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USHBC MEMO

To: Organic Blueberry Growers, Handlers and Importers
From: U.S. Highbush Blueberry Council (USHBC)
Date: August 1, 2018
Re: **Organic Operation Exemption Request**

The organic exemption rule currently in effect modified the organic assessment exemption regulations under 23 Federal marketing orders and 22 research and promotion programs (commodity promotion programs) including the USHBC. This rule amended the regulations to allow persons that produce, handle, market, process, manufacture, feed, or import "organic" and "100 percent organic" products to be exempt from paying assessments associated with commodity promotion activities, including paid advertising, conducted under a commodity promotion program administered by the Agricultural Marketing Service (AMS), regardless of whether the person requesting the exemption also produces, handles, markets, processes, manufactures, feeds, or imports conventional or nonorganic products. Previously, only persons that exclusively produce and market products certified as 100 percent organic were eligible for an exemption from assessments under commodity promotion programs. This rule expanded the exemption to cover all "organic" and "100 percent organic" products certified under the National Organic Program (NOP) regardless of whether the person requesting the exemption also produces, handles, markets, processes, manufactures, feeds, or imports conventional or nonorganic products.

To be considered for exemption from USHBC assessment under this rule, the blueberry producer or importer must complete and sign the enclosed "Organic Operation Exemption Request Form" and file it with the USHBC office. This application is a signed certification that the applicant meets all of the requirements specified for an assessment exemption. This application must be filed annually, on or before January 1, as long as the applicant remains eligible for exemption.

The USHBC has 30 days to review and approve an exemption request. If your request is not approved the USHBC will notify you of the reason(s) for disapproval within this same timeframe. You can appeal if exemption is not granted with first appeal to the USHBC. If not satisfied with the results of this appeal a second appeal can then be made to the USDA, which will make a final decision.

In order to be exempt, the producer or importer must meet all of the following requirements:

- Operates under an approved organic system plan authorized by or under a U.S. equivalency arrangement established under the National Organic Program (NOP) (7CFR Part 205)
- The exemption shall apply to all certified "organic" or "100 percent organic" (as defined in the NOP) products of a producer regardless of whether the agricultural commodity subject to the exemption is produced by a person that also produces conventional or nonorganic agricultural products of the same agricultural commodity as that for which the exemption is claimed.
- Along with your completed assessment exemption form you must also provide a copy of your valid certificate of organic operation as issued under the Organic Foods Production Act of 1990 (7 U.S.C. 6501-6522) (OFPA) and

the NOP regulations issued under OFPA (7 CFR part 205) or under a U.S. equivalency arrangement established under the NOP

- Importers must provide a copy of the organic farm or organic handling operation certificate from each person from whom they receive product
- Any producer so exempted shall continue to be obligated to pay assessments under this part that are associated with any agricultural products that do not qualify for an exemption under this section.

Though this assessment option is being made available to organic operations and importers, it is the hope of the USHBC that the value of market promotion and health research activities supported with USHBC funds are recognized when considering exemption. How effective have these programs been? This is a question that all federal check off programs must answer through independent program evaluations. These evaluations are conducted every five years and the USHBC has recently completed its third evaluation. The evaluation was conducted by Dr. Harry Kaiser from Cornell University in 2015 and consisted of an econometric evaluation of USHBC activities from 2010 to 2014.

The evaluation was designed to determine the market impact of USHBC promotional programs and to provide a benefit cost ratio, or rate of return, for promotional activities. According to the evaluation, generic blueberry promotion by the USHBC during this period had a positive and statistically significant effect on domestic demand, per capita consumption and grower price. The average impact of USHBC activities on grower price totals 0.098 cents per pound. The benefit cost ratio for USHBC activities came in at 9.07 meaning that the benefits of the USHBC program exceeded costs by eight-fold. The evaluator notes that the analysis shows a positive market impact from USHBC activities and that the benefits of the USHBC promotion program are greater than their cost.

With the growing international interest in blueberries and health, our industry is “riding the health wave” with very favorable blueberry demand. The USHBC will continue to support and encourage additional health related blueberry research to learn more about the healthful properties of our fruit. Given recent acreage increases and future production potential, the industry also needs to continue to aggressively develop new markets both at home and abroad, work with food manufacturers to increase their blueberry use, increase consumer consumption, and encourage new users. With effective market promotion and management, a continued willingness to explore market opportunities, and a vision of future market potential, the blueberry industry, both conventional and organic operations, will continue to ride this “wave” and enjoy a healthy and profitable industry

Blueberry market promotion and health research efforts conducted by the USHBC to date have proven beneficial to all highbush blueberry producers, both conventional and organic. Sufficient funds are needed to continue efforts to maintain positive demand for blueberries and to continue to keep demand ahead of future supply. It is hoped the benefits of the USHBC program enjoyed by both organic grower operations and conventional blueberry growers are considered and the program continues to be voluntarily supported by those with organic operations through their continued assessment funding.

Organic Exemption Request Form

U.S. Highbush Blueberry Council

OMB No. 0581-0093

The information on this form is required to make a determination concerning a person's eligibility for exemption from assessments under research and promotion programs.

Type of Operation: Producer and/or Importer (mark as appropriate)

Please complete the following:

Applicant's First and Last Name:

Company name:		Phone:	
Street address:		Fax:	
City/State/Zip code:		E-mail:	
Tax ID #		Importer ID #	

In order to be exempt, the above-named entity must meet all of the following (please check):

- Operates under an approved organic system plan authorized under the USDA-AMS organic regulations (7 CFR Part 205) and maintains a valid organic certificate issued by an AMS accredited certifying agent.
- Produces and/or imports products eligible to be labeled "organic" or "100% organic" under the USDA organic regulations.
- Is subject to assessments under the research and promotion program for which this exemption is requested.



A copy of this entity's organic farm or organic handling operation certificate and addendum provided by a USDA-accredited certifying agent under the OFPA must **be** attached. Importers should attach a copy of a certificate or equivalency agreement for the eligible product as established under NOP.

Certification Statement

I hereby certify that my annual U.S. production and/or importation of highbush blueberries is an estimated total _____ pounds, with _____ pounds "organic" and/or "100% organic" and _____ pounds non-organic (or conventional). ¹ (*Organic and non-organic pounds should equal total pounds*).

Signature

Title

Date

^{1/} Any false statement or misrepresentation may result in a fine of not more than \$10,000, or imprisonment for not more than 5 years or both (18 U.S.C. 1001).

Please return this form to:

U.S. Highbush Blueberry Council
81 Blue Ravine Road, Suite 110
Folsom, CA 95630
Phone (916) 983-0111
Email: assessments@blueberry.org

NOTE: The following statements are made in accordance with the Privacy Act of 1974 (U.S.C. 522a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting this information to be supplied on this form is from the applicable commodity legislation for research and promotion programs. Furnishing the requested information is necessary for the administration of this program. Submission of Tax Identification Number (TIN) or importer identification number is mandatory and will be used to determine affiliation or entity identity.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0581-0093. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: 1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; 2) fax: (202) 690-7442; or 3) email: program.intake@usda.gov.

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