

NOSB ITEM FOR PUBLIC COMMENT

The National Organic Standards Board (NOSB) is seeking public comment on recommendations regarding ***Criteria for Certification of Grower Groups*** until September 20, 2002. With respect to receipt of comments by the NOSB during the comment period, the following provisions have been established to ensure that your comment has the greatest probability of being received and reviewed by the Board:

- **Mail:** Persons may submit comments on listed Board recommendations by mail to: The National Organic Standards Board; c/o Katherine Benham; Room 4008 - South Building; 1400 and Independence Avenue, SW; Washington, D.C. 20250-0001.
 - **E-mail:** Comments may be sent via internet to respective Board committees by submitting an E-mail to Board committee E-mail accounts provided with each recommendation.
 - **Fax:** Comments may be submitted by fax to (202) 205-7808.
 - Clearly indicate if you are for or against the Board recommendation or some part of it and why. Include recommended wording changes as appropriate.
 - Include a copy of articles or other references that support your comments. Only relevant material should be submitted.
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Draft NOSB Recommendation NOSB Accreditation Committee April 17, 2002

Criteria for Certification of Grower Groups

Introduction:

Grower group certification refers to the certification of a group of producers who are in close proximity to one another, whose farms are uniform in most ways, and who are organized under one management and marketing system. Grower group certifications have historically been used for the certification of cooperatives or groups of producers located in a geographical or social region, whose crops are marketed collectively. Primary crops produced by grower groups include coffee, cocoa, tea, spices, and tropical fruits.

Background:

In section 205.2, the Final Rule defines “person” as “an individual, partnership, corporation, association, cooperative, or other entity.”

In section 205.400 “General requirements for certification,” the Final Rule states:
“A person seeking to receive or maintain organic certification under the regulations in this part must:

- (a) Comply with the Act and applicable organic production and handling regulations of this part;
- (b) Establish, implement, and update annually an organic production or handling system plan that is submitted to an accredited certifying agent as provided for in § 205.200;
- (c) Permit on-site inspections with complete access to the production or handling operation, including noncertified production and handling areas, structures, and offices by the certifying agent as provided for in § 205.403;
- (d) Maintain all records applicable to the organic operation for not less than 5 years beyond their creation and allow authorized representatives of the Secretary, the applicable State organic program's governing State official, and the certifying agent access to such records during normal business hours for review and copying to determine compliance with the Act and the regulations in this part, as provided for in § 205.104;
- (e) Submit the applicable fees charged by the certifying agent; and
- (f) Immediately notify the certifying agent concerning any:
 - (1) Application, including drift, of a prohibited substance to any field, production unit, site, facility, livestock, or product that is part of an operation; and
 - (2) Change in a certified operation or any portion of a certified operation that may affect its compliance with the Act and the regulations in this part.”

Given the fact that the Rule includes “cooperative” and “association” in the definition of “person”, and given the fact that section 205.400 indicates that it is a “person” who seeks organic certification, it can be concluded that grower groups, organized as cooperatives or associations, can seek certification as one operation under the NOP without a change to the Final Rule.

Grower groups are different from other entities seeking certification in that they are comprised of numerous small producers who are certified as one entity, rather than being structured as sole proprietorships.

Historically, not all grower group members’ farms are individually inspected by the certifying agent annually. This means that the grower group must have a quality system, or internal control system, in place to assure that all members of the grower group operate according to the system plan in compliance with the organic standard. The quality system of the grower group is inspected at least annually, but only a set percentage of the member operations are visited by the certifying agent. Individual site inspections are conducted primarily to validate the functionality of the quality system.

Rationale:

Many products sold as organic in the United States, including coffee, cocoa, tea, spices, and tropical fruits, are produced by grower groups. These types of operations are certified by certifying agents who have applied for USDA accreditation. While there is no need to change to the Final Rule, there is a need to provide guidance to the NOP to assure that certifying agents who operate grower group certification programs follow similar procedures. There is also a need to assure that such certifying agents are evaluated according to set criteria during the accreditation review of their programs.

Draft Recommendation - Criteria for the Certification of Grower Groups:

In order to be certified as a grower group, the following conditions must be met:

- The producers must be located in close geographic proximity to one another.
- The crops and farming practices of the groups must be uniform and reflect a consistent process or methodology, using the same inputs.
- The groups must be managed under one central administration that is uniform and consistent.
- Grower groups must establish and implement an internal control system (quality system), with supervision and documentation of production practices and inputs used at each member's operation to insure compliance with the USDA's National Organic Standard.
- Grower groups must have a program of education to insure that all members understand the US National Organic Standard and how it applies to their specific operations.
- Grower groups must utilize centralized processing, distribution, and marketing facilities and systems.

The draft recommendation shown above sets the basic criteria to be used for the certification of grower groups. It does not, however, set criteria for membership in a grower group. Typically, grower group certification has only been offered for “smallholder” groups. A definition of “smallholder” is not included in the draft, and criteria for determining grower group membership are not included. More research needs to be conducted before setting applicable income levels based on the country's average national annual income or other determining factors, if grower group membership is to be limited to “smallholders”.

Similarly, the draft recommendation does not establish criteria for random sampling of the internal control system. Some certifiers direct inspectors to visit 5% of the member farms; others require that 20% of the farms be visited; and still others require that 100% be visited the first year, with a reduced percentage in following years.

The NOSB Accreditation Committee seeks input on the entire draft recommendation, but specifically on requirements for grower group participation and criteria for establishing numerically valid site visit sampling protocols.

Addendum I: Inspection of Grower Groups*

Review information provided. The first step of any grower group inspection is to review the material from the certifying agent to determine the scope of the project. Grower groups are often very complex. They may include hundreds if not thousands of producers. These types of operations do not easily fit normal inspection protocols. Therefore, much supplemental data is necessary in addition to normal certification documents. The following is a list of some of the information the inspector should have prior to the inspection:

- General map indicating the general region of the production zone.
- A more detailed map indicating the location of each of the communities to be inspected.
- Grower lists by community, listing producers, producer codes or numbers, amount of

land area under production by each producer, crops, estimated yields, and past production history. Many grower groups maintain individual producer records such as parcel maps and grower agreements which are generally reviewed at the time of inspection.

- Organic system plan, certification questionnaire, or application.
- Name of contact persons with phone numbers, both home and work. It is important to have access to at least two contacts in case the key person cannot be reached.
- A description of the project to understand how it is organized. A previous inspection report should be provided for certification updates.
- Handling plans, questionnaires/applications, if there is any processing. (Many grower groups operate processing and/or storage facilities.)
- Information on final sales and distribution is important to determine if any off-site export or storage facilities need to be inspected.
- In the case of certification updates, the inspector should be provided with the past certification letter with all conditions for certification clearly stated. As indicated, the past inspection report can be extremely valuable, and should be reviewed.

Review internal control documents. Upon arrival at the inspection locale, meet with the management to plan the inspection itinerary. You should clearly understand the organizational management of the project prior to heading out into the field. You will need documentation of the internal control system to properly verify local oversight efforts, education programs, product flow, and production practices. It is advisable to review internal control documents and other records before heading out into the field. This information can help you choose where to focus your inspection site visits.

Select the sites to visit. Make sure that you have the freedom to select any part of the project for inspection. Do not allow the grower group manager to “direct” the inspection. Keep in mind that the further a group of producers are from the main office or the internal control system administrator, the weaker the control may be. Attempt to visit remote producers to best assess the system.

Interview grower group members. Once the inspection begins, it is best to follow the product flow starting with the production sites, followed by primary processing, final processing, packaging, storage, and distribution. When visiting the producers, in addition to observing production practices and organic control points specific to the operation, the inspector must verify aspects critical to the overall project. Interview producers directly. Ask questions not only about their farms, but also about other project programs. How well does the producer understand what organic farming and certification means?

Ask direct questions. It is also important to ask producers, point blank, "When was the last time you used agro-chemicals?" You may want to ask specifically if this includes urea or Roundup or other brand name products common to the area. Often producers in a remote area do not clearly understand that these substances are prohibited. Do not assume anything. Individual farm integrity usually reflects the producer's understanding of organic certification, which is directly linked to the project's educational and oversight efforts.

Understand local issues. It is critical to understand the local culture, traditions, and common

inputs. It is advantageous to invite a local inspector to accompany you. A local inspector can help build trust with producers and help you understand local issues. Such cooperative arrangements can help empower indigenous inspectors.

Office audit. Once all aspects of the project have been inspected, a final visit to the project office will likely be required for an audit. The audit of the entire project is best done at the end of the inspection, when the inspector has a more thorough understanding of the entire operation. Additionally, it will most likely be necessary to verify different pieces of information gathered during the field inspection.

Exit interview. An exit interview with the project management is necessary in order to answer remaining questions. This gives the inspector a last chance to secure missing information, obtain required signatures, clarifying confusing, inconsistent, or inaccurate information, and communicate issues of concern.

The Internal Control System and Organic Control Points (OCPs)

Assess the internal control system. The most critical component of both the grower group inspection and the grower group inspection report is the assessment of the internal control system. (A grower group inspection is in fact an evaluation of the internal control system.) The report must address the steps taken by the internal control system to enforce compliance with organic standards.

- Have the operators been provided copies of the standards in a language or format they understand?
- Does the internal control system use individual inspection reports to assess operator compliance?
If not, how is compliance assessment documented?
- How often do official representatives of the control system visit each operation?
- What kinds of documents are generated to verify these visits?
- Are new operators inspected prior to being added to the GG?
- Have all grower group members signed a contract stating that they will comply with the organic standards and permit annual inspections?
- Are operators provided assistance to comply with the standards?
- What happens when non-compliance is suspected or detected?
- Are there records of the actions taken when non-compliance has been investigated?
- Does the control system have an official "sanctions" policy? If so, submit a copy with your report.

Report inconsistencies. It is important to clearly describe the consistency of the project from producer to producer. As indicated, different certifying agents may have different requirements for grower group inspections. Some may require spreadsheets with information on each producer; others may require site visit sheets signed by the farmer at the farm; others require inspecting only a percentage of the total number of producers. If you find prohibited practices and you are only inspecting 20% of the operations, it is a good bet that you have only found 1/5 of the problems. Removal of the individual producer is not necessarily the final answer. The

situation may be an indication that the project is not providing proper oversight. Internal records should match your findings and the findings of the certification program. Present your findings in the inspection report, along with any inconsistencies and unresolved issues.

OCPs. It is very important to describe the organic control points of the overall operation, where loss of organic integrity may occur. The inspector should report the preventative steps taken to protect organic products, and identify deficiencies where organic control points are not sufficiently addressed.

The following is a list of examples of **organic control points** encountered during grower group inspections:

- Unclear registers of grower group members.
- Unclear or inadequate maps.
- Inclusion of new fields or new producers with no conversion or documentation.
- Use of synthetic fertilizers - A producer may think that because he or she uses no herbicides or pesticides, the operation is organic.
- Use of used agrochemical bags or containers for harvested products.
- Contamination during storage or transport, e.g.: boats with gas and water in bilge, or storage under the house with gas and paint on top of product.
- Insufficient buffers or non-separation from other crops that have chemicals e.g.: cacao interplanted with plantain, with urea used to fertilize the plantain.
- Inclusion of crops from neighbors or relatives who are not on the producer list.
- Intentional chemical use. "I only used a little bit."
- Shared use of backpack sprayers which are also used for applying prohibited materials.
- Unclear internal purchase and transaction records within the grower group.

Processing by grower groups. Finally, grower group reports may include process inspection reports for all of the processes performed by the grower group project. Follow the On-Farm Process Inspection (§ 4.6) and Process Inspection Report (§§ 6.0 and 6.9) guidelines in this manual for conducting process inspections and writing reports.

4.7.4 Grower Group Inspection Report Guide

The grower group inspection report basically follows the outline for a farm inspection report. However, sections may need to be expanded, added, or modified. For example, a section on Organizational Management is helpful to describe many aspects of the project. This section should describe the structure and assess the functioning of the internal control system. It should also list the names of communities, number of producers in each, hectares of each, and, if possible, estimated yields, with totals.

The following outline summarizes the general areas of grower groups that should always be inspected, and provides a list of the additional topics which must be covered in a grower group inspection report:

1. Background

2. Project headquarters and audit trail information; organization, accessibility, and accuracy of information; projected yields of products requested for certification
3. Organization management, internal control system, and compliance mechanisms, including records maintained
4. List of communities
5. Grower lists
6. All processing facilities, both on-farm and off-farm
7. Transportation systems
8. Storage facilities
9. Field conditions; inspector observations
10. Risk assessment; adjoining land uses; other organic control points
11. Inputs used
12. Equipment used
13. Packaging materials
14. Producer interviews; inspector observations
15. Education program – producer understanding of organic principles and standards
16. Split operations - production of non-organic crops/products by grower group members
17. Other considerations
18. Summary
19. Attachments

Grower Groups – Outline for Organization and Assessment of the Internal Control System (ICS)

1. Field officers

Field officers are employed by the grower group. They have mixed roles:

- a. Information/extension
- b. Registration of growers
- c. Internal control
- d. On-farm research

Field officers often become part of the community. Because field officers have internal control and education functions, they may have conflict of interest issues. This can be solved by rotation of field officers or field officers from other areas handling the internal control function. There should be a minimum of one field officer per maximum 500 farmers.

2. Principles of ICS

- a. analyses/description of situation
- b. appropriate, documented system
- c. awareness raising, information and instruction, contracting, verbal and written, social controls, monitoring, corrective actions, risk analyses

3. ICS documents

- a. Project description

1. Basic project outline
 2. Farmer and farm profile, grower lists, site maps
 3. Farming practices
 4. Farmer support system
 5. Stakeholder analyses
 6. Risk-assessment
- b. The ICS itself
1. ICS personnel and the ICS office
 2. Documentation & record keeping (forms)
 3. Monitoring and corrective actions
 4. The buying system arrangement
 5. Product storage and handling procedures
 6. Code numbering and product tracing
- c. Updating the system (annual report)
1. Compliance with standards
 2. Corrective actions undertaken
 3. Farm/project economy – financial report
 4. Update of documents

4. Evaluation of the ICS

The outline below contains further methodology for evaluation of the ICS by the third party inspector:

- a. At the ICS office
1. Review of the documented system (Is it sufficient for the current situation?)
 2. File check to see whether system is being adhered to (Is office, are documents, is staff, is the system functioning?)
 3. Review cases of farmer non-compliance
 4. Identification of problem areas/risk assessment
 5. Construct a plan for field visits:
 - Select some to get a general feeling, at random
 - Select some targeted at problems/risk areas and distant production sites
 This work can be done in one day if the office and staff are well organized. The inspector should use a format/checklist/reporting form for this office work.
- b. In the field
1. Field visits
 - Conduct some farm re-inspection visits
 - Inspect some at random (can even be demonstration farm or village elders)
 - Inspect some focused on the problem/risk areas
 - Meet with community, second parties

- Evaluate social control mechanisms
- Meet with third parties

As soon as a non-compliance is detected, the inspector will want to determine whether the non-

compliance is the odd exception or whether it is widespread.

c. Back in ICS office

1. Share evaluation of the field visits with field staff.
2. Identify OCPs and potential non-compliance issues.
3. Discuss strategies to address areas of non-compliance with management and field staff.

*** IFOAM/IOIA International Organic Inspection Manual, compiled and edited by James A. Riddle and Joyce E. Ford, December, 2000.**