



Economic Policy

Organic food fraud leads Congress to weigh bill doubling USDA oversight

By [Peter Whoriskey](#)

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Amid growing tumult over whether the “USDA Organic” label really guarantees that a product is grown as advertised, Congress is weighing legislation that would roughly double the budget for the USDA’s oversight of the organic industry.

The bill, introduced by Rep. John J. Faso (R-NY), has 33 House cosponsors, and its backers hope that its bipartisan support will enable its passage next year.

The USDA's National Organic Program is supposed to protect consumers from food that is advertised as organic but that does not meet organic standards. This year The Post has published several stories casting doubt on the authenticity of the products from some of the largest "organic" producers of [milk](#), [eggs](#) and [imported grains](#).

"There's a growing concern about the capacity of the Agriculture Department to accurately monitor products that are labelled organic but may not actually be," Faso said, citing the shipments of bogus organic soybeans from the Ukraine through Turkey to the United States, which was [reported in The Post](#) in May.

"Because you can get a premium price, there are inevitably going to be people who will try to trick the [organic] system," Faso said. "Under the terms of this bill, we will gradually increase the funding that's available to the department and the regulators, so that we can better track and monitor these products."

The legislation roughly doubles the budget for the USDA's organic program to \$24 million over the next five years. It also, among other things, calls for the modernization of the USDA system that tracks imports of purportedly "organic" foods, allows organic inspectors to share

investigative information across a supply chain, and requires officials to file an annual report to Congress detailing its organic investigations.

"I definitely support it," said Sen. Patrick Leahy, (D-VT), who sponsored the 1990 legislation creating the USDA's organic program. Since then, he said, the rapid growth in sales has outpaced enforcement. "We've built a tremendous, \$47 billion industry. I'm not going to let it disappear."

The legislation caps a year of unprecedented upheaval within the organic food industry where, while sales remain strong, many have warned that gaps in enforcement of the "USDA Organic" label is eroding consumer faith.

The responsibility for regulating the industry lies with USDA's National Organic Program, which defines what farming methods count as organic and issues certificates to farmers and handlers that comply with those rules. Those certificates allow those farmers and handlers to sell food as "organic." The organic label enables them to charge as much twice the price of a conventional product.

For years, an organic watchdog group, the Cornucopia Institute, raised questions about the rigor of organic enforcement. This year, however, amid reports of failures in several significant components of the industry, the program has faced a remarkable level of skepticism. In September, the chief of the program, Miles McEvoy, announced that he would be retiring. But several other events promised that the turmoil would continue.

The questions about the program largely revolve around the belief that products unfit to be called "organic" are nevertheless winning the right to bear the "USDA Organic" label.

Several farm groups are, out of frustration, creating alternatives to the "USDA Organic" label. Most prominently, the Rodale Institute, a key early supporter of the "USDA Organic" label, and Patagonia, the apparel maker, are promoting a new "regenerative organic" standard that they say will fill in gaps in the current USDA organic rules. In announcing the program, Rose Marcario, president of Patagonia, wrote that the "boom for organics has coincided with a boom for imposters."

The Organic Trade Association, which represents 9,000 organic businesses in the U.S. and has long been an ally of the USDA's National Organic Program, sued the USDA in an attempt to force it to establish more humane rules for livestock on "organic" farms. As [a Post story illustrated](#) earlier this year, those rules are much less stringent than many consumers think: a henhouse can be deemed "USDA Organic" even if it holds 180,000 birds who are not allowed outside and are kept at a density of three hens per square foot of floor space. In a follow up decision, the [USDA ruled](#) that the animals in "organic" products need not be treated any more humanely than those in conventional farming.

As much as half or more of some organic commodities are imported, and in [a September audit](#), the Inspector General of the USDA revealed that bogus "organic" products from overseas could easily get into the U.S. undetected. It found lax enforcement of at U.S. ports. The report followed an article in The Post revealing that millions of pounds of fraudulent "organic" corn and soybeans had reached American ports. According to the inspector general: "The USDA "was unable to provide reasonable assurance that ... required documents were reviewed at U.S. ports of entry to verify that imported agricultural products labeled as organic were from certified organic foreign farms."

These signs of discontent arise at least partially from the rapid growth of the industry. As it has grown, critics say, the industry has outgrown USDA enforcement capabilities. In addition, the growth means that the idealistic farmers who joined the organic movement years ago have come elbow-to-elbow with much larger companies which, according to critics, seem more interested in profits than farming to improve the environment or health.

"What was the organic movement has lost control of the National Organic Program - the pirates have taken over the ship," said Dave Chapman, a Vermont farmers who has farmed organically for 37 years.

This year, Chapman helped organize a series "Protect Organic" rallies across the country. He, too, is seeking with other farmers to develop an alternative to the "USDA Organic" seal which, he believes, betrays consumer expectation.

"There are systemic problems," Chapman said. "This is not just a few bad eggs. Unfortunately, consumers have no idea what they're getting with 'USDA Organic' anymore."

Whether the new legislation would, if passed, silence such criticism may be unlikely.

The legislation leaves unaddressed two fundamental aspects of the National Organic Program that, critics say, undermine enforcement of organic standards.

First, is the position of the National Organic Program within the bureaucracy. While the “USDA Organic” label might seem to consumers to be equal to other USDA labels, the enforcement of the “USDA Organic” label is not conducted by the usual USDA inspectors. Instead, the National Organic Program is tucked into the USDA’s marketing arm, the Agricultural Marketing Service, and that is geared more toward boosting sales than inspecting food.

“In all fairness, no one at USDA has ever really wanted the [organic] program - it has always been the ugly step sister of the department,” Richard Mathews, former assistant deputy of the USDA office that oversees the organic program. “It doesn’t really get the support it needs.”

Second, there is a conflict of interest embedded in the organic inspection program. To win the “USDA Organic” label, farms need not undergo a review by government inspectors. Instead, farms hire their own inspection companies, or “certifiers,” to conduct the visits.

To mitigate the risk that organic inspection companies will overlook faults for favored clients, the USDA conducts reviews of the inspection companies. But as many critics have pointed out, the potential conflict of interest is powerful: the farmer pays his inspector, and an inspector who finds fault may not get hired again.

Regardless, many within the industry argue that the new legislation will, if passed, go a long way to resolving at least some of the controversies within the industry. The expanded budget, for example, would allow for the USDA to conduct more inspections of certifiers and of farms.

Laura Batcha, executive director of the Organic Trade Association, acknowledged that these are “difficult times.”

But, she said, “We want to find ways to keep the standards evolving to meet the consumers expectation...The bill will broaden the scope of where enforcement can happen.”


John Bobbe, executive director of OFARM, a farmer cooperative based in the Midwest, has been pushing since last year for more stringent enforcement of imported “organic” products. He and

other organic grain farmers in the U.S. have noted that with an influx of organic grains from abroad - some of which is “organic” in name only - prices for U.S. farmers have plummeted, and some may have to give up the business.

Bobbe said the bill should be more specific - regarding the number of inspectors that should be hired, for example, as well as requirements for international cooperation in investigations.

But, he said, "It's a step in the right direction, which is encouraging."

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Peter Whoriskey is a staff writer for The Washington Post whose investigative work focuses on American business and the economy. Previously, he worked at the Miami Herald, where he contributed to the paper's coverage of Hurricane Andrew, which was awarded a Pulitzer Prize for public service. **Follow** 

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