



MCS 2012 USDA Audit

by Mary Yurlina, Certification Services Director

MCS is audited every 2.5 years. This past June, we spent five days with two USDA auditors. Mid-week, one of their supervisors arrived to observe the process. This was MCS's fourth USDA audit for which we were billed over \$16K, making it our most expensive. During their week with us, the auditors randomly selected client files to review. They observed us conduct three annual inspections with MOFGA-certified producers, covering all the scopes that we are accredited to certify (crops, livestock, wild crops, processing). If you were one of the producers chosen for this—THANK YOU! —we appreciate your cooperation and we know it was stressful with all those extra officials present. MCS inspectors also deserve a round of applause.

The auditors and MCS staff discussed how MCS evaluates labels, how we review material inputs, and how we generate organic certificates. They checked our resumes, conflict of interest declarations and annual evaluations, among many other documents. We ended the week with an exit interview in which all seven MCS staff, the two auditors, and the supervisor from USDA participated.

Here are the things we need to improve...

We need to make sure that Organic System Plans are complete before an inspection. Inspectors cannot be asked to fill in gaps in producer's plans. We have been making progress toward making sure that organic system plans (OSP's) are complete and have no significant gaps. Certification Specialists (Jacomijn Gardei, Katie Webb, Joan Cheetham, and Kate Newkirk) contact many producers during the course of the year by email, phone, or letter in order to clarify activities and gather missing information. While we think that inspectors can resolve some small OSP gaps, they, according to the NOP, are not the appropriate way to gather new information. Therefore, inspectors need to receive OSP's that are complete.

Each facility address must have its own organic certificate. This was a new interpretation of the regulation for us, but easy enough to address. We have about ten producers who have additional facilities that are distinct from their farm or flagship facility. They will be receiving an organic certificate for each location.

Organic certificates must be issued for the facility location—and not for a mailing address. This is another easy one to resolve. The organic certificates we issue now prominently display the organic production location, with the mailing address less prominently displayed.

Organic product labels need better scrutiny. The NOP is fussy about labels; therefore we need to be fussier. If you use the USDA Organic Logo you must not modify it. If you choose to use the black and white version as a transparent logo, then you must make sure that the color that shows through the logo is the same as the background color. Otherwise, you are changing the logo color, which is prohibited. Secondly, the label statement "Certified Organic by MOFGA" (or similar phrase) must appear beneath your farm name or contact information. The idea is that consumers have a standard place to look for this information. We have come a long way on labels, and most comply with the rule. Please remember to have an MCS staff person to approve your labels before you print them.

We need to write more non-compliance notices. While reviewing client files, there were a few instances where the auditors wondered why we had not issued a non-compliance notice for what appeared to be non-conformity with the organic rule, as reported by an inspector, or as noted in correspondence. We have maintained an elevated threshold for deployment of the official notice of non-compliance, which is the first step in the NOP adverse action process, opting to try to work with producers on issues first. Sometimes this approach has not worked as well as we hoped and compliance issues remain unresolved. Records and documentation are good examples of regulatory requirements that are difficult for some producers and which do not always get addressed in a timely fashion. Crop rotation and winter outdoor access for livestock are other areas where issues can remain even though we have requested that they be addressed. To resolve our non-compliance in this area, we will be issuing more non-compliance notices to producers based on the information in inspection reports and farm plans. We will also be taking a closer look at "continuing improvement points"; if no progress is evident after a reasonable length of time, then a non-compliance notice will be issued.

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Inspectors must not use commanding language in their inspection reports. The inspector's role is to verify OSP's. They do this by visiting farms and facilities, making observations, asking questions, and reviewing records and documents. They do an exit interview with the producer in which they list the potential compliance issues. Finally, they complete a report, which is sent to the certifier. It is up to the certifier to send a copy of the report to the producer with a letter about the findings and compliance issues. Sometimes the communication will be in the form of a non-compliance notice. As we noted in the preceding section, we will be sending more non-compliance notices in 2013.

Inspectors must not tell producers what to do or how to do it. So, if an inspector observes that a producer lacks field activity records, the inspector needs to present the issue in manner like this: "Records documenting field activities such as manure application and harvesting do not exist and therefore verifying whether or not the manure waiting period was met for potatoes could not be done NOP 205.103; 205.203)." The inspector should not be writing, "The farmer needs to get a calendar for recording field activities." It's not bad advice, but the inspector is not there to advise clients and there is more than one way to solve this lack of documentation.

We need more staff time devoted to consistency and quality control. We try to get a lot done in a year. In addition to the routine work of plan reviews and inspections we take on special projects, like creating a custom web published database for renewing farm plans on line. We also pitch in with projects and programs at MOFGA. We are not always consistent and mistakes are made. The audit made it clear that we need to set aside time to sample and review our routine work. We need to make sure that seven staff and a dozen inspectors are conducting organic certification business within an acceptable range of individual variation. Are we handling the same issue with different clients the same way? Are all our inspectors thorough in their reporting? We need more in-person communication sessions between staff and inspectors. We also need to commit time for catching errors in our database. This can be done with regularly scheduled queries. All of this quality control is do-able; it just takes time. We are in the midst of a reorganization to improve programmatic consistency, information quality, and service performance. As always, feedback from producers is useful and welcome.

