



The Organic Specialists

December 10, 2007

To: Angela Caudle, Executive Director IFOAM

From: Katherine DiMatteo, Senior Associate

RE: Report on liaison work with NOSB on behalf of IFOAM regarding the acceptance of group certification

Outcome:

IFOAM was a key player in the dialogue on the issue of group certification under the USDA National Organic Program (NOP) and IFOAM positions were reflected in other opinions submitted to the National Organic Standards Board (NOSB.) IFOAM successfully collaborated with other key stakeholder groups including OTA and the National Organic Coalition. There was strong support among stakeholder groups for the suggestions brought forward by IFOAM that the CACC form a stakeholder working group to draft a new recommendation and that the NOP create a separate accreditation category for Group Certification.

The NOSB Certification, Accreditation and Compliance Committee (CACC) changed the presentation of their recommendation on Certifying Operations with Multiple Production Units, Sites and Facilities from one that required a decision by the NOSB to one that was open for discussion. CACC did not withdraw their recommendation and it is unclear how the committee will proceed in revising this recommendation.

Next steps:

IFOAM will have to remain active on this issue, participating in a CACC working group if formed or initiating a stakeholder working group.

Further work will need to be done to propose solutions to gaps in current IFOAM criteria and guidance to resolve the major areas of concern expressed by the NOP – internal control systems must prevent conflicts of interest, minor and major non-compliances must be handled in a consistent manner by all certifiers and groups, assurance that all farms in a group are inspected periodically by an external inspector, criteria for production units, adequate record-keeping of group members, non-compliance sanctions and enforcement actions, and better reporting among certifiers and groups about rejected farms/fields.

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Our mission is to deliver the strategic expertise to help organic, socially and environmentally responsible products and projects reach their full potential and flourish.

IFOAM should continue to have conversations with individual members of the NOSB and NOP staff, in particular Barbara Robinson, to inform and educate them about experiences worldwide with group certification and the rigor and integrity of the IFOAM accreditation and certification criteria. If necessary IFOAM should consider organizing presentations of actual group operations and controls for the next NOSB meeting by individuals (members or groups) or through video/slideshows in order to overcome attitudinal barriers of NOSB and NOP.

Summary of project activity:

A team of associates was created for this project which included Bill Wolf, President of Wolf, DiMatteo + Associates, Katherine DiMatteo, Senior Associate at Wolf, DiMatteo +Associates, Grace Gershuny of Gaia Services, and Udo Censkowsky and Mildred Steidle of Organic Services based in Munich, Germany. The team represented expertise in IFOAM standards and accreditation criteria, group certification history and requirements, and the National Organic Program (NOP) regulations. The team brought with them long-term, friendly relationships with NOP staff, NOSB members, organic certification bodies worldwide, and other U.S. and international stakeholder groups. Katherine DiMatteo served in the role of team leader. The IFOAM group certification task force was informed and consulted by the team on strategies and to clarify positions. The team worked from August 24 through November 30, 2007.

Initial efforts centered on the Organic Trade Association (OTA) task force on group certification, Tracy Miedema who was drafting the recommendation for the NOSB Certification, Accreditation and Compliance Committee (CACC), and Mark Bradley, NOP manager. The activity through the end of September enabled IFOAM to contribute to the drafting of the OTA and CACC recommendations, and to gain an understanding of NOP expectations of the CACC recommendation and concerns about group certification. Despite our efforts the recommendation submitted to the CACC by Tracy Miedema was dramatically changed from the previous drafts. This shifted our activity at the beginning of October to a communication effort. Phone, email and in-person meetings were held with the key individuals – Tracy Miedema and the other members of the CACC, Jay Friedman who was representing Whole Foods interests, Mark Bradley, and U.S.-based certifiers and traders.

After the publication of the CACC recommendation an outreach effort was initiated to identify and contact certification bodies within and outside the US, key IFOAM members, and US advocacy groups to discuss reactions to the CACC recommendation. The draft of the IFOAM response was circulated to inform, to stimulate discussion and to get feedback. Because of this outreach we were well aware of the positions that would be submitted to the NOSB and also, the IFOAM positions were able to be considered by other groups as they developed their responses. Ken Commins, IOAS executive director, was asked to review drafts of the IFOAM response to ensure agreement from IOAS and

to align the response with IFOAM Accreditation criteria. IFOAM staff circulated the draft positions through the certification forum and developed a call to action for IFOAM members. The IFOAM comment was submitted to NOSB through the USDA electronic system on Friday, November 9, 2007. Eleven IFOAM members submitted comments as well based on the call to action before the USDA electronic filing system experienced technical difficulties. With 18 total comments submitted on the topic of group certification the IFOAM position made up the majority of the responses and in several of the other comments, IFOAM criteria, guidance or position was referenced.

As a result of the posted comments the CACC decided to present their recommendation for discussion, not decision at the NOSB meeting held November 28-30, 2007. The CACC noted the helpful assistance provided by IFOAM and OTA. In addition to those who had posted comments on group certification, there were an equal number of “new” organizations or individuals addressing this topic at the NOSB meeting although no new positions or opinions were expressed. Two IFOAM suggestions – creation of an accreditation category for group certification and formation of a stakeholder working group - were supported during the NOSB meeting by key organizations – National Organic Coalition, Accredited Certifiers Association, Organic Crop Improvement Association, and Rural Advancement Foundation International – USA.

But despite the thorough and well-presented positions from the public on group certification, the CACC did not withdraw its recommendation and there were distinct divisions among NOSB members about the CACC recommendation. One-third is in support, one-third is uncertain and one-third is opposed. Among NOSB members there is majority support for the continued allowance for group certification for smallholder farm groups and opposition to extending group certification concept to handlers and retailers. The minority position held by NOSB members can best be described as those who view group certification as a “weakening” of the standard because it is an exemption allowed from the 100% annual on-site inspection requirement. Although consumer advocate groups were surprisingly silent on this issue, NOP and NOSB members expressed concerns about consumer perception and the current distrust of the integrity of imported organic products, especially from China. The concept of production units as a way to organize individual farm plots into a single site for inspection did not appear to be fully understood or acknowledged by NOP or NOSB members.

It is unclear how the CACC will proceed from now until the spring NOSB meeting. If a working group of stakeholders is not formed by the CACC then the stakeholders themselves should come together to develop recommendations to present to CACC or perhaps directly to the NOP.

Summary of differences in positions:

In general the IFOAM criteria and guidance for grower groups is reflected in the positions presented on group certification by the various key stakeholder groups.

Differences will need to be resolved in order to put forward (or support) a recommendation that is appropriate, enforceable and realistic for certification of groups, as well as acceptable to NOP.

1. **Limitation of group certification to smallholder grower groups.** This position is widely supported and is the historic base for the group certification system. NOP staff stated that the current NOSB recommendation they are allowing is for smallholder grower groups. The criteria that was suggested by the Accredited Certifiers Association was that participation in grower groups only be available to growers producing less than \$5,000 US in annual organic sales. The National Organic Coalition used similar language in their comment but not to limit participation, only to determine if the grower is subject to an annual external inspection. Whole Foods, Quality Assurance International and Oregon Tilth and others spoke against limiting group certification because U.S. law and regulations must not discriminate. IFOAM and OTA supported a more inclusive approach to group certification but agreed that each handling facility must be externally inspected each year.
2. **Assure that all fields/farms receive periodic external inspections.** The production unit concept was widely supported as a way to break large grower groups into smaller sections that combine fields/farms as a single unit that could get inspected annually by the certifying body. And there was support for the random sampling based on ISO standards and procedures. But in addition many held the position that a set percent (suggested as 20 or 25%) of fields/farms in a production unit must be externally inspected each year and that would be on a rotational basis so that all fields/farms would have an external inspection over the course of four to five years.
3. **Initial versus renewal inspections.** The CACC recommendation proposed this distinction as a way to resolve the NOP requirement for 100% external inspections. This was not widely supported but those who did support it found that it was a reasonable solution because it would happen only once for as long as the group operated, would be based on production units not individual fields/farms and afterwards would rely on the audit of the internal control system, risk assessment, and sampling.

Documents attached:

- CACC recommendation on Certifying Operations with Multiple Production Units, Sites and Facilities under the National Organic Program
- Organic Trade Association comment and recommendations for NOSB concerning Group Certification
- Accredited Certifiers Association comment and recommendations for NOSB concerning Group Certification

- National Organic Coalition comment and recommendations for NOSB concerning Group Certification
- OCIA comment and recommendations for NOSB concerning Group Certification

Responses to IFOAM Call-to-Action:

FIRA – Banco de Mexico

Sociedad Mexicana de Produccion Organica

Conges – Deafal

Biodynamic Agriculture Association

Organic Agriculture Certification Thailand

International Fair Trade Association

EcoCert SA

U.N. Conference on Trade and Development, International Trade Division

KRAV

Bio Latina

Eco-Logica