

U.S. – European Union Organic Equivalence Arrangement Questions and Answers

The U.S. has an "equivalence arrangement" with the EU. What does this mean?

This means that as long as the terms of the arrangement are met, organic products certified to the USDA organic or European Union (EU) organic standards may sold, labeled, and represented as organic in both countries. As long as the operation is certified by a USDA- or EU-accredited certifying agent, this arrangement eliminates the need for U.S. organic operations to have a separate certification to the EU standards and vice versa.

Does the EU accept the USDA organic seal? Does the U.S. accept the EU organic seal?

Yes. As a result of the trade arrangement, both the EU organic seal and the USDA organic seal may be used on products traded under the arrangement. When using the other country's seal, products must meet all labeling requirements in the destination country. Labeling requirements: <u>U.S.</u> | <u>EU</u>

When does this equivalency arrangement take effect? Is there an implementation period?

The equivalency arrangement was signed February 15, 2012. However, products can't be traded under the arrangement until its effective date of June 1, 2012.

What is the scope of the arrangement?

The arrangement is limited to organic products of U.S. or EU origin. This includes products that have been either (1) produced within the U.S. or EU or (2) products whose final processing or packaging occurs within the U.S. or EU. This includes products processed or packaged in the U.S. or EU that contain organic ingredients from foreign sources that have been certified to the USDA or EU organic standards. Aquatic animals (e.g., fish and shellfish) are not included within the scope of the arrangement.

What European countries are included in the EU?

The following countries are in the EU: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom. Additional information: http://europa.eu/about-eu/countries/index_en.htm.



What are the next steps that the U.S. and EU will take to implement the arrangement?

Prior to June 1, 2012, training will be provided to accredited certifiers on the terms of the arrangement. Next, the U.S. (USDA National Organic Program) and EU (European Commission) will conduct regular assessments of each other's organic regulatory system to ensure that the terms of the equivalency arrangement are being met. They will also exchange information on organic production strategies on animal welfare, alternatives to antibiotics, and mitigating GMO contamination. Following these assessments and discussions, U.S. and EU will review the arrangement with the goal of eliminating import certificates in the future.

In addition to facilitating trade between the two largest organic markets in the world, this unique partnership between the EU and U.S. will include collaboration to promote organic agriculture and protect organic integrity. Both programs will share technical information and best practices on an ongoing basis to further enhance the integrity of organic crops and livestock production systems. They will also seek common practices for the assessment and recognition of other countries to facilitate new trade opportunities.

What requirements must U.S. producers and handlers meet for products being shipped to the EU under the arrangement?

- 1. Crops produced using antibiotics (streptomycin for fire blight control in apples and pears) must not be shipped to the EU under the arrangement.
- 2. This arrangement is limited to organic products of the U.S., either produced within the U.S. or where the final processing or packaging occurs within the U.S.

What requirements must EU producers and handlers meet for products being shipped to the U.S. under the arrangement?

- 1. Agricultural products derived from animals treated with antibiotics shall not be marketed as organic in the United States.
- 2. This arrangement is limited to organic products of the EU, either produced within the EU or where the final processing or packaging occurs within the EU.

What happens if an organic operation or certifying agent violates the terms of the arrangement?

Significant non-compliances will be reported to both countries and appropriate enforcement actions may be pursued under the respective countries' regulations. For example, antibiotics may not be used to produce any products traded under the equivalency arrangement. Therefore, any use of these substances (e.g. tetracycline or streptomycin) for products exported to the U.S. or EU would be a violation of the terms of the arrangement and warrant enforcement action.



Labeling

The EU does not have a labeling category "made with organic..." like the U.S. does. How do U.S. operations label products in the 70-95% category for EU sale under this arrangement?

For products containing less than 95% organic ingredients, a percentage statement of organic content may be displayed. For more information on labeling, please see the EU organic regulations, available here: http://ec.europa.eu/agriculture/organic/eu-policy/legislation en#regulation.

The EU does not have a "100% organic" labeling category like the U.S. does. How do U.S. operations label "100% organic" products for the EU sale under this arrangement?

These products—and any product above 95% organic ingredients—could be labeled "organic."

Should U.S. operations use the EU organic logo on products being shipped to the EU?

Yes, operators should use the EU organic logo in accordance with EU regulations.

Is organic wine produced in the EU included in the arrangement?

Organic wine and wine "made with organic grapes" may be exported to the EU under the arrangement if it meets the following criteria:

- 1. Contains 100 percent organic grapes and organic ingredients. Non-organic substances not allowed under 7 CFR 205.605 are prohibited.
- 2. Have been produced only using the winemaking practices and substances detailed in the EU organic regulations: http://bit.ly/eu-organic-wine

Organic wine may be labeled with the USDA organic seal and the EU organic logo.

Documentation

What documentation is required for products traded under the arrangement?

All products traded under the partnership must be accompanied by an organic import certificate. This document must travel with products shipped from the U.S to the EU (and vice versa) under the equivalency arrangement. It is used to document the production location, identify the certifying



agent, verify that prohibited substances and methods weren't used, certify that the terms of the partnership were met, and allow traded products to be tracked.

Why are import certificates included in the arrangement?

Import certificates are included in the arrangement in order to verify that the organic product complies with the terms of the arrangement. Import certificates are utilized by U.S. and EU port of entry officials and certifying agents to verify compliance with the terms of the arrangement.

Who is responsible for completing the import certificate for products traded under the arrangement?

For USDA organic products, a U.S. certifying agent completes the EU import certificate. For EU organic products, an EU certifying agent completes the U.S. import certificate. The organic operation or shipper requests that the certifying agent complete the appropriate import certificate and then includes the completed version with the product shipment.

Shipping USDA organic products from U.S. to the EU

What is required to ship U.S. organic products to the EU?

First, the terms of the arrangement must be met. This includes a prohibition on the use of antibiotics in U.S. crops (specifically, the use of streptomycin for fire blight control in apples and pears). Second, organic products must travel with an U.S. import certificate, which must be signed by an U.S. certifying agent.

Where is a list of U.S. certifying agents that are authorized to issue EU import certificates?

The list of USDA-accredited certifying agents is available at www.ams.usda.gov/NOPACAs.

How do U.S. operations obtain an EU import certificate?

To start, U.S. operations should inform their certifier that they wish to ship products to EU. Certifying agents will ask the operator a few questions, complete the form, and return it to the operator for inclusion with their shipment of organic products. <u>EU Import Certificate</u> (pgs. 21-22).



Shipping EU organic products to the U.S.

What is required to ship EU organic products to the U.S.?

First, the terms of the arrangement must be met. This includes a prohibition on the use of antibiotics in organic livestock production. Second, organic products must travel with a U.S. import certificate, which must be signed by an EU certifying agent.

Where is a list of EU certifying agents that are authorized to issue U.S. import certificates?

The list of EU certifiers is available at: http://ec.europa.eu/agriculture/organic/files/consumer-confidence/inspection-certification/EU control bodies authorities en.pdf.

How do EU operators obtain a U.S. import certificate?

To start, EU operations should inform their certifier that they wish to ship products to the U.S. Certifying agents will ask the operator a few questions, complete the form, and return it to the operator for inclusion with their shipment of organic products. Certificates will be available beginning June 1, 2012.

Accreditation

I am a certifying agent based in the EU, and all of my clients are in the EU. Do I need to maintain my direct accreditation to the USDA organic standards?

No. However, if the EU certifying agent certifies operations that are <u>outside</u> the EU member states, then the certifying agent should maintain its direct accreditation with the USDA/NOP if products are to be marketed or sold in the U.S.

I am a certifying agent based in the EU, but I have clients based in South America, Europe, and Asia. If I wish to continue to certify them to the USDA organic regulations, do I need to maintain my accreditation with the NOP?

Yes. You must maintain your accreditation with the NOP in order to certify operations based outside the European Union member states (i.e. United States, South America, Switzerland, China) to the USDA organic regulations.



I am a certifying agent based in a South American country. May I certify operations producing organic products to the USDA organic regulations for direct shipment to EU?

No. These products must be certified to the EU organic regulation, or be produced under a third country equivalence determination (e.g. Argentina), in order to be sold, labeled or represented as organic in the EU. Only products produced or had final processing/packaging conducted within the U.S. can be shipped to EU for direct shipment under the U.S.-EU Organic Equivalence Arrangement.

I am a certifying agent that certifies operations to the USDA Organic Standards under a recognition agreement with the USDA. Will operations I certify be eligible for direct shipment to EU under the equivalence arrangement?

No. Your government must apply directly to the EU for recognition in order to be recognized to certify operations to be eligible to export products to EU.

I am a U.S.-based certifying agent, but I have several clients outside the U.S. that are certified to the USDA organic regulations. Are those operations eligible to label and ship products to EU?

No, these products must be certified to the EU regulation independently of the USDA organic certification. Only products produced or processed/packaged in the U.S. to the USDA organic regulations can be shipped to the EU under the equivalence arrangement.

If a U.S. operator is producing a multi-ingredient product, then do all the ingredients have to be sourced from the U.S.?

No. Products where final processing or packaging occurs within the U.S. are covered by the scope of the arrangement. These products may contain organic ingredients (from domestic and foreign sources) that are certified organic by NOP authorized certifiers (direct accreditation and via recognition agreements) as long as final processing or packaging occurs in the U.S.