



United States Department of Agriculture

Agricultural Marketing Service
National Organic Program

BIOAGRICERT

**Via dei Macabracchia 8, Casalecchio di Reno, Bologna, Emilia-Romagna, 40033,
ITALY**

meets all the requirements prescribed in the USDA National Organic Program Regulations

7 CFR Part 205

as an Accredited Certifying Agent

for the scope of

Crops, Handling, Livestock, Wild Crops Operations

This certificate is receivable by all officers of all courts of the United States as prima facie evidence of the truth of the statements therein contained. This certificate does not excuse failure to comply with any of the regulatory laws enforced by the U.S. Department of Agriculture .

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Certificate No: **USDA-43-24**
Effective Date: **01/08/2023**
Expiration Date: **01/08/2028**
Issue Date: **12/20/2024**

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CERTIFICATE OF ACCREDITATION





National Organic Program
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NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT

GENERAL INFORMATION

Certifier Name	BioAgriCert, (BAC)
Physical Address	Via dei Macabraccia 8, Bologna, Emilia-Romagna 40033, ITALY
Audit Type	Compliance Audit
Auditor(s) & Audit Dates	Lars Crail, Alicia Hudson, Jonathan Surrency, Joshua Lindau, 10/16/2023 to 11/08/2023
Audit Identifier	NOP-434-23

CERTIFIER OVERVIEW

The National Organic Program (NOP) conducted surveillance activities in India October 16 – November 8, 2023, to verify BioAgriCert’s (BAC) compliance with the Organic Foods Production Act of 1990 (OFPA), the USDA organic regulations (7 CFR Part 205), and the NOP Handbook, with a focus on organic export supply chains. Audit activities included a review of certification files, onsite audit activities at certified operations, and product sampling and analysis for pesticide residue.

BAC is a for-profit company initially accredited on January 8, 2003. BAC’s primary office is in Bologna, Italy. BAC is accredited to the crops, wild crops, livestock, and handling categories. BAC currently certifies 54 operations including producer groups in India.

NOP DETERMINATION:

NOP reviewed the corrective actions submitted as a result of noncompliances issued from findings identified during the audit.

Any noncompliance labeled as “**Accepted**” indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next onsite audit.

Noncompliances from Prior Assessments

None

Noncompliances Identified during the Current Assessment and Corrective Actions

AIA-1269-24 - Accepted. 7 C.F.R. §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: *BAC does not carry out the requirements of §205.403(b)(1) and NOP 2609 Unannounced Inspections. The auditors reviewed BAC’s unannounced inspection records and found that BAC contacted an operation more than four hours in advance of an unannounced inspection.*

Corrective Action: All of BAC’s India-based inspectors attended training on May 28, 2024, to review the unannounced inspection requirements. The training materials confirm BAC’s expectation that notification of ‘up to four hours prior to the inspector arriving’ is permitted for extenuating circumstances such as biosecurity issues; otherwise, unannounced inspections should not provide prior notification to the certified operation.

AIA-1270-24 - Accepted. 7 C.F.R. §205.501(a)(9) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Maintain all records pursuant to §205.510(b) and make all such records available for inspection and copying during normal business hours by authorized representatives of the Secretary and the applicable State organic program's governing State official;”

Comments: *BAC did not make all records available for inspection during the audit and did not respond to NOP requests with all the requested information by the provided deadlines. The following are examples:*

1. *Rebuttal accepted*
2. *Rebuttal accepted*
3. *NOP requested information regarding BAC’s response to a positive pesticide residue result on October 23, 2023, with a due date of October 30, 2023. NOP sent a reminder email on November 7. BAC did not respond to the NOP request as of November 21, 2023.*

Corrective Action:

1. Rebuttal accepted
2. Rebuttal accepted
3. BAC confirmed the messages sent on October 23, 2023, and November 7, 2023, were not received. BAC provided the requested documentation on April 9, 2025, which showed its response to a positive pesticide residue event for product reviewed under the EU organic scheme. BAC determined the messages from the USDA-NOP sent to all recipients were likely blocked by their IT security system. BAC’s current procedure is to track all requests from the USDA-NOP with a quarterly review of progress on all projects.

AIA-1271-24 - Accepted. 7 C.F.R. §205.662(a) states, “When an inspection, review, or investigation of a certified operation by a certifying agent or a State organic program's governing State official reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation.”

Comments: *BAC does not issue a notification of noncompliance to its certified operations, even when operations are found to be noncompliant. The auditors conducted a review audit, interviewed certification staff, and reviewed BAC inspection reports, and found that BAC's inspectors report issues of concern to the operation and then instruct the operation to submit corrective measures for the identified issues of concern to the inspector for evaluation before the inspection report is submitted to the certifier for a final review and certification decision. BAC's process incorrectly allows the inspector to issue noncompliances.*

Corrective Action: BAC held training for all India based inspectors on May 28, 2024, to explain the noncompliance process as outlined by the regulations and BAC's quality management system for issuing notices of noncompliance.

AIA-1272-24 - Accepted. 7 C.F.R. §205.402(a)(1) states, “Upon acceptance of an application for certification, a certifying agent must: Review the application to ensure completeness pursuant to §205.401.”

Comments: *BAC does not consistently review applications to ensure completeness. The auditors conducted a review audit and reviewed certification files and found multiple instances of incomplete and inaccurate organic system plans (OSP) where BAC did not require the applicants to provide the missing information. Examples of information missing from OSPs include:*

1. *A complete description of the operation's soil fertility and crop nutrient management practices; specifically, the operation's manure and vermicompost practices.*
2. *A description of the operation's labeling practices.*
3. *A description of the operation's storage practices.*
4. *A description of the operation's monitoring practices and procedures to be performed and maintained to verify that the OSP is effectively implemented, as required by § 205.201(a)(3)*
5. *A description of the operation's lot numbering system.*
6. *A description of the production and handling activities occurring at the operation's two locations.*
7. *Supplier list in the handling operation (exporter)'s OSP did not include all the operation's certified suppliers.*
8. *Product flow charts in the operation's OSP did not include all products produced by the operation.*

Corrective Action: BAC revised its organic system plan (OSP) templates to request additional information from operators. BAC conducted training on the revised forms and issues raised at the compliance audit on May 28, 2024, for all India-based inspectors. BAC held additional training for all staff on March 14, 2024, on implementing the Strengthening Organic Enforcement rule and OSP revisions. In addition, BAC is training staff based in India to review revised OSPs. BAC made the following revisions to its forms in response to the points listed in the noncompliance:

1. *M80/7 Compost & Manure (OSP) Rev 00* requires clients to describe fertility management practices.
2. *M80/13 Record Keeping, Audit Trail, and Labeling (Farm OSP) Rev 01* requires clients to describe processing and labeling activities and attach product labels to the OSP.
3. *M80/8 Harvest and Post-harvest (OSP) Rev 01* requires clients to describe storage practices.
4. *M80/13 Record Keeping, Audit Trail, and Labeling (Farm OSP) Rev 01* requires clients to describe monitoring activity records and a program for monitoring supply chain integrity.

5. *M80/13 Record Keeping, Audit Trail, and Labeling (Farm OSP) Rev 01* requires clients to describe their lot numbering and traceability system.
6. BAC split the impacted operation into two separate OSPs and certificates. A client's application must include each production unit which BAC verifies and assigned a code to track in their database. BAC requires photographic evidence of the on-site inspection and track the operations in their database using the verified address reported in the application for certification.
7. *M27 Master Ingredient / Supplier List Rev 02* includes instructions to list all certified organic ingredients and non-organic ingredients and processing aids.
8. All operations applying or renewing certification in 2024 submitted revised process flow charts, as applicable. BAC reviewed and approved all revised process flow charts by April 2025.

AIA-1273-24 - Accepted. 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

Comments: *BAC does not fully implement the NOP's international organic trade arrangement policies and procedures. The auditors reviewed organic certificates issued by BAC and found that BAC does not include the correct US-Canada Organic Equivalency Arrangement (USCOEA) attestation statement on its organic certificates.*

Corrective Action: BAC sent all staff a message to require the correct attestation statement on all NOP certificate annex issued after April 9, 2025, for organic product verified as compliant to the terms of the US-Canada Organic Equivalency Arrangement.

AIA-1274-24 - Accepted. 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

Comments: *BAC's inspection reports do not fully verify an operation's compliance with the USDA organic regulations. The auditor's review of a handling inspection report found that the report does not instruct inspectors to verify the requirements of § 205.201(a)(3).*

Corrective Action: BAC submitted a revised report template, *M84/C_US Rev 03 Processor Inspection Report*, which requires inspectors to report the fraud prevention plan and effectiveness of the operation's plan to track links in the supply chain and identify and correctly handle cases of fraud.

AIA-1275-24 - Accepted. 7 C.F.R. §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.”

Comments: *BAC does not ensure that its employees with inspection responsibilities have sufficient expertise in organic regulations to perform the duties assigned. The auditors conducted a review audit and reviewed certification files and found that BAC's inspectors incorrectly identified an operation's compliant practices as violations of the USDA organic regulations. BAC issued a noncompliance to the operation for not having measures to prevent the commingling of organic and non-organic products; however, the operation only handles products that are not certified under the USDA organic regulations.*

Corrective Action: All of BAC's India-based inspectors attended training on May 28, 2024 on the inspection findings process as described the regulations and ***NOP Instruction 4002 Penalty Matrix***.

AIA-1276-24 - Accepted. 7 C.F.R. §205.501(a)(9) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Maintain all records pursuant to §205.510(b) and make all such records available for inspection and copying during normal business hours by authorized representatives of the Secretary and the applicable State organic program's governing State official;”

Comments: *BAC does not accurately report the certification status of its certified operations in the Organic Integrity Database (OID). The auditors identified the following issues:*

- 1. An operation’s OID page erroneously declares the production of seaweed even though the operation does not produce seaweed.*
- 2. An operation’s OID page lists the operation as certified to the crops and handling scopes, but the operation only engages in handling activities.*

Corrective Action: BAC removed a data source which caused errors and deployed a webservice system to export data to the Organic Integrity Database. As of March 19, 2024, BAC cross-checks each upload to identify errors.

AIA-1277-24 - Accepted. 7 C.F.R. §205.403(c)(1) states, “The onsite inspection of an operation must verify: The operation's compliance or capability to comply with the Act and the regulations in this part;”

Comments: *BAC’s inspectors do not fully verify an operation’s compliance with the USDA organic regulations. The auditors conducted a review audit and reviewed certification files and found that BAC did not verify whether an operation’s use of raw animal manure complied with § 205.203(c)(1). The BAC inspector incorrectly identified that the operation was applying compost rather than raw manure.*

Corrective Action: BAC revised its inspection report template to instruct inspectors on how to correctly verify an operation’s fertility inputs based on its approved *OSP Master Materials List*. All India-based inspectors attended training on the revised form on May 28, 2024.

AIA-1278-24 - Accepted. 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

Comments: *BAC does not consistently demonstrate the ability to fully comply with the requirements for accreditation. The auditors reviewed certification files and found that it was not clear which organic scheme the operation was verified against. The operation is both certified under the USDA National Organic Program (NOP) and India’s National Programme for Organic Production (NPOP), and all reviewed records only note “organic.”*

Corrective Action: BAC revised the inspection report checklist, *M84/A_US Rev 03 Farm/Livestock Inspection Report and M84/C_US Rev 03 Processor Inspection Report*, to identify the NOP scheme so that references to “organic” by the inspector are associated with the scheme on the template. All India based inspectors attended training on the revised form on May 28, 2024.

AIA-1279-24 - Accepted. 7 C.F.R. §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: *BAC does not fully carry out the requirements of §205.201(a)(6). The auditors conducted a review audit and reviewed the certification file of a handling operation certified by BAC and found that the operation’s OSP did not include information necessary for BAC to evaluate the operation’s compliance with the USDA organic regulations. Specifically, during the*

onsite review audit of the handling operation, the auditors discovered that another certified operation, which was the sole supplier of the handling operation, was using the same facility as the handling operation and operating under the same management. BAC did not require the handling operation to provide information about the other certified operation, which was necessary for BAC to evaluate the handling operation's supply chain and compliance with the USDA organic regulations.

Corrective Action: BAC confirmed the other certified was operation was a client of a separate certification body with supporting documentation from the Organic Integrity Database and a valid NOP certificate. In addition, BAC revised the organic system plan (OSP) to include a fraud prevention plan in the *M81C Handling & Processing Operations (OSP) Rev 02* and the *M27 Master Supplier List Rev 02*. All India-based inspectors attended training on the revised forms on May 28, 2024.

AIA-1280-24 – Accepted. 7 C.F.R. §205.403(c)(1) states, “The onsite inspection of an operation must verify: The operation's compliance or capability to comply with the Act and the regulations in this part;”

Comments: *BAC's inspectors do not fully verify an operation's compliance with the USDA organic regulations. The auditors reviewed certification files and found that BAC inspectors are not recording mass balance and traceback activities during inspections.*

Corrective Action: BAC developed an audit trial exercise reporting tool *M61 BMP-C Mass Balance and Traceability Exercise Rev 00*. All India-based inspectors attended training on the revised forms on March 14, 2024, and May 28, 2024.

NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT

GENERAL INFORMATION

- **Certifier Name** BioAgriCert, (BAC)
- **Physical Address** Via dei Macabracchia 8, Bologna, Emilia-Romagna 40033, ITALY
- **Audit Type** Certification Office Audit
- **Auditor(s) & Audit Dates** Alison Howard, Alicia Hudson, 09/10/2023 to 09/24/2023
- **Audit Identifier** NOP-195-23

CERTIFIER OVERVIEW

The National Organic Program (NOP) conducted an onsite certification office audit of BioAgriCert's (BAC) China office certification activities covering the period September 10, 2022, to September 24, 2023. The purpose of the audit was to verify BAC's conformance to the USDA organic regulations. Audit activities included a review of certification activities, interviews with BAC personnel, a records audit, and two witness audits. Witness audits consisted of the annual inspections of one crop operation and one handling operation in China.

BAC's China certification office is a partnership between a third party and BAC. BAC's China certification office is in Xuanwu Nanjing, China and conducts key certification activities in China. BAC's China certification office manages certification activities of 32 operations, covering the handling and crops scopes. Certification activities are performed by 16 employees and contract inspectors.

NOP DETERMINATION:

NOP reviewed any corrective actions submitted as a result of noncompliances issued from findings identified during the audit.

Any noncompliance labeled as “**Accepted**” indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next audit.

Noncompliances from Prior Assessments

None

Noncompliances Identified during the Current Assessment and Corrective Actions

AIA-395-24 - Accepted. 7 C.F.R. §205.403(d)(1) states, “The onsite inspection of an operation must verify: The operation's compliance or capability to comply with the Act and the regulations in this part;”

Comments: *BAC inspectors in China do not fully verify an operation’s compliance with the USDA organic regulations. During a witness audit of a handling inspection, the auditors observed that the inspector did not identify the linking elements between documents when conducting a traceability exercise.*

Corrective Action: On December 17, 2023, BAC updated its traceability exercise spreadsheet to include instructions on conducting a traceability exercise and a place to document linking elements. In March 2024, BAC conducted a training that included a section on identifying linking elements when conducting a traceability exercise.

AIA-6241-23 - Accepted. 7 C.F.R. §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: *BAC does not always carry out the provisions of the Act and the regulations and does not comply with the requirements **NOP 2603 Organic Certificates**. The auditors reviewed certification files and found BAC issued an organic certificate to an operation that listed the scopes of certification as crops and handling, however, the operation only conducts handling activities.*

Corrective Action: BAC updated the operation’s certificate to list only the handling scope. BAC has implemented the use of different data management systems for different standards to prevent an operation’s organic certificate and Organic Integrity Database listing from containing scopes not relevant to the operation’s USDA organic certification.



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NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT

GENERAL INFORMATION

- **Certifier Name** BioAgriCert, (BAC)
- **Physical Address** Via dei Macabraccia 8, Bologna, Emilia-Romagna 40033, ITALY
- **Audit Type** Renewal Audit
- **Auditor(s) & Audit Dates** Alison Howard, Sherry Aultman, 07/15/2023 to 07/23/2023
- **Audit Identifier** NOP-196-23

CERTIFIER OVERVIEW

The National Organic Program (NOP) conducted an onsite Renewal Audit of BioAgriCert Certification SRL's (BAC) USDA organic certification program covering the period October 30, 2020 to July 23, 2023. The purpose of the audit was to verify BAC's compliance with the Organic Foods Production Act of 1990 (OFPA), the USDA organic regulations (7 CFR Part 205), and the NOP Handbook. Audit activities included a review of certification activities, interviews with BAC personnel, a records audit, one onsite witness audit and two onsite review audits. The review audits consisted of two handling operations in Italy and the witness audit consisted of an annual inspection of a crops operation in Italy.

BAC is a for-profit company initially accredited on January 8, 2003. BAC is accredited to the crops, wild crops, livestock, and handling scopes. BAC's office is in Bologna, Italy. BAC certifies 1107 operations and offers certification services in 21 countries. Certification activities are performed by 186 employees.

NOP DETERMINATION:

NOP reviewed the audit results to determine whether BAC'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 audit.

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 "**Accepted**" indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next audit.

Noncompliances from Prior Assessments

AIA-2869-20 - Cleared.

AIA-3160-20 - Cleared.

AIA-3172-20 - Cleared.

AIA-3174-20 - Cleared.

AIA-3175-20 - Cleared.

AIA-5823-21 - Cleared.

AIA-5878-21 - Cleared.

AIA-6089-21 - Cleared.

AIA-3161-20 - Accepted. 7 C.F.R. §205.403(c)(1) states, "The onsite inspection of an operation must verify: The operation's compliance or capability to comply with the Act and the regulations in this part;"

Comments: *BAC's inspectors do not fully verify an operation's compliance with the USDA organic regulations. The auditor's review of certification files found:*

- *BAC's inspection templates do not always allow the inspector to verify an operation's compliance with the organic regulations. At least one of BAC's inspection templates (M 84) has a series of questions where the inspector can only answer Yes, No, or N/A and does not provide space for a written description. This resulted in important details of compliance to be excluded from the report, such as verification of monitoring practices.*
- *BAC's inspectors do not consistently conduct Mass Balance and Traceback audits during inspections.*

Corrective Action: BAC updated template '84C Inspection Report Processor' to include a space for inspector notes next to each verification point on the inspection report, a point for the inspector to verify and describe the operation's system of internal record monitoring, and Mass Balance and Traceback audit sections. BAC will conduct training on the updated template for staff in September 2022. BAC submitted the updated template to the NOP.

Verification of Corrective Action: The auditors reviewed certification files and interviewed staff and verified BAC updated the processor inspection report templates. However, the auditors also found that BAC inspectors are not consistently completing or documenting mass balance and traceback exercises for applicants during initial inspections.

2023 Corrective Action: BAC sent a reminder to its National and Regional Coordinators on November 16, 2023 clarifying that inspectors must complete a mass balance during the initial inspection.

AIA-3171-20 - Accepted. 7 C.F.R. §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: *BAC does not carry out the provisions of the Act and regulations. BAC staff are not following BAC’s OM_11 Operational Manual for Certification or PRO_010 Procedure for NOP Certification when reviewing, inspecting, and continuing certification for its operations. The auditors’ review of Small Farmer (Grower) Group/Handling and Crop organic system plans found BAC staff reviewed files containing many inaccuracies and BAC did not require the operators to address these discrepancies prior to granting certification.*

- *BAC did not review the operation’s application to ensure completeness, per §205.402(a)(1) and BAC’s OM_11 Section 8.5. The organic system plans were missing the following information: reference to both conventional and organic crops being produced; yield/acre(hectare) information; internal control system descriptions and field maps.*
- *BAC’s inspector did not verify that the organic system plan accurately reflects the practices used or to be used by the certified operation, per §205.403(c)(2). The inspector did not identify missing information or inaccuracies in the Exit Interview.*
- *BAC has not required operations to update their OSP using the most current version of the BAC organic system plan template or by providing missing information. Auditors reviewed operation files approved in 2020 with OSP templates from 2014 that are missing requirements of the NOP organic regulation.*

Corrective Action: BAC conducted training on February 17, 2022, that covered NOP 2601 The Organic Certification Process with focus on the application review, post-inspection review and utilizing BAC’s existing policies and procedures during certification file review. The training also covered the requirements of §205.403 including inspectors verifying the organic system plan during onsite inspections, inspectors recording issues identified during the inspection on the Exit Interview, and sampling organic products during inspection. BAC implemented a new data system in 2021 called MobyDoc where the current version of documents and templates are accessible by all staff. BAC’s staff evaluator will review completed certification file reviews and inspection reports to ensure accurate use of documents and completeness of OSPs before issuing a certification decision. BAC conducts quarterly monitoring of the evaluator’s performance. BAC submitted the training materials, agenda, and attendance list to the NOP.

Verification of Corrective Action: The auditors reviewed BAC’s certification files and verified that BAC has implemented corrective actions in response to bullets one and two; the auditor’s review found that OSPs and inspection reports are complete and reflect on-site production practices. However, the corrective actions for bullet 3 of the noncompliance have not been effectively implemented. The auditors reviewed the MobyDoc system and found that BAC is not requiring operations to consistently use the most current OSP templates.

2023 Corrective Action: BAC sent a reminder to its National and Regional Coordinators on November 16, 2023 asking them to check that the operator has used the most recent version of forms and to request that the operator use the most current version if an outdated version is submitted.

Noncompliances Identified during the Current Assessment

AIA-5648-23 - Accepted. 7 C.F.R. §205.501(a)(6) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Conduct an annual performance evaluation of all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions and implement measures to correct any

deficiencies in certification services.”

Comments: *BAC did not conduct inspector field evaluations for all inspectors according to their policy and per the requirements of NOP 2027 Personnel Performance Evaluations. The auditors’ review of personnel files and interviews with staff found that BAC does not consistently conduct field evaluations of all inspectors within the four-year time frame defined in BAC’s policy. Sixteen of BAC’s ninety-six NOP inspectors have been conducting NOP inspections for more than four years but have never received a field evaluation.*

Corrective Action: BAC implemented the field evaluation requirements of the Strengthening Organic Enforcement final rule. BAC plans to complete the missing field evaluations by the end of the first quarter of 2024. BAC implemented its *procedure for internal witness audits inspectors (Pro_001)* on January 1, 2024. The procedure incorporates the requirements for field evaluations from the Strengthening Organic Enforcement final rule, provides guidance on when BAC may conduct remote field evaluations of inspectors and establishes a yearly plan for inspector field evaluations, divided by scheme and country.

AIA-5649-23 - Accepted. 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

Comments: *BAC does not demonstrate the ability to fully comply with the requirements for accreditation. BAC’s livestock organic system plan (OSP) templates do not require enough information to determine an operation’s compliance with the USDA organic regulations. The auditors’ review of certification files identified that BAC’s OSP does not require operations to demonstrate how they comply with the requirements of §205.236 through §205.240.*

Corrective Action: BAC updated its OSP template to include questions on how the operation complies with the requirements of §205.236 through §205.240. The new templates were implemented in September 2023.

AIA-5650-23 – Accepted. 7 C.F.R. §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: *BAC does not consistently carry out the provisions of the Act and the regulations, specifically the noncompliance and adverse action process. The auditors review of certification files found the following issues:*

1. *BAC’s certification office in Mexico accepted an operation’s corrective actions after a notification of proposed suspension was issued.*
2. *BAC’s certification office in Mexico did not continue with the adverse action process for operations who surrendered following the receipt of a notification of proposed suspension.*

Corrective Action: BAC required the evaluators at its certification office in Mexico to complete the NOP-040 Compliance and Enforcement: Adverse Actions, Appeals and Reinstatements course in the Organic Integrity Learning Center.

AIA-5651-23 - Accepted. 7 C.F.R. §205.663 states, “Any dispute with respect to denial of certification or proposed suspension or revocation of certification under this part may be mediated at the request of the applicant for certification or certified operation and with acceptance by the certifying agent. Mediation shall be requested in writing to the applicable certifying agent. If the certifying agent rejects the request for mediation, the certifying agent shall

provide written notification to the applicant for certification or certified operation. The written notification shall advise the applicant for certification or certified operation of the right to request an appeal, pursuant to §205.681, within 30 days of the date of the written notification of rejection of the request for mediation. If mediation is accepted by the certifying agent, such mediation shall be conducted by a qualified mediator mutually agreed upon by the parties to the mediation. If a State organic program is in effect, the mediation procedures established in the State organic program, as approved by the Secretary, will be followed. The parties to the mediation shall have no more than 30 days to reach an agreement following a mediation session. If mediation is unsuccessful, the applicant for certification or certified operation shall have 30 days from termination of mediation to appeal the certifying agent's decision pursuant to §205.681. Any agreement reached during or as a result of the mediation process shall be in compliance with the Act and the regulations in this part. The Secretary may review any mediated agreement for conformity to the Act and the regulations in this part and may reject any agreement or provision not in conformance with the Act or the regulations in this part.”

Comments: *BAC’s settlement agreements do not comply with the requirements of the USDA organic regulations. The auditor’s review of a settlement agreement established by BAC found the settlement agreement did not include a defined period of time for the terms to be completed or a deadline for the agreement to end.*

Corrective Action: BAC updated its *Mediation Settlement Agreement* template to include the defined period of time for the terms to be completed, or a deadline for the agreement to end. The updated template is loaded into BAC’s software to control all mediation agreements generated after November 2023.

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GENERAL INFORMATION

- **Certifier Name** BioAgriCert (BAC)
- **Physical Address** Via dei Macabracchia 8 Casalecchio di Reno Bologna
ITALY
- **Audit Type** Material Review Audit
- **Auditor(s) & Audit Dates** Sam Schaefer-Joel, 06/06/2022 to 06/10/2022
- **Audit Identifier** NOP-60-22

CERTIFIER OVERVIEW

The National Organic Program (NOP) conducted a remote audit of BioAgriCert's (BAC) material review activities. The purpose of the audit was to verify BAC's conformance to the USDA organic regulations. Audit activities included the review of BAC's input review policies and procedures, input compliance documentation submitted to BAC by certified clients, and documentation of compliance for inputs on BAC's approved materials list.

BAC is a private organization initially accredited by the USDA National Organic Program (NOP) on January 8, 2003. BAC certifies to the Crops, Livestock, Wild Crops, and Handling scopes. BAC's office is in Bologna, Italy and provides certification services in 24 countries.

NOP DETERMINATION:

NOP reviewed the audit results to determine whether BAC'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 audit.

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 "**Accepted**" indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next audit.

Noncompliances Identified during the Current Assessment and Corrective Actions

AIA-5878-21 – Cleared.

AIA-6089-21 – Cleared.

AIA-6090-21 - Accepted. 7 C.F.R. §205.501(a)(4) states, "A private or governmental entity accredited as a certifying agent under this subpart must: Use a sufficient number of adequately trained personnel, including inspectors and certification review personnel, to comply with and implement the organic certification program established under the Act and the regulations in subpart E of this part;"

Comments: *A review of correspondence and documentation submitted by BAC for an additional approved crop input material found that BAC approved a crop input material containing a synthetic ingredient not listed at §205.601. Responses from BAC indicated that BAC justified their allowance of the synthetic ingredient in their approved crop input material due to a listing of the synthetic material at §205.605(b).*

2021 Corrective Action: BAC has updated their Instruction for Material Review and the Bioagricert Standard for Inputs Suitable in Organic Production to clarify that synthetic substances used in crop production must be included on §205.601 of the National List to be allowed. BAC provided training logs and training materials to demonstrate that staff were trained on the updated instructions and the details of the noncompliance issued to BAC on March 31, 2021. Additionally, BAC issued a Notice of Non-Compliance to the manufacturer of the fertilizer product to exclude this product from sale as NOP compliant until the issue has been corrected. BAC has contacted all of its NOP-approved input manufacturers to require current documentation in order to re-review the materials according to the updated material review instructions.

2022 Verification of Corrective Action: The auditor reviewed BAC's rereview of the fertilizer product and found that the compliance of the input was verified sufficiently. However, the auditor's review of material review documentation found several synthetic substances that were approved as nonsynthetic substances. Interviews with BAC staff indicated that material review staff are not determining if an input has been chemically changed during its manufacturing process. The following are examples:

1. A fertilizer ingredient containing hydrolyzed leather byproducts from a synthetic tanning process.

2. A potassium sulfate product created by reacting separate sources of potassium and sulfate.
3. A lysine sulfate ingredient used for feed. Documents stated the lysine was a product of fermentation but did not describe the formation of the lysine sulfate salt.

2023 Corrective Action: BAC submitted training records and certificates showing that material review staff successfully completed the NOP OILC Material Review training course and that all staff were trained on this noncompliance. BAC addressed the specific input materials of concern in the following ways:

1. BAC submitted an updated material approval certificate showing the fertilizer containing hydrolyzed leather byproducts was no longer approved.
2. BAC submitted an updated client input list showing the potassium sulfate product had been removed.
3. BAC clarified that this livestock client had surrendered their organic certification.

Noncompliances from Prior Assessments and Corrective Actions

AIA-1201-22 – Accepted. 7 C.F.R. §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: *BAC does not consistently carry out the provisions of the Act and regulations. The auditor’s review of certification files found that BAC did not perform a sufficient review of input materials to verify compliance with §205.201(a)(2) and §205.105. For example:*

1. *BAC approved an activated bentonite without documenting the nonsynthetic status of this ingredient.*
2. *BAC approved a livestock feed ingredient without documenting its certified organic status, nonagricultural status, or nonsynthetic status.*
3. *BAC approved a fertilizer input that is sold under both compliant and noncompliant formulations without verifying the full composition of the specific product intended to be used.*

Corrective Action: BAC submitted training records and certificates showing that material review staff successfully completed the NOP OILC Material Review training course. BAC addressed the specific input materials of concern in the following ways:

1. BAC issued a notice of noncompliance to the operation using activated bentonite. BAC submitted a spreadsheet verifying that no other certified operations are using this material and an email informing clients that the use of synthetically activated bentonite is not allowed.
2. BAC confirmed this livestock operation had already surrendered their certification at the time of the material review audit.
3. BAC submitted an updated approved materials list that no longer contains the fertilizer input that is sold under both compliant and noncompliant formulations.

AIA-1244-22 - Accepted. 7 C.F.R. §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: *BAC does not consistently carry out the provisions of the Act and regulations. The auditor's review of certification files found that BAC does not consistently ensure compliance of the organic system plan (OSP) with §205.105(a) & (b) regarding the specific uses of materials as annotated on the National List. For example:*

- 1. The OSP materials list of one crop producer identified the restricted use of one calcium chloride product but did not identify the restricted use of another product containing calcium chloride on the same list.*
- 2. OSP material lists did not identify the compliant use of National List materials that carry annotations restricting their use.*

Corrective Action: BAC updated its OSP material lists that include a specific column to identify restrictions as well as the client's justification for use of each input. BAC submitted training records and content showing staff were trained on the updated form.

NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT

GENERAL INFORMATION

- **Certifier Name** BioAgriCert (BAC)
- **Physical Address** Via dei Macabracchia 8, Città Metropolitana di Bologna, Emilia-Romagna 40033, ITALY
- **Audit Type** Mid-Term Audit Assessment
- **Auditor(s) & Audit Dates** Alison Howard, Sherry Aultman, 10/26/2020 to 10/30/2020
- **Audit Identifier** NOP-79-20

CERTIFIER OVERVIEW

BioAgriCert (BAC) is a private organization initially accredited on January 8, 2003 to the USDA National Organic Program (NOP). The BAC Organic Certification Program certifies 1074 operations to the following certification scopes: Crops (798), Livestock (14) Wild Crops (12) and Processors/Handlers (412). BAC's office is in Bologna, Italy and provides certification services in Albania, Austria, China, Egypt, Fiji, French Polynesia, Guatemala, Italy, Kazakhstan, Korea (the Republic of) Lao People's Democratic Republic (the), Laos, Mexico, Morocco, Paraguay, Philippines (the), Romania, Senegal, South Korea, Thailand, Turkey, United States, Vietnam.

Certification services are performed by 12 organic certification reviewers/officers and five Managers. 113 Inspectors conduct inspections for multiple accredited schemes. The NOP assessed BAC's conformance to the USDA organic regulations, during the period from October 12, 2018, through October 30, 2020. No witness audits were conducted.

NOP DETERMINATION:

NOP reviewed the audit results to determine whether BAC'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 audit.

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 "**Accepted**" indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next audit.

Noncompliances from Prior Assessments

AIA-2870-20 - Cleared

AIA-2871-20 - Cleared

AIA-2872-20 - Cleared

AIA-2873-20 - Cleared

AIA-2874-20 - Cleared

AIA-2875-20 - Cleared

AIA-2876-20 - Cleared

AIA-2877-20 - Cleared

AIA-2878-20 - Cleared

AIA-3151-20 - Cleared

AIA-3152-20 - Cleared

AIA-3153-20 - Cleared

AIA-3154-20 - Cleared

AIA-2869-20 - Accepted. (NOP-28-18.NC1) -7 CFR § 205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must...Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart:”

Comments: *The auditor reviewed several cases involving Notices of Noncompliances and Proposed Suspensions. Below are issues with BAC’s noncompliance and adverse action activities that the auditor identified. These issues are in addition to a prior noncompliance related to adverse action activities (NP5103LCA.NC1) that BAC failed to correct.*

- 1. BAC accepted corrective actions to resolve noncompliances after it had issued Notices of Proposed Suspension. Under § 205.662(c), the only options for the operation in this case would be to request mediation or file an appeal.*
- 2. BAC issued Notices of Proposed Suspensions without first issuing Notices of Noncompliance or combining the Notices of Proposed Suspension with Notices of Noncompliance, as required under § 205.662(a) and (c).*
- 3. BAC does not send notifications to the recipient via a delivery service which provides dated return receipts, as required under § 205.660(d). The notifications are sent via regular email or via regular postal service.*

2019 Corrective Action: Following the NOP audit, BAC determined that staff in Mexico were not adequately trained on the noncompliance and adverse action process. BAC conducted a training for Mexico staff in December 2018 specifically covering this topic. BAC has also integrated templates for the various types of notices into its new database system to ensure that the correct notices are used. In August 2019, the Mexico office confirmed that notifications would be sent via certified email.

Verification of Corrective Action: The auditors reviewed the noncompliance and adverse action notices and were able to verify BAC had integrated the new templates into the database system and issued the correct notices. BAC issued Notices of Noncompliance prior to a Proposed Suspension and no longer accepts corrective actions to resolve a noncompliance after

the Proposed Suspension is issued. Points 1 and 2 of the previous noncompliance have been cleared. Point 3 remains outstanding. BAC does not consistently use a delivery service that provides dated return receipts when issuing the notifications listed in §205.660(d). The auditors reviewed a sample of certification notices and BAC could not always provide a dated return receipt.

2022 Corrective Action: BAC created a unique email account for sending notices to operations, which allows BAC to download the emails and save them in a single location in order to demonstrate compliance. The NOP reviewed a Notice of Noncompliance email BAC issued to a producer from the new account and the delivery receipt.

Non-compliances Identified during the Current Assessment and Corrective Actions

AIA-3160-20 - Accepted. 7 C.F.R. §205.403(c)(2) states, “The on-site inspection of an operation must verify: That the information, including the organic production or handling system plan, provided in accordance with §§205.401, 205.406, and 205.200, accurately reflects the practices used or to be used by the applicant for certification or by the certified operation;”

Comments: *BAC inspectors do not fully verify the accuracy of an operation’s organic system plan. The auditor’s review of certification files found that inspectors are not verifying the accuracy of the products and associated labels listed in the organic system plan.*

- *In one file reviewed, the inspection report listed eight organic products bought and sold, while the organic system plan identified six and the organic certificate listed seven.*
- *In this same file, the OSP indicated that all products were sold as non-retail bulk commodities; however, the label section of the inspection report noted that retail labels for packaged products in the ‘Made with Organic’ and ‘100% Organic’ categories were compliant and approved by BAC.*

Corrective Action: BAC conducted training for staff on February 17, 2022 on the organic system plan (OSP) review process and on-site verification of the OSP. BAC also updated its procedure ‘Committee for the Safeguarding of Impartiality (CSI) Activities Pro_002’ to state that the CSI will choose 0.5% (approximately six) NOP certification files to review annually. BAC plans to monitor inspectors by conducting witness audits of 25% of its inspectors annually. BAC provided the NOP with the updated procedure, training materials, agenda, and attendance list.

AIA-3161-20 - Accepted. 7 C.F.R. §205.403(c)(1) states, “The onsite inspection of an operation must verify: The operation's compliance or capability to comply with the Act and the regulations in this part;”

Comments: *BAC’s inspectors do not fully verify an operation’s compliance with the USDA organic regulations. The auditor’s review of certification files found:*

- *BAC’s inspection templates do not always allow the inspector to verify an operation’s compliance with the organic regulations. At least one of BAC’s inspection templates (M 84) has a series of questions where the inspector can only answer Yes, No, or N/A and does not provide space for a written description. This resulted in important details of compliance to be excluded from the report, such as verification of monitoring practices.*
- *BAC’s inspectors do not consistently conduct Mass Balance and Traceback audits during*

inspections.

Corrective Action: BAC updated template ‘84C Inspection Report Processor’ to include a space for inspector notes next to each verification point on the inspection report, a point for the inspector to verify and describe the operation’s system of internal record monitoring, and Mass Balance and Traceback audit sections. BAC will conduct training on the updated template for staff in September 2022. BAC submitted the updated template to the NOP.

AIA-3171-20 – Accepted. 7 C.F.R. §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: *BAC does not carry out the provisions of the Act and regulations. BAC staff are not following BAC’s OM_11 Operational Manual for Certification or PRO_010 Procedure for NOP Certification when reviewing, inspecting, and continuing certification for its operations. The auditors’ review of Small Farmer (Grower) Group/Handling and Crop organic system plans found BAC staff reviewed files containing many inaccuracies and BAC did not require the operators to address these discrepancies prior to granting certification.*

- *BAC did not review the operation’s application to ensure completeness, per §205.402(a)(1) and BAC’s OM_11 Section 8.5. The organic system plans were missing the following information: reference to both conventional and organic crops being produced; yield/acre(hectare) information; internal control system descriptions and field maps.*
- *BAC’s inspector did not verify that the organic system plan accurately reflects the practices used or to be used by the certified operation, per §205.403(c)(2). The inspector did not identify missing information or inaccuracies in the Exit Interview.*
- *BAC has not required operations to update their OSP using the most current version of the BAC organic system plan template or by providing missing information. Auditors reviewed operation files approved in 2020 with OSP templates from 2014 that are missing requirements of the NOP organic regulation.*

Corrective Action: BAC conducted training on February 17, 2022, that covered NOP 2601 The Organic Certification Process with focus on the application review, post-inspection review and utilizing BAC’s existing policies and procedures during certification file review. The training also covered the requirements of §205.403 including inspectors verifying the organic system plan during onsite inspections, inspectors recording issues identified during the inspection on the Exit Interview, and sampling organic products during inspection. BAC implemented a new data system in 2021 called MobyDoc where the current version of documents and templates are accessible by all staff. BAC’s staff evaluator will review completed certification file reviews and inspection reports to ensure accurate use of documents and completeness of OSPs before issuing a certification decision. BAC conducts quarterly monitoring of the evaluator’s performance. BAC submitted the training materials, agenda, and attendance list to the NOP.

AIA-3172-20 - Accepted. 7 C.F.R. §205.501(a)(15)(i) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Submit to the Administrator a copy of: Any notice of denial of certification issued pursuant to §205.405, notification of noncompliance, notification of noncompliance correction, notification of proposed suspension or revocation, and

notification of suspension or revocation sent pursuant to §205.662 simultaneously with its issuance;”

Comments: *BAC does not submit to the NOP a copy of all the notices listed in §205.501(a)(15)(i). The auditors reviewed BAC records and determined the Thailand, Mexico and Italy offices are not consistently submitting all of the notices listed in §205.501(a)(15)(i) to the NOP.*

Corrective Action: BAC created a unique email account in early 2022 for the purpose of sending all official notices to the NOP. BAC maintains a receipt of the issued email. The NOP reviewed a copy of a Notice of Noncompliance BAC issued to a producer and verified that BAC emailed a copy of the Notice to the NOP.

AIA-3174-20 - Accepted. 7 C.F.R. §205.670(g) states, “If test results indicate a specific agricultural product contains pesticide residues or environmental contaminants that exceed the Food and Drug Administration's or the Environmental Protection Agency's regulatory tolerances, the certifying agent must promptly report such data to the Federal health agency whose regulatory tolerance or action level has been exceeded. Test results that exceed federal regulatory tolerances must also be reported to the appropriate State health agency or foreign equivalent.”

Comments: *BAC does not fully carry out the procedures of NOP 2613 Instruction Responding to Results from Pesticide Residue Testing. The auditors review of pesticide analysis reports found that BAC does not always conduct investigations in response to positive pesticide residue samples. In files reviewed, BAC allowed additional samples to be tested and issued a notice of resolution of noncompliance based on negative results from the second sample. BAC did not conduct investigations to determine the cause of the original positive samples nor require corrective actions from the operators.*

Corrective Action: BAC conducted staff training on December 20, 2021 that covered using only accredited sample analysis labs, maintaining integrity of the sample through a documented chain of custody and responding to pesticide sample results using NOP 2613. BAC updated ‘IO_03 Guideline for the Interpretation of Analytic Results, Annex 2’ to include language consistent with NOP 2613. BAC submitted the following to the NOP: two pesticide residue detection results and compliant notices issued to the operator; the training agenda, presentations, attendance list and the updated procedure documents.

AIA-3175-20 - Accepted. 7 C.F.R. §205.670(e) states, “Sample collection pursuant to paragraphs (b) and (c) of this section must be performed by an inspector representing the Administrator, applicable State organic program’s governing State official, or certifying agent. Sample integrity must be maintained throughout the chain of custody, and residue testing must be performed in an accredited laboratory.”

Comments: *BAC does not fully carry out the procedures of NOP 2610 Instruction Sampling Procedures for Residue Testing. BAC's IO 03 Sampling Procedure and Analytical Tests states that samples collected for pesticide residue analysis are divided into 4 parts. BAC submits three parts to an approved laboratory for analysis and retention and one part remains with the operator. BAC procedures allow the operator to submit a negative analysis result from the retained sample as a response to a positive BAC analysis result. Auditors review of one file found that BAC accepted the negative operator submitted sample instead of the initial positive*

BAC sample result. This procedure is not compliant with NOP 2610 because chain of custody cannot be maintained once sample control is relinquished from the BAC authorized agent.

Corrective Action: BAC updated procedure 'IO_03 Operative Instruction Sampling procedure and Analytical Tests for Organic Products, section 7.3.1' to add text clarifying that BAC inspectors will create a documented chain of custody for pesticide residue samples. BAC conducted training for staff on December 20, 2021 on maintaining a documented chain of custody for pesticide residue samples. BAC submitted the updated procedure, training agenda, presentations and attendance list to the NOP.

AIA-5823-20 - Accepted. 7 C.F.R. §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.”

Comments: *BAC does not ensure that its inspectors and evaluators have sufficient training to perform their duties. The auditor’s review of certification files found that:*

- *BAC evaluators do not accurately “verify the OSP” per BAC’s PRO_010 Procedure for NOP Certification. In one review of an operation certified only for the Crop scope, the reviewer checked “yes” when asked if the Handling OSP had been verified.*
- *BAC issued certification to a new handler operation that had different products listed on the application, the OSP, the inspection report and the organic certificate. The inspector did not note any issues on the exit interview and BAC did not issue a noncompliance for incorrect information. It is noncompliant to have different products on the application, the organic system plan and the certificate.*
- *BAC evaluators issue certification decisions without fully verifying compliance or following BAC’s PRO_010 Procedure for NOP Certification, step 4, which states: “Bioagricert evaluator makes one of the following certification recommendations: 1. Certification if the operation is fully compliant 2. Certification with conditions if there are minor, non-violative issues 3. Notice of Noncompliance for correctable violations.” The auditors reviewed multiple files in which the application, organic system plan, inspection report, and organic certificate contained conflicting information. BAC did not issue certification with conditions or issue a Notice of Noncompliances for incomplete or incorrect organic system plans.*
- *The auditor’s review of a certification file found that BAC notified the operation via email that ozone was not approved for use. However, BAC subsequently approved the operation’s OSP which included ozone used in wash water. BAC did not identify the discrepancy with the OSP listing the non-approved material.*

Corrective Action: BAC conducted training for staff on February 17, 2022 that covered the organic system plan (OSP) review process and on-site verification of the OSP. BAC created a new form 'Form M_82C_EN Request of Certification Handling Farms' for certified operations to complete when there are minor changes to the organic system plan during the certification cycle. BAC conducted training for staff on January 3, 2021 that covered NOP 4002 Enforcement of USDA Organic Regulations: Penalty Matrix and additional staff training on May 17, 2021 which covered an 'Update on Bioagricert Instructions for Material Review.' The material review

training reminded review staff that certified operators must submit form 080 Annex to Master (OSP) – Input Material Application Record Crop Operation, a list of each substance to be used as an input with the organic system plan. BAC submitted the updated form M_82C_EN and all training agendas, presentations, and attendance logs.

NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

An onsite renewal assessment of the BioAgriCert s.r.l. (BAC) organic program was conducted on October 3 - 12, 2018. The National Organic Program (NOP) reviewed the auditor's report to assess BAC's compliance to the USDA organic regulations. This report provides the results of NOP's assessment.

GENERAL INFORMATION

Applicant Name	BioAgriCert s.r.l.
Physical Address	Via dei Macabracchia 8 - 40033, Casalechio di Reno (Bologna) Italy
Mailing Address	Via dei Macabracchia 8 - 40033, Casalechio di Reno (Bologna) Italy
Contact & Title	Dr. Riccardo Cozzo
E-mail Address	riccardo.cozzo@bioagricert.org
Phone Number	(0039) 051 562158
Reviewer(s) & Auditor(s)	Bridget McElroy, NOP Reviewer; Lars Crail and Penny Zuck, On-site Auditor(s).
Program	USDA National Organic Program (NOP)
Review & Audit Date(s)	NOP assessment review: December 11, 2018, July 9, 2019, and September 13, 2019 Onsite audit: October 3 - 12, 2018 (Closing Meeting: October 25)
Audit Identifier	NOP 28-18
Action Required	Yes
Audit & Review Type	Renewal Assessment
Audit Objective	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of BioAgriCert's certification.
Audit & Determination Criteria	<i>7 CFR Part 205, National Organic Program as amended</i>
Audit & Review Scope	BioAgriCert's certification services in carrying out the audit criteria during the period: September 2015 through October 2018.

BioAgriCert (BAC) is a private organization and was initially granted accreditation on January 8, 2003 to the USDA National Organic Program (NOP) scopes: crops, wild crops, livestock, and handling/processing. The previous on-site audit (Mid-term Assessment) occurred September 22-25, 2015.

BAC certifies 961 operations to the following scopes: 769 Crops (22 grower groups), 6 Wild Crops, 9 Livestock, and 290 Handling/Processing.

The BAC main office is in Bologna, Italy. BAC operates regional offices in Mexico, Thailand, and Italy. Certified operations are located around the world, including in Italy (majority), the United States, Mexico, and Thailand. BAC has four board members, 24 evaluators (i.e. reviewers and decision makers), and 95 inspectors. Most certification staff are employees, and some have additional duties as managers or administrative staff.

As part of the accreditation renewal assessment and office audit, witness audits were conducted in Italy (Handling/Processing) and Mexico (Handling/Processing, Crops/Grower Group, and Livestock/Poultry).

NOP DETERMINATION

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

Noncompliances 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 "**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.

AIA4122BJR – Cleared.

NP5264RYA.NC2 – Cleared.

NP5264RYA.NC3 – Cleared.

NP5264RYA.NC4 – Cleared.

NP5264RYA.NC6 – Cleared.

NP5264RYA.NC7 – Cleared.

NP5264RYA.NC8 – Cleared.

NP5264RYA.NC10 – Cleared.

NP5264RYA.NC11 – Cleared.

NP5264RYA.NC12 – Cleared.

NP5264RYA.NC13 – Cleared.

NP5264RYA.NC14 – Cleared.

NP5103LCA.NC2 – Cleared.

NP5103LCA.NC3 – Cleared.

AP-59-18.NC1 – Cleared.

AP-115-18.NC1 – Cleared.

NP5271ZZA.NC1 – Accepted. 7 CFR §205.404(b)(1) states, "The certifying agent must issue a certificate of organic operation which specifies the: Name and address of the certified operation." NOP 2603 Instruction Organic Certificates, Section 3.1, number 1 requires: "Certified operation's name (all legal names) and address(es), including a physical address if the mailing or legal address is not the physical location of the operation."

Comments: *Three certified operation files reviewed during the Thailand satellite office audit, did not have the physical address of the processing facility on the organic certificate. The address listed on the organic certificate was the mailing address of the corporate office for each company.*

2016 Corrective Action: BAC updated their application templates and certificate templates to include the physical address of the certified operations. Their database will not print a certificate without the physical address field completed. The templates were submitted.

Verification of Corrective Action: BAC's database system has changed since this corrective action was accepted. Currently, the certificate indicates the legal address, while the physical addresses are listed in the annex to the certificate. The annex is not issued as a part of the NOP certificate. This was observed during a witness audit of an operator in Italy.

2019 Corrective Action: BAC's new database system was not properly updated at the time of the last NOP audit. BAC modified its new database system after the last audit, and since mid-2018, all NOP certificates are issued directly from the system with the physical address of the operation. The annex used previously is no longer necessary. BAC submitted three certificates issued since 2018 with evidence of this correction.

NP5264RYA.NC5 – Accepted. 7 CFR §205.642 states. “The certifying agent shall provide each applicant with ... an estimate of the annual cost of updating the certification.”

Comments: *BAC does not provide certified operations in Italy with an estimate of the annual cost of updating their USDA organic certification.*

2016 Corrective Action: BAC amended their annual update application templates, M_082-A-En-Cert_Request for farms, M_082-C_english_richCertProcess, to include an annual estimate of certification. The templates were submitted.

Verification of Corrective Action: The auditor reviewed files for certified operations in Mexico, Turkey, and Italy and found that estimates are being provided to some operations but not to all; the revised templates are not being used.

2019 Corrective Action: BAC has implemented a separate cost estimate form that provides a specific estimate for the operation. The estimate will be developed and provided to the operation for acceptance at the first application and then annual prior to the anniversary date. BAC has also revised procedure NOP Pro 10 to indicate that the accepted cost estimate must be received from the operator and has notified the BAC administration office of the change.

NP5264RYA.NC9 – Accepted. 7 CFR §205.501(a)(21) states, “Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” Documents should be issued in English per instructions in NOP 2000 “Accreditation Policies and Procedures” and NOP 2603 “Organic Certificates.”

Comments: *At least one organic certificate was issued in Italian only and three Notices (2 Notices of Noncompliance, 1 Notice of Noncompliance Resolution) were submitted to NOP in Spanish.*

2016 Corrective Action: BAC will translate and submit all documentation to the NOP in English.

Verification of Corrective Action: All NOP certificates reviewed by the auditor were in English. BAC issued a notice of noncompliance to an operation in Thailand and submitted it to the NOP in English. The auditor reviewed a copy of an email notice sent to the NOP with a notice of noncompliance issued to an operation in Mexico that was not translated into English.

2019 Corrective Action: In January 2019, BAC revised all notice of noncompliance templates to simplify them and also included an dual-language translation (i.e. Spanish and English). The new template has been in use since the revision was done in January.

NP5103LCA.NC1 – Accepted. - 7 CFR §205.662(c) states, “When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, the certifying agent...shall send the certified operation a written notification of proposed suspension...”

2015 Comments: *A review of a Notice of Noncompliance issued on August 5, 2014 allowed the operation 30 days to respond. The operation did not respond and the certifier issued the Notice of Proposed Suspension on April 10, 2015. The certifier should have issued the Notice of Proposed Suspension shortly after the deadline and not waited six months.*

2015 Corrective Action: The certifier developed a spreadsheet “Noncompliance NONC Register” to record and track all notices of noncompliance. The spreadsheet records the date notices of noncompliance are sent, the date corrective actions are due, and the dates of any resolutions or adverse actions (as applicable) taken by the certifier. The certifier has published instruction for noncompliance management describing the integration of the spreadsheet to the noncompliance process and assigned responsibilities of spreadsheet maintenance. On May 22, 2015, the certifier trained four individuals on noncompliance procedures.

Verification of Corrective Action: BAC is not utilizing a spreadsheet as indicated in the corrective actions. BAC does not currently have a system in place to monitor or track dates when operations are required to respond to notices of noncompliances to follow-up in a timely manner and issue adverse actions.

2019 Corrective Action: BAC has integrated the NC tracking spreadsheet into its new database system to ensure its use. In the system, BAC registers each NC, along with the date when the next follow-up action is needed. The responsible BAC evaluator can access a dashboard that lists the status of each noncompliance and an alert for the various action dates. The system can also generate a comprehensive list with details, including action dates, for all noncompliances BAC issues to clients.

Noncompliances Identified during the Current Assessment

NOP-28-18.NC1 – Accepted. 7 CFR § 205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must...Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart:”

Comments: *The auditor reviewed several cases involving Notices of Noncompliances and Proposed Suspensions. Below are issues with BAC’s noncompliance and adverse action activities that the auditor identified. These issues are in addition to a prior noncompliance related to adverse action activities (NP5103LCA.NC1) that BAC failed to correct.*

1. *BAC accepted corrective actions to resolve noncompliances after it had issued Notices of Proposed Suspension. Under § 205.662(c), the only options for the operation in this case would be to request mediation or file an appeal.*
2. *BAC issued Notices of Proposed Suspensions without first issuing Notices of Noncompliance or combining the Notices of Proposed Suspension with Notices of Noncompliance, as required under § 205.662(a) and (c).*
3. *BAC does not send notifications to the recipient via a delivery service which provides dated return receipts, as required under § 205.660(d). The notifications are sent via regular email or via regular postal service.*

Corrective Action: Following the NOP audit, BAC determined that staff in Mexico were not adequately trained on the noncompliance and adverse action process. BAC conducted a training for Mexico staff in December 2018 specifically covering this topic. BAC has also integrated templates for the various types of notices into its new database system to ensure that the correct notices are used. In August 2019, the Mexico office confirmed that notifications would be sent via certified email.

NOP-28-18.NC2 – Accepted. 7 C.F.R. §205.403 (c)(1) states, “The on-site inspection of an operation must verify: The operation’s compliance or capability to comply with the Act and the regulations of this part.”

Comments: *During the witness audit of an annual inspection of a grower group, the inspector identified serious issues of concern, many issues appeared as systematic practices occurring over many years. The auditor reviewed the previous unannounced inspection and the prior annual inspection and found that the inspector failed to identify any issues during those inspections.*

Corrective Action: In November 2018, BAC issued a warning to the inspector who conducted the previous inspections for the operation in question detailing the audit findings. The inspector participated in a one-day BAC training in December 2018 that covered key inspection topics and regulatory requirements. The inspector was also added to the BAC 2019 internal audit plan to monitor his performance.

NOP-28-18.NC3 - Accepted. 7 C.F.R. § 205.403(d) states, “The inspector must conduct an exit interview ... to confirm the accuracy and completeness of inspection observations and information gathered during the on-site inspection. The inspector must also address the need for any additional information as well as any issues of concern.”

Comments: *During the witness audit of an annual processing inspection, the inspector provided the operator an exit interview document that did not cite the applicable USDA organic regulation for each issue of concern.*

Corrective Action: BAC has implemented use of a new exit interview form that requires the inspector to cite the applicable USDA regulation for each issue of concern listed.

NOP-28-18.NC4 – Accepted. 7 C.F.R. § 205.403(d) states, “The inspector must conduct an exit interview with an authorized representative of the operation who is knowledgeable about the inspected operation to confirm the accuracy and completeness of inspection observations and

information gathered during the on-site inspection. The inspector must also address the need for any additional information as well as any issues of concern.”

Comments: *Inspectors in Thailand issue non-conformities as part of the inspection, and the operation is given the opportunity to submit corrective actions. If corrective actions are received and accepted, BAC may not send a notice of noncompliance. The inspector’s correct role is to identify issues of concern and request any additional information, not to issue noncompliances, receive corrective actions, and assess those corrective actions for adequacy.*

Corrective Action: BAC has implemented the use of a new exit interview form. Previously, inspectors in Thailand were using a form that was also used for EU certification and it included a space for inspectors to describe corrective actions. The new form, specifically for NOP certification, only allows listing findings and citations. Inspectors were also trained on the new form and the NOP noncompliance process in May 2019.

NOP-28-18.NC5 – Accepted. 7 C.F.R. §205.403(e)(2) states, “A copy of the on-site inspection report and any test results will be sent to the inspected operation by the certifying agent.”

Comments: *BAC is not providing Inspection Reports from unannounced or additional inspections to the operators.*

Corrective Action: BAC has modified procedure, NOP PRO 10, to include that inspection reports from all types of inspections must be sent to the operator. This change was communicated to the technical evaluator and evidence that the report was sent will be recorded in BAC’s new database system. BAC will monitor implementation of this procedure through December 2019.

NOP-28-18.NC6 – Accepted. 7 C.F.R. §205.403(e)(2) states, “A copy of the on-site inspection report and any test results will be sent to the inspected operation by the certifying agent.” NOP 2613, section 5.1(a) states, “If no residues of prohibited pesticides are detected, the certifying agent should: Notify the certified operation of the test results and indicate that the product may be sold as organic.”

Comments: *When residue tests are done, BAC sends notification to operators of analysis results for samples taken. However, when there is no detection the notification does not indicate the product may be sold as organic.*

Corrective Action: BAC has revised procedure IO03_Sampling to include the requirement that the notification to operators of sampling results must state that product may be sold as organic when there is no detection. An email noting this new change was sent to all staff involved in test result management.

NOP-28-18.NC7 – Accepted. 7 C.F.R. § 205.406(a)(3) states, “To continue certification, a certified operation must annually pay the certification fees and submit the following information, as applicable, to the certifying agent: ... An update on the correction of minor noncompliances previously identified by the certifying agent as requiring correction for continued certification;”

Comments: *BAC’s annual update form does not require the operation to report on correction of minor noncompliances previously identified by the certifier as requiring*

correction for continued certification.

Corrective Action: BAC has implemented a revised annual update form that requires the operator to provide an update on the correction of minor noncompliances previously identified.

NOP-28-18.NC8 - Accepted. 7 C.F.R. §205.501(a)(8) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Provide sufficient information to persons seeking certification to enable them to comply with the applicable requirements of the Act and the regulations in this part.”

Comments: *There is no section in the Organic System Plan template that requires an operation to provide a description of the monitoring practices and procedures to be performed and maintained as required under §205.201(a)(3).*

Corrective Action: BAC submitted revised OSP templates for all scopes that include a section asking the operator to describe the practices used for monitoring compliance with the different parts of the operation’s plan.

NOP-28-18.NC9 – Accepted. 7 C.F.R. §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 and conditions determined by the Administrator to be necessary.” NOP 2603 *Organic Certificates*, Section 3.1, Elements of the Organic Certificate, are specified.

Comments: *The auditor identified two issued organic certificates that did not list the category of “Crops.” The operations were certified for production of fruit.*

Corrective Action: BAC conducted a training in December 2018 (Mexico) and May 2019 (Thailand) where Technical Evaluators re-trained to verify the correct operation scopes in the database system before issuing the certificate. To ensure this training was effective, BAC will monitor this corrective action through December 2019 by extracting a sample to NOP certificates issued in 2019 for review.

NOP-28-18.NC10 - Accepted. 7 C.F.R. §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 and conditions determined by the Administrator to be necessary.” NOP 2609, Unannounced Inspections, Section 4.1.9, states that “An unannounced inspection should not include prior notification of the inspector’s arrival. However, there may be special cases where extenuating circumstances make it impossible to conduct an unannounced inspection of the operation without prior notification (e.g. biosecurity issues). In such cases, the certifying agent may notify the operation up to four (4) hours prior to the inspector arriving on-site to ensure that appropriate representatives are present.”

Comments: *During one conducted witness audit, the inspection was classified as an unannounced inspection; however, the operation was notified the day before the inspection occurred; more than four hours before the inspection. BioAgriCert may not be conducting annual unannounced inspections of 5% of total certified operations according to NOP 2609.*

Corrective Action: BAC issued a notice to all inspectors outlining the procedures for unannounced inspections in its operational manual, including the requirement that inspectors should give no more than four hours notice. BAC also issued a warning to the inspector

associated with this noncompliance and his performance will be monitored during the 2019 internal audit.

NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted a mid-term assessment of BioAgriCert s.r.l. (BAC), and a satellite office in Thailand. Onsite audits were conducted, and the audit reports reviewed to determine BAC’s capability to continue operating as a USDA accredited certifier.

GENERAL INFORMATION

Applicant Name	BioAgriCert s.r.l. (BAC)
Physical Address	BAC main office: Via dei Macabraccia 8, Casalecchio di Reno (Bologna) 40033, Italy BAC Thailand satellite office: 31 Phyathai Building, Room 716 (7th Floor), Phyathai Rd, Ratchathewi, Bangkok, Thailand 10400
Mailing Address	Via dei Macabraccia 8, Casalecchio di Reno (Bologna) 40033, Italy
Contact & Title	BAC: Dr. Riccardo Cozzo, CEO Satellite office: Chanapon Noikeang, Coordinator of Thailand Office
E-mail Address	BAC: info@bioagricert.org ; bioagricertsrl@gmail.com ; BAC Thailand: bioagricert_thailand@yahoo.com noikeang.chanapon@bioagricert.org
Phone Number	BAC: 39 051 6130512 BAC Thailand: 662 640-1568
Reviewer(s) & Auditor(s)	Rebecca Claypool, NOP Reviewer; Onsite Auditors Bologna, Robert Yang and Renée Gebault King; Onsite Auditor Thailand, Corey Gilbert.
Program	USDA National Organic Program (NOP)
Review & Audit Date(s)	Corrective Action Report: July 8 - August 24, 2016 NOP assessment review: May 13, 2016 Onsite audits: Bologna, September 22-25, 2015; Thailand, September 28 – October 2, 2015
Audit Identifier	NP5264RYA – Bologna (Thailand NP5271ZZA)
Action Required	None
Audit & Review Type	Mid-Term Assessment and Thailand Satellite Office
Audit Objective	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of BAC’s certification.
Audit & Determination Criteria	<i>7 CFR Part 205, National Organic Program as amended</i>
Audit & Review Scope	BAC’s certification services in carrying out the audit criteria between December 2013 - September 2015, and at the Thailand Satellite Office.

BioAgriCert (BAC) is a privately owned company (Srl) established in 1984. It was originally created as an LLC on January 29, 1999, to provide organic product certification. It has operated as an organic certification body since 1985, initially known as Bioagricoop srl, and in 2002 became BioAgriCert srl. It has been accredited since January 8, 2003 to the USDA National Organic Program (NOP) for crops, wild crops, livestock, and handling scopes. As of the assessment date, BAC certifies a total of 692 to the USDA organic standards: Crop 502, Wild Crop 8, Livestock 8 and Handlers 242. BAC currently certifies a total of 22 grower groups throughout Latin America and Thailand. The BAC main office is located in Casalecchio di Reno (Bologna), Italy. In addition, BAC has three regional offices located throughout Italy (Puglia, Sardegna, Sicily). All final reviews and certification decisions are made at the main office in Bologna, Italy.

NOP DETERMINATION:

NOP reviewed the onsite audit results to determine whether BAC'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.

NP0270EEA.NC5 – Cleared.
NP3264ADA.NC1 – Cleared.
NP3264ADA.NC2 – Cleared.
NP3264ADA.NC3 – Cleared.
NP3264ADA.NC4 – Cleared.
NP3264ADA.NC5 – Cleared.
NP3264ADA.NC6 – Cleared.

AIA4122BJR – Accepted. 7 CFR §205.403 (c)(3) states, “The on-site inspection of an operation must verify that prohibited substances have not been and are not being applied to the operation through means which, at the discretion of the certifying agent, may include the collection and testing of soil; water; waste; seeds; plant tissue; and plant, animal, and processed products samples.”

Comments: *In 2009, 2010, and 2011, BAC granted certification to an operation in Mexico. In 2012, EcoCert, S.A. denied certification to this operation due to the use of multiple prohibited substances on its avocado fields. BAC's November 8, 2013 inspection confirmed the use of prohibited methyl soybean oil and alkyl phenol ethoxylate by this operation, indicating serious problems with BAC's materials review program.*

2014 Corrective Action: BAC has updated their Crop OSP Input Material Application and farm inspection report forms with detailed instructions for both operators and inspectors/reviewers to

verify whether a material is allowed in organic production. Training on the new forms and instructions has been conducted for staff in the Bologna office, and also scheduled for inspectors in Mexico and Thailand. BAC will monitor material reviews by evaluating the review conducted for each operator. Such evaluations will begin in October, 2014 and thereafter be conducted on a quarterly basis until proper use of the new forms has been verified. Results of the evaluations will be documented on a “Monitoring Inputs Review and Evaluation” form.

2015 Verification of Corrective Action: Auditors identified that corrective actions have been partially implemented. BAC updated Annex to M_80_OSP Input Material Application document, which requests that the operator conduct a self-assessment of the input initially before submitting to BAC for additional review. The BAC Annex to Inspection Report document also records the inspector’s verification of materials/inputs to verify the input was approved by BAC. However, the review of certification files and the witness audit at a crop operation revealed that NOP-certified operations in Italy are not required to complete the Annex to M_80_OSP Input Material Application document. This demonstrates that the corrective measure has not been fully implemented.

2016 Corrective Action: BAC implemented the use of doc Annex to M 80 _ OSP_ Input Material Application document and Annex to Inspection Report to all operations that apply for NOP certification, including Italy. The procedure document, P10 - NOP CERTIFICATION PROCEDURE and the document Bioagricert ITER for NOP certification Document, were revised to note that inputs for all operations are reviewed by BAC and inspectors.

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.

NP5271ZZA.NC1 – Accepted. 7 CFR §205.404(b)(1) states, “The certifying agent must issue a certificate of organic operation which specifies the: Name and address of the certified operation.” NOP 2603 Instruction Organic Certificates, Section 3.1, number 1 requires: “Certified operation’s name (all legal names) and address(es), including a physical address if the mailing or legal address is not the physical location of the operation.”

Comments: *Three certified operation files reviewed during the Thailand satellite office audit, did not have the physical address of the processing facility on the organic certificate. The address listed on the organic certificate was the mailing address of the corporate office for each company.*

2016 Corrective Action: BAC updated their application templates and certificate templates to include the physical address of the certified operations. Their database will not print a certificate without the physical address field completed. The templates were submitted.

NP5264RYA.NC2 – Accepted. 7 CFR §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.” Additionally, 7 CFR §205.102(a)(b) states, “Any agricultural product that is sold, labeled, or represented as "100 percent organic," "organic," or "made with organic (specified ingredients or food group(s))" must

be: Produced in accordance with the requirements specified in §205.101 or §§205.202 through 205.207 or §§205.236 through 205.240 and all other applicable requirements of part 205; and Handled in accordance with the requirements specified in §205.101 or §§205.270 through 205.272 and all other applicable requirements of this part 205.”

Comments: *The review of certification files and witness audit revealed that BAC allows certified USDA organic operations to use products that are certified under the (EC) No. 834/2007 to produce products sold, labeled, and represented as certified USDA organic.*

2016 Corrective Action: BAC informed their Italian clients (who may be EU and NOP certified) that in order for products to be certified USDA organic, the entire supply chain, including ingredients and processors, also have to be certified to the USDA NOP regulations. BAC informed their clients that if they want to maintain USDA NOP certification of products then they need to submit an update that includes USDA NOP certificates for all ingredient suppliers by August 31, 2016.

NP5264RYA.NC3 – Accepted. 7 CFR §205.403(c)(2) states, “The on-site inspection of an operation must verify: That the information, including the organic production or handling system plan, provided in accordance with §§205.401, 205.406, and 205.200, accurately reflects the practices used or to be used by the applicant for certification or by the certified operation.”

Comments: *During the handling operation witness audit, the inspector did not verify the information on the organic system plan that was approved by and on-file with BAC. The inspector instead asked the operation to provide the organic system plan the operation had on file, and verified the information on the organic system plan provided by the operation. The organic system plan provided by the operation was not the most current organic system plan approved by and on-file at BAC. The crop witness audit and interview with certification staff indicated that during the onsite inspection inspectors are instructed to verify the organic system plan approved by and on-file with BAC.*

2016 Corrective Action: BAC updated its procedure for inspectors, P10-NOP Certification Procedure – rev01, noting that inspectors are to verify the OSP approved and on-file with BAC during inspections. Training was provided to inspectors on February 23, 2016. The training log and procedure document was submitted.

NP5264RYA.NC4 – Accepted. 7 CFR §205.671 states, “When residue testing detects prohibited substances at levels that are greater than 5 percent of the EPA’s tolerance for the specific residue detected ... the agricultural product must not be sold, labeled, or represented as organically produced.”

Comments: *The review of sample collection files indicated that in two instances where the detection of prohibited substance exceeded 5% of the EPA tolerance level, BAC did not inform the operations that the product must not be sold, labeled, or represented as organically produced.*

2016 Corrective Action: In the two instances noted by the auditor, the operations were applicants. BAC notified the operations of the test results, and issued a noncompliance. Since the operations were not yet certified the products were not sold as organic. BAC created a letter template, E_2 letter NONC and Exclusion of organic sale –rev 00, to communicate that products cannot be sold, labeled, or represented as organic in cases of prohibited substances detected over

5% of the EPA tolerance level. BAC also updated their procedures for responding to residue tests in document, IO_14_BAC NOP Instruction for NC Management EN. These documents were submitted, and training was provided on July 21, 2016.

NP5264RYA.NC5 – Accepted. 7 CFR §205.642 states. “The certifying agent shall provide each applicant with ... an estimate of the annual cost of updating the certification.”

Comments: *BAC does not provide certified operations in Italy with an estimate of the annual cost of updating their USDA organic certification.*

2016 Corrective Action: BAC amended their annual update application templates, M_082-A-En-Cert_Request for farms, M_082-C_english_richCertProcess, to include an annual estimate of certification. The templates were submitted.

NP5264RYA.NC6 – Accepted. 7 CFR §205.501(a)(6) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Conduct an annual performance evaluation of all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions and implement measures to correct any deficiencies in certification services.” Additionally, NOP 2027 Instruction Personnel Performance Evaluations states, “Inspectors should be evaluated during an onsite inspection by a supervisor or peer (another inspector) at least annually.”

Comments: *BAC does not conduct an annual performance evaluation of the members of the Appeals Committee, which review certification materials and make certification decisions. BAC does not conduct annual inspector field evaluations. BAC inspectors undergo a mandatory field performance evaluation during their first year as an inspector trainee; however, there is no requirement to conduct annual field performance evaluations in subsequent years. The frequency of additional field performance evaluations is dependent upon the inspector’s annual general performance score. If the inspector receives a low score, the inspector must undergo a field evaluation inspection once every year, three years, or five years depending on how low of a score received. Of BAC’s 86 inspectors one inspector in Italy and one inspector in Thailand were evaluated during an onsite inspection in 2015. In 2014, one inspector in Italy was evaluated during an onsite inspection. The BAC CEO travels to Thailand multiple times per year and has observed inspections; however, his observations are not formally recorded.*

2016 Corrective Action: BAC conducted performance evaluations of the members of the Appeals Committee in December of 2015, and will continue to conduct evaluations on an annual basis. BAC will include staff evaluations in the NOP Annual Report. Evaluation results for the Appeals Committee were submitted. BAC developed a plan to have Sector Managers conduct inspector field evaluations. For remote regions a qualified inspector, or the Internal Audit Agent, will be sent to conduct the field evaluations.

NP5264RYA.NC7 – Accepted. 7 CFR §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.”

Comments: *The review of BAC's training records revealed the following:*

1. *BAC has not provided members of the Committee for the Impartiality Safeguard with NOP certification training. The committee's responsibilities include reviewing NOP certification files in order to verify that all noncompliances were resolved. The committee can also require BAC to implement measures to correct any deficiencies in certification services.*
2. *BAC has not provided members of the Appeals Committee, which reviews rebuttals to certification committee decision, NOP certification training.*
3. *The 2015 performance evaluation results of BAC's two active, contracted inspectors in Turkey indicated poor performance. BAC last provided both inspectors with NOP certification training in May 2013.*

2016 Corrective Action: BAC provided training to both the Committee for the Impartiality Safeguard with NOP and the Appeals Committee in December of 2015. BAC will include both committees in their annual staff training on NOP certification. The contracted inspectors in Turkey were provided training by BAC in February of 2016 and annual training was provided to all inspectors. For remote inspectors BAC will provide online training.

NP5264RYA.NC8 – Accepted. 7 CFR §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.” Additionally, 7 CFR §205.201(a)(2) states, “An organic production or handling system plan must include: A list of each substance to be used as a production or handling input, indicating its composition, source.”

Comments: *The review of an operation's certification file and documents verified by the inspector during the crops witness audit revealed that USDA organic-certified crop operations in Italy are not required to complete “Annex to Master 080.” As a result, BAC is not reviewing the production inputs, including individual ingredients, on the organic system plans of Italian operations.*

2016 Corrective Action: BAC implemented the use of documents, Annex to M 80_OSP_Input Material Application document and Annex to Inspection Report, to all operations that apply for NOP certification (including Italy) that require operations to list their inputs. The procedure document, P10 - NOP CERTIFICATION PROCEDURE and the document Bioagricert ITER for NOP Certification Document, were revised to note that inputs for all operations are reviewed by BAC and inspectors.

NP5264RYA.NC9 – Accepted. 7 CFR §205.501(a)(21) states, “Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” Documents should be issued in English per instructions in NOP 2000 “Accreditation Policies and Procedures” and NOP 2603 “Organic Certificates.”

Comments: *At least one organic certificate was issued in Italian only and three Notices (2 Notices of Noncompliance, 1 Notice of Noncompliance Resolution) were submitted to NOP in Spanish.*

2016 Corrective Action: BAC will translate and submit all documentation to the NOP in English.

NP5264RYA.NC10 – Accepted. 7 CFR §205.205.501(a)(15) states, A private or governmental entity accredited as a certifying agent under this subpart must... Submit to the Administrator a copy of Any notice of denial of certification issued pursuant to §205.405, notification of noncompliance, notification of noncompliance correction, notification of proposed suspension or revocation, and notification of suspension or revocation sent pursuant to §205.662 simultaneously with its issuance.”

Comments: *BAC’s issued notifications, such as noncompliances, noncompliance resolutions, and adverse actions are not consistently provided to the NOP per the USDA organic regulations. For example, on March 31, 2015, BAC issued an operation a noncompliance which was copied to the NOP. However, the client’s file contained a noncompliance resolution that was not submitted to the NOP.*

2016 Corrective Action: BAC is implementing new software that will provide automatic reminders to staff to submit noncompliances, noncompliance resolutions, and adverse action notices to the NOP ACA adverse action email. The new software is scheduled to be ready by the end of 2016. Until the new software is ready, BAC has sent an email training to staff to include the NOP ACA adverse action email to all notices issued. BAC updated their Instruction For Noncompliance Management 10_14 Rev 01 procedure document.

NP5264RYA.NC11 – Accepted. 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: *A review of three handler certificates indicates “Trading” as the certification scope.*

2016 Corrective Action: BAC submitted updated certificate templates for crops, handling, livestock, and wild crops. BAC also updated their software to only populate certificates with crop, wild crops, livestock, or handler scopes.

NP5264RYA.NC12 – Accepted. 7 CFR §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

Comments: *NOP auditors reviewed two files where the operations annual updates were not submitted as required and BAC did not issue the operators a notice of noncompliance:*

- 1. A livestock and handling operation in Mexico was certified in 2013. An update was not submitted by the operation in 2014 and no noncompliance was issued by BAC for failure to respond. No annual inspection was conducted by BAC in 2014 or 2015. Furthermore, labels submitted by the client in the application were reviewed but BAC deemed the labels insufficient. However, no noncompliance was issued nor was a label approval on file; no additional response from the client was documented. The client surrendered in June 2015.*
- 2. A crop operation in Korea did not submit its annual update by the September 2015 deadline, but BAC did not issue a noncompliance for failure to respond as of the date of this assessment.*

2016 Corrective Action: BAC sent an email training reminding staff that a notice of noncompliance must be sent if client update applications are not received by their anniversary date. The new software that will be ready to use by the end of the year will have automatic reminders to notify staff.

NP5264RYA.NC13 – Accepted. 7 CFR §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart” and also in accordance with 7 CFR 205.401(a), which states, “Upon acceptance of an application for certification, a certifying agent must...Review the application to ensure completeness pursuant to §205.401; 205.100.” Furthermore, BAC did not verify the applicant’s legal status as described in NOP 4009 “Who Needs to be Certified?”

Comments: *NOP auditors reviewed the file of a Korean strawberry crop/handling operation but were not able to conclusively determine whether the applicant was an individually owned farm/greenhouse or was comprised of smaller sub-contracted, uncertified farms/greenhouses.*

2016 Corrective Action: BAC plans to implement new software by the end of the year that will allow operations to be listed by business name and tax identification number. Then one certificate will be issued for each certified operator. Until the software is ready BAC trained staff to define the types of contracts between operators, and verify legal status and operation name.

NP5264RYA.NC14 – Accepted. 7 CFR §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: (2) Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.” Furthermore, NOP 2609 “Unannounced Inspections” describes the USDA policy for unannounced inspections.

Comments: *BAC has a policy for unannounced inspections, but based on interviews with BAC staff and inspectors, there is no consistent understanding of the USDA’s policy regarding unannounced inspections.*

2016 Corrective Action: BAC will updated their procedure documents (Operative Manual 08, Certification procedure Pro_10 and NOP certification Iter) before the end of 2016 to be consistent with NOP 2609. Updated documents will be sent to inspectors and staff, and everyone will be trained with an emphasis given to any areas of policy changes.

NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted an assessment of BioAgriCert s.r.l.'s (BAC) certification activities performed in its Mexico office. An onsite audit was conducted, and the audit report reviewed to determine BAC's capability to continue operating as a USDA accredited certifier.

Applicant Name	BioAgriCert s.r.l. (BAC)
Physical Address	BAC Main Office: Via Facini, 10 Casalecchio di Reno, Bologna 40033, Italy BAC Satellite office: AgriCert Paseo de la Revolución No. 330, Col. Emiliano Zapata, CP. 60180, Uruapan, Mexico
Mailing Address	Same as Physical Address
Contact & Title	BAC: Dr. Riccardo Cozzo-, CEO Satellite office: Victor Manuel Rodriguez Luengo (Victor Manuel), General Director/-Inspector
E-mail Address	BAC: info@bioagricert.org AgriCert: manuel.rodriguez@bioagricert.org
Phone Number	BAC: 39 051 6130512 AgriCert: (452) 5020366/5020203
Reviewer Auditor	Jason Lopez, NOP Reviewer Lars Crail, Onsite Auditor.
Program	USDA National Organic Program (NOP)
Review Audit Dates	NOP assessment review: March 14, 2016 Notice of Noncompliance: August 26, 2015 Onsite audit: April 12, 2015 through April 15, 2015
Audit Identifier	NP5103LCA
Action Required	None
Audit & Review Type	Other – Mexico Satellite Office - AgriCert
Audit Objective	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of BAC's certification system.
Audit & Determination Criteria	<i>7 CFR Part 205, National Organic Program as amended</i>
Audit & Review Scope	BAC's certification services in carrying out the audit criteria during the period: April 12, 2015 through April 15, 2015

GENERAL INFORMATION

The BioAgriCert (BAC) main office is located in Casalecchio di Reno (Bologna), Italy. BAC has a satellite office – AgriCert - located in Uruapan, Michoacán, Mexico. This satellite office is responsible for providing services of the following organic and food safety schemes: USDA

National Organic Program (NOP), European Union, Japanese Agriculture System, IFOAM, National Mexican Standards, South Korea, BioAgriCert, and Global Gap. AgriCert also operates a small organic material review program. BAC is ISO 17065 accredited.

The AgriCert office manages approximately 280 USDA organic certified operations that are located in Mexico and one located in Guatemala. There are approximately 15 grower group operations. AgriCert is BAC's representative for all certified client operations in Mexico.

AgriCert conducts initial reviews of applications and annual updates, and conducts inspections. The BAC office in Italy makes all certification decisions and classifications of noncompliances. AgriCert staff appear knowledgeable regarding the USDA organic regulations and NOP policies. AgriCert staff during the audit demonstrated adequate skills to conduct certification activities. BAC is conducting adequate external and internal certification training on an annual basis for the AgriCert staff.

WITNESS INSPECTIONS:

The onsite audit included an observation of one annual inspection by AgriCert staff of a mango grower group in the state of Michoacán.

NOP DETERMINATION:

The NOP reviewed the onsite audit results to determine whether BAC should be issued noncompliances.

Non-compliances from Prior Assessments

None verified. All prior corrective actions will be verified during the BAC office audit conducted later this year in Italy.

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.

NP5103LCA.NC1 – Accepted - 7 CFR §205.662(c) states, “When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, the certifying agent...shall send the certified operation a written notification of proposed suspension...”

2015 Comments: *A review of a Notice of Noncompliance issued on August 5, 2014 allowed the operation 30 days to respond. The operation did not respond and the certifier issued the Notice of Proposed Suspension on April 10, 2015. The certifier should have issued the Notice of Proposed Suspension shortly after the deadline and not waited six months.*

2015 Corrective Action: The certifier developed a spreadsheet “Non compliance NONC Register” to record and track all notices of noncompliance. The spreadsheet records the date notices of noncompliance are sent, the date corrective actions are due, and the dates of any resolutions or adverse actions (as applicable) taken by the certifier. The certifier has published

instruction for noncompliance management describing the integration of the spreadsheet to the noncompliance process and assigned responsibilities of spreadsheet maintenance. On May 22, 2015, the certifier trained four individuals on noncompliance procedures.

NP5103LCA.NC2 - Accepted – 7 CFR §205.662(a)(1-3) states, “...A written notification of noncompliance shall be sent to the certified operation. Such notification shall provide: (1) A description of each noncompliance [citation], (2) the facts upon which the notification of noncompliance is based; and, (3) the date by which the certified operation must rebut or correct each noncompliance and submit supporting documentation of each such correction when correction is possible.”

2015 Comments: *A Notice of Noncompliance issued on August 5, 2014 has extraneous information (e.g. citation to 205.405 (a) and (b)). The notice does not clearly describe the noncompliance or the remedial options. The letter should include instructions on the submittal of a corrective action or rebuttal of the noncompliance.*

2015 Corrective Actions: The certifier has amended the notice of noncompliance template to include information and timeframes for the submission of corrective actions or rebuttals. The example notice of noncompliance provided by the certifier clearly described the noncompliance and correctly provided only information on the submission of corrective actions or a rebuttal.

NP5103LCA.NC3 – Accepted - 7 CFR § 205.501(a)(6) states that, “A private or governmental entity accredited as a certifying agent under this subpart must: ... Conduct an annual performance evaluation of all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions and implement measures to correct any deficiencies in certification services.” and NOP 2027, Performance Evaluations, Section 3.2 (b), states that “Inspectors should be evaluated during an onsite inspection by a supervisor or peer (another inspector) at least annually. This field evaluation should be conducted at the certifying agent’s expense.”

2015 Comments: *The certifier conducts field performance evaluations of inspectors on a three-year cycle, not annually.*

2015 Corrective Actions: The certifier began annual field evaluations of inspectors to comply with NOP 2027 *Personnel Performance Evaluations* section 3.2. Inspector field evaluations are tracked in a spreadsheet that records the evaluated inspector, the location of evaluation, the date of evaluation, and the evaluator. The certifier will record the field evaluation as a component for consideration during an inspector’s annual performance evaluation.

Applicant Name:	BioAgriCert s.r.l. (BAC)
Est. Number:	N/A
Physical Address:	Via dei Macabracchia 8 – 40033 Casalechhio di Reno (Bologna) Italy
Mailing Address:	Via dei Macabracchia 8 – 40033 Casalechhio di Reno (Bologna) Italy
Contact & Title:	Dr. Riccardo Cozzo, CEO International Activities and NOP Director
E-mail Address:	riccardo.cozzo@bioagricert.org
Phone Number:	(0039) 051 562158
Auditor(s):	Meg Kuhn, NOP Reviewer
Program:	USDA National Organic Program (NOP)
Audit Date(s):	April 21, 2014; June 9 and 23, 2014
Audit Identifier:	NP3264ADA
Action Required:	No
Audit Type:	Corrective Action Review
Audit Objective:	To verify review and approve corrective actions addressing the non-compliances identified during the Renewal Assessment.
Audit Criteria:	7 CFR Part 205, National Organic Program; as amended.
Audit Scope:	BAC's April 11, 2014; June 9 and 23, 2014 response letters and emails to the Renewal Assessment noncompliance report
Location(s) Audited:	Desk

GENERAL INFORMATION

BioAgriCert is a for-profit organization accredited as a certifying agent on January 8, 2003, to the USDA National Organic Program (NOP) for crops, wild crops, livestock, and handling operations. Bioagricert is a LLC that was created on January 29, 1999, to provide organic product certification. It has operated as an organic certification body since 1985, initially known as Bioagricoop srl, and in 2002 became BioAgriCert srl.

BioAgriCert is authorized to conduct organic agricultural certification by the Italian Ministry of Agriculture and operates within the following certifications and standards: 1) European Quality Standard ISO 17065 by ACCREDIA for the certification products in accordance to EEC 889/2008; 2) Japan Agricultural Standard (JAS) by the Japanese Ministry of Agriculture, Forestry, and Fisheries (MAFF); 3) Basic Standards for Organic Production Processing by the International Federation of Organic Agricultural Movements (IFOAM); 4) Biosuisse Certification to the BioSuisse Standards; 5) AB France (Agriculture Biologique); and 6) NOP. The company is also providing other certifications that include: natural cosmetics and bio & natural organic cosmetics, Global Gap, GOTS and NaTrue Cosmetics, among others.

BioAgriCert is currently certifying operations to the NOP in Italy, Mexico, South Korea, Thailand, French Polynesia, Nepal, Guatemala and Turkey. The majority of BioAgriCert's clients are in Italy and Mexico. The most current list of BioAgriCert certified operations

include: 1) crops – 368; 2) wild crop – 1; 3) Livestock - 7; 4) Handlers – 139. The list also include: 121 processors, 10 distributor/traders and 32 grower groups.

The BioAgriCert main office is located in Casalecchio di Reno (Bologna), Italy. There are also satellite offices in Mexico and Thailand that are staffed by company employees. A 2009 agreement to provide certification services is also in place with an independent certification body in South Korea; however, they only help in scheduling the inspections and the inspectors utilized are subcontracted with BioAgriCert. In addition, BioAgriCert has three regional offices located throughout Italy. All final reviews and certification decisions are made at the primary office in Bologna, Italy. Training and performance evaluations of all international office staff and contract employees are conducted by BioAgriCert Italy.

The Mexico office is overseen by the BioAgriCert Italy Farm Inspector Coordinator with one local coordinator/reviewer, one secretary and fifteen sub-contracted inspectors. The Mexico staff sends the application packet, OSPs and fees to BioAgriCert Italy. The initial and final reviews and certification decision is made by BioAgriCert Italy. The Thailand office consists of one senior inspector/coordinator and four inspectors; as with the Mexico office, the initial and final reviews and certification decision is made by BioAgriCert Italy.

The BioAgriCert organic certification program staff consists of the President/CEO, President/Manager of livestock and crop clients, QA Manager/Manager of handler clients, 12 Evaluator/Reviewers, 80 subcontracted inspectors, and numerous support personnel. A review of the personnel files verified that personnel had sufficient combination of experience, education and/or training in organic production and handling practices. BioAgriCert also has a Board of Directors consisting of four members, which are elected by the partners. A review of the files and personnel records did not identify any conflicts of interest with personnel.

Additionally, there is a third party internal auditor, an appeals committee (of 3 people) and a committee on impartiality (10 people), who are not staff of BioAgriCert. All members have current conflict and confidentiality statements on file.

AUDIT INFORMATION

During Renewal Assessment, the corrective actions for the non-compliances identified during the 2010 Mid-Term Assessment were found to be implemented and effective. Those non-compliances were cleared, with exception of NP0270EEA.NC5 (point 1 & 3) remains outstanding. There were six new non-compliances identified during this audit. The NOP notified BAC of these findings in writing on March 10, 2014. BAC submitted responses to the NOP on April 11, 2014; June 9 and 23, 2014. Upon review of corrective and preventive action responses received, the NOP accepted all responses on June 23, 2014.

FINDINGS

NP0270EEA.NC5 – Accepted - NOP §205.662, Noncompliance Procedure for Certifying Agents states,

- 1) "Notification. When an inspection, review, or investigation of a certified operation by a certifying agent... reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation. Such notification shall provide: (2) The facts upon which the notification of noncompliance is based." *Files reviewed and interviews conducted found that BAC does not cite the clause of CFR Part 205 in the letter to the client to fully give the client the opportunity to understand the regulation to which the non-compliance is being cited.*
- 2) "(c) Proposed suspension or revocations. When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, the certifying agent... shall send the certified operation a written notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance... The notification of proposed suspension or revocation of certification shall state: (1) The reasons for the proposed suspension or revocation; (2) The proposed effective date of such suspension or revocation; (3) The impact of the suspension or revocation on future eligibility for certification." *A file review conducted found that the letters of suspension sent to the client do not contain the requirements listed in NOP § 205.662(c)1-3.*

Corrective Action, July 2011: BAC updated the NOP Operation Manual (section 10) to comply with requirements in §205.662 regarding notification, resolution, and adverse actions. BAC also provided copies of all Notice of Noncompliance (NoNC), resolution, and adverse action template letters demonstrating compliance with §205.662. If effectively implemented, the corrective action demonstrates BAC's capability to comply with NOP accreditation requirements.

Verification of Corrective Action, 2013 Renewal Assessment: A review of five adverse actions issued found that:

- 1) "Notification... Such notification shall provide: (2) The facts upon which the notification of noncompliance is based." *One of five files reviewed did not have the facts cited to the NOP Final Rule, while others only had a brief description and was not specific to the clause.*
- 2) "(c) Proposed suspension or revocations.... The notification of proposed suspension or revocation of certification shall state:
 - (1) The reasons for the proposed suspension or revocation" - *One of five files reviewed did not include the reason, or facts, for the proposed action.*
 - (2) The proposed effective date of such suspension or revocation" - *Three of five files reviewed did not have the proposed effective date of suspension or revocation included.*
 - (3) The impact of the suspension or revocation on future eligibility for certification." *Two of five files reviewed did not have the impact of proposed suspension or revocation included.*

April 11, 2014 Corrective Action: For points 1 and 3, BAC's response explained that its organization was in transition from a former NC template to the new template currently in use, which does include the NOP citations to explain the facts upon which the noncompliance is based. At the time of the renewal assessment, auditors saw letters that were still in this transition phase. In its response, BAC provided revised templates for NC and adverse action letters that include directions to input NOP citation references and the reasons for proposed suspension or revocation, as well as example of a NoNC issued to an

operator, which also displays NOP citations. BAC also implemented a new procedure document titled "Procedure 10 BAC NOP Certification Procedure" with an Annex for "Monitoring Notice of Noncompliance and Adverse Action (Annex 3)." It is a worksheet loosely based upon NOP 2005, Table 4 – Notice of Noncompliance/Adverse Action Worksheet, to assist BAC with ensuring NOP requirements in §205.662 have been met when BAC management conducts periodic file monitoring. To prevent the recurrence of this noncompliance, BAC responds that it has updated its internal quality system with the correct templates, has informed all applicable staff of the NC management worksheet and NC templates, and will periodically monitor the NC management process through file review.

NP3264ADA.NC1 – Accepted – NOP §205.402(b) states, "The certifying agent shall within a reasonable time:

- (1) Review the application materials received and communicate its findings to the applicant." *A review of 15 files, BioAgriCert database (ecert), and interviews conducted found that BioAgriCert records the date of review, receipt, etc. for applications or annual updates as the date entered into the database and not the actual date when the review, receipt etc. was actually done. Additionally the person who performs the review of the application or annual update is not recorded; instead the person who conducts the final review is recorded.*

Corrective Action: BAC has implemented a new procedure, PRO 10 for NOP Certification, which covers every step of NOP certification from initial application through to certification, including notices of noncompliance and/or adverse action, as applicable. The procedure identifies steps in the certification process; identifies staff responsible for completion of each step; and identifies records that are to be (or could be) generated and filed in accordance with each step. The PRO 10 clearly shows that the staff responsible for the initial application review step must log the activity and their name in the BAC software system. To prevent recurrence, this procedure has been implemented in all offices and staff has been trained, as evidenced by the training documentation included in BAC's response (training was conducted in March 2014). BAC also included example of a completed file with screenshots of the BAC software and a completed PRO 10 (Table 1- application review) showing steps completed by staff in accordance with the procedure. If effectively implemented, the corrective action demonstrates BAC's capability to comply with NOP accreditation requirements.

- (2) Provide the applicant with a copy of the on-site inspection report, as approved by the certifying agent, for any on-site inspection performed." NOP §205.403(e)(2) states, "A copy of the on-site inspection report and any test results will be sent to the inspected operation by the certifying agent." *The report is provided to the client by the inspector after the inspection. A review and interviews conducted at the BioAgriCert home office found that the inspection report states, "Results of this inspection is considered confirmed if operator does not receive a different notification within 60 days from Inspection." Also, the client has to sign this at the end of the inspection. Further interviews with BioAgriCert staff found that the inspector leaves the summary page of the inspection report/checklist only. If there are no findings or issues cited, BioAgriCert considers the summary as the final report and only lets the client know via email that there were no findings when they issue the certificate. There is no final report or detailed information from the checklist regarding the inspection that is provided to the client. If*

there are findings, then BioAgriCert issues a notice of non-compliance and proceeds with that process as required.

Corrective Action: BAC states that they had notified NOP of its system of leaving a copy of the inspection report with the operation at the time of the inspection in order to comply with §205.403(e)(2) and received “approval” from NOP. However, with issuance of this noncompliance, BAC has added this certification step to its PRO 10, instructing and prompting staff to send the final inspection report to the operation via email or mail post. As noted above, staff was trained (March 2014) on the new PRO 10 procedure to prevent recurrence of the noncompliance.

NP3264ADA.NC2 – Accepted - NOP §205.404 states, “(b) 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. (c) Once certified, a production or handling operation's organic certification continues in effect until surrendered by the organic operation or suspended or revoked by the certifying agent, the State organic program's governing State official, or the Administrator.” *A review of 5 certificates found that they stated, “Farms” instead of “Crop” and “Wild Harvest” instead of “Wild Crop.” It was also found that the certificates stated, “It will be valid only until surrendered by the organic Operator or suspended or revoked according to USDA Regulations 205.404 (c) Granting Certification and 205.405 Denial of Certification.”*

Corrective Action: To prevent recurrence, BAC revised its organic certificate template and provided a copy with its response. The new certificate properly displays scopes of certification allowed in the NOP, and also displays the correct statement as required in §205.404(c). BAC indicates its categories of certification were driven by the categories listed on its application forms. The application forms, copies of which were included with the response, have been revised to display NOP categories of certification: crops, wild crops, livestock, and processed product in accordance with §205.404(b)(3). To correct the noncompliance, for existing operators, the renewal cycle of certification for BAC begins May 10, 2014, after which time all existing operators will be issued a new certificate on the revised certificate template

NP3264ADA.NC3 – Accepted - NOP §205.501(a)(8) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Provide sufficient information to persons seeking certification to enable them to comply with the applicable requirements of the Act and the regulations in this part.” *Operations are provided the organic standards in Spanish. However, they are the original version which is not updated. Review and interviews conducted at the office in Italy found that they send a disc that has the older Spanish version and forward any Final Rule updates to the inspection coordinator or office staff to give to the clients. However, the BioAgriCert home office does not verify that updates have actually been sent to the clients. Additionally, if the client is rural and does not have internet access or computer, BioAgriCert does not provide a hard copy. BioAgriCert states that it provides a link to the NOP website and Final Rule and it is incumbent on the client to have a current version even if they do not have internet access.*

Corrective Action: BAC’s response indicates that an updated Spanish translation of the USDA organic regulations will be complete and implemented as of May 10, 2014. To address the noncompliance where BAC was not adequately ensuring updated information was received at the operation, BAC has revised its application form to obtain accurate details from operations

regarding the best method of delivering information from BAC, specifically if the operation does not have access to the internet. BAC will offer the NOP Spanish translation on its website for operators to access publicly, and will ensure staff sends documents to operators without internet access according to operators' wishes as noted on the application forms, per staff training conducted March 2014. For other countries in which BAC operates (Italy, Thailand, and China), regulations are provided in English and BAC requires prospective and certified operations maintain staff who are proficient in the English language for all communication, as evidenced in their process document given to clients seeking organic certification ("Iter to obtain NOP Certification"); though some "explanatory documents" are available in Italian form. To prevent recurrence, as a general policy clients who are not fluent in Spanish or English are not accepted under BAC's current administrative capacity restrictions.

NP3264ADA.NC4 – Accepted - NOP §205.402(a)(1) states, "Upon acceptance of an application for certification, a certifying agent must: Review the application to ensure completeness pursuant to §205.401." *The OSP states records will be maintained but does not include what records or how long they will be maintained as required by §205.103.*

Corrective Action: BAC revised its OSP forms for all areas of certification, except Handlers as this OSP already included the 5-year requirement for recordkeeping. The revised OSPs, submitted with the BAC response, include the requirement that records must be maintained for 5 years in accordance with §205.103(b)(3).

1. **NP3264ADA.NC5 – Accepted** - NOP §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." **Corrective Action (General):** For all points identified below, BAC provided revised grower group OSP and Internal Control System forms (M_080(EN)_OSPFARMS_Rev03 and M_080(ES)_RT_Produccion rev 01) to address NOSB grower group recommendations and NOP requirements in accordance with §205.501(a)(21). NOSB Recommendation, Certifying Operations with Multiple Production Units, Sites and Facilities, November 2008, section III.D.2 states, "Within a production unit, the Internal Control System personnel are charged with conducting surveillance and reviews of every smallest divisible part of the production unit, site or facility every year." *A review of the crop grower group found that there was no annual inspection of the ICS inspector's field and inspection of his field not included in the ICS program. The ICS inspector stated his field was inspected in 2013 by the BioAgriCert inspector and in 2012 by The Red Banana Company plant manager which the plant manager attested to. The BioAgriCert inspection report was made available during the review as verification. However, there was no inspection report for previous years and the annual inspection of the field to preclude a COI was not addressed in the ICS program manual.*

Corrective Action: BAC responded with a corrective action, showing that the operator was cited with a NoNC for not properly inspecting the ICS inspector's field, as well as

for not maintaining past inspection reports; at the time of this report, BAC is awaiting corrective action from the operation.

2. NOSB Recommendation, Certifying Operations with Multiple Production Units, Sites and Facilities, November 2008, section III.D.2.iii states, "Additionally, these personnel must also be required to disclose, in writing, any potential conflicts in advance of surveillance and review." *A review of the crop grower group found that there was no Internal Control System (ICS) policy for documenting personnel's disclosure of potential conflicts of interest.*

Corrective Action: In the revised M_080(EN)_OSPFARMS_Rev03 document (the Grower Group OSP requirements), a section has been added regarding "Basic Criteria of the Internal Control System Personnel NOSB 2008 Addressing Potential Conflicts of Interest." Specifically, the form states, "The Internal Control System personnel must disclose, in writing, any potential conflicts in advance of surveillance and review."

3. NOSB Recommendation, Certifying Operations with Multiple Production Units, Sites and Facilities, November 2008, section III.D.2.ii states, "Regardless of the number of ICS personnel, the ICS director needs to develop an organizational chart to provide a clear picture of how the various duties among the ICS staff are divided and to make clear the reporting structure among personnel." *A review of the crop grower group found that there was no organizational chart included in program.*

Corrective Action: In the revised M_080(ES)_RT_Produccion rev 01 document (the Grower Group basic ICS requirements), there is a section on "Basic Criteria of the Internal Control System Personnel NOSB 2008 Addressing Potential Conflicts of Interest." The first question addresses the need for an organizational chart; specifically: "Regardless of the number of ICS personnel, the ICS director needs to develop an organizational chart to provide a clear picture of how the various duties among the ICS staff are divided and to make clear the reporting structure among personnel."

4. NOSB Recommendation, Certifying Operations with Multiple Production Units, Sites and Facilities, November 2008, section III.D.3 states, "The success of an ICS is greatly enhanced by consistent and continuous training for all members and all ICS personnel. For most organizations, internal personnel will carry out the majority of training of members, but at least one training per year by an external specialist is recommended for ICS personnel." *A review of the crop grower group found that there was no training program addressed in ICS program manual.*

Corrective Action: In the revised M_080(ES)_RT_Produccion rev 01 document (the Grower Group basic ICS requirements), there is a question for the operator/ICS to respond to regarding training; specifically, "Grower group are unified by a shared training regimen? Please describe." There is also a separate section on the form that addresses Training Requirements, asking three questions about the education program; confirming that at least one (1) training per year will be conducted; and ensuring that group members understand organic principles and will comply with standards (and asks for evidence of such attestation from the growers).

5. NOSB Recommendation, Criteria for Certification of Grower Groups, October 2002, Recommendation #1 states, "The NOSB recommends that, in order to be certified as a grower group, the following conditions must be met: Participation in the group is limited to producers who sell all of their organic production through the group." *Interviews with 2 producers from the crop grower group verified they were selling their crops outside of*

the grower group. BioAgriCert policy allows them to sell organic product as conventional if they wish.

Corrective Action: In the revised M_080(ES)_RT_Produccion rev 01 document (the Grower Group basic ICS requirements), there is a section titled “Basic Criteria, Recommendation # 1 NOSB Recommendation, October 2002.” In this section, the form states that “grower groups must utilize centralized processing, distribution, and marketing facilities and systems; the group must be managed as a legal entity under one central administration that is uniform and consistent; and participation in the group is limited to producers who sell all of their organic production through the group.” There was no evidence in the finding that *organic* crops were being sold outside the group, only crops sold as conventional.

NP3264ADA.NC6 – Accepted - NOP §205.406(a)(1) states, “To continue certification, a certified operation must annually pay the certification fees and submit the following information, as applicable, to the certifying agent: An updated organic production or handling system plan which includes: (i) A summary statement, supported by documentation, detailing any deviations from, changes to, modifications to, or other amendments made to the previous year’s organic system plan during the previous year; and (ii) Any additions or deletions to the previous year’s organic system plan, intended to be taken in the coming year, detailed pursuant to 205.200.”

1) Crop Grower Group Review Audit - List of estimated yields for each producer’s field had not been updated since 2011. One producers estimated yield for Morado bananas was at 3 tons with his actual production at 9.1 tons for 2013 with no explanation (in the records) as to why the difference. The inspector stated that since 2011 more bananas had been planted which caused the increase. This field was selected as one of the 4 producers to be visited and verified there were sufficient trees on the property to justify the quantity produced. Additionally, the individual producer maps had not been updated since they were submitted. Two of the four producers visited verified the maps had the wrong North designation on the maps and 3 of the 4 did not identify rivers, roads, and planted windbreaks and buffers on the boundaries of the fields. The neighbor’s property was identified as the buffer, but there was no detail as to where the roads, break, etc. were to positively identify the buffer.

Corrective Action: BAC responded to this noncompliance by stating the inspectors are responsible for the OSP update and review process prior to on-site inspection. BAC sent a warning letter to the inspectors in question in Mexico, informing them of the OSP update and review requirements. To prevent recurrence, the inspectors were required to attend the NOP ACA annual training, which was held in Costa Rica in March 2014, which included an Accreditation Instruction Update, addressing the Organic Certification Process (which includes OSP annual update procedures). BAC requested updated information from the operation and informed the inspectors and operation that an additional on-site inspection would have to occur in 2014. BAC intends to conduct a witness audit of the operation to ensure the inspectors meet quality standards and fully understand the documentation requirements prior to inspection.

2) A review of files and interviews conducted during the course of reviewing information for a reply to a NONC issued by the NOP found that at least one client requested a

surrender of their NOP certification via Skype to the Thailand Office which was then relayed to the BioAgriCert office in Italy. The Italy office took this as surrender and has not conducted the annual review, requested updated to the OSP or sought payment of annual fees for the past 2 years. There has not been a formal surrender made, nor any NoNCs issued to the client.

Corrective Action: NOP auditors provided specific information to BAC regarding the client name and code to which this noncompliance refers. BAC provided written confirmation that the operator in question provided a signed surrender letter on September 19, 2012. BAC has no evidence on record indicating this operator surrendered via Skype. Objective evidence with the operation's signature on the surrender letter was included in BAC's response.

Applicant Name:	BioAgriCert s.r.l. (BAC)
Est. Number:	N/A
Physical Address:	Via dei Macabracchia 8 – 40033 Casalechhio di Reno (Bologna) Italy
Mailing Address:	Via dei Macabracchia 8 – 40033 Casalechhio di Reno (Bologna) Italy
Contact & Title:	Dr. Riccardo Cozzo, CEO International Activities and NOP Director
E-mail Address:	riccardo.cozzo@bioagricert.org
Phone Number:	(0039) 051 562158
Auditor(s):	Meg Kuhn, RAM – East Region
Program:	USDA National Organic Program (NOP)
Audit Date(s):	April 15 – July 21, 2011
Audit Identifier:	NP0270EEA
Action Required:	No
Audit Type:	Corrective Action Audit
Audit Objective:	To verify review and approve corrective actions addressing the non-compliances identified during the Mid-Term Audit.
Audit Criteria:	<i>7 CFR Part 205, National Organic Program; Final Rule</i> , dated December 21, 2000; revised February 17, 2010.
Audit Scope:	BAC's response letters dated 04/15/11, 06/13/11 and 07/20/2011 to the Mid Term Audit non-compliance report
Location(s) Audited:	Desk

AUDIT INFORMATION

During the Mid Term audit, the corrective actions for the ten (10) non-compliances identified during the 2008 Surveillance-Accreditation Renewal audit were verified and found to be implemented and effective and the non-compliances were cleared. There was one (1) non-compliance from the 2006 Annual Update review (audit identifier: NP7085FFA) that could not be verified and, therefore, remained outstanding. Eight (8) non-compliance findings were identified during the 2010 Mid-Term audit. BAC was notified of these findings in a notice from the NOP on March 15, 2011. BAC responded with a corrective action plan, including supporting objective evidence documents, on April 15, 2011. Approximately 4 non-compliance findings indicated that a corrective action would be implemented as of June 30, 2011; as such, complete objective evidence documents to demonstrate system changes were not provided with the April 15, 2011 response. The information was requested from BAC by May 15, and an extension was requested (and granted) through June 13, 2011.

Additional corrective actions were provided on June 13, 2011, yet one finding (NP7085FFA.NC4) required additional information. BAC requested clarification from the NOP regarding the NC, which was provided via email on June 13, 2011. BAC tried multiple times over the following weeks to respond to the NC via electronic methods, all of which failed. BAC provided a hard copy response to the NOP, which was received on July 20, 2011.

FINDINGS

NP7085FFA.NC4 – Submitted and Accepted: NOP §205.404 (b) states, “The certifying agent must issue a certificate of organic operation which specifies the: (1) Name and address of the certified operation; (2) Effective date of certification; (3) Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation; and (4) Name, address, and telephone number of the certifying agent.” *The Bioagricert livestock file (Haber Christine) submitted was not given a NOP certificate because this operator is a sublicense of Soster s.r.l. who is the owner of the NOP certificate.* **Corrective Action:** BioAgriCert submitted a statement “The Bioagricert livestock file (Haber Christine) submitted was not given a NOP certificate because this operator is a sublicense of Soster s.r.l. who is the owner of the NOP certificate. See attached PRODUCT CERTIFICATE ACCORDING TO THE NOP ORGANIC AGRICULTURE RULES (Certificate N° 01105/2006, Review N°00, Issuing date September 11, 2006.” The certificate was submitted for review. The auditor has requested guidance from the NOP to determine if the issued certificate is acceptable according to the NOP Rule. **Corrective Action (March 25, 2008):** BioAgriCert submitted a statement “Bioagricert understood that the results of this non-compliance will come after the auditor review. Please give to Bioagricert a confirmation on this matter.” The auditor has requested guidance from the NOP to determine if the issued certificate is acceptable according to the NOP Rule. **Surveillance Audit Findings:** there was no evidence available during the audit that this guidance has been issued regarding this outstanding non-compliance. The initial and subsequent findings and corrective action could not be verified. **Corrective Action (July 21, 2011):** NOP clarified to BAC that each certified operation must hold its own organic certificate; exceptions to this requirement are grower group certifications, as a condition of grower group management is an Internal Control System, which is responsible for ongoing compliance of the group. As such, BAC provided a statement showing that certified operations would receive a certificate compliant to §205.404(b); additional objective evidence submitted included copies of updated certificates for the specific operator cited in this NC (Soster SRL). If effectively implemented, the corrective action demonstrates BAC’s capability to comply with NOP accreditation requirements.

NP0270EEA.NC1 – Submitted and Accepted: NOP §205.501 (a)(15)(i) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Submit to the Administrator a copy of:(i) Any notice of denial of certification issued pursuant to §205.405, notification of noncompliance, notification of noncompliance correction, notification of proposed suspension or revocation, and notification of suspension or revocation sent pursuant to §205.662 simultaneously with its issuance.” *Records show that only 12 notifications of non-compliance were submitted to the National Organic Program (NOP) in 2009/2010. Seventeen non-compliances that were identified by the company in their database that were not reported to NOP as prescribed.* **Corrective Action:** BAC updated the NOP Operative Manual (section 11) to comply with §205.501(a)(15)(i). The manual update includes the indication that applicable notices of non-compliance and adverse action are appropriately notified to the NOP (Appeals Team). If effectively implemented, the corrective action demonstrates BAC’s capability to comply with NOP accreditation requirements.

NP0270EEA.NC2 – Submitted and Accepted: NOP §205.203(c)(1) states, “Raw animal manure, which must be composted unless it is: (i) Applied to land used for a crop not intended for human consumption; (ii) Incorporated into the soil not less than 120 days prior to the harvest of a product whose edible portion has direct contact with the soil surface or soil particles; or (iii) Incorporated into the soil not less than 90 days prior to the harvest of a product whose edible portion does not have direct contact with the soil surface or soil particles.” *Doi Chaang Village Farmer Group OSP indicates that fertilization by livestock manure and coffee peel is performed two times per year (April-May and September/October). Harvest is done in November to February. This is not according to NOP which prescribes 120 days and 90 days for the application of raw manure. Since there is no description of composting in the OSP the 90 day rule applies to this operation. The second farm in this production scheme is a tea farm and the composting procedure or the use of raw manure use is not documented in the current OSP.*

Corrective Action: BAC updated the OSP form to require information about raw animal manure and the composting requirements of §205.203(c)(1) under the “Soil Management Fertilisation” section. BAC also established an Excel spreadsheet for the purpose of providing recordkeeping to demonstrate raw manure and / or compost composition and application requirements. If effectively implemented, the corrective action demonstrates BAC’s capability to comply with NOP accreditation requirements.

NP0270EEA.NC3 – Submitted and Accepted: NOP §205.236(c) states, “The producer of an organic livestock operation must maintain records sufficient to preserve the identity of all organically managed animals and edible and non-edible animal products produced on the operation.” *There are no descriptions or representations in the OSP or records available for review by BAC related to livestock on the Jorge Luis Ayala Filigrana/Rancho Nuevo Suriname operation that provides identification for the 3000 head of livestock represented on the certificate. There is no information in the OSP that would provide a description of a register that would provide inventory management of livestock or the specific animal identifications associated with this production scheme that would allow the certifying agent to determine whether the records are adequate to manage the certified group of animals.* **Corrective**

Action: BAC updated the crop / livestock producer OSP form to require specific herd / flock information for livestock operations, including type of animal(s) on-farm, number of animals expected in a certification period, date of entry / organic management, feed, medical inputs, etc. Existing livestock operators would be required to provide these documents at annual update (including a completed OSP on the new form). BAC also notified inspectors of inspection discrepancies, and updated the checklist for file review (which provides guidance to BAC staff and inspectors regarding compliance criteria and control points). If effectively implemented, the corrective action demonstrates BAC’s capability to comply with NOP accreditation criteria.

NP0270EEA.NC4 – Submitted and Accepted: NOP §205.404(b)(3) states, “The certifying agent must issue a certificate of organic operation which specifies the: Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation.” *In the case of Asiago Foods, the company produces, trades, and sells both cultivated strawberries and other berries along with wild harvest berries and strawberries. The certificate lists wild harvest/trader for the company, but the annex listing the certified products*

does not list wild harvest strawberries or wild mixed berries even though there is an approved label for “wild” strawberries and wild mixed berries. **Corrective Action:** BAC provided the certificate for the supplier of Asiago Foods’ wild crop products (MKD LTD); BAC further notified Asiago Foods (importer / trader / seller) of the need to indicate “wild” on the product listing of their certificate, as product labels specify “wild.” That stated; the certificate category identified on the Asiago Foods certificate is correct, as Asiago Foods is not certified as a wild crop producer (they are only a marketer of “wild” (and cultivated) products). BAC’s response demonstrates understanding of and capability to comply with NOP accreditation requirements.

NP0270EEA.NC5 – Submitted and Accepted: NOP §205.662, Non compliance Procedure for Certifying Agents states,

- “Notification. When an inspection, review, or investigation of a certified operation by a certifying agent... reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation. Such notification shall provide: (2) The facts upon which the notification of noncompliance is based.” *Files reviewed and interviews conducted found that BAC does not cite the clause of CFR Part 205 in the letter to the client to fully give the client the opportunity to understand the regulation to which the non-compliance is being cited.*
- “(b) Resolution. When a certified operation demonstrates that each noncompliance has been resolved, the certifying agent... shall send the certified operation a written notification of noncompliance resolution.” *BAC does not issue a Notification of Resolution, instead the inspector states if a non-compliance has been cleared after verification at the inspection. The inspection report states that if the client does not hear anything further within 30 days they can assume it has been cleared. This is contrary to the requirement.*
- “(c) Proposed suspension or revocations. When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, the certifying agent... shall send the certified operation a written notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance... The notification of proposed suspension or revocation of certification shall state: (1) The reasons for the proposed suspension or revocation; (2) The proposed effective date of such suspension or revocation; (3) The impact of the suspension or revocation on future eligibility for certification.” *A file review conducted found that the letters of suspension sent to the client do not contain the requirements listed in NOP § 205.662(c)1-3.*

Corrective Action: BAC updated the NOP Operation Manual (section 10) to comply with requirements in §205.662 regarding notification, resolution, and adverse actions. BAC also provided copies of all NoNC, resolution, and adverse action template letters demonstrating compliance with §205.662. If effectively implemented, the corrective action demonstrates BAC’s capability to comply with NOP accreditation requirements.

NP0270EEA.NC6 – Submitted and Accepted: NOP §205.403(d) states, “Exit interview. The inspector must conduct an exit interview with an authorized representative of the operation who is knowledgeable about the inspected operation to confirm the accuracy and completeness of inspection observations and information gathered during the on-site inspection. The inspector must also address the need for any additional information as well as any issues of concern.” *The on-site grower/crop inspection witnessed in Australia found that the inspector did not perform an exit interview as required. Evidence (certificate) that wheat seed purchased from a neighbor*

was from another certified organic operation was not available during the input review. A copy was requested; however, the need for this additional information as an issue of concern was not covered in an exit interview. **Corrective Action:** BAC provided documentation showing the inspector was notified of inspection discrepancies, including lack of exit interview. Australia inspections are typically conducted by inspectors located in Korea; BAC also provided a training agenda and sign-in sheet for applicable inspectors showing training of NOP requirements following the 2010 Mid-Term audit. If training is effectively implemented, the corrective action demonstrates BAC's capability to comply with NOP accreditation requirements.

NP0270EEA.NC7 – Submitted and Accepted: NOP §205.403(c) states, "Verification of Information. The on-site inspection of an operation must verify: (1) The operation's compliance or capability to comply with the Act and the regulations in this part; (2) That the information, including the organic production or handling system plan, provided in accordance with §§205.401, 205.406, and 205.200, accurately reflects the practices used or to be used by the applicant for certification or by the certified operation." *The inspection at the grower/crop operation in Australia did not verify the information regarding buffers that was described on the 2010 Organic System Plan. The plan indicates that there is grazing on two sides and organic operations on two other adjoining sides. This was not verified visually during the inspection. Fields not contiguous to the main farm were inspected only from a vantage point along the highway. A stockpile of raw chicken manure was also observed at this location. Field perimeters on the main farm site were reviewed from a vehicle and only those locations that were not too wet for vehicle access were verified.* **Corrective Action:** BAC provided documentation showing the inspector was notified of inspection discrepancies, including visual verification of land plots, buffer zones, and surrounding land activity as noted in the operators' OSP documents. Australia inspections are typically conducted by inspectors located in Korea; BAC also provided a training agenda and sign-in sheet for applicable inspectors showing training of NOP requirements following the 2010 Mid-Term audit. If training is effectively implemented, the corrective action demonstrates BAC's capability to comply with NOP accreditation requirements.

NP0270EEA.NC8 – Submitted and Accepted: NOP §205.404 (b) states, "The certifying agent must issue a certificate of organic operation which specifies the: (1) Name and address of the certified operation; (2) Effective date of certification; (3) Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation; and (4) Name, address, and telephone number of the certifying agent." *The witness inspection at the grower/crop operation in Australia found that the certified operation only receives a "copy" of the certificate issued by BAC. Interviews indicate that the certificate is sent to Doalnara Certified Organic, Korea. The certificate is then given to the importer in Korea. Since the importer pays for the inspection and other certification costs, this arrangement is to ensure that the certified operation does not have the ability to sell the certified crop through any other marketing channels. A "copy" of the 2009 certificate was provided by the operation and the inspector delivered the 2010 "original" certificate during the inspection.* **Corrective Action:** BAC provided an updated organic certificate for the operation in question; the updated cert lists the correct name of the production operation, and also provides a "distribution list" to demonstrate that the certified operation is authorized to

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sell / distribute to restricted parties. The original certificate is provided to the production operation, with a copy provided to the applicable marketer. If effectively implemented, the corrective action demonstrates BAC's capability to comply with NOP accreditation requirements.