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# Organic Supply Challenges

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# Organic Certification Requirements

- Complete Traceability
  - From seed to sale
- Certification categories
  - International standards
  - Organic status (100%, 95%, 70% made with)
  - Handler and Processor
- Managing documentation and Goods
- Certification cost

# Challenges with Organic Standards

- Pesticides
  - Direct and indirect application
  - Small vs. Large farmers
  - NOP 5% Rule vs. European Union
- Product consistency can be variable
  - Resources of farmers & processing capabilities
  - Nature of organic farming practices
  - Metal and foreign material
- Treatment options to reduce microbial load
  - Dry steam, heat, CO<sub>2</sub>, and ozone
- Vendor Verification

# Regional Issues

- Climate and weather pattern changes
  - Drought and seasonal changes
- Increasing demand within producing countries reduces desire to export
  - Fresh market
  - Emerging middle class
- Due to these factors it's important to have multiple sources for each commodity

# Government Issues

- Due to increases in government resources and food safety concerns, import inspections have increased
  - Need to build in costs associated with inspections and adjust shipping times
  - Increased risk of container refusals, due to noxious weeds and pest infestation

# Conclusions

- The organic industry is faced with complex challenges.
- The organic industry is a strong emerging market.

Questions?