

## Strengthening Organic Enforcement: Nonretail Labeling and Calculating Percent Organic

SOE requires that operations label nonretail containers with critical information that will help prevent contamination and comingling and support traceability and verification. SOE also clarifies how to calculate the percentage of organic ingredients in multi-ingredient products.

This document combines sections C. Labeling of Nonretail Containers and O. Calculating the Percentage of Organically Produced Ingredients with a plain-language description of what the change means. **The bolded text** in the table below indicates a **key concept**.

**General Comments from the National Organic Program:** The emergence of longer and more complex supply chains has highlighted the need for more tools as organic goods travel from farm to market. This section of the rule outlines risk-based requirements that protect organic integrity, decrease the risk of comingling, and facilitate organic verification traceability in real time. The section on calculating organic ingredients completed our work on a long-standing Draft Guidance document that has been of interest to the organic community.

C. Labeling of Nonretail Containers		
Section	Regulatory Text	Key Takeaways
205.2	<i>[For context only; SOE does not change this term]</i> <b>Nonretail container.</b> Any container used for shipping or storage of an agricultural product that is not used in the retail display or sale of the product.	Nonretail containers are defined in § 205.2 and <b>may include:</b> <ul style="list-style-type: none"> <li>Produce boxes, totes, bulk containers, bulk bags, flexible bulk containers, harvest crates and bins;</li> <li>Boxes, crates, cartons, and master cases of wholesale packaged products; and</li> <li>Trailers, tanks, railcars, shipping containers, vessels, cargo holds, freighters, barges, grain elevators, silos, grain bins, or other methods of bulk transport or storage.</li> </ul>
205.307	Labeling of nonretail containers	
205.307 (a)	<b>Nonretail containers</b> used to ship or store certified organic agricultural products <b>must</b> display:	AMS adopts a <b>risk-based approach</b> by only requiring the <b>most critical information on nonretail container labels:</b> organic identification and information that links the container to audit trail documentation. This



Section	Regulatory Text	Key Takeaways
		reduces administrative burden and cost to operations while still protecting organic integrity.
205.307 (a)(1)	<b>Identification</b> of the product as organic; and	Clear identification reduces the likelihood of accidental contamination or commingling. “Organic identification” can be anything that allows someone to <b>clearly and immediately identify the contents as organic</b> , such as a short statement, “organic,” an abbreviation, an acronym, or a USDA seal. Operations <b>may use temporary signs or labels</b> for containers that are difficult to label due to size, shape, material, etc.
205.307 (a)(2)	The production lot number, shipping identification, or other <b>unique information that links the container to audit trail</b> documentation.	Linking a container to audit trail documentation <b>reduces information on labels without sacrificing the ability to trace or verify products</b> . Audit trail documentation allows someone to determine the source, transfer of ownership, and transport of a product.  Operations may include additional information on labels such as special handling instructions, operation or certifier names, and contact information.
205.307 (b)	Audit trail documentation for nonretail containers must <b>identify the last certified operation</b> that handled the agricultural product.	This reinforces an SOE recordkeeping requirement to <b>trace back to the last certified operation</b> in a supply chain. <i>(See § 205.103(b)(2) and the primer on “Supply Chain Traceability and Organic Fraud Prevention”)</i>
205.307 (c)	Paragraph (a)(1) of this section does not apply to nonretail containers used to ship or store agricultural products <b>packaged for retail sale with organic identification visible</b> on the retail label.	This <b>avoids duplicative labeling</b> . Master cases, pallets, or other containers don’t need additional organic identification if the retail packages they hold indicate the products are organic (for example, if the USDA organic seal is visible). These types of containers <b>must still include information linking back to audit trail documentation</b> .

## O. Calculating the Percentage of Organically Produced Ingredients

Section	Regulatory Text	Key Takeaways
205.302	Calculating the percentage of organically produced ingredients.	
205.302 (a)(1)	Dividing the total net weight of the combined organic ingredients at formulation by the total <b>weight of all ingredients of the product at formulation</b> . Water and salt added as ingredients at formulation are excluded from the calculation.	The regulation previously used “weight of the <i>finished product</i> .” This did not account for water loss from ingredients such as fruit during baking or other processing. Operations must now calculate the percentage of organic content <b>based on the weight of all ingredients before processing</b> . Consistent with current policy, salt and water are not included in calculations.
205.302 (a)(2)	Dividing the total fluid volume of the combined organic ingredients at formulation by the total fluid volume of all ingredients of the product at formulation if the product and ingredients are liquid. Water and salt added as ingredients at formulation are excluded from the calculation. If the liquid product is identified on the principal display panel or information panel as being reconstituted from concentrates, the calculation should be made based on single-strength concentrations of all ingredients.	For consistency, calculating based on the weight of all ingredients at formulation carries through to <b>liquid products</b> .
205.302 (a)(3)	For products containing organically produced ingredients in both solid and liquid form, dividing the combined net weight of the solid organic ingredients and the net weight of the liquid organic ingredients at formulation by the total weight of all ingredients of the product at formulation. Water and salt added as ingredients at formulation are excluded from the calculation.	For consistency, calculating based on the weight of all ingredients at formulation carries through to <b>products that contain both liquid and solid ingredients</b> .
205.302 (b) – (c)	<i>Paragraphs (b) and (c) are unchanged.</i>	