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The House amendment is the same as the Senate provision, except the results of the evaluations are to be made available to the Secretary and the Secretary is responsible for the dissemination of varietal performance information to plant breeders, producers, and end users. (Section 1815)

The Conference substitute adopts the House provision. The Managers note that the Agricultural Research Service is one of the largest repositories of information on the subject within the Department and that the Extension service has a long record of providing information, including varietal performance information to plant breeders, producers and end users.

(17) *Survey of Grain Varieties*

The Senate bill requires that the National Agricultural Statistics Service periodically conduct, compile and publish a survey of grain varieties produced in the U.S. (Section 1842)

The House amendment is the same as the Senate provision, except that the Secretary is required to carry out the provisions of the section. (Section 1816)

The Conference substitute adopts the House provision. The Managers note that the National Agricultural Statistics Service has a long history of conducting and carrying out-surveys of this type.

(18) *Analysis of Variety Survey Data*

The Senate bill requires the Agricultural Research Service to analyze the variety surveys conducted in conjunction with available applied research information on intrinsic quality attributes of the varieties, to evaluate general intrinsic crop quality characteristics and trends in production related to intrinsic quality characteristics. (Section 1843)

The House amendment is the same as the Senate provision, except that the analysis and evaluations are to be performed by the Secretary and the Secretary must disseminate such information to breeders, producers and end users. (Section 1817)

The Conference substitute adopts the House provision. The Managers note that the Agricultural Research Service has expertise in the area of intrinsic quality characteristics.

(19) *Sense of Congress Concerning End-use Performance Research*

The Senate bill encourages the Secretary, the Agricultural Research Service, and bill land-grant universities, to adjust their financial priorities to give increased emphasis to grain variety evaluation and the development of objective tests for end-use properties. (Section 1844)

The House amendment is the same as the Senate provision. (Section 1818)

The Conference substitute adopts the Senate provision.

(20) *Sense of Congress Concerning Cooperation on Objective Testing*

The Senate provision encourages cooperative efforts, including the sharing of funds and personnel, between the FGIS, the Agricultural Research Service, and land-grant universities in identifying grain quality-related characteristics, developing tests, and designing grain standards; also specifically encourages FGIS to utilize the

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research capabilities of the ARS and the land-grant universities in such efforts. (Section 1845)

The House amendment is the same as the Senate provision. (Section 1819)

The Conference substitute adopts the Senate provision.

(21) *Authority to Assist Farmers and Elevator Operators*

The Senate bill authorizes the Secretary to provide technical assistance (including information on such financial assistance as may be available) to grain producers and elevator operators to assist such producers and operators in installing or improving grain cleaning, drying or storage equipment. (Section 1851)

The House amendment is the same as the Senate provision. (Section 1820)

The Conference substitute adopts the Senate provision.

(22) *Standardizing Commercial Inspections*

The Senate bill requires that the Secretary establish a list of approved grain testing equipment and develop inspection procedures. FGIS shall implement a voluntary inspection certification program for country elevators and others conducting first point of delivery inspection. (Section 1852)

The House amendment is the same as the Senate provision, except that FGIS must additionally provide information on proper use of equipment, application of grain standards, and availability of inspection services, including appeal inspection services. The House provision also does not contain the certification program described in the Senate bill. (Section 1821)

The Conference substitute adopts the House provision.

TITLE XXI—ORGANIC CERTIFICATION

(1) *Findings and Purposes*

The Senate bill lists several findings of Congress, including a statement that there is a need for a national program to standardize and promote the production of food through organic farming methods.

The Senate bill states that the purpose of this Act is to:

(1) establish national standards governing the labeling of organically produced products;

(2) provide consumers with reliable information concerning which products are organically produced;

(3) assure consumers that products labeled organically produced are not produced with or handled with substances that cause adverse health or environmental effects;

(4) encourage environmental stewardship through the increased adoption of organic, sustainable farming methods;

(5) assist emerging and important food industry sectors that produce, process, and market organically produced products;

(6) provide market incentives to encourage the use of organic, sustainable farming methods;

(7) preserve the integrity of organic food programs that have been implemented by States and encourage other States to adopt organic food programs; and

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(8) facilitate interstate commerce in fresh and processed food that is organically produced. (Section 1602)

The House amendment does not contain findings. The House amendment states that the purpose of this Act is to:

(1) establish national standards governing the labeling of organically produced products;

(2) assure consumers that organically produced products meet a consistent standard; and

(3) facilitate interstate commerce in fresh and processed food that is organically produced. (Section 1495A)

The Conference substitute adopts the House provision.

(2) *Definitions*

The Senate bill sets forth definitions for the following terms: agricultural products, botanical pesticides, certifying agents, certified organic farms and handling operations, crop year, governing State official, growing medium, handle, handler, handling operation, individual, micronutrients, National List, organic farm plan, organically produced, organically produced label, pesticide, processing, producer, program, State organic certification program, synthetic, and transition farm. (Section 1603)

The House amendment contains identical definitions for the following terms: agricultural products; botanical pesticide; certifying agent; certified organic farm; certifying organic handling operation, crop year; governing state official; handle; individual; national list; organically produced; pesticide; processing; producer; secretary; and synthetic. The House amendment does not contain definitions for growing medium; handler; handling operation; micronutrients; organic plan; organically produced label; program; state organic certification program; and transition farm. (Section 1495B)

The Conference substitute adopts the Senate provision with an amendment deleting definitions for growing medium, organically produced label, and transition farm.

(3) *Establishment of Label*

The Senate bill requires the Secretary to establish a USDA label stating that an agricultural product has been "organically produced" to be affixed on products produced according to the standards in this title. A second label may be authorized that indicates the State origin of the product and the certifying body of such product.

The Senate bill provides that as of September 1, 1992, no labels will be allowed which state or imply that a product has been organically produced other than the USDA organically produced label and any authorized State label, except:

(1) Secretary may permit the word "organic" to be used on the principal display panel for food if that food, excluding water and salt, contains at least 50 percent organically-produced ingredients. The Secretary may also allow the word "organic" to be used on the ingredient panel for food if that food, excluding water and salt, contains less than 50 percent organically produced ingredients. "Organic" may be used only to describe ingredients that are organically produced and no USDA label is authorized to be used in these instances.

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(2) Farmers who sell less than \$5,000 of agricultural products may represent their product as organic without certification but no USDA label is authorized to be used in this instance.

(3) The Secretary may determine that imported organic food may be sold within the U.S. if such food has been produced following guidelines at least equivalent to U.S. requirements, but no USDA label is authorized to be used in these instances. (Section 1612)

The House amendment contains a similar provision however: no USDA label is established. The House amendment provides that as of October 1, 1993, no state or private labels or market information will be allowed which state or imply that a product has been organically produced unless all standards in this title are met. The same three exemptions provided for in the Senate bill are included. (Section 1495D)

The Conference substitute adopts the House provision. The Managers encourage the Secretary to determine a procedure to implement the label flexibility provided for processed food in this section by October 1, 1993 in order to allow for continued trade of such products.

(4) *Mandatory Program Requirements*

The Senate bill requires that any organic program must require all labeled products to be produced in accordance with this title, and provide for periodic on-site inspections and residue testing. An organic program must also provide certain specified appeal, enforcement, conflict-of-interest, and freedom-of-information procedures. (Section 1613)

The House amendment contains a similar provision, with the addition of two requirements: notification of appropriate health agencies of any residue violation and collection of reasonable fees. (Section 1495E)

The Conference substitute adopts the House provision with an amendment modifying language concerning notification of health officials in the case of residue detections.

(5) *Discretionary Program Requirements*

The Senate bill provides that any organic program may provide for the assessment of fees for participants, additional State requirements, the possibility of certifying parts of a farm or handling operation, and an exemption for farms subject to a government emergency pest or disease treatment program. (Section 1613)

The House amendment contains a similar provision, excluding the assessment of fees and with the additional requirement that the Secretary consult with the National Organic Standards Board regarding emergency pest or disease treatments. (Section 1495E)

The Conference substitute adopts the House provision.

(6) *Prohibited Crop Production Practices and Materials*

The Senate bill provides that prohibited practices include use of the following: certain seed, seedlings and planting practices; irrigation water unless it has been analyzed and approved by the certifying agent; certain soil amendments; certain crop management practices; natural poisons that have long-term effects and persist in the

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environment; and plastic mulches, unless they are removed at the end of each season. (Section 1615)

The House amendment contains a similar provision with three differences. The prohibitions on the use of irrigation water, contaminated organic matter, and micronutrients at toxic levels are not included. (Section 1495H)

The Conference substitute adopts the House provision.

(7) *Animal Production Practices and Materials*

The Senate bill contains a requirement that livestock be fed organically grown feed. Prohibited practices for livestock production include use of the following: certain feed additives including plastic pellets for roughage, and feed formulas containing urea and medicated feeds; growth promoters and hormones; synthetic internal parasiticides on a routine basis; administration of medication other than vaccinations; and use of impure drinking water. Recordkeeping procedures are stipulated. Drinking water may be analyzed to determine whether it is impure and so contaminated as to cause contamination of livestock products.

The Senate bill requires that livestock be raised according to the standards set forth in this section for certain periods of time: from the second day of life for poultry; for four months prior to sale of eggs for laying hens; at least one year for dairy; and for the entire life for all other slaughter livestock.

The Senate bill further provides that the Secretary may accept certification, by certifying agents, at the point of slaughter as proof that the meat and poultry have been raised in accordance with this title. (Section 1616)

The House amendment contains a similar provision with four differences: (1) there is no explicit prohibition on the use of medicated feed; (2) no required analysis of drinking water; (3) no four month provision for laying hens; and (4) no provision to allow the Secretary to accept the certification at the point of slaughter. (Section 1495I)

The Conference substitute adopts the House provision with an amendment which requires the Secretary to hold hearings and develop regulations regarding livestock standards in addition to those specified in this title. The Managers clearly do not intend for the Secretary to engage in formal rulemaking. Rather the Managers recognize the need to further elaborate on the standards set forth in the title and expect that by holding public discussions with interested parties and with the National Organic Standards Board, the Secretary will determine the necessary standards no later than the implementation date of October 1, 1993.

The Managers believe that the establishment of an organic labeling program will benefit those producers of agricultural commodities and products that choose to produce and market products that are organically produced. The creation of a uniform standard as to the meaning of "organically produced" protects the consumer from misleading information and enables these producers to cultivate a market for their particular products.

By enacting this program, the Managers are not asserting any preference as to any particular type of agricultural product. The "organic" label is not intended to imply any special health benefits

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or innate qualities of an agricultural commodity or product. For example, this program establishes standards for the organic production of meat and poultry products. Such products, if organically produced, are not necessarily more safe than ordinary meat and poultry products.

The "organic" label, or the establishment of this organic program is also not intended to indicate any opinion about traditional agricultural production. The "organic" label does not guarantee more healthy food than that produced using conventional systems. The Managers direct the Secretary of Agriculture to develop detailed regulations with notice and public comment to guide the implementation of the standards for livestock products provided under this title. Such regulations should be finalized by October, 1993—the implementation date for this title.

The Managers note that the Senate bill included a paragraph stating that the Secretary, in carrying out the provision of this title, the Federal Egg Products Inspection Act, the Meat Inspection Act, the Poultry Products Inspection Act or any other Act concerning the misbranding of meat and poultry products, may accept a certification provided by a certifying agent at the point of slaughter as proof that the meat and poultry were produced in accordance with this title. The Secretary has indicated that this paragraph is unnecessary as he already has the discretion to accept certification at the point of slaughter and intends to implement the organic program in this manner so as to avoid the costly requirement of sending USDA inspectors to every organic farming operation in order to verify claims.

(8) *Recordkeeping*

The Senate bill requires all organic producers and handlers to keep records, including a detailed history of substances used, for at least 5 years. (Section 1618)

The House amendment includes the same provision with the additional requirement that handlers keep records of the sources, handling, and disposition of all ingredients or production aids used. (Section 1495L)

The Conference substitute adopts the Senate provision.

(9) *Contents of National List*

The Senate bill provides that the National List may include prohibitions on natural substances which otherwise would be allowed under this title but which the National Organic Standards Board and the Secretary determine to be harmful to human health or the environment and inconsistent with organic farming.

The Senate bill provides further that the National List may include exemptions for substances otherwise prohibited but which the National Organic Standards Board and the Secretary determine are harmless to human health and the environment, are necessary because of the unavailability of wholly natural substitute products, and are determined to be consistent with organic farming practices. Such exemptions, however, must meet one of the following three criteria: (1) the substance is used in production and contains a synthetic active ingredient in the following categories: copper and sulfur compounds; toxins derived from bacteria; phere-

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mones; detergents; horticultural oils; treated seed; fish emulsions; vitamins and minerals; livestock parasiticides and medicines; and production aids including netting, tree wraps and seals, insect traps, sticky barriers, row covers, and equipment cleansers; (2) the substance contains synthetic inert ingredients; or (3) the substance is used in processing and is non-synthetic but not organically produced. (Section 1625)

The House amendment contains a similar provision with three differences: (1) there is no allowance for production aids on the National List; (2) there is no allowance for products with synthetic inert ingredients on the National List; and (3) the Secretary is required to consult with the Secretary of Health and Human Services and the Administrator of EPA regarding the contents of the National List. (Section 1495Q)

The Conference substitute adopts the House provision with an amendment that adds production aids to the category of synthetic active ingredients and the category of synthetic inert ingredients not of toxicological concern to the Administrator of EPA as possible exemptions on the National List. The Managers note that in the future it may be necessary to further develop a list of categories for processed food exemptions and therefore encourage the Secretary, working with the National Organic Standards Board, to recommend such a list to the Congress as soon as practicable in order to facilitate implementation of the national standards by October 1, 1993.

(10) *Development of National List*

The Senate bill requires the Secretary to establish a National List based upon a Proposed National List developed by the National Organic Standards Board. The Secretary may not include exemptions for synthetic substances other than those recommended by the National Organic Standards Board. The Proposed National List must be published in the Federal Register for public comment. (Section 1625)

The House amendment contains the same provision, with an additional requirement that (to substance) be listed which has been prohibited by Federal regulatory action. (Section 1495Q)

The Conference substitute adopts the House provision.

(11) *National Organic Standards Board*

The Senate bill requires the Secretary to appoint a 13-member National Organic Standards Board to assist in the development of standards and to specifically form a proposed National List. The membership of Board as well as Board procedures are designated. The members of the Board are not compensated. The Board is required to hire a staff director and the Secretary may detail USDA staff to work with the Board. (Section 1626)

The House amendment contains the same provision, adding two more members—a certifying agent and a scientist—to bring the total to 15 on the Board. (Section 1498R)

\* The Conference substitute adopts the House provision.

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(12) *Procedures for Board's Recommendations for National List*

The Senate bill directs the Board to conduct a thorough evaluation of substances that may be included on the National List. Specific steps are set out. Among other things the Board shall: use Technical Advisory Panels to assist the Board in making determinations on substances to be included on the National List; review substances on the National List every 5 years; review all botanical pesticides for possible inclusion on the National List; advise the Secretary and the EPA Administrator on whether to establish a registration program for organic production materials; and advise the Secretary concerning residue testing for organic products. (Section 1626)

The House amendment contains a similar provision, with the Board given the additional responsibility to advise the Secretary on emergency pest and disease treatments and there is no responsibility to advise on the development of a registration program. (Section 1495R)

The Conference substitute adopts the House provision.

(13) *Violations of Organic Program*

The Senate bill contains the following penalties for violations: for misusing or tampering with the organically produced label—up to \$50,000 and 2 years imprisonment; and for issuing false certifications—program ineligibility for 5 years. Producers and certifying agents must be provided notice and an opportunity to be heard. (Section 1627)

The House amendment contains a similar provision, but with a reduction in penalty for misusing an organic label to a civil penalty of \$10,000. The House amendment provides that nothing in this title shall alter the authority of the Secretary of Agriculture under the Poultry Products Inspection Act, the Administrator of the EPA under the Federal Insecticide, Fungicide, and Rodenticide Act or the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act. (Section 1495S)

The Conference substitute adopts the House provision.

(14) *National Organic Promotion Advisory Committee*

The Senate bill directs the Secretary to establish an advisory committee to acquire information and advice from representatives of organic farming and handling sector concerning: the establishment of legislation creating an organic promotion, research, and consumer education program; the development of an initial referendum and structure for such program; an organic research program; and any other aspect of organic production, research education, or promotion of concern to the Secretary.

The Advisory Committee shall have 15 members (including a chairperson) appointed from nominations received from organic certifying organizations, States, and other interested parties. Membership is specifically set out. The Committee is sunsetted in three years. (Section 1641)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting the National Organic Promotion Advisory Committee.

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*(15) Duties of Organic Advisory Committee*

The Senate bill requires the Advisory Committee to provide recommendations concerning: the establishment of an orderly procedure for the development and financing of a program of research, promotion, and consumer information concerning organically produced agricultural products; the establishment of a democratic process under which organic farmers and handlers may determine whether to have a national organic promotion program after 1992; ways to maintain, develop, and expand markets for the organic industry; and research, development, and extension programs on agricultural production systems and materials used or potentially to be used in organic production. Reports are required to be submitted to the Secretary and House and Senate agriculture committees. (Section 1641)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

\* *Administration*

Both the Senate bill and the House amendment required the Secretary to issue regulations not later than 180 days after the date of enactment of this title.

The Conference substitute amends this requirement substituting 540 days after the date of enactment of this title.

*(16) Appropriations*

The Senate bill authorizes such sums as may be necessary. (Section 1542)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting authorization for appropriations.

*(17) National Transition Label Demonstration Program*

The Senate bill requires the Secretary to establish a National Transition Label Demonstration Program to help evaluate the impact a transition label would have on consumer purchasing decisions and organic markets and to assess whether the availability of a transition label would motivate farmers to adopt more sustainable agricultural practices. (Section 1651)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting the transition label demonstration program.

*(18) Administration of Transition Label Program*

The Senate bill Secretary shall make a grant from funds to at least 4 States that: have implemented a State organic certification program under chapter I; can designate a limited marketing area where a transition label could be used and controlled; and submits a competitive proposal. States that receive these grants must design a demonstration project that meets the specifications of the Secretary; select a number of farming operations to participate in the Program as transition farms; authorize the sale of the products

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of the selected farms in retail establishments in such State, and submit a final report. (Section 1652)

The House amendment contains no comparable provision. The Conference substitute adopts the House provision, thereby deleting this section.

*(19) Establishment of Transition Label*

The Senate bill requires the Secretary to establish an experimental USDA label to be affixed to agricultural products that have been produced on selected transition farms that states that the agricultural product has been produced in "transition to organic." (Section 1653)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

*(20) Reports on Transition Label Program*

The Senate bill requires that, within 2 years after the date of enactment of this title, the chief executive officer of a State shall submit a final report detailing the results of the Program to the Secretary and the House and Senate agriculture committees. (Section 1654)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

*(21) Appropriations for Transition Label Program*

The Senate bill authorizes such funds as may be necessary to carry out the transition label program. (Section 1655)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

*(22) Organic Production Research*

The Senate bill requires the Secretary to establish a research program related to the production and marketing of organic products. Grants may be provided to facilitate such research. The Secretary shall provide for research to, among other things, study the toxicity levels of toxic synthetic and natural substances used in organic production, measure levels of background contamination of toxic substances, develop economical residue testing procedures, develop efficacious protocols and materials for handling organically produced products, and improve the technology of organic livestock production. The Secretary is required to consult with the National Organic and Standards Board and the National Organic Promotion Advisory Committee established under Chapter II concerning specific research topics that are necessary. Such sums as may be necessary to carry out this program are authorized. (Section 1661)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting the organic production research program.