



C O R N U C O P I A
I N S T I T U T E

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Good afternoon. My name is Anne Ross. I am the Director of International Policy for the Cornucopia Institute. I'd like to say a few words here about import fraud.

First, there are a lot of people here who've worked hard on the issue and their efforts should be recognized and appreciated.

Since I started looking into import fraud, I've considered myself an advocate for organic grain farmers.

It's my job to ask questions and to keep pushing. And I'm really trying to understand a few things so all of us can figure out how to address these issues.

Let's say that a ship is coming in loaded with organic grain. The importing companies and/or producers are certified. But their certifier was recently suspended in Europe.

There is no question the European authorities determined the certifier wasn't following the law.

Assume the ship is now at a US port. I'd like to know:

What is required to get our inspectors and agency officials out there to look at the paperwork, test, ask questions, do whatever needs to be done to make sure the cargo is organic?

I don't know of any regulatory standard that requires near absolute proof of wrongdoing to initiate an investigation. We'd never investigate anything. In fact, the NOP has wide discretion to order inspections.

I understand that operations remain certified for a period of time when their certifier is suspended.

But who is looking at those operations that continue to conduct business when their certifier never was?

These operations are continuing to push out product into the market place. Are we relying on the next certifier to investigate retrospectively-- after the grain has disappeared somewhere in the US market? Doubt that happens.

I'm really trying to understand where enforcement is at this critical stage.

Second, I'm going to say this again. The crooks are still crafty. Importers are creative in using certain import codes to avoid detection, changing shipping routes, and misrepresenting where the grain was grown. We've got to make sure we have an accurate account of what's actually coming in and from where, to determine if imports from a certain region are really down.

We've got to make sure we have a handle on the trading practices of related companies – these companies essentially buying and selling to themselves – these are large multi-national companies in control of entire supply chains.

We've got to monitor how these split operations are conducting business. We know some companies are cheating the system by mixing conventional and organic grain. The conventional side of these operations should be audited to identify problems that might not otherwise be detected.

Finally, in thinking about what I would say here today, I asked a friend of mine, an organic grain farmer, what he'd like you to know. He said:

"I'm still worried. I feel like everybody is tired of hearing about this—that it's a tired topic? Well, I'm tired but I'm still at it." He said.

He's also worried because it looks like times are going to get tougher given the heavy rains that swamped US farmlands. Grain imports will increase. The vessels are coming.

To sum it up, this issue isn't going anywhere. This is not done. Our farmers aren't resting, and neither can we.

Thank you all for your work.