

PROCEDURE FOR IMPORT OF NOP-CERTIFIED ORGANIC INGREDIENTS FOR VALUE ADDITION/ PROCESSING FOR RE-EXPORT TO USA PRODUCED IN NPOP CERTIFIED ORGANIC PROCESSING UNITS LOCATED IN SPECIAL ECONOMIC ZONES (SEZ)

Clause 4.7.1 of NPOP (8th Edition) provides that, *“imported organic ingredients, as per the terms prescribed at Regulation 4.6, may be used for manufacturing a multi-ingredient organic product in India for re-export, in accordance with the importing country’s regulations.”*

This provision is applicable only for NPOP certified processing units located in the Special Economic Zones (SEZs). A derogation is being provided to the above stated clause **permitting re-export of a product manufactured after value addition/processing of NOP certified imported raw organic product(s), in NPOP certified processing Units, located in Special Economic Zones (SEZs)** where in percentage of imported ingredients exceeds 30% subject to compliance with the relevant conditions stipulated under NPOP 8th Edition and the below mentioned conditions and safeguards:

Conditions & Safeguards:

- a) **This provision is applicable only for re-export of the value added/ manufactured product to USA and is not applicable for sale in the domestic market or export to any other Country.**
- b) **The processing unit in the SEZ shall be duly certified by certification body/bodies accredited under NPOP and NOP and shall possess a valid scope certificate for processing.**
- c) **Applicable only for import of US NOP certified organic product(s) as raw material(s) to be used as an ingredient for value addition for re-export to USA only.**
- d) **Derogation shall be provided unit wise. Hence if one NPOP certified unit located in the SEZ imports an NOP certified imported ingredient, it has to be processed in that particular unit availing the benefit of derogation. Another unit located in the same SEZ, and importing the same organic product for manufacture of the same product shall have to apply separately as the derogation shall be case specific in nature.**
- e) **The imported organic products must be accompanied by a valid USDA NOP organic certificate issued by a USDA NOP accredited certification body.**
- f) **Full traceability of the imported organic product shall be maintained from import to final export consignment.**
- g) **Only those NOP certified imported products that are covered under NPOP shall be accepted and allowed for re-certification. In case any ingredient is not allowed under NPOP, it shall not be allowed for use.**
- h) **NPOP Transaction Certificates shall mention *“Re-export under import derogation”, imported product and country of origin.***
- i) **All relevant provisions prescribed under NPOP pertaining to manufacturing/processing/packaging/labelling/exports shall be complied with.**
- j) **For availing the derogation, the SEZ Unit shall register on the online portal for imported organic ingredients. The imported organic product details shall be entered on the portal along with all supporting documents. The batches for processed products manufactured**

with NOP certified imported ingredients in these SEZ units(NPOP and NOP certified) shall be entered in the module. TCs issued for such products shall be through this separate module and there shall be no comingling with other organic ingredients/raw material/ finished products. The NPOP TCs shall be issued for accountability purposes, **only for exports to USA.**

- k) One of the **prerequisites for allowing derogation shall be initiation of process of certification of the producers and production units of the imported products (as the case may be), in the exporting country under NPOP. As NOP certified producers don't have overseas NPOP certification at the moment, this specific exemption is being provided for a limited period, so as to enable the overseas NOP certified producer to obtain NPOP certification following the standard conversion process under NPOP (2 years for annuals and 3 years for perennials).**
- l) Proof of initiation of such process from the sourcing producer/ unit shall be uploaded for availing the derogation.
- m) The time period provided for allowing such imports for specific products shall be reviewed periodically with respect to demand and domestic availability of the product under organic status of the required quantity and quality being used for re-export. , the actual import and export that has taken place, the certification status of these products and status of negotiations etc.

The proposal shall be considered only under a **strict, controlled derogation framework**, subject to the following:

- 1) Treated as **limited, conditional, and transaction-specific unilateral recognition of NOP.**
 - 2) Shall **not constitute equivalence or mutual recognition**
 - 3) NPOP to remain the **primary certification framework**
 - 4) The facility is limited to NOP & NPOP certified **SEZ units**
 - 5) 100% traceability and segregation to be maintained.
 - 6) Certificates shall mention "Re-export under import derogation", imported product and country of origin.
 - 7) Mandatory Risk-based and surprise inspections by CB
- 8) Violations of the above procedures shall attract sanctions as per NPOP Regulations**
- 9) Review & Sunset Clause**

- **The derogation is only for a limited period and shall not exceed 3 years subject to fulfilment of the pre requisite condition specified under point (k), (l) and (m) of conditions and safeguards.**
- The implementation will be subject to Periodic review and compliance to the relevant provisions stipulated under NPOP 8th Edition and the conditions and safeguards specified under this procedure.
- The products imported under the derogation shall be required to be certified under NPOP within the derogation period (2 years for annuals and 3 years for perennials).