# TRAINING RECORD

**Code:** 83  
**Date:** 22/12/2014  
**Time:** 10.30pm  
**Venue:** ACO Office

<table>
<thead>
<tr>
<th>Attendees</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhonda Vohland</td>
<td>Vohland</td>
</tr>
<tr>
<td>Kellie Lewis</td>
<td>KLewis</td>
</tr>
<tr>
<td>Janine Heinemann</td>
<td></td>
</tr>
<tr>
<td>Caity Montgomery</td>
<td></td>
</tr>
<tr>
<td>Cheryl Vaughan</td>
<td></td>
</tr>
</tbody>
</table>

**Contents – NOP regulations 205.405a**

- SOP 220
- Notice of Non-compliance accounts template
- Notice of Proposed Suspension- accounts
- Notice of Suspension – accounts

**Material used (attach material if possible):**

**Conducted by –** Michael Baker

**Note –**
Audit Resolution Chronology Log

Audit Identifier (if any): NP4251MMA
Audit Type: Mid-term Assessment
Accredited Certifying Agent Name: ACO
Accreditation Manager (who is working on the project): Lars Crail (LC) / Robert Yang (RY)

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 – 12 Sep 14</td>
<td>Onsite Audit conducted.</td>
</tr>
<tr>
<td>17 Nov 14</td>
<td>LC assigned to process the audit checklist and determine whether findings should be categorized as NCs. There are three findings.</td>
</tr>
<tr>
<td>24 Nov 14</td>
<td>LC determined that the auditor verified that 8 of the 8 corrective actions for the prior NCs were verified and should be cleared. Note that NC3 was cleared due to an accepted rebuttal.</td>
</tr>
<tr>
<td></td>
<td>LC determined that 2 of the 3 current findings should be issued as NCs. The following finding to 205.501(a)(21) should not be issued as a NC. ACO self-identified (via Program review) the issue in 2013 and made corrections during 2014. ACO has surpassed the annual minimum unannounced inspections expected of a certifier. See finding below.</td>
</tr>
<tr>
<td></td>
<td><strong>NP4251MMA.NCX – 7 CFR §205.501(a)(21)</strong> states, “A private or governmental entity accredited as a certifying agent under this subpart must: Comply with, implement, and carry out any other terms or conditions determined by the Administrator to be necessary.” <strong>7 CFR §205.403(a)(2)(i)-(iii)</strong> states, “A certifying agent may conduct additional on-site inspections of applicants for certification and certified operations to determine compliance with the Act and the regulations in this part. The Administrator or State organic program's governing State official may require that additional inspections be performed by the certifying agent for the purpose of determining compliance with the Act and the regulations in this part. Additional inspections may be announced or unannounced at the discretion of the certifying agent or as required by the Administrator or State organic program's governing State official. <strong>NOP 2609 4.1.1</strong> states, “We recommend that certifying agents conduct unannounced inspections of 5 percent of their total certified operations per year as a tool in ensuring compliance with the regulations.” <strong>The NOP certified client list submitted by ACO in January 2013 (2012 list) had 200 certified operations. In order to meet the 5 percent requirement there needed to be 10 unannounced inspections conducted in 2013. However, there were only 3 unannounced inspections conducted in 2013. However, it is important to note that ACO identified this noncompliance during their internal audit conducted July 18-21, 2014 and took</strong></td>
</tr>
</tbody>
</table>
preventative actions. ACO now keeps track on a chart how many unannounced inspections are required for the year as well as how many unannounced inspections are required based on the standard being applied. The charts and totals are discussed during the weekly ACO meetings to ensure ACO is on track to meet the requirement of conducting 5 percent unannounced inspections on its certified operations for the year. The NOP certified client list submitted by ACO in January 2014 (2013 list) had 234 certified operations. In order to meet the 5 percent requirement ACO would need to conduct 12 unannounced inspections in 2014. At the time of the Mid-Term Assessment, ACO had already conducted 16 unannounced inspections of their NOP certified operations.

NC report submitted to RMann for review.
11/25/14 Sent the file and report for Cheri’s review.
11/26/14 Received comments from Cheri to remove company names and individuals. LC adjusted NC report and resubmitted the report to Cheri.
12/4/14 LC issued NC report and NoNC to ACO via registered email.
12/22/14 ACO CA response received.
1/22/15 Response review assigned to RY
2/4/15 RY reviewed response, requested the following via email:

1) NC1 – From the explanation provided, I understand that the reason for that one specific operation not undergoing an annual inspection was due to the operator’s corrective action (ie. fees) not being submitted on time, and that you’ve updated your procedures to ensure that an operation is issued a Proposed Suspension if fees are not paid within a certain timeframe. However, the noncompliance was issued as a result of ACO not conducting an annual inspection of an operation. Could you clarify what corrective/preventive actions ACO has taken/will take to ensure that an annual inspection of each operation certified by ACO will be conducted (even if the operation is in the adverse action process)?

2) NC2 – The response stated that training would be provided to auditors and staff in January 2014. If the training has been conducted, please provide me with the training record. If it has been rescheduled, provide the date it has been rescheduled to.

Additionally, the following notice templates that were submitted do not comply with the regulations in the following manner:

- Notice of Noncompliance – The notice does not provide the opportunity for the certified operation to rebut. See §205.662(a)(3).
- Notice of Proposed Suspension
  - The notice provides the operation with an opportunity to correct the noncompliance, which is not an option. See §205.662(c)(4).
  - The notice states that a copy of the appeal should also be provided to the ACO office. This is not required at §205.681.
- Notice of Suspension -- Because the operation is not allowed to submit corrective
actions upon being issued a Notice of Proposed Suspension (or Revocation), the verbiage is not appropriate.

Please submit the above additional information for NC1 and NC2, along with corrections to the above templates by *February 19, 2015*.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/5/15</td>
<td>Michael responded that he would like to discuss ACO’s responses at the ACA training in Little Rock.</td>
</tr>
<tr>
<td>2/12/15</td>
<td>RY met with Michael Baker at ACA training in Little Rock.</td>
</tr>
<tr>
<td>2/12/15</td>
<td>1) Michael explained that ACO’s policy is to conduct annual inspections for all operations; further clarified that the noncompliance was a result of a deficiency in their procedure for overseas operations only, annual inspections were completed for all domestic operations. The change in procedure should resolve the issue. [\text{2) Stated that additional training has not been conducted yet, currently scheduled for April}] [\text{3) Confirmed the he understands the requirements for the notices, and will send corrected templates}]</td>
</tr>
<tr>
<td>2/14/15</td>
<td>Michael submitted via email amended notices of noncompliance, proposed suspension, and suspension.</td>
</tr>
<tr>
<td>2/27/15</td>
<td>RY reviewed notices, verified that verbiage meets the requirements; drafted CA report, Notice of Continued Accreditation</td>
</tr>
<tr>
<td>3/2/15</td>
<td>RY submitted file to RM for review</td>
</tr>
<tr>
<td>3/3/15</td>
<td>RM, RY discussed the CA description in the report for NC1. Per RM instructions RY contacted with Michael via email to confirm the accuracy of RY’s proposed revisions to the CA description</td>
</tr>
<tr>
<td>3/5/15</td>
<td>RY received email from Michael confirming the accuracy of the CA description.</td>
</tr>
<tr>
<td>3/6/15</td>
<td>RY submitted revised CA report, Notice of Continued Accreditation to RM for review via email</td>
</tr>
</tbody>
</table>
**ACO NONCONFORMANCE CORRECTIVE ACTIONS (NP4251MMA)**

<table>
<thead>
<tr>
<th>NP4251MMA.NC1</th>
</tr>
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</table>
| **NONCOMPLIANCE NP4251MMA.NC1** - 7 CFR §205.403(a)(1) states, "...An on-site inspection shall be conducted annually thereafter for each certified operation that produces or handles organic products for the purpose of determining whether to approve the request for certification nor whether the certification of the operation should continue."

"Comments: In one grower group file reviewed the 2013 annual inspection was not conducted as required because the operation was in the adverse action process"

**DESCRIPTION OF ACTION TO CORRECT THE CAUSE OF THE NONCOMPLIANCE**

ACO certified operation Intec Vanilla did not receive an onsite inspection in 2013 due to being under Proposed Suspension. An extension was provided to the operator to submit a sufficient Corrective Action response related to individual grower maps and GPS locations. The operation subsequently provided the requested information which involved taking a GPS location device to each individual grower. The operation was then due for their annual inspection but had not paid the invoice for their upcoming inspection.

The cause of the non-compliance was due to the operator’s corrective actions not being responded to within the given time-frame. ACO not issuing another non-compliance or proposed suspension for non-payment for upcoming inspection in 2013 due to the operator already being under proposed suspension for inspection non-compliances.

ACO then conducted an inspection in 2014 and has an additional unannounced inspection planned to take place in early 2015 for the operation.

**DESCRIPTION OF ACTION TO PREVENT THE REOCCURRENCE OF THE NONCOMPLIANCE IN THE FUTURE**

- ACO is now actively managing audit allocation for auditors
- Implementation of a new database ECERT allows ACO to track due dates and scheduled times for inspectors to complete audits
- ACO now issues a flat fee for payment of the planned inspection rather than providing estimates for each client, this allows for easier allocation and payment.
- SOP 220 has been reviewed and updated so that when international inspections are allocated 3 months prior to the inspection being due, the operator receives an invoice for pre-payment of inspection. 30 days after the invoice has been issued and the operation has not paid, a notice of non-compliance is issued to the operator for non-payment of certification fees. 1 month prior to the annual inspection being due and the operation has not paid certification fees a Proposed Suspension is issued to the client. When the annual inspection is due and the operation has not paid the operation will receive a suspension letter.
- The non-compliance letter, proposed suspension and suspension template have been migrated into ECERT to allow for easy issuing.
- A training has been provided to accounts staff about the non-compliance and about the update to the procedure

**ITEMS OF EVIDENCE SUPPORTING HOW THE NONCOMPLIANCE WILL BE PREVENTED IN THE FUTURE**

- SOP 220 (refer to point 5 and “Detailed Instructions”)
- Notice of Non-Compliance template – Accounts ECERT
- Proposed Suspension Template - Accounts ECERT
- Suspension Template – Accounts ECERT
- Training record
**NP4251MMA.NC2**

**NONCOMPLIANCE** NP4251MMA.NC2 – 7 CFR §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Comply with, implement, and carry out any other terms or conditions determined by the Administrator to be necessary.” NOP Policy Memo (PM) 11-10 (dated 01/21/11) states, “Grower group certification... accredited certifying agents should use the National Organic Standards Board (NOSB) recommendations of October 2002 and November 2008 as the current policies.” NOSB Recommendation, Certifying Operations with Multiple Production Units, Sites and Facilities, November 2008, section III.D.1 states, “The certifying agent must have policies and procedures for determining how many of the sub-units within a production unit must receive an annual inspection by the certifying agent. In addition to the mandatory inspection of new entrants to the production unit, the certifying agent must also have policies and procedures for determining which sub-units present the greatest risks of non-compliance.”

“Comments: ACO has procedures in place for determining how many of the grower group’s producers must be inspected by the ACO inspector. A review of one grower group file verified ACO had identified that 26 producers had to be inspected and that the inspection had to include producers from five new villages which were added to the grower group since the previous ACO inspection. A review of the inspection report verified the inspection only consisted of 22 producers and did not include any from one of the new five villages.”

**DESCRIPTION OF ACTION TO CORRECT THE CAUSE OF THE NONCOMPLIANCE**

ACO certified operation SANMA Community Coconuts in the 2013 inspection only 22 individual growers were inspected rather than the number allocated by ACO of 26. The cause of the non-compliance was the inspector did not allow for sufficient time to conduct the number of inspections required. Additional individual grower inspections will be taking place at next onsite audit above the minimum square root approach.

**DESCRIPTION OF ACTION TO PREVENT THE REOCCURRENCE OF THE NONCOMPLIANCE IN THE FUTURE**

- ACO has sent a reminder to all inspectors that it is mandatory to inspect the number of individual growers directed by ACO.
- ACO has updated SOP 230 Certification Review Committee (CRC) so that the reviewer designates the number of individual grower inspections for next onsite audit. The annual document review conducted prior to the inspection recommends the final number of individual growers to be inspected based on CRC recommendation and review of annual OSP annual update. The final number of individual growers is communicated to the inspector so they can allocate the number of days required to complete the inspection. SOP 215 Document Review has been updated to reflect this.
- One new tab (Inspection Annex 2 Individual Grower Inspections) have been created to assist inspectors to lodge information about each individual grower inspected.
- A notice was issued to all auditors and certification staff to update on the new procedure and template. Training will be provided to auditors and staff in January 2015.

**ITEMS OF EVIDENCE SUPPORTING HOW THE NONCOMPLIANCE WILL BE PREVENTED IN THE FUTURE**

- Land Management Form (Annex 2)
- Notice sent to Auditors and Certification Staff
- SOP 230 Certification Review (refer to point 6)
- SOP 215 Document Review (refer to step 1)
End of Corrective Actions by ACO
NOTICE OF NONCOMPLIANCE

DEC 01 2014

Michael Baker
Chief Certification Officer
Australian Certified Organic
P.O. Box 810
Nundah, Queensland
4012 AUSTRALIA

Dear Mr. Baker:

On September 12, 2014, a representative of the United States Department of Agriculture (USDA), Agricultural Marketing Service (AMS), National Organic Program (NOP), completed an onsite audit of the Australian Certified Organic (ACO) organic certification program as part of its USDA Mid-Term Accreditation Assessment. On November 24, 2014, the NOP reviewed the results of the onsite audit to determine ACO’s compliance to the USDA organic regulations. A copy of the assessment report, NP4251MMA, is enclosed for your reference.

As the report indicates, eight corrective action(s) for prior noncompliance(s) NP2003ZZA.NCX1 through 8), were cleared and determined to be implemented and effective. Two new noncompliance(s) [(NP4251MMA).NC1 through 2)], were findings identified during the onsite audit and determined to be noncompliances. Please submit proposed corrective actions for all noncompliances to the A1AInbox@ams.usda.gov within 30 days from the date of this Notice indicating how the noncompliances will be corrected. The proposed corrective actions must also indicate how the ACO management system will be modified to prevent future noncompliances.

Please refer to NOP 2608, Responding to Noncompliances, for further instructions on how to respond to noncompliances. Failure to promptly resolve outstanding noncompliances may result in proposed suspension or revocation of your USDA organic accreditation.

If you have questions regarding this notice, please contact your Accreditation Manager, Lars Crail at (202) 205-5536 or Lars.Crail@ams.usda.gov.

Sincerely,

Cheri Courtney
Director, Accreditation and International Activities Division
National Organic Program

Enclosure

cc: A1A Inbox
NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted a mid-term assessment of Australian Certified Organic (ACO). An onsite audit was conducted and the audit report reviewed to determine ACO’s capability to continue operating as a USDA accredited certifying agent. This report provides the results of the mid-term assessment and review of ACO’s corrective actions.

GENERAL INFORMATION

<table>
<thead>
<tr>
<th>Applicant Name</th>
<th>Australian Certified Organic (ACO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Address</td>
<td>18 Eton Street, Nundah, Queensland, 4012 Australia</td>
</tr>
<tr>
<td>Mailing Address</td>
<td>P.O. Box 810, Nundah, Queensland, 4012 Australia</td>
</tr>
<tr>
<td>Contact &amp; Title</td>
<td>Michael Baker, Chief Certification Officer</td>
</tr>
<tr>
<td>E-mail Address</td>
<td><a href="mailto:michael.baker@aco.net.au">michael.baker@aco.net.au</a></td>
</tr>
<tr>
<td>Phone Number</td>
<td>+61 (07) 3350-5706</td>
</tr>
<tr>
<td>Reviewer(s) &amp; Auditor(s)</td>
<td>Robert Yang, NOP Reviewer; Miguel Caceres, Onsite Auditor</td>
</tr>
<tr>
<td>Program</td>
<td>USDA National Organic Program (NOP)</td>
</tr>
<tr>
<td>Review &amp; Audit Date(s)</td>
<td>Review of corrective actions date: January 29 through February 27, 2015</td>
</tr>
<tr>
<td></td>
<td>Onsite assessment date: September 8 – 12, 2014</td>
</tr>
<tr>
<td>Audit Identifier</td>
<td>NP4251MMA</td>
</tr>
<tr>
<td>Action Required</td>
<td>None</td>
</tr>
<tr>
<td>Audit &amp; Review Type</td>
<td>Mid-term Assessment</td>
</tr>
<tr>
<td>Audit Objective</td>
<td>To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of ACO’s certification system.</td>
</tr>
<tr>
<td>Audit &amp; Determination Criteria</td>
<td>7 CFR Part 205, National Organic Program as amended</td>
</tr>
<tr>
<td>Audit &amp; Review Scope</td>
<td>Review of corrective actions submitted on December 23, 2014 through February 14, 2015 for noncompliances resulting from the mid-term assessment.</td>
</tr>
</tbody>
</table>

Australian Certified Organic (ACO) is a for-profit, private entity which was originally accredited as a certifying agent on June 7, 2002, to the NOP for the scopes of crop, wild crop, livestock, and handling. ACO currently has 234 certified clients, which include 84 crops, 115 livestock, 4 wild crops, and 92 handling operations. ACO is currently certifying operations to the NOP in Australia, Fiji, Japan, Malaysia, New Zealand, Papua New Guinea, Thailand, and Vanuatu. In addition to the NOP standards, ACO also certifies operations to the Australian National Standards (NS), Department of Agriculture, Fisheries and Forestry (DAFF); European Union (under regulation (EC) 1235/2008 Australia is recognized as a Third Country from which imported products can be sold as organic into the EU); South Korean organic standard; Japanese...
Agricultural Standards (JAS); International Federation of Organic Agriculture Movements (IFOAM); and Canada Organic Regime (COR). ACO has two offices, the ACO main office in Nundah, Queensland, Australia and a satellite office in Adelaide, South Australia.

**NOP DETERMINATION:**

NOP reviewed the onsite audit results to determine whether ACO’s corrective actions adequately addressed previous noncompliances. NOP also reviewed any corrective actions submitted as a result of noncompliances issued from findings identified during the onsite audit.

**Non-compliances from Prior Assessments**

Any noncompliance labeled as “**Cleared,**” indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as “**Outstanding**” indicates that either the auditor could not verify implementation of the corrective actions or that records reviewed and audit observations did not demonstrate compliance.

- NP2003ZZA.NC1 – Cleared
- NP2003ZZA.NC2 – Cleared
- NP2003ZZA.NC3 – Cleared
- NP2003ZZA.NC4 – Cleared
- NP2003ZZA.NC5 – Cleared
- NP2003ZZA.NC6 – Cleared
- NP2003ZZA.NC7 – Cleared
- NP2003ZZA.NC8 – Cleared

**Non-compliances Identified during the Current Assessment**

Any noncompliance labeled as “**Accepted,**” indicates that the corrective actions for the noncompliance are accepted by the NOP and will be verified for implementation and effectiveness during the next onsite audit.

**NP4251MMA.NC1 – 7 CFR §205.403(a)(1)** states, “…An on-site inspection shall be conducted annually thereafter for each certified operation that produces or handles organic products for the purpose of determining whether to approve the request for certification or whether the certification of the operation should continue.”

**Comments:** In one grower group file reviewed the 2013 annual inspection was not conducted as required because the operation was in the adverse action process.

**Corrective Action:** ACO clarified that the reason why the inspection was not conducted was also because the operation had not paid a prepayment of their 2013 inspection, which is a requirement for overseas operations. ACO further explained that they did not issue the operation
a noncompliance for the non-payment of fees because the operation was under proposed suspension, and upon receiving the inspection fee payment ACO conducted an inspection of the operation conducted on June 10, 2014. ACO also plans to conduct an additional unannounced inspection of the operation in July 2015. In order to prevent reoccurrence of the noncompliance, ACO updated its inspection assignment procedures for overseas operations (SOP 220: Audit Allocation) to include procedures for issuing an invoice to the operation for prepayment of the inspection fee three months prior to the operation’s inspection due date. ACO has also included noncompliance procedures to ensure that an overseas operation that does not pay its inspection fee within thirty days after the issuance of its invoice is issued a notice of noncompliance. ACO provided its staff with training on the updated procedures. ACO additionally implemented a new database system, Ecet, which will allow ACO to actively track scheduled inspections and inspection due dates.

NP4251MMA.NC2 – 7 CFR §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Comply with, implement, and carry out any other terms or conditions determined by the Administrator to be necessary.” NOP Policy Memo (PM) 11-10 (dated 01/21/11) states, “Grower group certification… accredited certifying agents should use the National Organic Standards Board (NOSB) recommendations of October 2002 and November 2008 as the current policies.” NOSB Recommendation, Certifying Operations with Multiple Production Units, Sites and Facilities, November 2008, section III.D.1 states, “The certifying agent must have policies and procedures for determining how many of the sub-units within a production unit must receive an annual inspection by the certifying agent. In addition to the mandatory inspection of new entrants to the production unit, the certifying agent must also have policies and procedures for determining which sub-units present the greatest risks of non-compliance.”

Comments: ACO has procedures in place for determining how many of the grower group’s producers must be inspected by the ACO inspector. A review of one grower group file verified ACO had identified that 26 producers had to be inspected and that the inspection had to include producers from five new villages which were added to the grower group since the previous ACO inspection. A review of the inspection report verified the inspection only consisted of 22 producers and did not include any from one of the new five villages.

Corrective Action: ACO updated its certification review procedures (SOP 230: Certification Review Committee Review Procedure and SOP 215: Document Review) to include procedures for the reviewer to designate the number of individual growers to be inspected based on a risk factor (low/medium/high risk) recommended by the Certification Review Committee. ACO informed its inspectors that it is mandatory to inspect the entire designated number of individual growers. ACO also added a section to its Land Management Form for inspectors to complete with information about each individual grower inspected during the onsite inspection. ACO informed its inspectors and certification staff of the updated procedures and form via email, and plans to conduct additional training in April of this year.
AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted a mid-term assessment of Australian Certified Organic (ACO). An onsite audit was conducted, and the audit report reviewed to determine ACO’s capability to continue operating as a USDA accredited certifier.

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<td>Michael Baker, Chief Certification Officer</td>
</tr>
<tr>
<td>E-mail Address</td>
<td><a href="mailto:michael.baker@aco.net.au">michael.baker@aco.net.au</a></td>
</tr>
<tr>
<td>Phone Number</td>
<td>61 07 3350 5706</td>
</tr>
<tr>
<td>Reviewer(s) &amp; Auditor(s)</td>
<td>Lars Crail, NOP Reviewer; Miguel Caceres, Onsite Auditor(s).</td>
</tr>
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<td>USDA National Organic Program (NOP)</td>
</tr>
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<td>Review &amp; Audit Date(s)</td>
<td>NOP assessment review: November 24, 2014 Onsite audit: September 8 – 12, 2014.</td>
</tr>
<tr>
<td>Audit Identifier</td>
<td>NP4251MMA</td>
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<tr>
<td>Action Required</td>
<td>Yes</td>
</tr>
<tr>
<td>Audit &amp; Review Type</td>
<td>Mid-Term Assessment</td>
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<td>7 CFR Part 205, National Organic Program as amended</td>
</tr>
<tr>
<td>Audit &amp; Review Scope</td>
<td>ACO’s certification services in carrying out the audit criteria during the period: February 10, 2012 through September 12, 2014.</td>
</tr>
</tbody>
</table>

Organizational Structure:

ACO is a for-profit, private entity which was originally accredited as a certifying agent on June 7, 2002, to the NOP for the scopes of crop, wild crop, livestock, and handling. ACO currently has 234 certified clients, which include 84 crops, 115 livestock, 4 wild crops, and 92 handling operations. ACO is currently certifying operations to the NOP in Australia, Fiji, Japan, Malaysia, New Zealand, Papua New Guinea, Thailand, and Vanuatu. In addition to the NOP standards, ACO also certifies operations to the Australian National Standards (NS), Department of Agriculture, Fisheries and Forestry (DAFF); European Union (under regulation (EC) 1235/2008 Australia is recognized as a Third Country from which imported products can be sold as organic into the EU); South Korean organic standard; Japanese Agricultural Standards (JAS);
International Federation of Organic Agriculture Movements (IFOAM); and Canada Organic
Regime (COR).

ACO has two offices, the ACO main office in Nundah, Queensland, Australia and a satellite
office in Adelaide, South Australia. The South Australia office receives application inquiries
and passes them onto the ACO office. There is only one person in the satellite office who is also
a subcontracted inspector. The satellite office does not conduct initial reviews to see if the
required documents have been submitted, instead the office passes on the inquiries to the main
office. Applicants submit all applications and documents directly to the ACO main office.

The ACO staff consists of a director, a chief certification officer (CCO), an operations manager
(OM) who is also the senior certification officer, a client services manager, a client officer, four
certification officers (of which two are also on the certification review committee (CRC) and one
is an export officer), and an administration/export officer. ACO uses two staff inspectors and
nine subcontracted inspectors. The nine includes the subcontracted inspector from the SA
satellite office. The two ACO staff inspectors are the chief certification officer and the
operations manager. The CRC is made up of four staff members and one subcontracted member
which is also an inspector. Interviews conducted, a review of the personnel records, and
observations during the witness inspection verified ACO staff and subcontracted inspectors had
the necessary education, experience, and training to comply with and implement the organic
certification program.

Certification Process:

For new applicants, ACO sends an information packet via email, which contains an application
form (USDA NOP Application, Form 205-19) and the fee schedule. The email contains links to
the application form, the appropriate organic system plan templates, a Statutory Declaration, and
form templates appropriate to the type of operation (Product List, General Ingredients List,
Product Formula Application, and Product Recipe Application). The application form contains a
link to the NOP website where the client can obtain a copy of the NOP Standards. Almost all
information packets go out via email. However, if requested, ACO would send the applicant the
information packet in hard copies. Fee estimates are provided to all applicants and certified
operations on the “Audit Notification Letter”. Once an application is received, an administrative
review is conducted to ensure the three required documents are received. The three required
documents are the application, an organic management plan, and the statutory declaration. After
all three documents are received the initial review for completeness and compliance is conducted
by a certification officer. Inspectors are assigned based on the scope of certification requested,
the standards for which the inspector is qualified for, the number of audits already conducted on
the operation, and the region where the inspection is to be conducted. After the inspection, the
file is reviewed by the certification review committee which can consist of one to three members.
However, the CRC generally consist of one individual. The CCO reviews all non-compliances
which are issued and signs the certificates.

For the annual update process, ACO sends certified operations a notification letter approximately
90 days prior to the annual update due date. Once the annual update (ACO Certified Client
Statement and Organic Management Plan Update) and fees are received, ACO uses the same
process as for initial applicants with a review of the updated information by a certification officer, an inspection, CRC review and a review by the CCO. Certificates are updated and issued to certified operation every year. In addition to the regularly scheduled inspections ACO conducted three unannounced inspections in calendar year 2013. This did not meet the requirement of conducting unannounced inspections on 5 percent of the total certified operations for the year as ACO had 200 certified operations at the time. ACO identified this noncompliance during their internal audit conducted July 18-21, 2014 and took preventative actions. The NOP certified client list submitted by ACO in January 2014 had 234 certified operations. To meet the 5 percent requirement, ACO needs to conduct 12 unannounced inspections in 2014. At the time of the Mid-Term Assessment ACO had already conducted 16 unannounced inspections of their NOP certified operations.

A complete file review was conducted on a grower group client during the assessment. The file review verified ACO had procedures in place for assessing the grower group’s risk factors and assessing how many producers have to be inspected by the assigned inspectors. However, as identified in the findings, ACO failed to follow-up with the inspector and the operation when the inspector did not inspect the required number of producers and the locations visited did not include any producers or production sites from one of the five new villages which were included in the grower group since the previous ACO inspection. In addition to the complete grower group file review, two additional grower group files were selected to verify the settlement agreement requirements concerning grower groups as described in ACO Settlement Agreement dated August 11, 2011. The settlement agreement states in part “ACO will attend training sessions sponsored by its grower group clients for their members. At least one session per client will be attended by ACO staff during the next two years. The purpose of the attendance is to evaluate grower participation, training content, quality of instruction, and training effectiveness. ACO will provide the NOP an annual evaluation report of these events. The first ACO grower group evaluation report is due no later than December 31, 2011.” To meet the requirement, the grower group training is conducted during annual inspections, which are attended by an ACO inspector. ACO includes information on the training in the inspection report. The two additional grower group files selected verified that for one of the two grower groups, training was attended by the ACO inspector in 2013 and 2014. In one of the two files an inspection was conducted in 2012, none was conducted in 2013 and one was conducted in 2014. ACO stated that the inspection was not conducted for 2013 because the operation was in the adverse actions process as they had been issued a notice of proposed suspension at the time. NOP identified ACO’s failure to conduct an inspection as a noncompliance.

Materials and labels are reviewed by the certification officers and after inspection by the CRC. Label reviews are conducted using a checklist (310-01 Checklist for Label Approval (ACO, JAS, USDA, EU, Korea, COR, IFOAM, COSMOS, BFA), Issue 1, Revision 4). The checklist contains the procedures for the label review and approval which requires ACO to issue an “Approval Letter” for the labels to the clients. ACO obtains information on its processing client’s materials and inputs via the Natural Food Ingredients Assessment Questionnaire in addition to the forms and information required to be submitted with the organic management plan. For producers, information is obtained on the organic management plan and also the “USDA Checklist Input Assessment” (form 516-03, v2.0). The input assessment form has additional requirements if the input is a liquid fertilizer with a nitrogen content greater than 3%.
The requirements include submitting all information on all active and inactive ingredients; submitting information on the manufacturing process and testing; completion of an onsite audit by ACO; informing the client they are subject to annual onsite audits by ACO; and that they are subject to unannounced audits annually during manufacturing.

The process for verification of the US-Canada Organic Equivalency Arrangement is not documented. However, a process is followed for verifying the terms by gathering the required information in the organic management plan, verifying the information during inspections, and reviewing the information prior to certification by the CRC. The organic management plan and the inspection report have questions specific to the COR requirements. Attestation statements are contained on the Compliance Letter for Export of NOP Organic Product to Canada. The compliance letter is provided to clients at their request and after a review of the organic management plan and inspection reports. The two compliance letters which were reviewed stated “Certified in compliance with the terms of the U.S.-Canada Organic Equivalency Arrangement.”

Administrative Records and Processes:

ACO uses their ACO Quality Manual (Issue No. 1, Revision No. 18) in addition to process specific procedures and checklists to address the procedures for organic certification from application through certification. As described under the “Certification Process” section, all forms from application to organic management plans, and those the clients can use to record activities, are available from the ACO website for download and available from ACO in hard copy.

The most recent annual program review was conducted in September 2013. The results were documented and the corrective and preventive actions taken were included in the March 20, 2014 Minutes of NOP Annual Program Review, which were submitted to the NOP. Training provided to the ACO staff and inspectors included external training by IOIA, internal training by staff, on the job training, and shadow inspections.

Summary of Witness Inspections and Review Audits Conducted:

A review audit of a handling operation located in Yatala, Queensland, Australia was conducted during the assessment. The handler is a split operation which repackages organic canola and sunflower oil. A witness inspection of a livestock operation in Tathamarr, Augathella, Queensland, Australia was conducted. The operation consisted of pasture and cattle.

NOP DETERMINATION

The NOP reviewed the onsite audit results to determine whether ACO’s corrective actions adequately addressed previous noncompliances. The NOP also reviewed the findings identified during the onsite audit to determine whether noncompliances should be issued to ACO.
Noncompliances from Prior Assessments – Cleared

Any noncompliance labeled as “Cleared,” indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as “Outstanding” indicates that either the auditor could not verify implementation of the corrective actions or that records reviewed and audit observations did not demonstrate compliance.

NP2003ZZA.NC1 – Cleared – 7 CFR §205.404(b)(3) states, “The certifying agent must issue a certificate of organic operation which specifies the: (3) Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation.”

**Comments:** Five of 187 NOP organic certificates issued by ACO did not identify the processed products category of organic operation. The certificates correctly identified the category of organic operation as crop or wild crop; however, the certificates did not identify the operations were also certified for processing (handling). All five clients are also certified for on-farm processing (micro-brewery, distillation, etc.) which is considered a cottage industry by ACO and therefore not listed on the certificate. The certified operation files, including organic system plans, audit reports, certification decision records, certification letters, etc., clearly documented the additional category of processing for these operations; however, the category was simply not identified on the certificate. ACO updated all five of the certificates on the first day of the assessment to add the category of organic operation as “onsite processing.”

**Corrective Action:** All five operations received an updated organic certificate adding the certification category of onsite processing. ACO updated their certificate templates and provided training to their certification staff. ACO conducted a full review of clients to ensure all operations with on-farm processing held an appropriate and accurate certificate. Objective evidence was submitted to the NOP by ACO. The corrective actions submitted for NC1 by ACO are accepted.

**Verification of Corrective Action (September 2014):** ACO’s corrective actions were verified by reviewing certificates; which all contained the category of organic operation.

NP2003ZZA.NC2 – Cleared – 7 CFR §205.406(c) states, “If the certifying agent has reason to believe, based on the on-site inspection and a review of the information specified in §205.404, that a certified operation is not complying with the requirements of the Act and the regulations in this part, the certifying agent shall provide a written notification of noncompliance to the operation in accordance with §205.662.”

**Comments:** One of 12 files reviewed identified a specific noncompliance to the NOP Rule; however, ACO did not issue written notification of noncompliance to the certified operation as required. The Certification Officer conducting the annual update review identified a concern regarding the application of raw manure, the inspector identified an issue of concern for the application of raw manure continually throughout the year in a coconut plantation with no post-application harvest interval (coconuts harvested year-around), and the Certification Review Committee member conducting the final review and making the certification decision identified it as a noncompliance requiring corrective action. ACO did not issue a written notice of
noncompliance but only informed the certified operation that it was an improvement request to be completed by the next audit.

**Corrective Actions:** The operation was issued a noncompliance notification by ACO. A training memo was issued to the certification staff regarding the matter. Objective evidence was submitted to the NOP by ACO. The corrective actions submitted for NC2 by ACO are accepted.

**Verification of Corrective Action (September 2014):** The auditor verified that noncompliances are being issued as observed in all files reviewed during the audit.

**NP2003ZZA.NC3 - Cleared** – 7 CFR §205.402 (a)(2) states, “Upon acceptance of an application for certification, a certifying agent must: Determine by a review of the application materials whether the applicant appears to comply or may be able to comply with the applicable requirements of subpart C of this part.”

**Comments:** ACO approved a crop operation (vineyard) that identified the use of a biodynamic preparation containing raw manure (BD 500) without verifying the compliance of the application and harvest dates with the restrictions in §205.203(c)(1)(iii). Interviews with the responsible Certification Review Committee member that made the certification decision and with the Certification Manager verified this product was considered an input with no restrictions based on the OMRI listing. None of the individuals involved in the certification process (initial reviewer, inspector, certification decision maker) identified the use of the biodynamic product containing raw manure as an issue that required additional information to verify compliance.

**Rebuttal Accepted:** ACO has always considered the Biodynamic Preparation BD500 (horn manure spray) as a nonsynthetic input, allowed under 205.105(a). Furthermore, the Organic Materials Review Institute (OMRI) lists the following for Biodynamic Preparations:

- **Status:** Allowed
- **Class:** Crop Management Tools and Production Aids
- **Origin:** Nonsynthetic
- **Description:** Includes horn manure spray (500) horn silica (501), yarrow flowers (502), chamomile (503), stinging nettle (504), oak bark (505), dandelion (506), valerian (507), and horsetail (equisetum) spray (508).
- **NOP Rule:** 205.105(a)

NOP accepts ACO’s rebuttal response for NC3. ACO may continue to approve BD500 without restriction under §205.105(a).

**Verification of Corrective Action (September 2014):** Not applicable.

**NP2003ZZA.NC4 – Cleared** – 7 CFR §205.501(a)(16) states, “Charge applicants for certification and certified production and handling operations only those fees and charges for certification activities that it has filed with the Administrator;” and NOP §205.642 states, “...
certifying agent shall charge applicants for certification and certified production and handling operations only those fees and charges that it has filed with the Administrator.”

Comments: ACO updated their domestic and international fee schedules in January 2012; however, the entire fee schedules were not submitted to the Administrator. ACO submitted a summary of the intended changes to both fee schedules with their renewal application in December 2011; however, they did not submit the revised fee schedules (dated January 18, 2012) to the Administrator and charged domestic clients according to the revised domestic fee schedule. ACO has not yet charged any international clients using the revised international fee schedule.

Corrective Actions: The Domestic and International Fee schedules were submitted to the NOP. ACO revised their QA manual to indicate that fee schedules would be submitted to the NOP when modified rather than submission of a summary of the changes. Objective evidence was submitted to the NOP by ACO. The corrective actions submitted for NC4 by ACO are accepted.

Verification of Corrective Action (September 2014): The auditor verified both the international and domestic fee schedules were submitted to the NOP prior to charging clients the revised fees and that fees charged were consistent with the schedule.

NP2003ZZA.NC5 – Cleared – 7 CFR §205.504(b)(5)(iii) states, “A private or governmental entity seeking accreditation as a certifying agent must submit the following documents and information to demonstrate its expertise in organic production or handling techniques…A copy of the procedures to be used, including any fees to be assessed, for making the following information available to any member of the public upon request…The results of laboratory analyses for residues of pesticides and other prohibited substances conducted during the current and 3 preceding calendar years…”

Comments: ACO has no established policy or procedures that address public requests for laboratory analyses for residues of pesticides and other prohibited substances. ACO has received no requests from the public for this type of information. ACO updated their certification procedures during the assessment to satisfy this NOP requirement.

Corrective Actions: ACO submitted updated Standard Operating Procedures for sampling and testing with reference to procedure for making test results available to the public. Objective evidence was submitted to the NOP by ACO. The corrective actions submitted for NC5 by ACO are accepted.

Verification of Corrective Action (September 2014): ACO received one request for testing results via email on January 25, 2014 and while ACO was compiling the data the individual withdrew the request. There were no other public requests for sampling or test results.

NP2003ZZA.NC6 – Cleared – 7 CFR §205.504(b)(6), states, “A private or governmental entity seeking accreditation as a certifying agent must submit the following documents and information
to demonstrate its expertise in organic production or handling techniques…A copy of the
procedures to be used for sampling and residue testing pursuant to §205.670.”

Comments:  *ACO has no established policy or procedure to comply with §205.670(d)(1), which
states that results of all analyses and tests performed under this section must be promptly
provided to the Administrator (i.e. NOP). No tissue samples have been taken by ACO of NOP
client products or inputs. ACO did update their certification procedures during the assessment
to satisfy this NOP requirement.

Corrective Actions: ACO updated their Standard Operating Procedures to include the
requirement to send test results to the NOP. Objective evidence was submitted to the NOP by
ACO. The corrective actions submitted for NC6 by ACO are accepted.

Verification of Corrective Action (September 2014): The NOP certified client list submitted
by ACO in January 2013 (2012 list) had 200 certified operations. ACO pulled samples and
tested product and soil on 27 NOP certified operations (29 samples in all). ACO met the 5%
annual requirement. The requirement to promptly submit the results to the Administrator has
been removed from the Final Rule.

NP2003ZZA.NC7 – Cleared – 7 CFR §205.504(b)(1), states, “A private or governmental entity
seeking accreditation as a certifying agent must submit the following documents and information
to demonstrate its expertise in organic production or handling techniques…A copy of the
procedures to be used to evaluate certification applicants, make certification decisions, and issue
certification certificates…”

Comments:  *Pursuant to §205.671, if a prohibited substance is detected that is greater than 5%
of the EPA tolerance for the residue or unavoidable residual environmental contamination the
product is not allowed to be represented as organic. ACO policy and procedures do not clearly
identify what steps ACO must implement to ensure certified operations comply with this
regulation requirement. Additionally, pursuant to §§205.402(b)(3) and 205.403(e)(2), copies of
test results for any samples taken by an inspector must be provided to the operation. ACO’s
SOP 229, Section 9, only indicates that operations are notified of positive results above 5% of
EPA tolerance. ACO updated their certification procedures during the assessment to satisfy this
NOP requirement.

Corrective Actions: ACO updated their Standard Operating Procedures to include the
requirement to send test results to the NOP. Objective evidence was submitted to the NOP by
ACO. The corrective actions submitted for NC7 by ACO are accepted.

Verification of Corrective Action (September 2014): None of the test results reviewed by the
auditor exceeded the 5% EPA tolerance. The auditor verified that, as required, ACO sent the
results to the clients whether they were positive or negative.

application for certification, a certifying agent must: Determine by a review of the

NP4251MMA NC ACO 11 24 14 Page 8 of 10
application materials whether the applicant appears to comply or may be able to comply with the applicable requirements of subpart C of this part.” Pursuant to §205.303(b)(1), which states, “For products labeled “organic,” identify each organic ingredient in the ingredient statement with the word, “organic,” or with an asterisk or other reference mark which is defined below the ingredient statement to indicate the ingredient is organically produced.”

Comments: The coconut water product label for one of the processor files reviewed did not comply with the aforementioned requirement. Additionally, §205.303(b)(2), states, “On the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, “Certified organic by***,” or similar phrase, identify the name of the certifying agent that certified the handler of the finished product…” Several labels for the same processor were approved by ACO where the placement of the “Certified organic by ***” statement was not in compliance.

Corrective Actions: ACO issued a noncompliance notification to the operation identified with the label violations. ACO created a label review checklist and has trained staff on its implementation. Objective evidence was submitted to the NOP by ACO. The corrective actions submitted for NC8 by ACO are accepted.

Verification of Corrective Action (September 2014): The auditor verified via the limited labels reviewed that labels approved by ACO identified the organic ingredients and had compliant “Certified organic by ***” statements.

Noncompliances Identified during the Current Assessment

NP4251MMA.NC1 - 7 CFR §205.403(a)(1) states, “…An on-site inspection shall be conducted annually thereafter for each certified operation that produces or handles organic products for the purpose of determining whether to approve the request for certification nor whether the certification of the operation should continue.”

Comments: In one grower group file reviewed the 2013 annual inspection was not conducted as required because the operation was in the adverse action process.

NP4251MMA.NC2 – 7 CFR §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Comply with, implement, and carry out any other terms or conditions determined by the Administrator to be necessary.” NOP Policy Memo (PM) 11-10 (dated 01/21/11) states, “Grower group certification… accredited certifying agents should use the National Organic Standards Board (NOSB) recommendations of October 2002 and November 2008 as the current policies.” NOSB Recommendation, Certifying Operations with Multiple Production Units, Sites and Facilities, November 2008, section III.D.1 states, “The certifying agent must have policies and procedures for determining how many of the sub-units within a production unit must receive an annual inspection by the certifying agent. In...
addition to the mandatory inspection of new entrants to the production unit, the certifying agent must also have policies and procedures for determining which sub-units present the greatest risks of non-compliance.”

Comments: ACO has procedures in place for determining how many of the grower group’s producers must be inspected by the ACO inspector. A review of one grower group file verified ACO had identified that 26 producers had to be inspected and that the inspection had to include producers from five new villages which were added to the grower group since the previous ACO inspection. A review of the inspection report verified the inspection only consisted of 22 producers and did not include any from one of the new five villages.
ACO Standard Operating Procedures
SOP 215: Document Review

Objective And Scope

Purpose
This Procedure shall be followed for the review of Statutory Declarations and Organic Management Plans (either Organic Farm Plans or Organic Handling Plans), which were completed and returned to ACO's office by new clients.

This procedure is to be followed for USDA/COR/KOREA/EU/JAS for existing clients who are required to return the completed Certified Client Statement (OSP update) to be reviewed annually prior to their annual onsite inspection.

It is also the purpose of this procedure to ensure that the client understands the certification requirements and to assess whether the client has the capability to fulfill the requirements.

Scope
This Procedure shall be followed by relevant staff at all times when reviewing client documents.

Certification Officers are responsible for the technical review of documents supplied by clients (Statutory Declarations, OMPs, Certified Client Statements etc.)

PROCEDURE DETAILS

STEP    ACTIVITY OUTLINE
1    The submitted documents are reviewed for accuracy, completion and conformance to the appropriate Organic Standards. For all Grower Group operations the annual review the Certification Officer is to review feedback from last audit Certification Review Committee regarding the recommended risk factor (low/medium/high risk) and incorporate this into the review. The Certification Officer is then to provide feedback to the inspector about the number of individual growers to be inspected.

D2    Detailed Instructions
Relevant Document Review Forms completed:
* CERT OFFICER DOC REVIEW and DESK Audits – ECERT instructions

If client is previously rejected his certification by another certification body, certification officer may contact the other certification body to obtain relevant information.

2    Contact made with the client to request more information if required.
Email to the client
informing them if more information is required and whether any CARs have been raised based on the document review.

3    Final steps:
* advise the Audit Coordinator that the audit needs to be scheduled for the client
* Make appropriate comments on profile of clients database

D3    Detailed Instructions
A person that has completed a document review won’t be able to perform the audit or the CRC review. Document review, Audit and CRC review are independent certification process that have to be carried independently by different staff in order to ensure impartiality.

Forms attached to this procedure
Form No.   Form Name (Consult Master Document Register for Issue and Revision status)
### ACO Standard Operating Procedures

#### SOP 215: Document Review

<table>
<thead>
<tr>
<th>SOP</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>215-01</td>
<td>Documents Review for Producer</td>
</tr>
<tr>
<td>215-03</td>
<td>Document Review for ACO producer Cottage Industries</td>
</tr>
<tr>
<td>215-04</td>
<td>Document Review for Wholesaler / Retail / Exporter</td>
</tr>
<tr>
<td>215-05</td>
<td>Document Review for Growers Group</td>
</tr>
<tr>
<td>215-06</td>
<td>NOP Producer Checklist</td>
</tr>
<tr>
<td>215-07</td>
<td>NOP Livestock Checklist</td>
</tr>
<tr>
<td>215-08</td>
<td>NOP Producer &amp; Livestock Checklist</td>
</tr>
<tr>
<td>215-09</td>
<td>NOP Processor Checklist</td>
</tr>
<tr>
<td>215-10</td>
<td>COR Producer Checklist</td>
</tr>
<tr>
<td>215-11</td>
<td>COR Processor Checklist</td>
</tr>
<tr>
<td>215-12</td>
<td>doc review AI – update</td>
</tr>
<tr>
<td>215-13</td>
<td>doc review AP-water_salt</td>
</tr>
<tr>
<td>215-14</td>
<td>JAS-livestock feed</td>
</tr>
<tr>
<td>215-15</td>
<td>JAS-Processor</td>
</tr>
<tr>
<td>215-16</td>
<td>JAS-producer</td>
</tr>
<tr>
<td>215-17</td>
<td>JAS-Repacker</td>
</tr>
<tr>
<td>215-18</td>
<td>OGA Document Review Producer</td>
</tr>
<tr>
<td>215-19</td>
<td>COSMOS Document review Processor</td>
</tr>
<tr>
<td>215-20</td>
<td>NOP&amp;COR checklist -Processor equivalency</td>
</tr>
<tr>
<td>215-21</td>
<td>NOP&amp;COR checklist -livestock-Equivalency</td>
</tr>
<tr>
<td>215-22</td>
<td>NOP&amp;COR checklist -livestock &amp; Cropping combined equivalency</td>
</tr>
<tr>
<td>215-23</td>
<td>COR checklist -livestock &amp; Cropping combined</td>
</tr>
<tr>
<td>215-24</td>
<td>COR- Honey Producer</td>
</tr>
<tr>
<td>215-25</td>
<td>doc review Provider_EFAPA</td>
</tr>
<tr>
<td>215-26</td>
<td>doc review Processor Korea</td>
</tr>
<tr>
<td>215-27</td>
<td>Document Review for Licensee Processor</td>
</tr>
<tr>
<td>215-28</td>
<td>Doc Review for ACO Importer</td>
</tr>
<tr>
<td>215-29</td>
<td>Extension area charge Sheet</td>
</tr>
<tr>
<td>215-30</td>
<td>Desk Audit charge sheet</td>
</tr>
<tr>
<td>215-31</td>
<td>COSMOS Document review Licensee Processor</td>
</tr>
</tbody>
</table>
ACO Standard Operating Procedures
SOP 220: Audit Allocation

Objective And Scope

Purpose
This Procedure shall be followed for the allocation of inspectors for on-site audits, and for the allocation of initial and annual audits to ACO’s clients.

It is ACO’s policy to conduct annual on-site audits of all ACO’s existing clients. This is in addition to all initial audits of new clients.

It is ACO’s policy to also conduct annually random additional audits on a minimum of 10% of ACO’s clients. The Certification Team is responsible for selecting the clients (annually). Refer to the "Unannounced Audits" (Procedure Number 227) for further details.

Scope
This Procedure shall be followed by the relevant staff when allocating inspectors for on-site audits. The procedure also applies to allocation of initial, pre-certification, as well as annual audits to the clients. It applies to scheduled and unscheduled audits.

The Audit Coordinator is responsible for the allocation of inspectors for on-site audits, their notification, and the relevant paperwork preparation.

This procedure is to be followed by Accounts department when issuing invoices for international clients pre-payment.

The General Manager is responsible for determining the type and frequency of audits directed at a given client. The following factors are considered: the sector or type of production; the size, complexity and intensity of production of the operation; the outcome of previous audits and reports and compliance issues; complaints received by ACO; parallel production activities; issues of risk such as contamination potential and related issues which may affect or put at risk the certification status of clients.

*For Korean certification, audits shall be conducted while the crop is in the first one third of its growth.

PROCEDURE DETAILS

STEP    ACTIVITY OUTLINE

* FOR OGA REFER TO THE ATTACHED OGA AUDIT ALLOCATION PROCEDURE.

1 Auditors are allocated to specific regions annually.
   Detailed Instructions
   ACO shall at all times employ Contract Auditors who have the necessary education, training and skills for performing organic auditor functions in a competent manner.

2 The current and valid registration, professional abilities, knowledge and skill of the auditor is to be assessed to ensure proficiency and appropriate knowledge and experience in areas of auditing.

As a guide, the same auditor is not assigned to an operator for more than 5 consecutive years* excluding Unscheduled/Unannounced audits. In the case of where more than 5 consecutive years needs to be conducted by the same auditor, such a case needs to be approved by the Audit Coordinator.

An unscheduled/unannounced audit cannot take the place of a full onsite inspection.

Page 1 of 3
ACO Standard Operating Procedures
SOP 220: Audit Allocation

* For IFOAM certified operators it must be ensured that the same auditor is not assigned to an operator for more than 4 consecutive years.

It must also be ensured that neither conflict of interest nor pecuniary interest is present between the auditor and the client.

Any issues arising from client complaints or demands not to receive a given auditor into their operation must also be addressed.

3 An inspection order is created on ECERT and allocated to the relevant nominated inspector 3 months prior to the annual inspection being due. For international operations accounts are provided the allocated inspections and the clients are invoiced.

4 The inspector has access to a copy of the last inspection report and other client files via inspector ECERT portal.

5 After the inspection order is created issue a standard initial/annual audit notification letter to clients (depending on the type of audit e.g.: new, pre-cert., annual) advising of impending audit OR for clients who hold certification for USDA/EU/COR/JAS/KOREA the annual audit notification letter contains the provision for the client to return the CCS – Certified Client Statement (OSP update)

This information shall be received by client no later than 2 weeks prior to audit being performed, unless otherwise communicated between auditor and client.

**Detailed Instructions**

Where a client does not return the Certified Client Statement or for international clients the invoice is not paid within 30 days refer to SOP 236 Issuing of Corrective Action Requests/Non-Conformances.

Where an invoice remains outstanding after 60 days refer to SOP 260 Intent to Suspend procedure and for USDA NOP refer to SOP 266 NOP Proposed Revocation/Suspension.

Where an invoice remains outstanding after 90 days refer to SOP 265 Suspension of Certification.

For Korean processor certification the client needs to be sent form 220-25, this form needs to be returned to the office one month prior to certificate expiring.

**Forms attached to this procedure**

<table>
<thead>
<tr>
<th>Form No.</th>
<th>Form Name (Consult Master Document Register for Issue and Revision status)</th>
</tr>
</thead>
<tbody>
<tr>
<td>220-02</td>
<td>Initial audit letter</td>
</tr>
<tr>
<td>220-03</td>
<td>Initial audit letter – International</td>
</tr>
<tr>
<td>220-04</td>
<td>Annual audit letter</td>
</tr>
<tr>
<td>220-05</td>
<td>Certified Client Statement – Other</td>
</tr>
<tr>
<td>220-06</td>
<td>Certified Client Statement – Producer</td>
</tr>
<tr>
<td>220-07</td>
<td>ACO CCS &amp; OHP Update CP</td>
</tr>
<tr>
<td>220-08</td>
<td>ACO CCS &amp; OHP Update Processor</td>
</tr>
<tr>
<td>220-09</td>
<td>BFA CCS &amp; HP Update Reg Product</td>
</tr>
<tr>
<td>220-21</td>
<td>ACO Annual Audit letter JAS USDA</td>
</tr>
<tr>
<td>220-22</td>
<td>Audit Report – Freshcare</td>
</tr>
<tr>
<td>220-25</td>
<td>Application for Organically Processed Food Certification Extension</td>
</tr>
<tr>
<td>220-31</td>
<td>OGA CCS Processor</td>
</tr>
<tr>
<td>220-32</td>
<td>OGA CCS Producer</td>
</tr>
<tr>
<td>220-33</td>
<td>Off Site storage audit report template</td>
</tr>
</tbody>
</table>
ACO Standard Operating Procedures
SOP 220: Audit Allocation

220-35          OGA Desk Audit Notification Letter
220-36          OGA OnSite Audit Letter
ACO Standard Operating Procedures

SOP 230: CRC Review Procedure

Objective And Scope

Purpose
This procedure identifies the steps to be followed for the review of clients’ audit reports by the ACO’s Certification Review Committee (CRC).

Scope
This procedure shall be followed at all times when reviewing clients’ audit reports supplied by the ACO’s own or contracted auditors.

PROCEDURE DETAILS

STEP ACTIVITY OUTLINE

* FOR OGA REFER TO THE ATTACHED OGA CRC REVIEW PROCEDURE.

A) CRC members are appointed annually by the ACO General Manager based upon the technical competence and suitability of individuals.

B) CRC shall attend CRC training which is held by ACO annually to maintain updating the knowledge of the Standards and regulations.

C) In addition to the annual training, if any changes are made to ACO’s Quality Management System and / or to the Australian Organic Standard, the CRC members are to be notified and trained in any new requirements.

D) As per JAS and NOP-(vi) Ensuring that the decision to certify an operation is made by a person different from those who conducted the review of documents and on-site inspection.)

CRC Oversight Committee (IFOAM Requirement) - As a group once per year to perform reviews on 3% of total IFOAM reviews undertaken within the 12 months period. (Minimum 2 members must perform the review of previous decisions).

1 The reviewer is allocated inspection reports via ECERT infoportal.

D1 Detailed Instructions
For “Freshcare” certification, refer to Freshcare SOP.
230_49 CRC review ECERT

2 Responsibility for allocating the audit reports for a review to a particular CRC members.

Email the audit reports to the chosen reviewer, noting the operation/s to be reviewed, and to define to them the scope of the review. The Audit Coordinator must also keep in mind the technical proficiency of CRC members and any conflicts of interests.

3 Upon receipt of the completed audit report, or other information required for review by the CRC, the CRC member is to review the report and/or information for any issues to be addresses or for additional information required e.g. Test results, maps, flow charts, ingredients lists, completed declaration documents, etc.

Additional information may be requested by the CRC and shall be provided by the Certification Team on request OR the CRC member may access files themselves to complete the review.

D2 Detailed Instructions
For review of audit reports, the CRC members should follow this detailed procedure:
ACO Standard Operating Procedures

SOP 230: CRC Review Procedure

1. Obtain all details and relevant material on file for client in question who is to be reviewed from the filling cabinet. (Refer to Filling Procedure if necessary).

2. Where conflicts of interest or pecuniary interest issues are evident – or where a perception of conflict may potentially arise from outside the review team, decline review of such work. Similarly, where the CRC member is not technically competent to carry out the review work, this shall be brought to the attention of the Certification Manager. If the CRC member conducted the audit they cannot be on the CRC Committee for that particular client.

3. Other relevant Standards and regulations of states within which operators may be operating shall be taken into consideration and assessed for compliance, along with the Organic Standard.

4. Read the audit report of the auditor for completeness and relevance, noting questions unanswered particularly relating to previous Licence Agreements Conditions and/or CARs (are they addressed or not, note the Auditors concerns and any additional and relevant concerns).

5. Issues noted must be referenced clearly to a section of the Standard, with note of objective evidence cited by the auditor or from other information gathered from review.

6. Review the results of Soil and/or Tissue Test Analysis returned from the External Laboratory.

   For US bound products, if the residue test result is above 5% of US EPA, or 10% of the MRL (FSANZ) for Australian product for all other markets (unless otherwise specified for those markets), the ACO's Certification Manager is to be notified for communication to the appropriate agencies and also back to the client. If there are any synthetic chemical residues from tissue tests containing prohibited modern chemicals (eg organophosphates) this shall be immediately brought to the attention of the Certification Manager for actioning.

7. Where further information is required in relation to the review of the client or operation, all queries shall occur through the Certification Manager ONLY in regard to queries relating to clients. The CRC shall at no time contact clients being reviewed at any time without the clear direction and authority of the Certification Team. Where further information is required to be clarified from the auditor, the auditor may be contacted directly by the CRC member.

8. Note issues of potential parallel production. If this occurs refer to the relevant ACO, USDA, JAS, and BD Standards for guidance. Additional Licence Agreement conditions may need to be applied and/or further requests for confirmation of protocol from client as per point below.

9. Note issues of use of conventional ingredients used in processing, with assessment made of operator use of such products and whether there is (documented and/or recorded) operator review and re-evaluation of such products on an ongoing basis for conformance with the relevant ACO, USDA, JAS, BD Standard and in terms of assessed non availability of organic alternatives.

10. Operator assessment to be undertaken in regard to compliance with USDA and/or other relevant criteria and report as required. Note in regard to HACCP food safety auditing; confirm food safety compliance ONLY in instances where a) the auditor conducting the
ACO Standard Operating Procedures
SOP 230: CRC Review Procedure

audit is a QSA registered food safety auditor for the relevant sector and b) where the auditor notes compliance by the client to the requirements outlined in the sections pertaining to food safety.

11. Note clearly in the review report what the scope of the review is. This may include: USDA NOP; UK Soil certification; HACCP; JAS and others. Note that confirmation of compliance to certain standards shall require additional reports being completed or additional information being made available to CRC. In the instance of USDA NOP this shall include an OMP relevant to the USDA NOP, while for UK Soil or BioSuisse this may require additional cross checking with

4 Complete the CRC worksheet on ECERT. Update the clients profile.

5 Note any CARs, NCs (Noncompliance), Irs (Improvement required) raised with client and/or any additional information being sought – with a specification on time frames requested for communication back with the office.

6 Complete the Risk Assessment for the operation, using the Risk Assessment on ECERT. For all Grower Groups based on the risk assessment determine if the operator is low/medium or high risk. This will assist the document reviewer determine number of individual growers to be inspected at next onsite audit.

Note: Provide the auditor, prior to each on-site audit, with previous on-site audit reports and notify the auditor of its decision regarding certification of the production or handling operation site inspected by the inspector and of any requirements for the correction of minor non compliances.

At times when a file or reports are reviewed, there may be cause or reason for feedback to be given to auditors responsible for the report or contracted audit service.

In such instances, this is conveyed directly to the Audit Coordinator of ACO for action and for giving feedback onto the auditor/s in question. The Auditor Coordinator and/or Certification Manager of ACO shall decide what action shall be taken in response to the feedback, including corrective action where required. Such corrective action shall also be maintained on the auditors own personal file in ACO office. Auditors shall, on a quarterly basis, be informed of the outcome pertaining to inspections undertaken within that period.

7 If there are proposed further amendments to the client file, or disagreements over decisions being made, by the second reviewer(if system of two reviews is being used), this is to be discussed with the first CRC member in the first instance for resolution prior to final sign off. If the Certification Manager or other reviewer does not believe the review and the conditions are technically appropriate and where there is disagreement between both reviewing parties, the report is to be forwarded to the Appeals Committee for further review.

Forms attached to this procedure
Form No. Form Name (Consult Master Document Register for Issue and Revision status)

230-07 CRC Oversight Committee Review (Q:\Forms)
Hi All,

Please note that ACO received a non-compliance from NOP at our recent Mid-Term inspection, in relation to not enough individual growers being inspected as part of a Grower Group annual inspection. The cause of the non-compliance was determined to be the inspector did not allocate sufficient time to complete all individual inspections.

ACO has updated our Certification Review Procedure and Annual Document review procedure to incorporate that the Certification Reviewer will determine if the operation is Low/Medium/High risk and provide feedback to the office. When the operation submits their annual update (CCS) for review the Document Reviewer will decide what risk the operation is and provide feedback to the inspector about the number of Growers to be inspected, taking into consideration the last year feedback to office from the Certification Reviewer.

ACO has also created a tab “Inspection Appendix 2” to the Land Management Form (attached). This replaces section 4 of the old word document and is to be completed and attached to the ECERT inspection report. There will be an update to the ECERT inspection checklist to add the question:

*Has Inspection Annex 2 of the Land Management Form (Individual Grower Inspections) been completed and attached to inspection report?*

Please also note that this tab on the spreadsheet will be locked, the password to unlock in aco2011.

There will be a training provided in January to go through the changes and how to use the new checklist attachment.

Please contact me if you have any questions.

Thank you.

Kind Regards,

Michael Baker (Bach. Ag Sc. MA RD)
Chief Certification Officer
Australian Certified Organic
Phone – 0733505706
Fax - 0732665996

*Look out for the monthly Australian Certified Organic News in your inbox - it keeps you up to date with important certification news. If you don't receive it subscribe here.*
Please note the AO/ACO/OGA office will be closed from 1pm 24th December 2014 and will re-open at 8.30am 5th January 2015.

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Australian Organic incorporating Australian Certified Organic aco.net.au
PO Box 810 (18 Eton St) Nundah Qld 4012

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Dear Insert Name,

RE: USDA NOP NOTICE OF NONCOMPLIANCE – CERT NO.

This letter is an official Notice of Noncompliance pursuant to Section 205.662(a) of the USDA National Organic Program Regulations.

Insert Non-Compliance

ACO must receive a response to correct or rebut the Non-compliances by the close of business on insert date, so we can ensure ongoing certification. Failure to submit a response by the deadline provided may lead to the issuance of a proposed suspension or revocation of your operation’s organic certificate.

If you have any questions please feel free to contact the ACO Office at anytime.

Kind regards

Michael Baker
Chief Certification Officer

CC: National Organic Program Appeals Team – NOPACAAverseActions@ams.usda.gov
Dear «firstname»,

This is an official notice of Proposed Suspension, pursuant to section 205.662(c). This is being issued due to your failure to adequately respond to the Notice of Non-Compliance issued on (date of noncompliance).

The outstanding issue is as follows:

<insert outstanding NCs>

Because these non-compliance/s have not been corrected to meet the US National Organic Program (NOP) Regulation, your certification will be suspended for one year. The proposed effective date of this suspension is <dd/mm/yy> if one of the options outlined below are not completed.

If your certification is suspended you will no longer be able to sell, label or represent your product as organic for a period of 1 year. Reinstatement for NOP certification must be requested from the USDA Secretary of Agriculture, and will only be considered for certification if the non-compliance/s have been corrected and your operation has undergone an on site inspection to verify that your operation is in compliance and capable of remaining in compliance with the NOP Regulations.

To avoid suspension of your organic certification you must do one (1) of the following:

- Request Mediation pursuant to Section 205.663 of the NOP regulations, in writing to this office (Australian Certified Organic, PO Box 810, Nundah QLD 4012 Australia) within 30 days of receipt of this notice. If your request for mediation is accepted and the mediation is unsuccessful, upon written notification, you will have 30 days, from receipt of notice, to appeal the Proposed Suspension. If your request for mediation is rejected, you will receive written notification and have 30 days, from the date of that notice, to appeal the Proposed Suspension.
File an **Appeal** to this Proposed Suspension pursuant to Section 205.681 of the NOP regulations. The appeal must be submitted in writing to: Administrator, USDA, AMS, c/- NOP Appeals Staff, Stop 0203, Room 302-Annex, 1400 Independence Avenue, SW., Washington, DC 20250-0203 USA. The Appeal must be ‘filed’ (received by the USDA NOP Administrator) **within 30 days** of receipt of this notice, and should include a copy of this notice and a statement of your reasons for believing that the decision contained in this notice was not proper or made in accordance with applicable program regulations, policies, or procedures.

If you do not carry out any of the actions indicated above, your certification to the National Organic Program will be suspended for one year and your operation will be unable to sell or label its product as organic with NOP.

Section 205.662(f)(1) of the National Organic Standards states: “A certified operation whose certification has been suspended under this section may at any time, unless otherwise stated in the notification of suspension, submit a request to the Secretary for reinstatement of its certification. The request must be accompanied by evidence demonstrating correction of each noncompliance and corrective actions taken to comply with and remain in compliance with the Act and the regulations in this part.”

Should this proposed suspension become effective, you will be able to submit a request for reinstatement certification to the Secretary of Agriculture 1 year after the date of your final suspension notification.

To better understand these processes please visit the USDA National Organic Program website at: [www.ams.usda.gov/nop](http://www.ams.usda.gov/nop)

If you have any queries, please contact myself <name, email, number>

We are looking forward to working through this with you.

Yours Sincerely,

Name
Title

cc. National Organic Program Appeals Team – NOPACAAdverseActions@ams.usda.gov
4 April 2018

Re: NOTICE OF SUSPENSION OF YOUR USDA NOP ORGANIC CERTIFICATION «cert_no»
«masterfile_ref»

Dear «firstname»,

This is an official notice of Suspension of your USDA NOP certification, pursuant to section 205.662(e) of
the NOP Regulations.

This letter is to notify you that as of today <date> your operation - <business name> - has been
suspended for one (1) year, as an organic operator with the National Organic Program (NOP) pursuant to
205.662(e) of the National Organic Program Regulations.

This is being issued due to your failure to request Mediation or file an appeal with USDA within the
required time frame, as sent to you in the Notice of Proposed Suspension issued on (date) relating to the
following violation/s:

<insert outstanding NCs>

Therefore your operation has been suspended as a certified NOP operation effective today, <date>. The
suspension will last for one (1) year from this date. You are no longer permitted to sell, label or represent
your products as NOP certified organic from this date.

Section 205.662(g) of the NOP Regulations states that any operation which has been suspended that
“Knowingly sells or labels a product as organic, except in accordance with the Act, shall be subject to a
civil penalty”.

Section 205.662(f)(1) of the NOP Regulation states: “A certified operation whose certification has been
suspended under this section may at any time, unless otherwise stated in the notification of suspension,
submit a request to the Secretary for reinstatement of its certification. The request must be accompanied
by evidence demonstrating correction of each noncompliance and corrective actions taken to comply with
and remain in compliance with the Act and the regulations in this part”. Your operation will also be
required to undergo an onsite inspection to verify that your operation is in compliance and capable of
remaining in compliance with the NOP Regulations.

You may submit a request for reinstatement of certification to the Secretary of the USDA after <date>. The
request must be accompanied by evidence demonstrating correction of each non-compliance (above) and
corrective actions taken to comply with and remain in compliance with the Act and the regulations in this
Your operation will also be required to undergo an onsite inspection to verify that your compliance with and capability of remaining in compliance with the NOP Regulations.

To better understand these processes you can visit the USDA National Organic website at: www.ams.usda.gov/nop

If you have question regarding this letter, please contact the ACO office.

Yours Sincerely,

Name
Title

cc. National Organic Program Appeals Team – NOPACAAverseActions@ams.usda.gov
1st March 2015

Dear John,

This is an official notice of Suspension of your USDA NOP certification, pursuant to section 205.662(e) of the NOP Regulations.

This letter is to notify you that as of today 1/3/2015 your operation - <business name> - has been suspended for one (1) year, as an organic operator with the National Organic Program (NOP) pursuant to 205.662(e) of the National Organic Program Regulations.

This is being issued due to your failure to (adequately) respond to the Notice of Proposed Suspension issued on (date) relating to the following violation/s:

NC 01/2014 Please provide payment for your annual certification fees as sent to you on 30/11/14, Invoice No. 01064229, noting ACO has followed up several times without a response. Payment is to be made within 30 days from receipt of this letter (as required by Section 205.406 (a) of the NOP Regulations).

We have also not received a request for Mediation, nor notification from the USDA that an Appeal has been filed within the required timeframe.

Therefore your operation has been suspended as a certified NOP operation effective today, 1/3/2015. The suspension will last for one (1) year from this date. You are no longer permitted to sell, label or represent your products as NOP certified organic from this date.
Section 205.662(g) of the NOP Regulations states that any operation which has been suspended that “knowingly sells or labels a product as organic, except in accordance with the Act, shall be subject to a civil penalty.”

Section 205.662(f)(1) of the NOP Regulation states: “A certified operation whose certification has been suspended under this section may at any time, unless otherwise stated in the notification of suspension, submit a request to the Secretary for reinstatement of its certification. The request must be accompanied by evidence demonstrating correction of each noncompliance and corrective actions taken to comply with and remain in compliance with the Act and the regulations in this part”. Your operation will also be required to undergo an onsite inspection to verify that your operation is in compliance and capable of remaining in compliance with the NOP Regulations.

You may submit a request for reinstatement of certification to the Secretary of the USDA after 1/3/2016. The request must be accompanied by evidence demonstrating correction of each non-compliance (above) and corrective actions taken to comply with and remain in compliance with the Act and the regulations in this part. Your operation will also be required to undergo an onsite inspection to verify that your compliance with and capability of remaining in compliance with the NOP Regulations.

To better understand these processes you can visit the USDA National Organic website at: www.ams.usda.gov/nop

If you have questions regarding this letter, please contact the ACO office.

Yours Sincerely,

Name
Title

cc. National Organic Program Appeals Team – NOPACAAdverseActions@ams.usda.gov
Re: NOTICE OF PROPOSAL TO SUSPEND YOUR USDA NOP ORGANIC CERTIFICATION
ACO 12345

Dear John,

This is an official notice of Proposed Suspension, pursuant to section 205.662(c). This is being issued due to your failure to adequately respond to the Notice of Non-Compliance issued on 1/1/2015.

The outstanding issue is as follows:

**NC 01/2014** Please provide payment for your annual certification fees as sent to you on 30/11/14, Invoice No. 01064229, noting ACO has followed up several times without a response. Payment is to be made within 30 days from receipt of this letter (as required by Section 205.406 (a) of the NOP Regulations).

Because these non-compliance/s have not been corrected to meet the US National Organic Program (NOP) Regulation, your certification will be suspended for one year. The proposed effective date of this suspension is 1/3/2015, if a response to this notice of proposed suspension is not received in this office within 30 days of RECEIPT of this notice.

If your certification is suspended you will no longer be able to sell, label or represent your product as organic for a period of 1 year. Reinstatement for NOP certification must be requested from the USDA Secretary of Agriculture, and will only be considered for certification if the non-compliance/s have been corrected and your operation has undergone an on site inspection to verify that your operation is in compliance and capable of remaining in compliance with the NOP Regulations.
To avoid suspension of your organic certification you must do one (1) of the following:

- Submit acceptable Corrective Action in writing to the notice of non-compliance by the 28/2/2015 to the ACO office (Australian Certified Organic, PO Box 810, Nundah QLD 4012 Australia). To avoid suspension, the proposed corrective action must fully address the non-compliance and be accepted by Australian Certified Organic. An additional onsite inspection may need to be conducted prior to your certification continuing to ensure the non-conformance has been adequately implemented.

OR

- Request Mediation pursuant to Section 205.663 of the NOP regulations, in writing to this office (Australian Certified Organic, PO Box 810, Nundah QLD 4012 Australia) within 30 days of receipt of this notice. If your request for mediation is accepted and the mediation is unsuccessful, upon written notification, you will have 30 days, from receipt of notice, to appeal the Proposed Suspension. If your request for mediation is rejected, you will receive written notification and have 30 days, from the date of that notice, to appeal the Proposed Suspension.

OR

- File an Appeal to this Proposed Suspension pursuant to Section 205.681 of the NOP regulations. The appeal must be submitted in writing to: Administrator, USDA, AMS, c/- NOP Appeals Staff, Stop 0203, Room 302-Annex, 1400 Independence Avenue, SW., Washington, DC 20250-0203 USA. The Appeal must be 'filed' (received by the USDA NOP Administrator) within 30 days of receipt of this notice, and should include a copy of this notice and a statement of your reasons for believing that the decision contained in this notice was not proper or made in accordance with applicable program regulations, policies, or procedures. A copy of the Appeal should also be provided to the ACO office.

If you do not carry out any of the actions indicated above, your certification to the National Organic Program will be suspended for one year and your operation will be unable to sell or label its product as organic with NOP.

Section 205.662(f)(1) of the National Organic Standards states: “A certified operation whose certification has been suspended under this section may at any time, unless otherwise stated in the notification of suspension, submit a request to the Secretary for reinstatement of its certification. The request must be accompanied by evidence demonstrating correction of
each noncompliance and corrective actions taken to comply with and remain in compliance with the Act and the regulations in this part."

Should this proposed suspension become effective, you will be able to submit a request for reinstatement certification to the Secretary of Agriculture 1 year after the date of your final suspension notification.

To better understand these processes please visit the USDA National Organic website at: www.ams.usda.gov/nop

If you have any queries, please contact myself Michael Baker, 07 33505706 or michael.baker@aco.net.au

We are looking forward to working through this with you.

Yours Sincerely,

Name
Title

cc. National Organic Program Appeals Team – NOPACAAdverseActions@ams.usda.gov
1/1/2015

Dear John,

RE: USDA NOP NOTICE OF NONCOMPLIANCE -Producer- CERT NO. 12345

This letter is an official Notice of Noncompliance pursuant to Section 205.662(a) of the USDA National Organic Program Regulations.

NC 01/2014 Please provide payment for your annual certification fees as sent to you on 30/11/14, Invoice No. 01064229, noting ACO has followed up several times without a response. Payment is to be made within 30 days from receipt of this letter (as required by Section 205.406 (a) of the NOP Regulations).

ACO must receive payment by the close of business on 31 January 2015, so we can ensure ongoing certification. Failure to submit payment by the deadline provided will lead to the issuance of a proposed suspension or revocation of your operation’s organic certificate.

If you have any questions please feel free to contact the ACO Office at anytime.

Kind regards

Michael Baker
Chief Certification Officer

CC: National Organic Program Appeals Team – NOPACAAverseActions@ams.usda.gov
Response to Notice of Noncompliance Issued To Americert International by the USDA National Organic Program on August 21, 2014

Attn: Cheri Courtney  
Director, Accreditation and International Activities Division  
National Organic Program  
Via Email: ALALnbox@ams.usda.gov, Renee.Mann@ams.usda.gov, JannaR.Howley@ams.usda.gov, Cheri.Courtney@ams.usda.gov

Dear Cheri Courtney,

This is the formal response of Americert International to the USDA's Notice of Noncompliance Issued to Americert International by the USDA NOP on August 21, 2014. On this date, the USDA issued a Noncompliance to Americert International for two noncompliances with the USDA NOP organic regulations. These are described and addressed below, the numeric references used are the same used in the Renewal Accreditation Report describing the noncompliances.

A. NP4174MMA.NCI-s.205.406(c)

(1) Description of Noncompliance: Of the eight labels reviewed in the office and one during the review audit, one label did not identify one of the three organic ingredients as organic. Three labels did not include the "Certified Organic by..." statement below the information identifying the handler. Two had the "Certified Organic by..." statement above the handler information and one did not identify the handler of the product on the back panel.

(2) Correction of the Cause of the Noncompliance: Americert International, during its internal audit, completed after the USDA annual accreditation audit, identified weaknesses in its label review process as the cause of the noncompliance cited above. Specifically, Americert International identified in its annual internal audit that the cause of the noncompliant labels were: a) A lack of formal guidance in the form of a written work instruction for Americert staff regarding label review; b) The need for greater staff training in the labeling requirements of the USDA organic regulations; c) The need for a label review checklist to be used by Americert staff in conducting label reviews. To date, all three of these causes have been corrected, through: a) Development and implementation of a written work instruction for Americert staff on conducting label review, b) Provision of additional training to Americert staff on the labeling requirements under the USDA National Organic Program; c) Creation and implementation of a label review checklist to be used by Americert staff in conducting label reviews.

(3) Objective Evidence Supporting Correction of the Noncompliance: Attached to this response please find: a) Attachment A: Copy of the work instruction issued to Americert staff regarding mandatory requirements of label review; b) Attachment B: Copy of the labeling training PowerPoint presentation used to refresh staff training on the requirements of labeling under the USDA National Organic Program, and; c) Attachment C: Copy of the label review checklist to be used by Americert staff.

(4) Description of Verifiable Action Undertaken to Prevent Recurrence of the Noncompliance in the Future: It is believed that the mandatory work instruction, additional training, and mandatory use of the label review checklist will be sufficient to prevent reoccurrence of the noncompliance.

(5) Objective Evidence on Effectiveness of Preventing Noncompliance: Since implementation, the checklist has been used for all labels approved by Americert. A copy of a completed checklist used to identify a noncompliance is attached as Attachment D.
(6) Control of Noncompliance Labels: The operations whose labels were identified as noncompliant during the USDA accreditation audit have been issued Notices of Noncompliance requiring the operations to revise and submit labels which are compliant with the USDA National Organic Program regulations. Copies of these noncompliances are attached as Attachment E.

B. NP4174MMA NC2-s.205.501(a)(3)

(1) Description of Noncompliance: "In one of the six files reviewed, a crop post handling operation was allowed to use a prewash consisting of chlorine at 200 PPM and dish washing soap for citrus, followed by a water rinse. Americert allowed dishwashing soap based on soap’s listing as an allowed algicide/demosser at 7 CFR 205.601(a)(7). Soap is allowed in the production of crops at 205.601(a)(7) but this listing does not have an annotation allowing the material to be used for postharvest handling. Therefore soap is not allowed in postharvest handling."

(2) Correction of the Cause of the Noncompliance: Americert International, during its internal audit, completed after the USDA annual accreditation audit, identified weaknesses in Americert staff knowledge in interpreting the interplay between allowed crop materials allowed in crop production and allowed postharvest materials as one of the causes of the error. Americert determined that it was necessary to provide a work instruction to staff addressing post harvest materials and to require implementation of the work instruction. This work instruction has been provided to all staff and the work instruction has been implemented.

(3) Objective Evidence Supporting Correction of the Noncompliance: Attached to this response please find:
   a) Attachment F: Copy of the work instruction issued to Americert staff regarding mandatory postharvest handling substances.

(4) Description of Verifiable Action Undertaken to Prevent Reoccurrence of the Noncompliance: It is believed that the mandatory work instruction, additional training, and mandatory implementation of the work instruction will be sufficient to prevent reoccurrence of the noncompliance.

(5) Objective Evidence on Effectiveness of Preventing Noncompliance: Since implementation, no improperly approved post harvest substances have been identified. It is not clear how objective evidence of this can be provided.

(6) Control of Noncompliant Operations: The operations who was using the soap post harvest has been issued a Notice of Noncompliance and will undertake corrective actions ceasing the use of the soap or will be issued a Notice of Proposed Suspension. A copy of that Notice of Noncompliance is attached to this response as Attachment G.

Thank you in advance for your attention to this matter. If this response is insufficient in any way or if you have additional questions, please do not hesitate to contact me.

Sincerely,

Jonathan Austin
Americert International
I. Background: During the 2014 internal audit and the 2014 USDA NOP accreditation renewal audit, several labels of NOP certified organic clients were found to noncompliant with the USDA National Organic Program regulations. The violations included violations related to sections 205.303 and 205.304. These violations were not initially identified by Americert during the final review of the labels in question. Upon review and consideration of the cause of this failure to identify these noncompliant labels as noncompliant, it was determined by Americert that three root causes could be identified: a) A lack of formal guidance in the form of a written work instruction for Americert staff; b) The need for greater staff training in the labeling requirements under the USDA organic regulations; c) The need for a label review checklist to be used by Americert staff in conducting label reviews. It was also noted that while not a cause of Americert not identifying the noncompliances in the selected labels it would be a good idea to provide written general guidance to new applicants and certified operations on the NOP labeling requirements. This work instruction is to clarify the procedure and process for completing reviews of each label submitted to Americert or otherwise identified as having been used by an Americert certified client.

II. Review of Relevant Standards: Section 205.303 and 205.304 address the requirements for the labeling of products labeled for retail sale in the 100% organic, organic, and "made with organic" categories. They read as follows:

§205.303 Packaged products labeled “100 percent organic” or “organic.”

(a) Agricultural products in packages described in §205.301(a) and (b) may display, on the principal display panel, information panel, and any other panel of the package and on any labeling or market information concerning the product, the following:

(1) The term, “100 percent organic” or “organic,” as applicable, to modify the name of the product;

(2) For products labeled “organic,” the percentage of organic ingredients in the product; (The size of the percentage statement must not exceed one-half the size of the largest type size on the panel on which the statement is displayed and must appear in its entirety in the same type size, style, and color without highlighting.)

(3) The term, “organic,” to identify the organic ingredients in multi-ingredient products labeled “100 percent organic”;

(4) The USDA seal; and/or

(5) The seal, logo, or other identifying mark of the certifying agent which certified the production or handling operation producing the finished product and any other certifying agent which certified production or handling operations producing raw organic product or organic ingredients used in the finished product: Provided, That, the handler producing the finished product maintain records, pursuant to this part, verifying organic certification of the operations producing such ingredients, and: Provided further, That, such seals or marks are not individually displayed more prominently than the USDA seal.

(b) Agricultural products in packages described in §205.301(a) and (b) must:
§205.304 Packaged products labeled “made with organic (specified ingredients or food group(s)).”

(a) Agricultural products in packages described in §205.301(c) may display on the principal display panel, information panel, and any other panel and on any labeling or market information concerning the product:

(1) The statement:

(i) “Made with organic (specified ingredients)”: Provided, That, the statement does not list more than three organically produced ingredients; or

(ii) “Made with organic (specified food groups)”: Provided, That, the statement does not list more than three of the following food groups: beans, fish, fruits, grains, herbs, meats, nuts, oils, poultry, seeds, spices, sweeteners, and vegetables or processed milk products; and, Provided further, That, all ingredients of each listed food group in the product must be organically produced; and

(iii) Which appears in letters that do not exceed one-half the size of the largest type size on the panel and which appears in its entirety in the same type size, style, and color without highlighting.

(2) The percentage of organic ingredients in the product. The size of the percentage statement must not exceed one-half the size of the largest type size on the panel on which the statement is displayed and must appear in its entirety in the same type size, style, and color without highlighting.

(3) The seal, logo, or other identifying mark of the certifying agent that certified the handler of the finished product.

(b) Agricultural products in packages described in §205.301(c) must:

(1) In the ingredient statement, identify each organic ingredient with the word, “organic,” or with an asterisk or other reference mark which is defined below the ingredient statement to indicate the ingredient is organically produced. Water or salt included as ingredients cannot be identified as organic.

(2) On the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, “Certified organic by * * *,” or similar phrase, identify the name of the certifying agent that certified the handler of the finished product: Except, That, the business address, Internet address, or telephone number of the certifying agent may be included in such label.

(c) Agricultural products in packages described in §205.301(c) must not display the USDA seal.
III. Work Instructions:

Each staff member and inspector must be familiar with the NOP requirements for labeling. All labels used or submitted by clients that makes a 100% organic, organic, or made with organic label claim must be reviewed for compliance with the USDA National Organic Program regulations using the Americert Labeling Review Checklist (attached as appendix I). A copy of the completed label review checklist should be attached to each label at the time of review and signed by the reviewer. Noncompliant labels must be identified as such. Noncompliant labels submitted by new applicants should must be corrected prior to certification being granted. When noncompliant labels are submitted by or obtained from existing clients, a Notice of Noncompliance should be issued to the client. Corrective action in both cases (new applicants or existing clients) must take the form of submission of compliant labels.

Staff and inspectors are expected to know, understand, and consistently apply this instruction. Additionally, each staff and inspector must view and complete the quiz in the Guidance on Label Review training module posted on the Americert website.

Jonathan Austin

Technical Director

Americert International
Guidance on Organic Labeling Requirements for the USDA National Organic Program

AMERICERT INTERNATIONAL
(Formerly known as OIA North America)
2603 NW 13th St. #228, Gainesville, FL 32609*Ph: (352)336-5700 *Fax: (866)325-8261
Americert@gmail.com
www.americertorganic.com
The USDA National Organic Program Regulations Have Very Specific Requirements for Labels and Packaging. Familiarizing oneself with these requirements can save time, money and frustration as a failure to comply results in:

-Delays in Obtaining Certification

-Sometimes Significant Expense in Revising Labels and Discarding Noncompliant Labels which Have Already Been Printed

-Notices of Noncompliance, Suspension, or Revocation Being Issued to Offending Operations
Types of Labels, Packaging and Market Materials Regulated Under the USDA National Organic Program Regulations:

- §205.303 Packaged products labeled "100 percent organic" or "organic."
- §205.304 Packaged products labeled "made with organic (specified ingredients or food group(s))."
- §205.305 Multi-ingredient packaged products with less than 70 percent organically produced ingredients.

- §205.307 Labeling of nonretail containers used for only shipping or storage of raw or processed agricultural products labeled as "100 percent organic," "organic," or "made with organic (specified ingredients or food group(s))."
- §205.308 Agricultural products in other than packaged form at the point of retail sale that are sold, labeled, or represented as "100 percent organic" or "organic."
- §205.309 Agricultural products in other than packaged form at the point of retail sale that are sold, labeled, or represented as "made with organic (specified ingredients or food group(s))."

(Highlighted blue numbers refer to the section number of the USDA National Organic Program Regulations)
Most Noncompliant Labels

• The labels which are most likely to be noncompliant due to a failure to comply with the organic regulations are:
  • §205.303 Packaged products labeled "100 percent organic" or "organic."
  • §205.304 Packaged products labeled "made with organic (specified ingredients or food group(s))."
  • §205.305 Multi-ingredient packaged products with less than 70 percent organically produced ingredients.
§205.303 Packaged products labeled “100 percent organic” or “organic” MUST:

• For products labeled “organic,” identify each organic ingredient in the ingredient statement with the word, “organic,” or with an asterisk or other reference mark which is defined below the ingredient statement to indicate the ingredient is organically produced. Water or salt included as ingredients cannot be identified as organic.

• On the information panel, **below the information identifying the handler or distributor of the product** and preceded by the statement, **“Certified organic by * * *,”** or similar phrase, identify the name of the certifying agent that certified the handler of the finished product and may display the business address, Internet address, or telephone number of the certifying agent in such label.

• Note: the location of the “Certified organic by” statement is very specific it must be BELOW the handler or distributor information.
§205.303 Packaged products labeled "100 percent organic" or "organic" MAY:

Consistent with the listed restrictions, packaged products labeled 100% organic or organic MAY but do not have to:

- Use the term, "100 percent organic" or "organic," as applicable, to modify the name of the product;
- List (For products labeled "organic," ) the percentage of organic ingredients in the product; (The size of the percentage statement must not exceed one-half the size of the largest type size on the panel on which the statement is displayed and must appear in its entirety in the same type size, style, and color without highlighting.)
- Use the term, "organic," to identify the organic ingredients in multiingredient products labeled "100 percent organic";
- Use the USDA seal; and/or
- The seal, logo, or other identifying mark of the certifying agent which certified the production or handling operation producing the finished product and any other certifying agent which certified production or handling operations producing raw organic product or organic ingredients used in the finished product: Provided, That, the handler producing the finished product maintain records, pursuant to this part, verifying organic certification of the operations producing such ingredients, and: Provided further, That, such seals or marks are not individually displayed more prominently than the USDA seal.
§205.304 Packaged products labeled “made with organic (specified ingredients or food group(s))” MUST:

- In the ingredient statement, identify each organic ingredient with the word, “organic,” or with an asterisk or other reference mark which is defined below the ingredient statement to indicate the ingredient is organically produced. Water or salt included as ingredients cannot be identified as organic.

- On the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, “Certified organic by * * *,” or similar phrase, identify the name of the certifying agent that certified the handler of the finished product: Except, That, the business address, Internet address, or telephone number of the certifying agent may be included in such label.

- Note: the location of the “Certified organic by” statement is very specific it must be BELOW the handler or distributor information
§205.304 Packaged products labeled “made with organic (specified ingredients or food group(s))” MAY:

Consistent with the restrictions indicated below, packaged products labeled “made with organic (specified ingredients or food group(s))” MAY:

• Use the the statement:
  • (i) “Made with organic (specified ingredients)”: Provided, That, the statement does not list more than three organically produced ingredients; or
  • (ii) “Made with organic (specified food groups)”: Provided, That, the statement does not list more than three of the following food groups: beans, fish, fruits, grains, herbs, meats, nuts, oils, poultry, seeds, spices, sweeteners, and vegetables or processed milk products; and, Provided further, That, all ingredients of each listed food group in the product must be organically produced; and
  • (iii) Which appears in letters that do not exceed one-half the size of the largest type size on the panel and which appears in its entirety in the same type size, style, and color without highlighting.

• Identify the percentage of organic ingredients in the product. The size of the percentage statement must not exceed one-half the size of the largest type size on the panel on which the statement is displayed and must appear in its entirety in the same type size, style, and color without highlighting.

• Use the seal, logo, or other identifying mark of the certifying agent that certified the handler of the finished product.

• Packaged products labeled “made with organic (specified ingredients or food groups(s)) SHALL NOT USE THE USDA LOGO anywhere on the packaging.
§205.305 Multi-ingredient packaged products with less than 70 percent organically produced ingredients.

An agricultural product with less than 70 percent organically produced ingredients **MAY ONLY** identify the organic content of the product by:

- (1) Identifying each organically produced ingredient in the ingredient statement with the word, “organic,” or with an asterisk or other reference mark which is defined below the ingredient statement to indicate the ingredient is organically produced, and

- (2) If the organically produced ingredients are identified in the ingredient statement, displaying the product’s percentage of organic contents on the information panel.

- Agricultural products with less than 70 percent organically produced ingredients **MUST NOT** display (1) The USDA seal; (2) Any certifying agent seal, logo, or other identifying mark which represents organic certification of a product or product ingredients.
§205.307 Labeling of nonretail containers used for only shipping or storage of raw or processed agricultural products labeled as “100 percent organic,” “organic,” or “made with organic (specified ingredients or food group(s)).”

- MUST: Nonretail containers used to ship or store raw or processed agricultural product labeled as containing organic ingredients must display the production lot number of the product if applicable.

- MAY: Nonretail containers used to ship or store raw or processed agricultural product labeled as containing organic ingredients may display:
  - The name and contact information of the certifying agent which certified the handler which assembled the final product;
  - Identification of the product as organic;
  - Special handling instructions needed to maintain the organic integrity of the product;
  - The USDA seal;
  - The seal, logo, or other identifying mark of the certifying agent that certified the organic production or handling operation that produced or handled the finished product.
§205.308 Agricultural products in other than packaged form at the point of retail sale that are sold, labeled, or represented as "100 percent organic" or "organic."

- (a) Agricultural products in other than packaged form may use the term, "100 percent organic" or "organic," as applicable, to modify the name of the product in retail display, labeling, and display containers: Provided, That, the term, "organic," is used to identify the organic ingredients listed in the ingredient statement.
- (b) If the product is prepared in a certified facility, the retail display, labeling, and display containers may use:
  - (1) The USDA seal; and
  - (2) The seal, logo, or other identifying mark of the certifying agent that certified the production or handling operation producing the finished product and any other certifying agent which certified operations producing raw organic product or organic ingredients used in the finished product: Provided, That, such seals or marks are not individually displayed more prominently than the USDA seal.
§205.309 Agricultural products in other than packaged form at the point of retail sale that are sold, labeled, or represented as “made with organic (specified ingredients or food group(s)).”

- (a) Agricultural products in other than packaged form containing between 70 and 95 percent organically produced ingredients may use the phrase, “made with organic (specified ingredients or food group(s)),” to modify the name of the product in retail display, labeling, and display containers.
- (1) Such statement must not list more than three organic ingredients or food groups, and
- (2) In any such display of the product's ingredient statement, the organic ingredients are identified as “organic.”
- (b) If prepared in a certified facility, such agricultural products labeled as “made with organic (specified ingredients or food group(s))” in retail displays, display containers, and market information may display the certifying agent’s seal, logo, or other identifying mark.
USE OF THE USDA SEAL

- Where qualified under the regulations to use the USDA organic seal, operations must also abide by the following requirements:

  §205.311 USDA Seal.
  The USDA seal must replicate the form and design of the example in figure 1 and must be printed legibly and conspicuously:

  (1) On a white background with a brown outer circle and with the term, "USDA," in green overlaying a white upper semicircle and with the term, "organic," in white overlaying the green lower half circle; or

  (2) On a white or transparent background with black outer circle and black "USDA" on a white or transparent upper half of the circle with a contrasting white or transparent "organic" on the black lower half circle.

  (3) The green or black lower half circle may have four light lines running from left to right and disappearing at the point on the right horizon to resemble a cultivated field.
SUMMARY OF KEY POINTS

• Labeling Requirements for 100% Organic, Organic, and Made with Organic (specified ingredients or food group(s) each have mandatory MUSTS which must be abided by, and some MAYS which if used must fully comply with the restrictions therein.

• Made with Organic labels must not use the USDA seal.
Summary of Key Points

- Each label claim requires:
- A "Certified Organic by" statement which must appear BELOW the handler/distributor information.
- Organic and Made with Organic label claims require identification of each organic ingredient in the ingredient list.
Summary of Key Points

• Made with Organic (specified ingredients or food group(s)) MAY NOT use the USDA seal.
• Multi-ingredient packaged products with less than 70 percent organically produced ingredients MAY NOT use the USDA seal.
QUIZ

• Question 1: Which label claims require the statement “Certified organic by” followed by the name of the certifier?
  • A) 100% Organic label claims
  • B) Organic label claims
  • C) Made with Organic (Specified Ingredients or Food Group(s))
  • D) All of the Above.
Quiz:

- Question 2:
For products which are required to have a "Certified organic by . . ." statement, where must the statement appear?
A) below the information identifying the handler or distributor of the product
B) below the information identifying the handler or distributor of the product
C) below the information identifying the handler or distributor of the product
D) below the information identifying the handler or distributor of the product
Quiz:

• Question 3: For products with Organic and Made with Organic (specified ingredients or food group(s)), what must be identified in the ingredient statement?

A) Each organic ingredient
B) Each non-organic ingredient
C) Each GMO ingredient
D) Ingredients produced outside of the U.S.
Answers to Quiz

• Question 1: 100% organic, organic, and made with organic (specified ingredients or food group(s)) all must carry a "Certified organic by" statement. CORRECT ANSWER: D) All of the above.

Question 2: For products which are required to have a "Certified organic by . . ." statement, the statement must appear below the information identifying the handler or distributor of the product. CORRECT ANSWER: A, B, C, or D.

Question 3: For products with Organic and Made with Organic (specified ingredients or food group(s)), each organic ingredient must be identified as organic in the ingredient statement. CORRECT ANSWER: A.
For More Information or if You Have Questions Contact:

AMERICERT INTERNATIONAL
(Formerly known as OIA North America)
2603 NW 13th St. #228, Gainesville, FL 32609*Ph: (352)336-5700 *Fax: (866)325-8261
Americert@gmail.com
www.americertorganic.com
**AMERICERT INTERNATIONAL LABELING REVIEW CHECKLIST**

Client: __________________ Date: ____________ Reviewer: __________________

Circle the appropriate label claim and complete the checklist for each must, may or must not.

<table>
<thead>
<tr>
<th>Label Claim</th>
<th>MUST</th>
<th>MAY</th>
<th>MUST NOT</th>
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<tbody>
<tr>
<td>100% Organic or Organic</td>
<td>_____ For products labeled &quot;organic,&quot; identify each organic ingredient in the ingredient statement with the word, &quot;organic,&quot; or with an asterisk or other reference mark which is defined below the ingredient statement to indicate the ingredient is organically produced. Water or salt included as ingredients cannot be identified as organic. On the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, &quot;Certified organic by * * * &quot; or similar phrase, identify the name of the certifying agent that certified the handler of the finished product and may display the business address, Internet address, or telephone number of the certifying agent in such label.</td>
<td>(1) The term, &quot;100 percent organic&quot; or &quot;organic,&quot; as applicable, to modify the name of the product;</td>
<td>(2) For products labeled &quot;organic,&quot; the percentage of organic ingredients in the product; (The size of the percentage statement must not exceed one-half the size of the largest type size on the panel on which the statement is displayed and must appear in its entirety in the same type size, style, and color without highlighting.)</td>
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<td>Made with organic (specified ingredients or food group(s))</td>
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<td>(1) The statement:</td>
<td>(2) &quot;Made with organic (specified ingredients);&quot; Provided, That, the statement does not list more than three organically produced ingredients; or</td>
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<td>Multi-ingredient packaged products with less than 70 percent organically produced ingredients.</td>
<td>(a) An agricultural product with less than 70 percent organically produced ingredients may only identify the organic content of the product by:</td>
<td>(a) The USDA seal described in paragraphs (b) and (c) of this section may be used only for raw or processed agricultural products described in paragraphs (a), (b), (d)(1), and (e)(2) of §205.301.</td>
<td>(b) The USDA seal must replicate the form and design of the example in figure 1 and must be printed legibly and conspicuously:</td>
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<td>Labeling of nonretail containers used for only shipping or storage of raw or processed agricultural products labeled as &quot;100 percent organic,&quot; &quot;organic,&quot; or &quot;made with organic (specified ingredients or food group(s)).&quot;</td>
<td>_____ Nonretail containers used to ship or store raw or processed agricultural product labeled as containing organic ingredients must display the production lot number of the product if applicable.</td>
<td>(1) The name and contact information of the certifying agent which certified the handler which assembled the final product;</td>
<td>(2) Identification of the product as organic;</td>
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**THE USDA SEAL**

(a) The USDA seal described in paragraphs (b) and (c) of this section may be used only for raw or processed agricultural products described in paragraphs (a), (b), (d)(1), and (e)(2) of §205.301. The USDA seal must replicate the form and design of the example in figure 1 and must be printed legibly and conspicuously: | (1) On a white background with a brown outer circle and with the term, "USDA," in green overlaying a white upper semicircle and with the term, "organic," in white overlaying the green lower half circle; or | (2) On a white or transparent background with black outer circle and black "USDA" on a white or transparent upper half of the circle with a contrasting white or transparent "organic" on the black lower half circle. | (3) The green or black lower half circle may have four light lines running from left to right and disappearing at the point on the right horizon to resemble a cultivated field. |
Circle the appropriate label claim and complete the checklist for each must, may or must not.

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<td>background with a white outer circle and with the term, &quot;USDA,&quot; in green</td>
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<td>display the production lot number of the product if applicable.</td>
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<td>the product;</td>
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<td>The USDA seal;</td>
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<td>The seal, logo, or other identifying mark of the certifying agent which</td>
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<td>certified the organic production or handling operation that</td>
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WORK INSTRUCTION REGARDING ALLOWED USE OF SYNTHETICS IN CROP PRODUCTION AND POST HARVEST HANDLING

8.30.14

I. Background: During the 2014 internal audit and the 2014 USDA NOP accreditation renewal audit, we reviewed a farm where Americert had approved the use of a soap in post harvest handling of citrus. Specifically, harvested citrus was cleaned with a combination of soap and chlorinated water followed by a water rinse. Americert approved this use because soap is allowed as an algicide/demulser per section 205.601 of the USDA organic regulations. The noncompliance issued by the USDA took issue with the use of this product post-harvest. Soaps when used by citrus growers in situations such as is at issue in this case, do so to remove algae and dark sooty mold residue which sometimes occur on organic citrus. While the grower could use this soap without issue while on the tree, the NOP’s interpretation of crop production is such that once the grower harvests the citrus from the tree he is no longer free to use soap on it (followed by a water rinse) because this substance has not been listed as an allowed post harvest substance. This instance highlights the importance of making a clear distinction between substances allowed in organic crop production and those allowed for use in post harvest handling. While it might be counterintuitive that a substance that could be used directly on organic crops prior to harvest cannot be used on that same crop once it is harvested (even with a water rinse), that is in fact what the regulation says. It is important that all reviewers and inspectors recognize this distinction and identify noncompliances related to the distinction between these uses.

II. Review of Relevant Standards: Section 205.601 identifies synthetic substances allowed for use in organic crop production, while 205.605(b) identifies synthetic substances allowed for use in or on organic crops post harvest. They read as follows:

§205.601 Synthetic substances allowed for use in organic crop production.

In accordance with restrictions specified in this section, the following synthetic substances may be used in organic crop production: Provided, that, use of such substances do not contribute to contamination of crops, soil, or water. Substances allowed by this section, except disinfectants and sanitizers in paragraph (a) and those substances in paragraphs (c), (f), (k), and (l) of this section, may only be used when the provisions set forth in §205.206(a) through (d) prove insufficient to prevent or control the target pest.

(a) As algicide, disinfectants, and sanitizer, including irrigation system cleaning systems.

(1) Alcohols.

(i) Ethanol.

(ii) Isopropanol.

(2) Chlorine materials—For pre-harvest use, residual chlorine levels in the water in direct crop contact or as water from cleaning irrigation systems applied to soil must not exceed the maximum residual disinfectant limit under the Safe
Drinking Water Act, except that chlorine products may be used in edible sprout production according to EPA label directions.

(i) Calcium hypochlorite.

(ii) Chlorine dioxide.

(iii) Sodium hypochlorite.

(3) Copper sulfate—for use as an algicide in aquatic rice systems, is limited to one application per field during any 24-month period. Application rates are limited to those which do not increase baseline soil test values for copper over a timeframe agreed upon by the producer and accredited certifying agent.

(4) Hydrogen peroxide.

(5) Ozone gas—for use as an irrigation system cleaner only.

(6) Peracetic acid—for use in disinfecting equipment, seed, and asexually propagated planting material. Also permitted in hydrogen peroxide formulations as allowed in §205.601(a) at concentration of no more than 6% as indicated on the pesticide product label.

(7) Soap-based algicide/demossers.

(8) Sodium carbonate peroxhydrate (CAS #15630-89-4)—Federal law restricts the use of this substance in food crop production to approved food uses identified on the product label.

(b) As herbicides, weed barriers, as applicable.

(1) Herbicides, soap-based—for use in farmsread maintenance (roadways, ditches, right of ways, building perimeters) and ornamental crops.

(2) Mulches.

(i) Newspaper or other recycled paper, without glossy or colored inks.

(ii) Plastic mulch and covers (petroleum-based other than polyvinyl chloride (PVC)).

(c) As compost feedstocks—Newspapers or other recycled paper, without glossy or colored inks.

(d) As animal repellents—Soaps, ammonium—for use as a large animal repellent only, no contact with soil or edible portion of crop.

(e) As insecticides (including acaricides or mite control).

(1) Ammonium carbonate—for use as bait in insect traps only, no direct contact with crop or soil.
Aqueous potassium silicate (CAS #: 1312-76-1)—the silica, used in the manufacture of potassium silicate, must be sourced from naturally occurring sand.

Boric acid—structural pest control, no direct contact with organic food or crops.

Copper sulfate—for use as tadpole shrimp control in aquatic rice production, is limited to one application per field during any 24-month period. Application rates are limited to levels which do not increase baseline soil test values for copper over a timeframe agreed upon by the producer and accredited certifying agent.

Elemental sulfur.

Lime sulfur—including calcium polysulfide.

Oils, horticultural—narrow range oils as dormant, suffocating, and summer oils.

Soaps, insecticidal.

Sticky traps/barriers.

Sucrose octanoate esters (CAS #: 42922-74-7; 58064-47-4)—in accordance with approved labeling.

As insect management. Pheromones.

As rodenticides. Vitamin D₃.

As slug or snail bait. Ferric phosphate (CAS # 10045-86-0).

As plant disease control.

Aqueous potassium silicate (CAS #: 1312-76-1)—the silica, used in the manufacture of potassium silicate, must be sourced from naturally occurring sand.

Coppers, fixed—copper hydroxide, copper oxide, copper oxychloride, includes products exempted from EPA tolerance. Provided, That, copper-based materials must be used in a manner that minimizes accumulation in the soil and shall not be used as herbicides.

Copper sulfate—Substance must be used in a manner that minimizes accumulation of copper in the soil.

Hydrated lime.

Hydrogen peroxide.

Lime sulfur.

Oils, horticultural, narrow range oils as dormant, suffocating, and summer oils.
(8) Peracetic acid—for use to control fire blight bacteria. Also permitted in hydrogen peroxide formulations as allowed in §205.601(i) at concentration of no more than 6% as indicated on the pesticide product label.

(9) Potassium bicarbonate.

(10) Elemental sulfur.

(11) Streptomycin, for fire blight control in apples and pears only until October 21, 2014.

(12) Tetracycline, for fire blight control in apples and pears only until October 21, 2014.

(i) As plant or soil amendments.

(1) Aquatic plant extracts (other than hydrolyzed)—Extraction process is limited to the use of potassium hydroxide or sodium hydroxide; solvent amount used is limited to that amount necessary for extraction.

(2) Elemental sulfur.

(3) Humic acids—naturally occurring deposits, water and alkali extracts only.

(4) Lignin sulfonate—chelating agent, dust suppressant.

(5) Magnesium sulfate—allowed with a documented soil deficiency.

(6) Micronutrients—not to be used as a defoliant, herbicide, or desiccant. Those made from nitrates or chlorides are not allowed. Soil deficiency must be documented by testing.

(i) Soluble boron products.

(ii) Sulfates, carbonates, oxides, or silicates of zinc, copper, iron, manganese, molybdenum, selenium, and cobalt.

(7) Liquid fish products—can be pH adjusted with sulfuric, citric or phosphoric acid. The amount of acid used shall not exceed the minimum needed to lower the pH to 3.5.

(8) Vitamins, Bn, C, and E.

(9) Sulfurous acid (CAS # 7782-99-2) for on-farm generation of substance utilizing 99% purity elemental sulfur per paragraph (j)(2) of this section.

(k) As plant growth regulators. Ethylene gas—for regulation of pineapple flowering.

(l) As floating agents in postharvest handling.

(1) Lignin sulfonate.

(2) Sodium silicate—for tree fruit and fiber processing.
(m) As synthetic inert ingredients as classified by the Environmental Protection Agency (EPA), for use with nonsynthetic substances or synthetic substances listed in this section and used as an active pesticide ingredient in accordance with any limitations on the use of such substances.

(1) EPA List 4—Inerts of Minimal Concern.

(2) EPA List 3—Inerts of unknown toxicity—for use only in passive pheromone dispensers.

(n) Seed preparations. Hydrogen chloride (CAS # 7647-01-0)—for delinting cotton seed for planting.

(o) As production aids. Microcrystalline cheesewax (CAS #’s 64742-42-3, 8009-03-08, and 8002-74-2)—for use in log grown mushroom production. Must be made without either ethylene-propylene co-polymer or synthetic colors.

(p) (z) [Reserved]

§205.605 Nonagricultural (nonorganic) substances allowed as ingredients in or on processed products labeled as “organic” or “made with organic (specified ingredients or food group(s)).” (b) Synthetics allowed:

(b) Synthetics allowed:

Acidified sodium chlorite—Secondary direct antimicrobial food treatment and indirect food contact surface sanitizing. Acidified with citric acid only.

Activated charcoal (CAS #’s 7440-44-0; 64365-11-3)—only from vegetative sources; for use only as a filtering aid.

Algicenes.

Ammonium bicarbonate—for use only as a leavening agent.

Ammonium carbonate—for use only as a leavening agent.

Ascorbic acid.

Calcium citrate.

Calcium hydroxide.

Calcium phosphates (monobasic, dibasic, and tribasic).

Carbon dioxide.

Cellulose—for use in regenerative casings, as an anti-caking agent (non-chlorine bleached) and filtering aid.

Chlorine materials—disinfecting and sanitizing food contact surfaces. Except, that, residual chlorine levels in the water shall not exceed the maximum residual disinfectant limit under the Safe Drinking Water Act (Calcium hypochlorite; Chlorine dioxide; and Sodium hypochlorite).
Cyclohexylamine (CAS # 108-91-8)—for use only as a boiler water additive for packaging sterilization.

Diethylaminoethanol (CAS # 100-37-8)—for use only as a boiler water additive for packaging sterilization.

Ethylene—allowed for postharvest ripening of tropical fruit and degreening of citrus.

Ferrous sulfate—for iron enrichment or fortification of foods when required by regulation or recommended (independent organization).

Glycerides (mono and di)—for use only in drum drying of food.

Glycerin—produced by hydrolysis of fats and oils.

Hydrogen peroxide.

Magnesium carbonate—for use only in agricultural products labeled “made with organic (specified ingredients or food group(s)),” prohibited in agricultural products labeled “organic”.

Magnesium chloride—derived from sea water.

Magnesium stearate—for use only in agricultural products labeled “made with organic (specified ingredients or food group(s)),” prohibited in agricultural products labeled “organic”.

Nutrient vitamins and minerals, in accordance with 21 CFR 104.20, Nutritional Quality Guidelines For Foods.

Octadecylamine (CAS # 124-30-1)—for use only as a boiler water additive for packaging sterilization.

Ozone.

Peracetic acid/Peroxyacetic acid (CAS # 79-21-0)—for use in wash and/or rinse water according to FDA limitations. For use as a sanitizer on food contact surfaces.

Phosphoric acid—cleaning of food-contact surfaces and equipment only.

Potassium acid tartrate.

Potassium carbonate.

Potassium citrate.

Potassium hydroxide—prohibited for use in lye peeling of fruits and vegetables except when used for peeling peaches.

Potassium phosphate—for use only in agricultural products labeled “made with organic (specified ingredients or food group(s)),” prohibited in agricultural products labeled “organic”.

Silicon dioxide—Permitted as a defoamer. Allowed for other uses when organic rice hulls are not commercially available.
Sodium acid pyrophosphate (CAS # 7758-16-9)—for use only as a leavening agent.

Sodium citrate.

Sodium hydroxide—prohibited for use in lye peeling of fruits and vegetables.

Sodium phosphates—for use only in dairy foods.

Sulfur dioxide—for use only in wine labeled “made with organic grapes,” Provided, That, total sulfite concentration does not exceed 100 ppm.

Tetrasodium pyrophosphate (CAS # 7722-88-5)—for use only in meat analog products.

Tocopherols—derived from vegetable oil when rosemary extracts are not a suitable alternative.

Xanthan gum.

(c)-(z) [Reserved]

III. Work Instructions:

Each staff member and inspector must be familiar with the NOP requirements for synthetics allowed for use in organic crop production and those allowed for use in post harvest handling. A synthetic substance allowed for use in or on organic crops post harvest per 205.605(b) cannot be used on a crop pre-harvest unless it is specifically listed on 205.601. The converse is also true, a synthetic substance allowed for use in organic crop production per 205.601 cannot be used post harvest unless it is specifically listed in 205.605(b). When reviewing a file or conducting an inspection, and a synthetic substance is identified as used in organic crop production, staff and inspectors will verify that it is specifically listed in 205.601 and approved for that use. Also staff and inspectors will verify that if a synthetic substance is used post harvest (even with a water rinse) it is specifically listed as allowed under 205.605(b). Compliance with any annotations/restrictions for that substance and use is also required. Where the substance used is not specifically listed as allowed for the use, or is not being used in accordance with any annotation/restriction, the use will be identified as a noncompliance and a noncompliance will be issued to the operation.

Staff and inspectors are expected to know, understand, and consistently apply this instruction.

Jonathan Austin

Technical Director

Americert International
Jose Ramirez
Natural Ginger Corp.
5220 NW 72nd Ave., F-21
Miami, FL 33166
Via email: joseramirez@engimiel.com

Dear Mr. Jose Ramirez,

During Americert International’s recent accreditation audit conducted by the USDA National Organic Program, it was determined that one of the labels submitted by Natural Ginger failed to identify one of the ingredients as organic in the ingredient list shown on the label. The deficiency noted is such that Americert International must issue this Notice of Noncompliance under the USDA National Organic Program regulations and request that Natural Ginger undertake corrective action to remedy the deficiency in the label as a condition of remaining certified under the USDA National Organic Program. The deadline for undertaking appropriate corrective action is Nov. 1, 2014. The corrective action requested is to submit a revised label as discussed below.

§205.303 (Packaged products labeled “100 percent organic” or “organic”) of the USDA National Organic Program regulations, provides:

(a) Agricultural products in packages described in §205.301(a) and (b) may display, on the principal display panel, information panel, and any other panel of the package and on any labeling or market information concerning the product, the following:
(1) The term, “100 percent organic” or “organic,” as applicable, to modify the name of the product.
(2) For products labeled “organic,” the percentage of organic ingredients in the product; (The size of the percentage statement must not exceed one-half the size of the largest type size on the panel on which the statement is displayed and must appear in its entirety in the same type size, style, and color without highlighting.)
(3) The term, “organic,” to identify the organic ingredients in multiingredient products labeled “100 percent organic”;
(4) The USDA seal and/or
(5) The seal, logo, or other identifying mark of the certifying agent which certified the production or handling operation producing the finished product and any other certifying agent which certified production or handling operations producing raw organic product or organic ingredients used in the finished product: Provided, that the handler producing the finished product maintain records, pursuant to this part, verifying organic certification of the operations producing such ingredients, and: Provided further. That, such seals or marks are not individually displayed more prominently than the USDA seal.

(b) Agricultural products in packages described in §205.301(a) and (b) must:
(1) For products labeled “organic,” identify each organic ingredient in the ingredient statement with the word, “organic,” or with an asterisk or other reference mark which is defined below the ingredient statement to indicate the ingredient is organically produced. Water or salt included as ingredients cannot be identified as organic.
(2) On the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, “Certified organic by * * *,” or similar phrase, identify the name of the certifying agent that certified the handler of the finished product and may display the business address, Internet address, or telephone number of the certifying agent in such label.

In this instant case, the label submitted for Jengimiel Syrup Forte (copy attached), lists the ingredients as: organic honey, fresh ginger, and organic aloe vera. Section 205.303(b)(1) requires that labels must: “For products labeled “organic,” identify each organic ingredient in the ingredient statement with the word, “organic,” or with an asterisk or other reference mark which is defined below the ingredient statement to indicate the ingredient is organically produced.” Because the Forte label does not identify the organic ginger as organic, the label does not comply with section 205.303(b)(1).
Corrective Action Required: In order to resolve this noncompliance, Natural Ginger must revise the label so that the ginger in the ingredient list is identified as "organic". The deadline for submitting this revision is November 1, 2014.

* * * *

You may choose to respond to this Notice of Noncompliance and submit a description and proof of the corrective actions you have undertaken to correct the noncompliance or you may submit a rebuttal of the information contained in this notice. If you do so, Americert International will review your response and make a determination if it believes, by the greater weight of the evidence that the alleged noncompliances have been corrected, or if you have adequately rebutted the noncompliance. If Americert determines that the corrective actions are insufficient to cure the noncompliance, or if you fail to respond to this Notice of Noncompliance, Americert International will issue a Notice of Proposed Suspension. If you submit appropriate corrective actions as requested within the deadline, and Americert concludes that the noncompliances have been cured, Americert International will issue a Resolution of Noncompliance.

The deadline for addressing these noncompliances November 1, 2014. If you fail to respond, or fail to respond adequately and completely by that date, Americert International may issue a Notice of Proposed Suspension.

Thank you in advance for your attention to this matter, if I can be of further assistance, please do not hesitate to contact me.

Sincerely,

[Signature]

Jonathan Austin
Americert International
Notice of Noncompliance
Sept. 12, 2014

George Kyriakou
Serafino Imports LLC
1851 Old Okeechobee Road
West Palm Beach, FL 33409
Also via email: Serafinoimports@gmail.com, Serafinoimports.dk@gmail.com

Dear George Kyriakou,

During Americert International’s recent accreditation audit conducted by the USDA National Organic Program, it was determined that several labels submitted by Serafino Imports LLC failed to display or failed to display in the appropriate location, information required under the USDA National Organic Program. The deficiencies noted are such that Americert International must issue this Notice of Noncompliance under the USDA National Organic Program regulations and request that Serafino Imports undertake corrective action to remedy the deficiencies in the labels as a condition of remaining certified under the USDA National Organic Program. The deadline for undertaking appropriate corrective action is Nov. 1, 2014. The corrective action requested is to submit revised labels as discussed below.

Basis of Noncompliance: Serafino submitted three labels which upon review fail to comply with section 205.303 of the USDA National Organic Program: Fronte EVOO 1L, Fronte EVOO 1G, and Serafino Brand (Kalamata) 1G. Each has a specific deficiency in terms of section 205.303 §205.303 (Packaged products labeled “100 percent organic” or “organic.”) of the USDA National Organic Program regulations, provides:

(a) Agricultural products in packages described in §205.301(a) and (b) may display, on the principal display panel, information panel, and any other panel of the package and on any labeling or market information concerning the product, the following:

(1) The term, “100 percent organic” or “organic,” as applicable, to modify the name of the product;

(2) For products labeled “organic,” the percentage of organic ingredients in the product. (The size of the percentage statement must not exceed one-half the size of the largest type size on the panel on which the statement is displayed and must appear in its entirety in the same type size, style, and color without highlighting);

(3) The term, “organic,” to identify the organic ingredients in multi-ingredient products labeled “100 percent organic”;

(4) The USDA seal; and/or

(5) The seal, logos, or other identifying mark of the certifying agent which certified the production or handling operation producing the finished product and any other certifying agent which certified production or handling operations producing raw organic product or organic ingredients used in the finished product: Provided, That, the handler producing the finished product maintains records, pursuant to this part, verifying organic certification of the operations producing such ingredients, and: Provided further, That, such seals or marks are not individually displayed more prominently than the USDA seal.

(b) Agricultural products in packages described in §205.301(a) and (b) must:

(1) For products labeled “organic,” identify each organic ingredient in the ingredient statement with the word, “organic,” or with an asterisk or other reference mark which is defined below the ingredient statement to indicate the ingredient is organically produced. Water or salt included as ingredients cannot be identified as organic.

(2) On the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, “Certified organic by ***, or similar phrase, identify the name of the certifying agent that certified the handler of the finished product and may display the business address, Internet address, or telephone number of the certifying agent in such label.

The specific noncompliances related to the labels are as follows:

1. Fronte EVOO 1Liter:

Section 205.303(b)(2) of the USDA National Organic Program regulations require that labels must display on the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, “Certified organic by ***, or similar phrase, identify the name of the certifying agent”. In this case, Fronte EVOO 1L displays the phrase "Certified Organic by Americert International" ABOVE the handler identification. The USDA NOP has determined that compliance with section
205.303(b)(2) requires strict compliance with the placement conditions, in other words, that the "Certified Organic by" statement must be BELOW the identification of the handler. Accordingly, the current label carrying the "Certified Organic by Americert International" ABOVE the identification of the handler is noncompliant with section 205.303(b)(2).

Corrective Action Required: In order to resolve this noncompliance, Serafino must revise the label so that the phrase "Certified Organic by Americert International" appears BELOW the identification of the handler of the product.

2. Fronte EVOO 1 Gallon:

Section 205.303(b)(2) of the USDA National Organic Program regulations require that labels must display the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, "Certified organic by * * *", or similar phrase, identify the name of the certifying agent. In this case, Fronte EVOO 1G displays the phrase "Certified Organic by Americert International" ABOVE the handler identification. The USDA NOP has determined that compliance with section 205.303(b)(2) requires strict compliance with the placement conditions, in other words, that the "Certified Organic by" statement must be BELOW the identification of the handler. Accordingly, the current label carrying the "Certified Organic by Americert International" ABOVE the identification of the handler is noncompliant with section 205.303(b)(2).

Corrective Action Required: In order to resolve this noncompliance, Serafino must revise the label so that the phrase "Certified Organic by Americert International" appears BELOW the identification of the handler of the product.

3. Serafino Brand Kalamata Olive Oil -1 Gallon

Section 205.303(b)(2) of the USDA National Organic Program regulations require that labels must display the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, "Certified organic by * * *", or similar phrase, identify the name of the certifying agent. In this case the label for Serafino Brand Kalamata, displays the phrase "Certified Organic by Americert International" on the information side panel but does not include the name of the handler. The USDA NOP has determined that compliance with section 205.303(b)(2) requires strict compliance with the placement conditions, in other words, that the "Certified Organic by" statement must be BELOW the identification of the handler. Accordingly, the current label which does not include the handler identification is noncompliant with section 205.303(b)(2).

Corrective Action Required: In order to resolve this noncompliance, Serafino must revise the label so that the phrase "Certified Organic by Americert International" appears BELOW the identification of the handler of the product on the side information panel.

* * * *

You may choose to respond to this Notice of Noncompliance and submit a description and proof of the corrective actions you have undertaken to correct the noncompliance or you may submit a rebuttal of the information contained in this notice. If you do so, Americert International will review your response and make a determination if it believes, by the greater weight of the evidence that the alleged noncompliances have been corrected, or if you have adequately rebutted the noncompliance. If Americert determines that the corrective actions are insufficient to cure the noncompliance, or if you fail to respond to this Notice of
Noncompliance, Americert International will issue a Notice of Proposed Suspension. If you submit appropriate corrective actions as requested within the deadline, and Americert concludes that the noncompliances have been cured, Americert International will issue a Resolution of Noncompliance.

The deadline for addressing these noncompliances November 1, 2014. If you fail to respond, or fail to respond adequately and completely by that date, Americert International may issue a Notice of Proposed Suspension.

Thank you in advance for your attention to this matter, if I can be of further assistance, please do not hesitate to contact me.

Sincerely,

[Signature]

Jonathan Austin
Americert International
AMERICERT INTERNATIONAL
(Formerly known as QAI North America)
2603 NW 13th St. #228, Gainesville, FL 32609 *Ph: (352)336-5700 *Fax: (866)325-8251
Americert@gmail.com
www.americertorganic.com

Notice of Noncompliance
Sept. 12, 2014

Lester L'Hoste, Jr.
L'Hoste Citrus
6397 Hwy 39
Braithwaite, LA 70040

Dear Mr. Lester L'Hoste, Jr.,
During our recent USA accreditation renewal audit, Americert International identified a noncompliance related to L'Hoste Citrus' use of soap in post harvest cleaning of citrus as described in the organic farm plan/inspection. While soap is allowed as a dealgicide/demosser per 205.601(a)(7) this use is for crop production only. Once harvested, substances coming in contact with harvested organic crops must be specifically approved for use in post harvest handling under the USDA National Organic Program regulations. Soap is not approved as a post harvest handling substance and accordingly, the current use of soap in post harvest cleaning (having direct contact with organic crops) is a noncompliance with the USDA National Organic Program regulations. Accordingly, Americert International hereby issues this Notice of Noncompliance.

Corrective Action Required: In order to resolve this noncompliance, L'Hoste Citrus must cease the use of soap in post harvest handling of citrus and must revise its organic farm plan to reflect this change and inform Americert International of any changes to post harvest handling of citrus implemented in response to this Notice of Noncompliance. These actions must be undertaken and proof submitted to Americert International no later than October 12th, 2014.

You may choose to respond to this Notice of Noncompliance and submit a description and proof of the corrective actions you have undertaken to correct the noncompliance or you may submit a rebuttal of the information contained in this notice. If you do so, Americert International will review your response and make a determination if it believes, by the greater weight of the evidence that the alleged noncompliances have been corrected, or if you have adequately rebutted the noncompliance. If Americert determines that the corrective actions are insufficient to cure the noncompliance, or if you fail to respond to this Notice of Noncompliance, Americert International will issue a Notice of Proposed Suspension. If you submit appropriate corrective actions as requested within the deadline, and Americert concludes that the noncompliances have been cured, Americert International will issue a Resolution of Noncompliance.

The deadline for addressing these noncompliances October 12, 2014. If you fail to respond, or fail to respond adequately and completely by that date, Americert International may issue a Notice of Proposed Suspension.

Thank you in advance for your attention to this matter, if I can be of further assistance, please do not hesitate to contact me.

Sincerely,
Jonathan Austin
Americert International
NOTICE OF NONCOMPLIANCE

21 AUG 2014

Jonathan Austin
Certification Director
Americert International
1135 NW 23rd Avenue, Suite P
Gainesville, FL 32609

Dear Mr. Austin:

On June 23-27, 2014, a representative of the United States Department of Agriculture (USDA), Agricultural Marketing Service, National Organic Program (NOP), completed a Renewal Assessment of the Americert International organic certification program. The objective of the assessment was to determine Americert’s compliance to the USDA organic regulations as an accredited certifying agent. A copy of the assessment report, NP4174MMA, is enclosed.

As the report indicates, one noncompliance, NP0319MMA.NC6, from your previous assessment was cleared. Two new noncompliances, NP4174MMA.NC1 through NC2, were identified during the assessment. Please submit proposed corrective actions responding to the two new noncompliances to AIAInbox@ams.usda.gov within 30 days from the date of this Notice indicating how the noncompliance will be corrected. The proposed corrective actions must also indicate how Americert’s management system will be modified to prevent future noncompliances.

Please refer to NOP 2608, Responding to Noncompliances, for further instructions. Failure to promptly resolve outstanding noncompliances may result in proposed suspension or revocation of your USDA organic accreditation. Your proposed corrective actions and reports of any progress to date in implementing the proposed actions must be submitted electronically to AIAInbox@ams.usda.gov.

If you have questions regarding this notice, please contact your Accreditation Manager, Janna Howley, at (202) 692-0047 or JannaB.Howley@ams.usda.gov.

Sincerely,

Cheri Courtney
Director, Accreditation and International Activities Division
National Organic Program

Enclosure

cc: AIAInbox@ams.usda.gov
NATIONAL ORGANIC PROGRAM REVIEW REPORT

AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) received Americert’s accreditation renewal application to maintain U.S. Department of Agriculture (USDA) accreditation on February 21, 2014. The NOP reviewer of Americert’s application, conducted an on-site audit, and reviewed the audit report to determine Americert’s capability to continue operating as a USDA accredited certifier.

GENERAL INFORMATION

| Applicant Name:    | Americert International       |
| Physical Address:  | 1135 NW 23rd Avenue, Suite P, Gainesville, FL 32609 |
| Mail Address:      | Same as above                  |
| Contact & Title:   | Jonathan Austin               |
| E-mail Address:    | Americert@gmail.com           |
| Phone Number:      | 352-336-5700                  |
| Auditor(s) and Reviewer(s): | Renee Mann, NOP Reviewer; Miguel A. Caceres, On-site Auditor. |
| Program:           | USDA National Organic Program (NOP) |
| Audit and Review Date(s): | Audit Dates: June 23-27, 2014 |
|                     | NOP’s assessment determination: August 11, 2014 |
| Action Identifier: | NP4174MMA                     |
| Audit and Review Type: | Renewal Assessment            |
| Audit Objective:   | To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of Americert’s certification system. |
| Audit and Determination Criteria: | 7 CFR Part 205, National Organic Program as amended |
| Audit Review Scope: | Americert’s certification service in carrying out the audit criteria during the period: August 11, 2010 to June 27, 2014. |

CERTIFIER OVERVIEW NARRATIVE:

ORGANIZATION STRUCTURE:
Americert International (Americert) is a for profit business which is owned by the technical director. Americert was accredited as a certifying agent on September 4, 2009 to the National Organic Program (NOP) for crops and handling operations. All certification activities are conducted from the only office Americert has which is located in Gainesville, FL. Americert does not have any committees or external members involved with the company. The Americert
staff consists of the technical Director, an office manager, and four contracted inspectors which can also act as an initial and final reviewer on operations they have not inspected. Americert currently has 46 operations certified to the NOP organic standards, consisting of 32 crops and 14 handlers. All NOP clients are located in the United States with the exception of two operations located in Mexico and the NOP standards are the only standards applied.

In accordance with §205.510(f) Amending Accreditation, Americert International’s “Application for Renewal of Accreditation of Americert International,” included a request to amend the scope of accreditation to include the scope of wild crops. The certification process procedures did not need amending to include the scope as the process for certification remained the same. To accommodate the addition of the wild crop scope, Americert developed a new organic system plan (NOP Organic Wild Harvest Application and Plan, Form# NOP A9WHP-v. 070113) template and a new inspection report (NOP Organic Wild Harvest Inspection Report, Form# NOP BWH-v. 070213) template. A review of the OSP and inspection report templates verified they were developed to sufficiently collect the information required under §205.201 for a complete OSP and provide Americert the ability to assess compliance to the wild crop harvesting practice standard (§205.207) of the Final Rule. Interviews conducted and a review of the personnel records verified Americert had the necessary education, experience, and training to apply the scope of wild crops in addition to the necessary education, experience, and training for those already being applied.

CERTIFICATION PROCESS:
For new applicants, documents are provided to applicants via the Americert website (Americertorganic.com). From the website, clients can fill out the “Certification Request Form” upon which they will receive an estimate. The crop and handler application and plan (organic system plan), organic product profile forms, an appendices form (includes 15 different forms for crop operations and 2 for handlers), and a link to the NOP Final Rule can all be accessed from the website. While almost all clients retrieve the forms from the website, Americert would provide hard copies if necessary. Once an application is received, the initial review is conducted by the technical director (Jonathan Austin 90-95% of the time) or a contracted inspector. After the inspection, the final review is conducted by the technical director or a contracted inspector different than the one that conducted the inspection (again this is mainly done by Jonathan). For the annual update process, 30 to 60 days before the annual update is due, Americert sends the client an email reminder which informs them to download the appropriate annual update form. After the annual update information is received, the process of initial review, inspection, and final review with a certification decision is the same as for applicants.

Material reviews and Labels:
An applicant can request a product to be registered on the Americert “Organic Input Review Registry” via the Americert website. The site provides general information on the materials review process and links to the “Request for Organic Input Review Registry Listing, v. 082310”; “Input Review Registry Contract”, and “Organic Input Review Affidavit”. The Americert fact sheet informs clients that “Liquid fertility products with 3% or greater nitrogen content also require an annual on-site inspection.” Of the three companies listed, one had a liquid nitrogen fertilizer with content of 3% nitrogen and was inspected by Americert. Labels are reviewed by the final reviewer. At the time of the renewal assessment, Americert did not have a checklist or
written procedure for review of labels. As noted in the findings, there were some issues identified with the label review and approval. As a result, during the renewal assessment and prior to the closing meeting, Americert developed a checklist to be used for review and approval of labels.

International activities and oversight:
The process for verification of the terms of the EU-US Organic Equivalency Arrangement is not documented. However, a process is followed for verifying the terms. There were no import certificates issued prior to 2013; four were issued in 2013; and two so far in 2014. All were issued at the request of one client. The process for verification of the US-Canada Organic Equivalency Arrangement is not documented. However, a process is followed for verifying the terms. No attestation statements were issued prior to 2013; since then eleven were issued. Attestation statements are contained on the Details of Certification which accompanies the certificates issued by Americert. Certificates reviewed stated “Certified in compliance with the terms of the US-Canada Organic Equivalency Arrangement”. Americert is not listed on NOP 2403 for Taiwan and they had not issued any TM-11’s for any country.

ADMINISTRATIVE RECORDS AND PROCESSES:
Americert uses their NOP Organic Program Certification Manual (OCM), v.021514 to address the procedures for organic certification from application through certification. The OCM includes all procedures required under §205.504. As described under the “Certification Process” section, all forms from application to organic system plans, and those the clients can use to record activities are available from the Americert website for download.

The most recent annual program review was conducted on August 30, 2014, by Jonathan Austin. The review was conducted with a checklist developed by Americert specifically for the annual program review and covered all areas of the certification process and accreditation requirements. The report/checklist included identified non-compliances and areas of improvement with proposed corrective and preventative actions. The renewal assessment verified the corrective actions were taken and were effective as of the time of the assessment. Training provided included external training by IOIA, OMRI; other accredited certifying agents, and the NOP.

SUMMARY OF WITNESS INSPECTIONS AND REVIEW AUDITS CONDUCTED:
A witness inspection of a crop operation was conducted. The witness inspection verified the inspector was knowledgeable of the operation, that it was conducted with a knowledgeable representative, that no prohibited substances were being used, that the OSP was an accurate description of the actual practices on-site, and that the operation was in compliance with the Act. The inspector was knowledgeable and conducted a closing meeting with the operation’s representative.

A review audit of a handling operation was conducted. The NOP auditor reviewed the OSP on-site with the operation’s representative followed by a review of the facility with two facility representatives and Americert’s Technical Director. The auditor reviewed traceability, that no prohibited substances were being used, that the OSP was an accurate description of the actual practices on-site; and that the operation was in compliance with the Act. The review audit also
verified the certification process followed by Americert and previous inspections conducted by Americert inspectors were in accordance with the Act.

NOP DETERMINATION

The NOP reviewed Americert’s onsite renewal audit report. The NOP has determined the following status of the prior noncompliance correction actions, and the current identified noncompliances.

Noncompliances from Prior Assessments – Cleared

NP0221BBA.NC1 – Cleared – 7 CFR §205.403(c)(2) Verification of information states, “The on-site inspection of an operation must verify: That the information, including the organic production or handling system plan… accurately reflects the practices used or to be used by the applicant for certification or by the certified operation.” The observation of the crop inspection (demonstration inspection) showed that the inspector did not identify or issue a non-compliance that the OSP did not accurately reflect all of the practices being used by the certified operation. In addition, the initial inspection, review, and final certification did not identify any non-compliance for the incomplete OSP used by the operation. Some of the deficient areas observed during the demonstration inspection but not completely or accurately described in the OSP included the following:

1) 2 insecticide inputs were not listed on the OSP.
2) Cleaning/sanitizing products were not clearly described.
3) The handling/packing process of the vegetables was not clearly described.
4) The OSP stated the entire farm but prohibited substances were applied to weeds around the trailer house (non-organic growing area). It was noted however, that this product was not used in the greenhouses with the organic vegetables. It was however noted that the inspector did go over some of the incomplete or deficient areas during the exit interview of the demonstration inspection. Corrective Action: OIA North America responded across three systems: operation, inspection, and management review. The operation was cited a non-compliance for the deficient areas noted during the witness audit. Inspectors are being provided training (via online or in person) stressing the importance of reviewing all aspects of the OSP at all inspections, including initial, renewal, and any additional inspections for whatever reason. At the management level, OIA North America issued a policy memo informing inspectors, OIA NA staff, and certified operations of the policy for inspecting operations including changes made to the OSPs during inspections, how changes communicated would be provided in writing to inspectors and operators, and the requirement that inspectors be provided with changes to operators’ system plans prior to inspection. This response is to be verified at the next on-site audit; however, if effectively implemented, OIA NA’s plan demonstrates compliance with NOP accreditation requirements. Verification of corrective actions: The NOP auditor observed that the Americert inspector verified the accuracy of OSP during the Witness Audit. During the Review Audit, the NOP auditor verified that the previous inspection conducted by Americert verified the OSP as accurate and verified that the operation was in compliance with the NOP Final Rule.
**Noncompliances Identified during the Current Assessment**

NP4174MMA.NC1 - §205.406(c) states, “If the certifying agent has reason to believe, based on the on-site inspection and a review of the information specified in §205.404, that a certified operation is not complying with the requirements of the Act and the regulations in this part, the certifying agent shall provide a written notification of noncompliance to the operation in accordance with §205.662.” *Of the eight labels reviewed in the office and one during the review audit, one label did not identify one of the three organic ingredients as organic. Three labels did not include the “Certified Organic By…” statement below the information identifying the handler. Two had the “Certified Organic By…” statement above the handler information and one did not identify the handler of the product on the back panel.*

NP4174MMA.NC2 - §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670.” *In one of six files reviewed, a crop post handling operation was allowed to use a prewash consisting of chlorine at 200ppm and dish washing soap for citrus, followed by a water rinse. Americert allowed the dishwashing soap based on soap’s listing as an allowed algicide/demosser at 7 CFR 205.601(a)(7). Soap is allowed in the production of crops at 205.601(a)(7), but this listing does not have an annotation allowing the material to be used for postharvest handling. Therefore, soap is not allowed in postharvest handling.*
NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) received Americert’s accreditation renewal application to maintain U.S. Department of Agriculture (USDA) accreditation on February 21, 2014. The NOP reviewed Americert’s application, conducted an onsite audit, and reviewed the audit report to determine Americert’s capability to continue operating as a USDA accredited certifier.

GENERAL INFORMATION

<table>
<thead>
<tr>
<th><strong>Applicant Name</strong></th>
<th>Americert International</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Physical Address</strong></td>
<td>1135 NW 23rd Avenue, Suite P, Gainesville, FL 32609</td>
</tr>
<tr>
<td><strong>Mailing Address</strong></td>
<td>Same</td>
</tr>
<tr>
<td><strong>Contact &amp; Title</strong></td>
<td>Jonathan Austin, Certification Director</td>
</tr>
<tr>
<td><strong>E-mail Address</strong></td>
<td><a href="mailto:Americert@gmail.com">Americert@gmail.com</a></td>
</tr>
<tr>
<td><strong>Phone Number</strong></td>
<td>352-336-5700</td>
</tr>
<tr>
<td><strong>Reviewer(s) &amp; Auditor(s)</strong></td>
<td>Janna Howley, NOP Reviewer; Miguel A. Caceres, Onsite Auditor(s).</td>
</tr>
<tr>
<td><strong>Program</strong></td>
<td>USDA National Organic Program (NOP)</td>
</tr>
</tbody>
</table>
| **Review & Audit Date(s)** | Corrective Action Review Date: October 8, 2014  
Audit Dates: June 23-27, 2014 |
| **Audit Identifier** | NP4174MMA |
| **Action Required** | None |
| **Audit & Review Type** | Renewal Assessment |
| **Audit Objective** | To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of Americert’s certification system. |
| **Audit & Determination Criteria** | 7 CFR Part 205, National Organic Program as amended |
| **Audit & Review Scope** | Americert’s certification services in carrying out the audit criteria during the period: August 11, 2010 to June 27, 2014. |

Americert International (Americert) is a for profit business owned by the Technical Director. Americert was accredited as a certifying agent on September 4, 2009 to the National Organic Program (NOP) for crops and handling operations. All certification activities are conducted from the only office Americert has, which is located in Gainesville, FL. Americert does not have any committees or external members involved with the company.

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two operations located in Mexico; the NOP standards are the only standards applied.

NOP DETERMINATION:

NOP reviewed the onsite audit results to determine whether Americert’s corrective actions adequately addressed previous noncompliances. NOP also reviewed any corrective actions submitted as a result of noncompliances issued from Findings identified during the onsite audit.

Non-compliances from Prior Assessments

Any noncompliance labeled as “Cleared,” indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as “Outstanding” indicates that either the auditor could not verify implementation of the corrective actions or that records reviewed and audit observations did not demonstrate compliance.

NP0221BBA.NC1 – Cleared

Non-compliances Identified during the Current Assessment

Any noncompliance labeled as “Accepted,” indicates that the corrective actions for the noncompliance are accepted by the NOP and will be verified for implementation and effectiveness during the next onsite audit.

NP4174MMA.NC1 – Accepted - §205.406(c) states, “If the certifying agent has reason to believe, based on the on-site inspection and a review of the information specified in §205.404, that a certified operation is not complying with the requirements of the Act and the regulations in this part, the certifying agent shall provide a written notification of noncompliance to the operation in accordance with §205.662.”

Comments: Of the eight labels reviewed in the office and one during the review audit, one label did not identify one of the three organic ingredients as organic. Three labels did not include the “Certified Organic By...” statement below the information identifying the handler. Two had the “Certified Organic By...” statement above the handler information and one did not identify the handler of the product on the back panel.

Corrective Action: Americert developed and implemented a written work instruction and checklist for their staff to use regarding conducting label reviews. Americert also provided additional training to its staff on the labeling requirements under the NOP. The work instruction, label review checklist and PowerPoint training on labeling requirements were provided to the NOP.

NP4174MMA.NC2 – Accepted - §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670.”
Comments: In one of six files reviewed, a crop post handling operation was allowed to use a prewash consisting of chlorine at 200ppm and dish washing soap for citrus, followed by a water rinse. Americert allowed the dishwashing soap based on soap’s listing as an allowed algicide/demosser at 7 CFR 205.601(a)(7). Soap is allowed in the production of crops at 205.601(a)(7), but this listing does not have an annotation allowing the material to be used for postharvest handling. Therefore, soap is not allowed in postharvest handling.

Corrective Action: Americert identified weaknesses in staff knowledge in interpreting the allowed postharvest materials. Americert provided a work instruction to staff addressing post-harvest materials. A copy of the work instruction was provided to the NOP. Americert also issued a Notice of Noncompliance to the operation that had been using soap post-harvest. A copy of the Notice of Noncompliance was provided to the NOP.
Renewal Audit NC & CA Resolution Chronology Log

Audit Identifier (if any): NP4174MMA  
Audit Type: Renewal  
Accredited Certifying Agent Name: Americert  
Accreditation Manager: Renee Mann (for NoNC), Janna Howley (for CA)

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 23-27, 2014</td>
<td>Renewal Audit conducted by Mike Caceres in Florida.</td>
</tr>
<tr>
<td>7/31/14</td>
<td>Reports posted by Mary Lou to 01 Report Folder.</td>
</tr>
<tr>
<td>8/6/14</td>
<td>Review of audit reports. Sent follow-up questions to auditor, Mike Caceres.</td>
</tr>
<tr>
<td>8/8/14</td>
<td>M. Caceres responded with revisions to the original report.</td>
</tr>
</tbody>
</table>
| 8/21/14    | R. Mann drafted proposed NC report and NC letter for management review. Received approval. Sent NC Report and NC letter via RPost.  
              | * RM processed NC report and letter b/c JH new to processing NCs and to assist with work load before JH left for 2 week vacation.                                                                     |
| 9/13/14    | Americert responded with proposed CAs.                                                                                                         |
| 10/8/14    | JH reviewed CAs and drafted NoContAccred Letter, Certificate and CA Report.                                                                    |
| 10/10/14   | Edited report, letter and certificate based upon RM feedback. Gave hard copy to RM for approval.                                                |
| 10/15/14   | Accreditation Committee meeting scheduled to review the Corrective Action report and vote on continued accreditation.                           |
| 10/23/14   | Accreditation Committee voted to renew Americert’s accreditation.                                                                           |
| 10/31/14   | Sent to MM for signature. Edits made by MM.                                                                                                   |
| 11/06/14   | Revised document and doc router to MM for final signature.                                                                                     |