



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

AUDIT INFORMATION

Applicant Name:	New Mexico Organic Commodity Commission (NMOCC)
Est. Number:	N/A
Physical Address:	4001 Indian School NE, Suite 310, Albuquerque, NM 87110
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Auditor(s):	Martin Friesenhahn, Lead Auditor; Phil Frederick, Auditor
Program:	USDA National Organic Program (NOP)
Audit Date(s):	February 9 – October 18, 2007
Audit Identifier:	NP7040BBA
Action Required:	Yes
Audit Type:	Surveillance - Accreditation Renewal Audit
Audit Objective:	To verify continuing compliance to the audit criteria; and to verify the implementation and effectiveness of corrective actions in addressing the previous non-compliances.
Audit Criteria:	7 CFR Part 205 National Organic Program, Final Rule, dated December 21, 2000; updated September 11, 2006.
Audit Scope:	The company's quality manual dated July 2, 2007, including personnel, processes, procedures, facilities, and related records.
Location(s) Audited:	NMOCC Office in Albuquerque, NM; Sierra Blanca Brewery in Moriarty, NM; and Embudo Valley Organics in Embudo, NM.

The 5 Year Accreditation Audit process started on February 9, 2007, with a review of the documents submitted by New Mexico Organic Commodity Commission (NMOCC) and concluded with the on-site surveillance audit which was conducted on October 15-18, 2007. The ISO Guide 65 audit was conducted along with the NOP re-accreditation audit.

The NMOCC is an independent agency of the State of New Mexico accredited as a certifying agent on April 29, 2002, to the National Organic Program (NOP) for crops, wild crops, livestock, and handling. The NMOCC client list includes approximately 184 certified operations with 117 crop, 1 wild crop, 18 livestock, and 48 handling operations. The majority of the clients are certified in New Mexico with several operations in the surrounding states if the owner is based in New Mexico. NMOCC also has eleven clients certified to meet the NOP Standards and additional requirements to the European Union Council Regulation No. 2092/91 (EU 2092/91). The companies that were verified for the EU 2092/91



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Standard were farms that produced peanut products that were exported or could potentially be exported. NMOCC is divided into two separate programs including the Certification and Enforcement Program and the Education and Marketing Assistance Program. The five member Board of Commissioners oversees the agency's operations as a board of directors. None of the Commissioners are certified by NMOCC.

The NMOCC staff consists of the Agency Director, Chief Inspector, Information Specialist, Financial Coordinator, and four subcontracted inspectors. The Information Specialist is reviewing the organic applications for completeness and does not participate in the certification functions due to the position with the Education and Marketing Assistance Program. The Chief Inspector conducts the initial application review and the reviews of the updated applications. The inspections are assigned by the Chief Inspector and are conducted by any of the four subcontracted inspectors. The final review and certification decisions are currently being made by the Chief Inspector. The NMOCC procedures allow for the Agency Director to review files and make certification decisions. However, the current Agency Director has not yet reviewed any files or made any certification decisions although has completed some training in crop production. The role of the Agency Director has been administration and supervision of the NMOCC.

NMOCC had completed and submitted the annual updates as required with the exception of the 2006 update which was not. The organic staff and contracted inspectors are qualified in their respective areas to complete organic certification. NMOCC has offered and provided various NOP organic training to the staff.

The audit included observations of two inspections by NMOCC. The inspection for the processing operation was the initial inspection. The processor observed is a contract bottler of sparkling organic cider. A demonstration inspection was conducted for the livestock and crop operations. This livestock and crop operation produces organic turkeys and organic grasses and pasture. In addition, the operation produces organic bagged feed and processes turkeys.

NMOCC has a Material Review Contract and Recognition Agreement with the Organic Materials Review Institute (OMRI). This agreement was reviewed during the audit. The Material Review Contract and Recognition Agreement between NMOCC and OMRI was dated August 2, 2007. Portions of the OMRI agreement include Section 2, "Accredited Certification Agency (ACA) recognizes the standing, qualifications and quality of the OMRI review process and therefore, has chosen to recognize OMRI decisions as an integral part of ACA's compliance process." Section 3.1 states, "OMRI shall publish the OMRI Products List, which contains products for organic production reviewed for compliance with NOP Standards." Section 3.2 states, "ACA will accept this list and use as a tool when verifying organic compliance within the ACA organic certification program." In addition the agreement mentions in Section 4, "The OMRI Products List will not function as the sole source of material review and inclusion on OMRI Products List will not automatically convey an operator's allowance to use any given product. Additionally, ACA reserves the right to perform its own additional material reviews and limit the use of listed materials when such limitations are required by the NOP or deemed necessary by ACA for compliance or other reasons."



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FINDINGS

Observations made, interviews conducted, and procedures and records reviewed verified that NMOCC is currently operating in compliance to the requirements of the audit criteria except as noted in the non-compliances. The corrective actions for two previous outstanding non-compliances were verified and the non-compliances were cleared. Six non-compliances were identified during the audit.

NP4279BBA.NC1 - Minor – Cleared - NOP§205.510(a)(4) and NOP§205.501(a)(6) - Annual report, recordkeeping, and renewal of accreditation requires the submission of the results of the most recent performance evaluations... *Performance evaluations were not submitted for the previous Agency Director Erica Peters.* **Corrective Action: This Agency Director no longer works for the NMOCC. Procedures have been revised and presented during the audit that included how an additional annual performance evaluation of the Agency Director will be completed by the Commissioners. In addition, current procedures and records were provided on how performance evaluations are completed by the Governor.**

NP5251BBA.NC1 – Minor - Cleared - NOP §205.510(a)(1) states “A complete and accurate update of information submitted pursuant to §§205.503 and 205.504”. NOP §205.510(a)(4) Requires that the results of the most recent performance evaluations are submitted. *A performance evaluation was not submitted for the current Agency Director Celina Garcia.* **Corrective Action: This Agency Director no longer works for the NMOCC. Procedures have been revised and presented during the audit that included how an additional annual performance evaluation of the Agency Director will be completed by the Commissioners. In addition, current procedures and records were provided on how performance evaluations are completed by the Governor.**

NP7040BBA.NC1 -- NOP §205.207(b) states, “A wild crop must be harvested in a manner that ensures that such harvesting or gathering will not be destructive to the environment and will sustain the growth and production of the wild crop.” *This section for wild crop harvesting was not covered in the NMOCC Organic System Plans or listed in the NMOCC Organic Farm Inspection Report Checklist.*

NP7040BBA.NC2 -- NOP §205.404(b)(3) states, “The certifying agent must issue a certificate of organic operation which specifies categories of organic operation...” NOP§205.406(d) states, “If the certifying agent determines that... any of the information specified on the certificate of organic operation has changed, the certifying agent must issue an updated certificate of organic operation pursuant to §205.404(b).” *The certificate that was issued for an operation that included a wild crop did not include the wild crop category. In addition, certificates that were updated did not include the date of the updated information.*

NP7040BBA.NC3 -- NOP §205.501(a)(4) states, “Use a sufficient number of adequately trained personnel, including inspectors and certification review personnel, to comply with....” *The document reviews and certification decisions are currently being completed only by the Chief Inspector. There has been an increase in the certified client operations and the complete certification process for a number of files is not being completed in a reasonable time period with approximately 25% of the files still in the review process for 2007. Some of these certification files that have not been reviewed and completed are*



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up to eight months beyond the current inspection. In addition, some of the inspection reports are being submitted to NMOCC by the inspectors beyond the NMOCC required timeframe of 21 days with some up to three months past the inspection.

NP7040BBA.NC4 - NOP §205.504(a)(3)(ii) requires the evidence of expertise and ability including a description of the qualifications, including experience, training, and education in agriculture, organic production, and organic handling for each person designated by the applicant to review or evaluate applications for certification. *Records of training, education, qualifications, and organic experience were not available for the Agency Director.*

NP7040BBA.NC5 – NOP §205.510(a) states, “An accredited certifying agent must submit annually to the Administrator, on or before the anniversary date of the issuance of the notification of accreditation ... (1) A complete and accurate update of information submitted pursuant to §§205.503 and 205.504...” *NMOCC did not submit the annual report information for the 2006 NOP Update.*

NP7040BBA.NC6 – NMOCC Work Instruction WI C602, Unannounced Inspections (ver. D) requires approximately 10% of the client base for un-announced inspections in each calendar year. *NMOCC has only completed six un-announced inspections in 2007 or approximately 3.5% of the certified operations.*