

# Group Certification under USDA National Organic Program



## TIMELINE

- **Oct. 2002: NOSB recommends criteria for certification of grower group certification – serves as unofficial guidance**
- **Oct. 2006: Decision on an appeal upholds certification denial but finds that certification process for grower groups deviates from NOP Rule**
- **May 2007: NOP approved the 2002 recommendation for interim use by certifying agents**
- **Nov. 2007: NOSB committee drafts a recommendation on certifying operations with multiple production units, sites and facilities**
- **May 2008: NOSB committee drafts an appendix with guidance to accredited certifying agents**

## BACKGROUND

**“The main issue with this operation is that there was a very poor internal control system....In this case, the feeling was that the ICS was not strong enough to control each operation adequately, or maintain an adequate audit trail. The CGG said they would sanction the two producers, but since the ICS was weak, it was felt that they would not actually be able to control the flow of the product from these two producers adequately (or from any other producers for that matter).” - OCIA**

## Background

- **The community grower group appealed the denial of certification on the basis that the magnitude of the sanction was disproportionate to the frequency and extent of the non-compliances.**
- **“The agent’s decision to deny certification to this CGG applicant is proper and warranted. The deviations from the organic system plan demonstrate that the growers are not adequately prepared to maintain compliance with NOP standards and reinforce the need for reliable and sensitive monitoring resources.” – USDA**
- **The fundamental issue which surfaced in these appeal proceedings, however, is whether the agent’s policies and procedures for the certification of community grower groups are consistent with NOP regulations. - USDA**

## ISSUES

- Inspecting “only a percentage of producers” in a group instead of annual inspections of each producer in the group was inconsistent with 7 CFR §205.403
- Policy in regards to internal inspections does not require that the inspector have sufficient expertise in organic production or handling techniques, as per 205.501(a)(5), nor
  - be subject to an annual performance review, as per 205.501(a)(6), or
  - complete an annual conflict of interest disclosure report, as per 205.501(a)(11)(v)
- The establishment of an internal inspection system as a proxy for the mandatory on-site inspections by the certifying agent or approved contract inspector is not permitted under the NOP regulations

# Can Group Certification Comply with USDA NOP Regulations?



## CERTIFYING MULTI-SITE OPERATIONS

### NOSB Committee Recommendation Objectives:

- 1. Clearly connect the act of certifying groups to the OFPA and existing NOP regulations.**
  - ✓ Statutory definition of “person”
  - ✓ NOP Rule for “on-site inspections”
- 2. Broadly look at the entire organic supply chain.**
  - ✓ Statutory purpose to provide “consistent standard”
  - ✓ Distinction between “production unit” and “facility and site”
- 3. Retain key aspects of 2002 NOSB recommendation**
  - ✓ Role of Organic System Plan and Internal Control System
  - ✓ Role of Inspections

# GROUP CERTIFICATION

May Consist of One or More Production Units

Central office manages one unified organic system plan and internal quality system

The certified organic operation consists of a central office and one or more sites and facilities at which activities are carried out.

Annual Inspections by Accredited Certifying Agency (ACA)

Production Unit, Facility or Site

Production Unit, Facility or Site

Production Unit, Facility or Site

Every production unit, facility and site must be inspected annually by ACA in compliance with NOP §205.403

Annual inspection of a statistically significant portion of sub-units / plots by ACA.

Sub-unit or Plot

Sub-unit or Plot

Sub-unit or Plot

Sub-unit or Plot

Sub-unit or Plot

Sub-unit or Plot

Sub-unit or Plot

Sub-unit or Plot

Sub-unit or Plot

Sub-unit or Plot

Sub-unit or Plot

Production units may include sub-units or plots selected for ACA inspection.

Every sub-unit or plot is controlled by the Internal Quality System and assessed for effective implementation of and compliance with the organic system plan.

ACA inspections include an assessment of risks to organic integrity within the group and the environment in which it functions. Inspection of a statistically significant sample of sub-units also evaluates the effectiveness of the internal quality system.

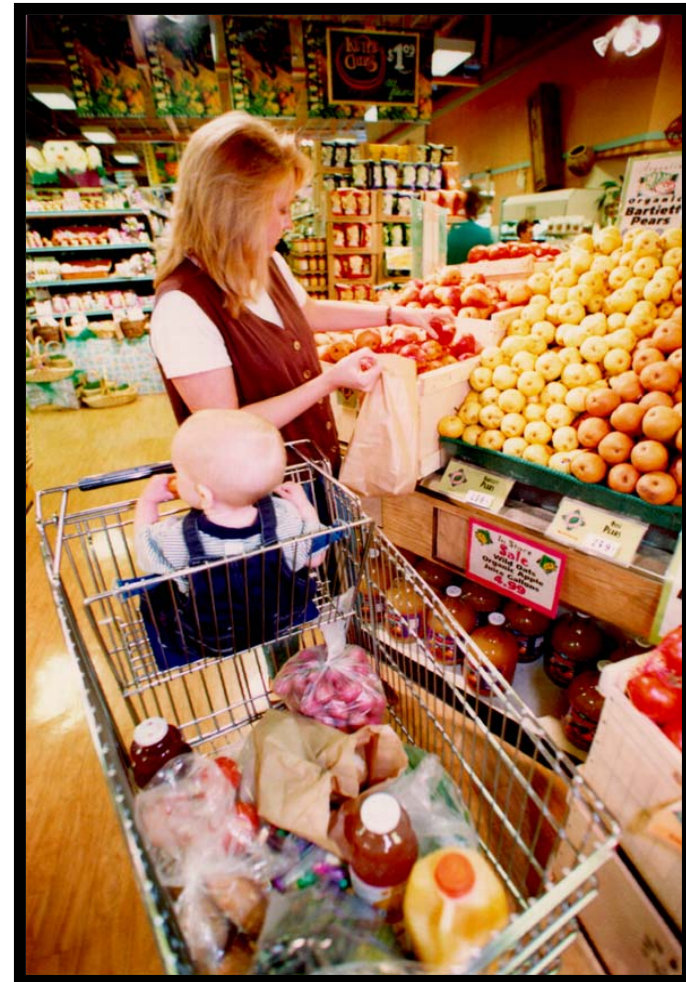
Provided by IFOAM

## CERTIFYING MULTI-SITE OPERATIONS

### NOSB Appendix: Guidance Materials

- **A “production unit,” “site,” or “facility,” is to be considered the measurement unit of the operation subject to annual inspection.**
  - ✓ Processing and/or consolidation sites are production units
- **Criteria for clustering of ‘members’ or ‘sub-units’ into a production unit**
  - ✓ Upper limit based on feasibility of effective management, size, accessibility
- **Sampling and risk analysis process elaborated**
  - ✓ At least 25% selected randomly
- **Role of ICS includes annual surveillance and review of sub-units**
  - ✓ Criteria for ICS Personnel
- **Conflict of interest and training addressed**
  - ✓ At least one training per year by an external specialist

# How did the Organic Community Respond ?



## AGREEMENTS

- **One Organic System Plan, One single legal business entity, One organic certificate**
- **Annual inspection of Internal Control System, production units, processing and handling sites and facilities**
- **Combination of random and risk assessment for inspections of sub-units**
- **Requirements for Internal Control System and criteria for personnel**
- **Annual surveillance of all members or sub-units**
- **Non-compliance reported to ICS and certification agent**
- **Geographic proximity not contiguous**

## OBJECTIONS

- Do not extend to large farms, handlers or retailers
- Define “small” holder – annual earning U.S. \$5,000
- Do not make a distinction between “initial” and “renewal” inspections
- Limit number of sub-units to 200
- Each sub-unit must be inspected at least once every 5 years
- Annual external training of ICS personnel and members
- Fairness of certification requirements for single farm operations and group operations
- Do not allow group certification

## WHAT'S NEXT

**NOSB committee to redraft recommendation to present for decision at November 17-19 meeting**

**Public comments prior to meeting to influence final recommendation and NOSB vote**

**NOP ready to proceed with guidance if NOSB does not make decision in November**

**NOP guidance may or may not be open for public comment**

## CONCLUSION

**“All things are connected  
...Whatever befalls the earth  
befalls the sons and daughters of  
the earth; man did not weave the  
web of life, he is merely a strand  
in it. Whatever he does to the  
web, he does to himself.”**

***Ted Perry, inspired by Chief Seattle***

