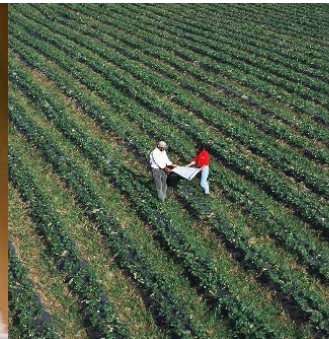




# Grower Group Certification

February 10, 2015

USDA Agricultural Marketing Service  
National Organic Program





Understand the current NOP  
Grower Group certification policy



- What is Grower Group Certification?
- NOP Policy - Reference Documents
- Grower Group Landscape
- Grower Group Requirements
- Internal Control System
- Certifier Requirements
- NOP Assessments

# What is Grower Group Certification?



- Grower group certification refers to the certification of a group of producers
- Group member farms are uniform in most ways
- Organized under one management and marketing system
- Historically been used for the certification of cooperatives or groups of producers located in a geographical or social region, whose crops are marketed collectively

# NOP Policy - Reference Documents



NOP Policy Memo 11-10 - Grower Group Certification (2011)

- 2002 NOSB recommendation – Criteria for Certification of Grower Groups
- 2008 NOSB recommendation – Certifying operations with multiple production units, sites, and facilities under the NOP

Future - Instruction – Certifying Grower Groups

# Current Grower Group Landscape



## Data Highlights (2012)

- Highest concentration of grower groups located in Latin America and Asia
- Smallest groups have a few members; largest groups have thousands.
- Largest grower groups are located in Africa
- Products: coffee, banana, grains, cocoa, coconut, herbs/spices, honey, sugar, and tea.

# Grower Group Requirements



- ✓ Organized as a “person” (7 CFR 205.2)
- ✓ Certification issued for the group
- ✓ Group must designate an official representative
- ✓ Similar products
- ✓ Same production practices/OSP
- ✓ Centralized processing/distribution/purchasing
- ✓ Common recordkeeping system

# Grower Group Recordkeeping



## Minimum recordkeeping requirements

- ✓ The Organic System Plan
- ✓ Contractual arrangements with individual members
- ✓ Description and location of the parcels and the facilities
- ✓ Production plans
- ✓ Records of inputs used, such as seeds and soil amendments
- ✓ Records of pest management materials and practices
- ✓ Internal inspection reports
- ✓ Records of products harvested
- ✓ Records of production, processing, sales, and inventory



# Grower Group Requirements – Conti.



- ✓ Members may only sell organic products through the group.
- ✓ Annual training conducted for ensuring certification compliance
- ✓ Establish and implement an Internal Control System (ICS)

# Internal Control System Definition



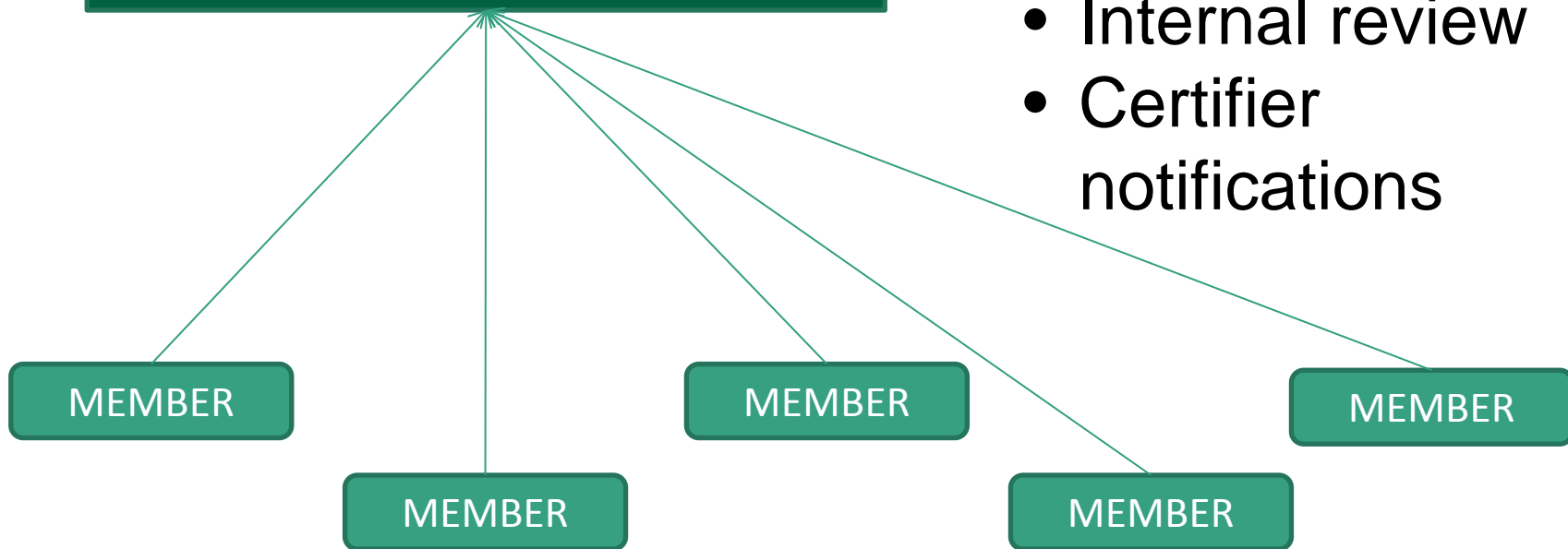
A written internal quality system that assures the implementation of compliance and identifies the internal verification methods used.

- A tool of quality assurance, where the external certifier delegates part of the work to the group.

# Internal Control System - Structure



## Internal Control System (ICS)



- Inspections
- Training
- Record keeping
- Internal review
- Certifier notifications



## General Requirements

- ✓ ICS is responsible for ensuring compliance of members.
- ✓ Clear roles and responsibilities for ICS staff and members.
- ✓ Annual review (Internal Inspections) of all members.
- ✓ Procedures for evaluating members.
- ✓ ICS internal inspectors must note non-compliances and the ICS must report findings and corrective actions to certifier.



## ICS Personnel

- ✓ Fluent in language used by group.
- ✓ Able to read and write in language.
- ✓ Well-versed in USDA organic regulations.
- ✓ Familiar with local production methods.
- ✓ Familiar with organic practices.
- ✓ Competent in ICS procedures.



## Internal Reviews

- ✓ At least one annual direct observation (internal inspection) and review of each member including visits of fields and facilities.
- ✓ Noncompliance reporting to certifying agent.
- ✓ Sanctions for violators.



## Training

- ✓ ICS must provide annual certification compliance training for ICS staff and group members.
- ✓ ICS staff must receive annual outside certification compliance training.

# Certifier Requirements



- ✓ Certifier must ensure ICS is functioning properly.
- ✓ Certifier procedures must describe how grower groups will be inspected.
- ✓ Must conduct annual external inspections of ICS and members per established sampling process.
  - Sample size for external inspections is based on risk factors.
- ✓ Annual inspection, observation, and assessment of grower group training conducted.
- ✓ Ensure no conflict of interest occurs at the certifier and grower group level





## **Certifier Inspections must include:**

- ✓ The group's headquarters
- ✓ A thorough testing of the ICS
- ✓ All post-harvest handling facilities
- ✓ All new group members
- ✓ High risk group members
- ✓ A meaningful sample of continuing members
- ✓ Overall consideration of risk factors

# Certifier Requirements – Risk Factors



## Risk Factors

- ✓ The number of members, sites and facilities of the group
- ✓ The size of the group or subgroups (e.g. communities)
- ✓ The degree of uniformity among member practices
- ✓ Complexity of the production system
- ✓ Management structure of the ICS
- ✓ Prohibited materials applied adjacent to grower group member sites during the previous year

# Certifier Requirements – Risk Factors



- ✓ New entrants to the group
- ✓ Significant expansion of the group or individual member's land or production
- ✓ Split or parallel production
- ✓ The number of years the group has functioned
- ✓ Rate of new member growth
- ✓ Any previous problems with functioning of the ICS
- ✓ ICS staff turnover

# Certifier Requirements – Risk Factors



- ✓ Potential conflict of interest
- ✓ Complexity and diversity of products
- ✓ Prevalence of non-organic production of the same type in the region.
- ✓ Whether a post-harvest handling or livestock facility of any kind is included
- ✓ Compliance with Internal training
- ✓ Frequency of minor non-compliances
- ✓ Members grossing \$5,000 or more USD per year

# Certifier Inspection of Members



The certifier sampling process is based on an analysis of the risk, then:

- ✓ Determine overall sampling rate for certifier inspection established by the certifier (e.g. 10% or 1.4 times the square root of members)
- ✓ All high risk members/units are inspected (e.g. split operations, over \$5,000 in sales)
- ✓ 25% of the remaining sample are selected at random.

# External Inspections – Exercise #1



**Exercise #1:** Determine the minimum sample size for the external inspection of this grower group:

- 1200 members producing quinoa
- Medium risk assessment (square root x 1.2)
- 50 new members
- 3 parallel production producers
- 20 sorting, drying, and bagging locations

# External Inspections – Exercise #1



## Answer:

- ✓ Square Root of 1200 = 34.6 or 35 times 1.2 = 42
  - 10 members must be randomly selected (25% of 39(42 – 3))
- ✓ 3 parallel production members (High Risk)
- ✓ All (20) handling facilities
- ✓ 50 new members
- ✓ **Total sample = 42 members** (must include 3 parallel (high risk) members, 10 random members), **plus 50 new members, and 20 handling facilities.**

# External Inspections – Exercise #2



## Exercise #2:

- 120 members producing quinoa
- Medium risk assessment – 30% sampling rate.
- 2 cleaning, grading, and bagging locations
- 5 new producers
- 10 high risk members identified (3 parallel producers, 7 with NCs from the previous year)



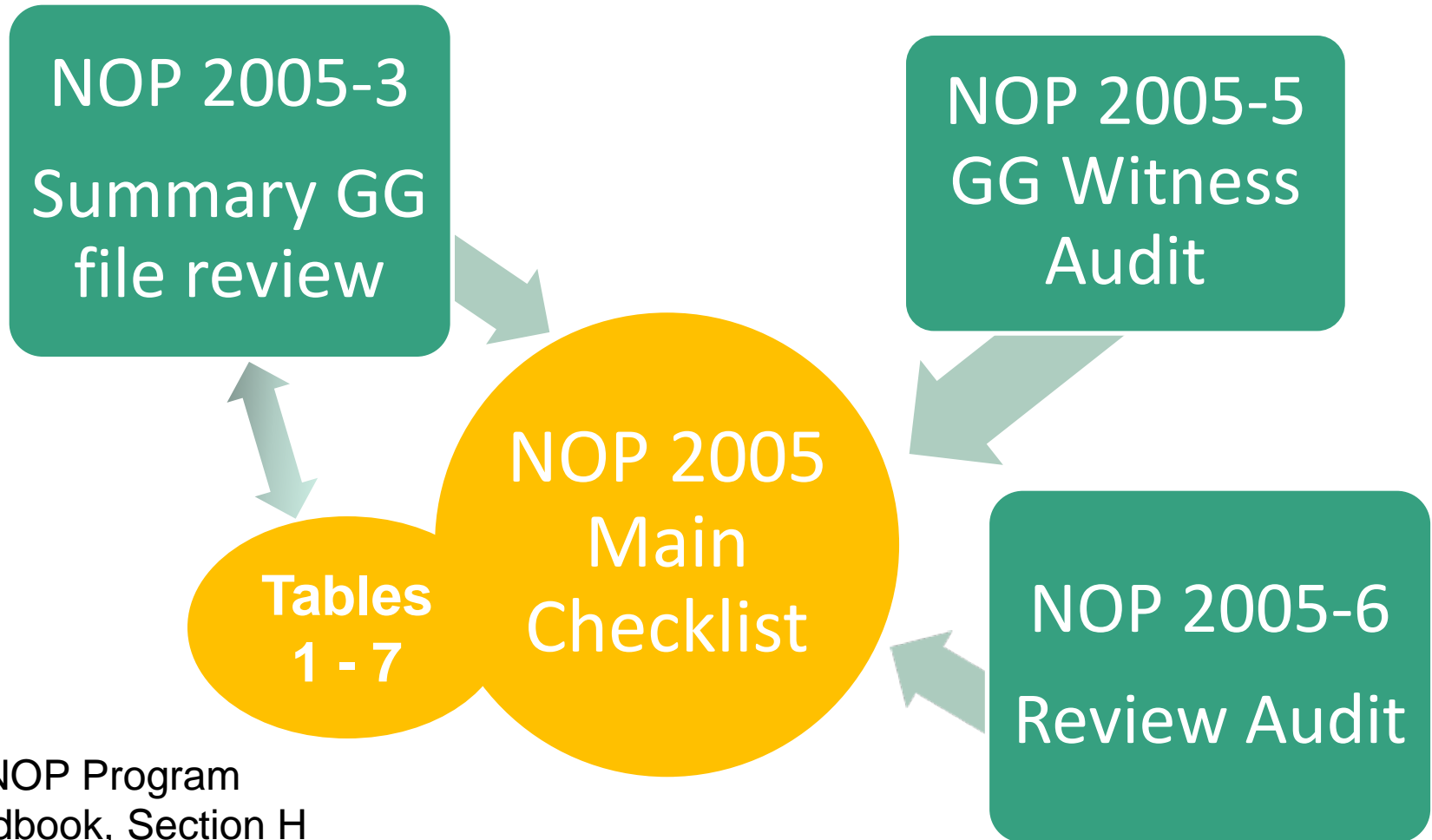
# External Inspections – Exercise #2



## Answer:

- ✓  $120 \times 30\% = \underline{36}$  members
  - 10 High Risk members
  - 26 Other members
    - $25\% \times 26 = 6.5$  or 7 members must be randomly selected.
- ✓ 2 handling facilities
- ✓ 5 new members
- ✓ **Total sample = 36 members (10 High Risk, 19 selected, 7 random), 5 new members and all (2) handling facilities.**

# NOP Audit Checklists



NOP Program  
Handbook, Section H

# Questions?

