



**Livestock and Seed Program
Audit, Review, and Compliance Branch
Quality System Audit Report**

AUDIT INFORMATION

Applicant Name:	Hawaii Organic Farmers Association (HOFA)
Est. Number:	N/A
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Auditor(s):	Steve Ross
Program:	USDA National Organic Program (NOP)
Audit Date(s):	February 2 – May 10, 2007
Audit Identifier:	NP7033DDE
Action Required:	Yes
Audit Type:	Surveillance - Accreditation Renewal Audit
Audit Objective:	To verify continuing compliance to the audit criteria.
Audit Criteria:	7 CFR Part 205, National Organic Program, Final Rule, dated December 21, 2000; Updated September 11, 2006
Audit Scope:	HOFA's quality manual dated October 1, 2006, including personnel, processes, procedures, facilities, and related records.
Location(s) Audited:	HOFA office in Hilo, HI; Natural Pacific Tofu in Hilo, HI; Puna Organics in Hilo, HI; and Beef and Blooms in Kuna, HI.

HOFA was accredited as a certifying agent on April 29, 2002, to the USDA National Organic Program (NOP) for crops, wild crops, livestock, and handler/processor. HOFA currently has 92 crops, 33 processors, 3 livestock, no wild crop, and 3 apiary (bee) approved clients. HOFA has just begun certifying livestock in the past year with all livestock clients on the island of Maui. HOFA only conducts audits in Hawaii and as such has a unique certification system since Hawaii is free of pests and disease due to the isolation of the state.

The 5 Year Accreditation Audit process started on February 2, 2007 with a review of the documents submitted by HOFA and concluded with the on-site surveillance audit which was conducted on May 7 – 10, 2007.

The HOFA Board of Directors (BOD), whom none are certified organic by HOFA and thus no conflict of interest, has hired a certification coordinator to conduct the day to day business and assist the certification review panel in making certification decisions. The certification committee approves and assigns



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members to the certification review panel who are currently contracted inspectors who cannot review their own inspections. Separate contracted inspectors are assigned the on-site inspections by the certification coordinator. Inspection reports as well as the organic system plans (OSP) are given to the certification panel to make a recommendation to the certification coordinator whose position has evolved into making the final certification decision and assigning non-compliances to the HOFA clients.

All staff, inspectors, and certification panel members are qualified for the duties assigned except one certification panel member could not show expertise in the livestock area and had conducted reviews and made recommendations to the certification coordinator. All BOD, staff and inspectors had current conflict of interest, resumes, confidentiality agreements, evaluations, and training records. HOFA had followed correct procedures for denial of certification and suspension of certification. No appeals of certification decisions or mediation had been conducted by HOFA as of the present time.

HOFA has submitted all required reports and annual updates to the USDA NOP as required and has addressed all non-compliances as required.

FINDINGS

Observations made, interviews conducted, and procedures and records reviewed verified that HOFA is currently operating in compliance to the audit criteria except as noted in the non-compliances below. Eight non-compliances were identified during the audit.

NP7033DDE.NC1 – NOP §205.501(a)(5) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Ensure that its responsibly connected persons, employees, and contractors with inspection, analysis, and decision-making responsibilities have sufficient expertise in organic production or handling techniques to successfully perform the duties assigned.” *HOFA uses a certification committee to review the inspection reports and OSP and make the certification decision. One certification committee member reviewing the livestock inspection reports and OSP’s did not have expertise in livestock. The member had experience but no education or training could be found to show expertise.*

NP7033DDE.NC2 – NOP §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; its ability to fully comply with and implement the organic certification program established in...: A copy of the procedures to be used to evaluate certification applicants, make certification decisions, and issue certification certificates.” *HOFA’s administrative procedures titled “Certification Committee Procedures” Step 12 “Determination on Certification Request” requires that 2 members of the evaluation team review the inspection reports, OSP, and other information as supplied and then make an independent decision as to certify or certify with conditions. The evaluation forms are sent back to the Certification Coordinator to inform the client of the certification decision(s). If the 2 members arrive at different decisions then the certification coordinator is to have the 2 members discuss the findings (or lack of findings) and come to a consensus.*

1. *It was found during the on-site audit that the two evaluators are making a recommendation(s) to the certification coordinator who then is making the final decision on certification.*



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2. *It was also found that if the two evaluators arrive at different conclusions (decisions) there is no record or documentation as to what the consensus decision was.*
3. *The evaluation forms used by the evaluators for livestock operations do not contain any questions or information regarding livestock for the evaluators to address.*

NP7033DDE.NC3 – NOP §205.642 states, “...The certifying agent shall provide each applicant with an estimate of the total cost of certification and an estimate of the annual cost of updating the certification.” *HOFA issues the clients a list of fees and then the client figures out the cost of certification and sends in the fees. HOFA is not issuing a cost estimate to the clients.*

NP7033DDE.NC4 – NOP §205.501(a)(6) requires the certifying agent to conduct an annual performance evaluation of all persons who review applications and implement measures to correct any deficiencies in certification services. *HOFA has conducted performance evaluations on all required personnel. However, the evaluation record does not identify any NOP requirements, only that the person is providing services adequately. The evaluation is geared toward services and not job responsibilities.*

NP7033DDE.NC5 – NOP §205.236, 237, 238, 239 - requires the origin of organic livestock, livestock feed, livestock health care, and livestock living conditions respectively. *HOFA has three apiary clients for the production of honey from the bees and hives. HOFA has an OSP that the apiary clients have to fill out and inspections are done on each client. It was found during a review of these client files that:*

1. *The OSP or inspection report does not identify if the bees are managed organically from the second day of life;*
2. *The bee hives (colonies) are located on wild crop land but the land was not certified organic;*
3. *The client is feeding the bee’s organic honey and brewers yeast during the off season to sustain life. The client or inspection was not verifying the brewers yeast as organic or made as required under NOP rules;*
4. *The OSP or inspection did not determine if the colonies are moved from organic to non-organic fields; and*
5. *The hives (boxes) are painted with latex paints.*

NP7033DDE.NC6 – NOP §205.201 (a)(1) requires the producer or handler of a production or handling operation to develop an organic production or handling system plan that is agreed to by the producer or handler and an accredited certifying agent. An OSP must include a description of practices and procedures to be performed and maintained.

1. *The livestock OSP developed and used by the HOFA clients does not identify if animals are raised from the last third of gestation or does not identify water contamination from livestock. In addition, the inspection report does not address these requirements.*
2. *The OSP used for renewal applications does identify the update on the correction or minor non-compliances previously identified by the certifying agent; it just requests the client to say yes or no to “have past non-conformances been corrected.”*

NP7033DDE.NC7 – NOP §205.304 (a)(1)(i) requires that packages described in §205.301(c) may display on the principal display panel the statement “Made with organic”. (b)(1) Agricultural products in packages described in §205.301(c) must in the ingredient statement, identify each organic ingredient with



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the word, “organic,” or with an asterisk or other reference mark. (c) Agricultural products in packages described in §205.301(c) must not display the USDA seal. *The processor on-site inspection found that the client had “Made with organic ingredients” on the principal display panel and had the USDA seal adjacent to the statement and the ingredient statement did not identify which items were organic. HOFA had approved the label; however, the product is produced as “organic” according to the product profile.*

NP7033DDE.NC8 – NOP §205.403(c)(1)(2) requires that the onsite inspection of an operation must verify the operation’s compliance or capability to comply with the Act and regulations in this part; that the information, including the organic production or handling system plan provided... accurately reflects the practices used or to be used by the applicant for certification or by the certified operation. *During the onsite inspections of the certified operations the inspector(s) did not verify all aspects of the organic system plans or the applicants’ compliance with the Act such as:*

- *Did not verify the labels were accurate with the product produced;*
- *Did not verify the product ingredients to determine 100% organic, organic, or made with organic;*
- *Did not verify the inputs used, Nagarin – Magnesium Chloride from Seaweed- as being an input and not the main source of the soy milk for tofu;*
- *Did not complete an audit trail at the time of inspection to determine if certified product was accurate;*
- *Did not review cleaning or sanitizing aides to determine acceptability or the use of cotton filters used on the tofu; and*
- *Did not initially identify the use of molasses and soil inoculants in the exit interview as potential non-compliances until prompted by the certifying agent.*