Mapp.

"The biggest goal is to tighten down the regulations and the enforcement authority that CDFA has," Mapp said.

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