



# United States Department of Agriculture

Agricultural Marketing Service  
National Organic Program

## **NATURAL FOOD CERTIFIERS**

**80 Broad Street, 5th Floor, Suite 502, New York, New York, 10004, U.S.A.**

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 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 .

Status of this accreditation may be verified at <http://www.ams.usda.gov>

Certificate No: [USDA-2-24](#)  
Effective Date: [10/08/2022](#)  
Expiration Date: [10/08/2027](#)  
Issue Date: [01/26/2024](#)

**Jennifer Tucker, Ph.D.**  
**Deputy Administrator**  
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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** Natural Food Certifiers, (NFC)
- **Physical Address** 80 Broad Street, 5<sup>th</sup> Floor, Suite 502, New York, New York 10004, U.S.A.
- **Audit Type** Renewal Audit
- **Auditor(s) & Audit Dates** Kelley Belina, Colleen O'Brien, Joshua Lindau, Lars Crail, 06/28/2023 to 07/13/2023
- **Audit Identifier** NOP-232-23

### CERTIFIER OVERVIEW

The National Organic Program (NOP) conducted an onsite Renewal Audit of Natural Food Certifiers (NFC)'s USDA organic certification program covering the period September 3, 2021, to July 14, 2023. The purpose of the audit was to verify NFC'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 NFC personnel, a records audit, and three onsite witness audits. The witness audits consisted of onsite inspections of one crop and handling operation in Vermont and two handling operations in New Jersey.

NFC is an incorporated company initially accredited on October 8, 2002. NFC is accredited to the crops and handling scopes. NFC's office is in New York, New York. NFC certifies 163 operations and offers certification services in 22 states. Certification activities are performed by eight employees.

## **NOP DETERMINATION:**

NOP reviewed the audit results to determine whether NFC'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-7606-21 - Cleared.**

**AIA-7607-21 - Cleared.**

**AIA-7608-21 - Cleared.**

**AIA-7609-21 - Cleared.**

**AIA-7610-21 - Cleared.**

**AIA-7612-21 - Cleared.**

**AIA-7613-21 - Cleared.**

**AIA-7614-21 - Cleared.**

**AIA-7616-21 - Cleared.**

**AIA-7617-21 - Cleared.**

**AIA-7618-21 - Cleared.**

**AIA-7619-21 - Cleared.**

**AIA-1372-22 - Cleared.**

**AIA-4161-20 - Accepted.** (NP5349RKA.NC13) 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:** *During the auditor’s review of two inspection reports for handlers, the inspector did not verify all aspects of the OSP. For operations that process both organic and conventional products, the inspectors did not report practices to prevent commingling or specify equipment purge on packaging lines. During a witness audit of a crop producer, the inspector did not verify the information reported on the operation’s OSP.*

**Corrective Action:** NFC’s response is to ensure that the OSP and inspection report are cross checked by the reviewer to be in agreement. This corrective action does not address the noncompliance of OSPs not being verified during inspection.

**Verification of Corrective Action:** Witness inspections conducted revealed NFC inspectors were not conducting an on-site verification of the operations approved OSP. The following on-site deviations from the operations’ OSP were not noted by the inspectors:

- Organic products not listed on the operation’s organic certificate, that were requested in the OSP.
- Operation’s noncompliant outdoor access policy and lack of confinement documentation.
- Bag style fly traps in use that are not listed or approved on the OSP.
- An operation’s use of a label that was not approved by the certifier.
- OSP identified organic storage and the onsite organic storage was not labeled.
- No on-site verification of labels approved in the OSP.

- The OSP's approved pest control plan specified trap location and trap bait used as determined by trap location. The inspection did not verify the location of traps or bait within the trap. This occurred despite the certifier's inspection instructions listing pest control verification as a focus of the inspection.

**2020 Corrective Action:** Effective May 28, 2019, NFC requires inspectors to complete the NFC inspection report checklist to address all key issues that may be missed in a narrative report.

Inspection Report Checklist requires the inspector to verify that operation's OSP is consistent with what is observed at the inspection. Effective January 1, 2021, NFC implemented the use of a new NFC exit interview template that inspectors are required to use as well. The Inspector SOP has been revised to include the new requirements and all inspectors received copies of the SOP and templates. During onsite evaluations, NFC will verify that inspectors are using NFC templates. NFC also plans to send NFC inspectors doing more than 2 inspections to an advanced inspection training with IOIA. The timeframe will be determined once IOIA resumes onsite trainings. NFC reviewed the internal policy update during the NFC Staff Monthly Meeting on December 28, 2020.

**2021 Verification of Corrective Action:** The auditors' review of two mixed crop and livestock operations found that there were no inspection checklists used. The narrative reports for these operations did not demonstrate that the inspectors adequately verified the operations' OSPs. The inspectors did not address the operators' compliance with feed, seed, and material use restrictions. The auditors were able to verify that NFC inspectors are consistently using the exit interview templates, that NFC sent inspectors to IOIA Level 2 courses, and that NFC demonstrated that inspectors have access to the shared drive, with document templates and SOPs.

**2022 Corrective Action:** NFC implemented a livestock and crops inspection checklist in August 2021 although they did not conduct any inspections for these scopes between the implementation date and the 2021 midterm assessment. The checklist includes verification points for seed and material use restrictions. In January 2023, NFC hired a new staff person as the Crops Certification Coordinator (CCC) to oversee NFC's crop certification activities and further develop crops scope policies and procedures. NFC plans for the CCC to complete development and revision of crops policies, procedures and documents completed by the end of March 2023, and plans to conduct training for certification staff and inspectors on NFC's updated crop certification program in the second quarter of 2023. Additionally, NFC ceased accepting livestock applications in September 2021, submitted a request to surrender livestock scope accreditation to NOP on December 19, 2022, and plans to remove livestock scope from the checklist once the surrender process is complete on March 31, 2023. NFC submitted the crop and livestock inspection checklist template, two completed checklists from 2022 inspections, the CCC position description, the resume for the newly hired CCC, and the livestock accreditation surrender request to the NOP.

**2023 Verification of Corrective Action:** The auditors reviewed certification files and interviewed staff and found the development and revision of NFC's crops policies and procedures were not completed. NFC is planning to conduct training for certification staff in the second half of 2023. NFC has not removed the livestock scope portion from the review checklist.

**2023 Corrective Action:** NFC developed a new *Crops Inspection Report Checklist* and revised its *Final Review Checklist – Crops* and the standard operating procedure *Organic Inspections – Crops* to add verification points for inputs, crop rotation, and crop and soil health and remove livestock scope references. NFC implemented the new and revised documents on November 9, 2023, and conducted certification staff and contract inspector training on the revised documents on December 21, 2023.

**AIA-7611-21 - 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:** *NFC does not fully carry out the procedures of NOP 2613 Instruction Responding to Results from Pesticide Residue Testing. The auditors’ review of pesticide residue analysis reports found that NFC does not always immediately inform operations that their product may not be sold as organic when residues are detected and there are no established EPA tolerance or FDA action levels. In one case, the operator was not informed of a positive detection that required exclusion from sale for one month from the date the test result was received.*

**Corrective Action:** NFC determined that this issue arose in December 2019 while NFC was transitioning to a new administrator which led to a delay in addressing the residue detection. NFC implemented a new internal procedure for residue sampling and responding to results. The Document Manager is responsible for managing the implementation of the procedure, while the NFC Administrator is responsible for approval of notices related to residue results. The procedure specifies that NFC will notify operations within five business days of receiving sample analysis results if the sampled product may not be sold as organic and revised the residue result checklist and internal administrative log to document the notification occurred. NFC conducted training for certification staff on the revised procedure, checklist and residue log at the December 15, 2022 staff meeting. NFC submitted copies of the revised procedure, checklist, residue log, examples of residue detection notifications sent to clients in 2021 and 2022, and the NFC staff meeting attendance list and agenda to the NOP.

**2023 Verification of Corrective Action:** The auditors verified that NFC has updated their procedure for managing and responding to pesticide residue test results. However, the auditors reviewed certification files and interviewed staff and found NFC had no positive residue sample detections since NOP’s acceptance of the corrective action. Therefore, NFC’s corrective action will remain ‘accepted’ and NOP will attempt to verify the effectiveness of it at NFC’s next audit.

**AIA-1371-22 - Accepted.** 7 CFR §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” Specifically, **NOP 2605 Instruction: Reinstating Suspended Operations** provides procedures for USDA-accredited certifiers to follow when evaluating reinstatement applications.

**Comments:** *NFC does not comply with the requirements of NOP 2605 Instruction: Reinstating Suspended Operations. The review of three reinstatement requests submitted by NFC on behalf of suspended operations identified the following issues:*

- 1. For one reinstatement request, NFC did not conduct the inspection within the three months prior to the NOP receiving the reinstatement request. NFC submitted the request six months after the inspection without providing justification to the NOP.*
- 2. For one reinstatement request, NFC did not verify whether products were sold, labeled, or represented as organic during the suspension period. NFC indicated they did not have this documentation when it was requested by NOP.*
- 3. For one reinstatement request, NFC accepted a corrective action submission that was 40 days past the operation’s deadline to respond in the Notice of Noncompliance. NFC then allowed the operation to submit corrective action revisions after determining the operation’s corrective actions were insufficient.*
- 4. NFC is not fully verifying that operations are compliant or capable of remaining in compliance with the regulations. For one reinstatement request, NFC recommended approval of a reinstatement in which the operation continued to sell product after suspension and after the reinstatement application to NFC.*

### **Corrective Actions:**

1. NFC has implemented a complete reinstatement SOP, a complete log to track the progress of operations requesting reinstatement, and an internal checklist for verifying that all aspects of the reinstatement process has been met. Included in the log and checklist is the note that reinstatements must be submitted to the NOP within the required three months. NFC submitted the reinstatement SOP, reinstatement log, and internal checklist to the NOP.
2. NFC has revised its inspection report checklist to include questions regarding reinstatement which includes that the inspector should verify whether product has been sold, labeled, or represented as organic during the suspension period. The inspector will also submit evidence with the inspection report to support what was observed. NFC has advised staff of the changes and provided the updated internal procedures and updated inspection report checklist to inspectors. NFC submitted the inspection report checklist to the NOP.
3. NFC has implemented a formal protocol for extending the Notice of Noncompliance timelines for operations to provide additional time to submit clarification and corrective actions. NFC has included a section to the adverse action checklist to document if extensions were given and whether they met the requirement of the NFC internal procedure. NFC submitted the timeline extension protocol to the NOP.
4. NFC has implemented the reinstatement SOP which includes addressing sales, labeling, and representation of organic products while suspended. NFC will not recommend reinstatement to the NOP if the operation has sold, labeled, or represented product as organic during the suspension period, unless the operation has already resolved the violation with the NOP. NFC has also implemented the new reinstatement checklist which will include verification if the operation has been selling, labeling, or representing product as organic during the suspension period to be included in the reinstatement submission.

**2023 Verification of Corrective Action:** The auditors reviewed certification files and interviewed staff and found NFC had not submitted a reinstatement request to NOP since NOP's acceptance of the corrective action. Therefore, NFC's corrective action will remain 'accepted' and NOP will attempt to verify the effectiveness of it at NFC's next audit.

### **Noncompliances Identified during the Current Assessment and Corrective Actions**

**AIA-5310-23 – 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:** *During a witness audit of a crop and handling inspection, the auditor observed that the inspector did not identify the use of an input for disease control without preventive measures, as required in §205.206(a) & (d), as an issue of concern.*

**Corrective Action:** NFC determined that this issue resulted from lack of prompts in the *Crops Inspection Report Checklist* to verify use restrictions for pest or disease control inputs, and NFC's *Operation Input List* template not including use restrictions. On November 9, 2023, NFC implemented a new *Crops Inspection Report Checklist* which includes specific verification points for pest and disease management input use restrictions. Prior to its crop operations' next inspections, NFC plans to migrate all crop operation files to its new certification platform which includes a module for tracking inputs. NFC provided an example of a crop operation input list generated from the new platform, which includes applicable use restrictions and guidance for inspectors to verify compliance with applicable requirements of § 205.206. NFC will now provide inspectors with this input list prior to each inspection. The Crops Certification Coordinator plans to review the new input verification process with each inspector prior to their next crops inspection.

**AIA-5639-23 – 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:** *NFC does not demonstrate the ability to fully comply with the requirements for accreditation as outlined in §205.504(b)(6) and NOP 2610 Instruction: Sampling Procedures for Residue Testing. The auditors’ review of NFC’s quality management system and operation files found that NFC does not have procedures for sampling and residue testing.*

**Corrective Action:** NFC revised its *Standard Operating Procedure: Residue Sampling and Responding to Results* to provide inspectors with more detailed instruction about collecting and shipping samples, including when and how inspectors should ship samples to the laboratory. NFC also revised its inspection report templates to include questions about sample collection and submission to the laboratory, and revised its residue sampling review checklist to include verification that the inspector followed the sampling procedure. NFC implemented the revisions on November 9, 2023, and conducted certification staff and contract inspector training on the revised documents on December 21, 2023.

**AIA-5641-23 – 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:** *NFC does not fully implement the NOP’s international organic trade arrangement policies and procedures, as outlined in the NOP’s International Trade Policies. The auditors reviewed organic certificates of operations eligible for USCOEA equivalence and found that NFC’s certificates include an incorrect attestation statement “Certified in compliance with the terms of the US-Canada Organic Equivalency Arrangement”, instead of the correct attestation “Certified in accordance with the terms of the U.S.-Canada Organic Equivalency Arrangement.”*

**Corrective Action:** NFC updated its *Organic Program Manual*, internal USCOEA equivalency checklist, and certificate template in its new certification platform with the correct attestation statement. All NFC’s certificates are now generated from the template in their new certification platform using the correct attestation statement for products designated as compliant with USCOEA, and NFC provided an example of a compliant certificate. NFC plans to issue corrected certificates to currently certified clients over the course of the next certification cycle.

**AIA-5653-23 – 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:** *NFC does not consistently demonstrate the ability to fully comply with the requirements for accreditation. The auditors’ review of certification files found that NFC does not consistently issue notices of noncompliance in a timely manner. For one operation, NFC did not issue a notice of noncompliance for failing to pay certification fees and submit an annual update until 119 days after the operation’s anniversary date.*

**Corrective Action:** NFC stated that the notice of noncompliance identified was issued at a time when the NFC Administrator was responsible for issuing all notices alongside other job responsibilities. NFC has since hired a Document Manager who is now responsible for issuing noncompliances to operations which do not submit their annual update or pay certification fees within 30 days of the due date. NFC revised its *Standard Operating Procedure: Organic Certification Process* to describe how the administrative staff track operations’ renewal process and notify the Document Manager of operations which are overdue to submit their annual update and provided screenshots of the tracking system used by NFC staff.

**AIA-5656-23 – 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:** *NFC does not carry out the provisions of the Act and regulations. The auditors review of certification files found that NFC does not always require organic system plans (OSPs) to contain complete and accurate information required to determine compliance per §205.201(a)(1) & (2), demonstrated by the following examples:*

1. *A crop operation’s OSP did not identify a source for a peat product used in a soil mix.*
2. *Two crop operations’ OSPs did not contain sufficient descriptions of crop rotation plans.*
3. *A handling operation’s OSP identified the use of a quaternary ammonia sanitizer but did not include how contamination of organic products with the sanitizer was prevented.*
4. *A crop operation’s OSP did not contain details reported in the most recent inspection report, including the use of soil and tissue testing, a description of the regular use of allowed pesticides, and the purchase and use of non-organic seed.*

**Corrective Action:**

1. NFC provided documentation demonstrating that the operation’s OSP listed the peat product in both the Soil and Crop Fertility section and the Master Input List, but only the Master Input List contained the full name and source of the product. NFC implemented a revised Soil and Crop Fertility OSP form on March 31, 2023 to remove redundant references to inputs, and collected an updated OSP from the operation on October 13, 2023. Additionally, on November 9, 2023, NFC implemented revisions to its *Standard Operating Procedure: Organic Reviews – Crops* and crops application review checklist to require reviewers verify that product names listed on the Master Input List match what is on the supporting compliance documents for each input. NFC conducted training with certification staff and inspectors on the revised documents on December 21, 2023.
2. NFC implemented revised crop OSP forms which collect additional crop rotation information in January 2023, but the operations had not yet filled out the new form at the time of the NOP audit. NFC reported that one operation was nonresponsive to requests for OSP updates and has been suspended; the other operation provided updated crop OSP forms on October 13, 2023. As of December 26, 2023, NFC reported that all their crop operation clients have updated their OSPs using the revised forms. Additionally, on November 9, 2023, NFC revised its *Standard Operating Procedures: Organic Reviews – Crops* and *Organic Inspections - Crops*, its crops application review checklist, and its crop inspection report checklist to instruct reviewers and inspectors to verify the operation’s crop rotation activities are consistent with their OSP and compliant with the regulations. NFC conducted training with certification staff and inspectors on the revised documents on December 21, 2023.
3. NFC collected an updated OSP from the operation which no longer lists quaternary ammonia products as sanitizers. NFC updated its handling application review checklist and handling inspection report checklist to include verification points specifically for quaternary ammonia sanitizers including contamination prevention practices. Additionally, NFC identified all certified handlers with quaternary ammonia-based products listed in their OSP and have flagged these files for the next inspector and reviewer to verify whether the contamination prevention measures are fully documented in their OSP and are sufficient. NFC conducted training with certification staff and inspectors on the revised documents and plan for verifying quaternary ammonia contamination prevention practices at upcoming inspections on December 21, 2023.
4. NFC implemented revised crop OSP forms in January and March 2023 which collect additional details on the use of soil and tissue testing, the use of allowed pesticides, and the

purchase and use of non-organic seed. NFC collected an updated OSP from the operation on October 13, 2023. Additionally, on November 9, 2023, NFC revised its internal review and inspection report checklists to require inspectors verify accuracy of the OSP and require reviewers to collect and document any OSP updates identified in the inspection report. NFC conducted training with certification staff and inspectors on the revised documents on December 21, 2023.

## **NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT**

### **GENERAL INFORMATION**

- **Certifier Name** Natural Food Certifiers (NFC)
- **Physical Address** 80 Broad Street, 5th Floor, Suite 502  
New York, New York 10004
- **Audit Type** Mid-term Assessment (Desk Audit)
- **Auditors & Audit Dates** Jessica Walden, Patricia Bursten, & Alicia Hudson  
08/30/2021 to 09/03/2021
- **Audit Identifier** NOP-47-21

### **CERTIFIER OVERVIEW**

Natural Food Certifiers (NFC) is a private entity located in New York, NY. NFC was originally accredited by the USDA National Organic Program (NOP) on October 8, 2002 to certify Crops, Livestock, and Handling/processing operations.

NFC certifies 145 operations: 7 Crops, 3 Livestock, and 145 Handling/processing operations. NFC provides certification services in Arizona, California, Colorado, Connecticut, Delaware, Florida, Illinois, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New York, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and Washington.

Certification services are performed by the Program Administrator, one administrative staff member, three reviewers, and seven contract inspectors.

On October 5, 2018, the USDA issued NFC a Decision Without Hearing by Reason of Consent (ALJ Settlement). As part of this audit, auditors reviewed whether NFC had adequately met the remaining terms of the ALJ Settlement.

## **NOP DETERMINATION:**

NOP reviewed the audit results to determine whether NFC'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-2864-20 – Cleared.**  
**AIA-2865-20 – Cleared.**  
**AIA-4153-20 – Cleared.**  
**AIA-4154-20 – Cleared.**  
**AIA-4155-20 – Cleared.**  
**AIA-4156-20 – Cleared.**  
**AIA-4157-20 – Cleared.**  
**AIA-4158-20 – Cleared.**  
**AIA-4159-20 – Cleared.**  
**AIA-4160-20 – Cleared.**  
**AIA-4162-20 – Cleared.**  
**AIA-4163-20 – Cleared.**  
**AIA-4167-20 – Cleared.**  
**AIA-4168-20 – Cleared.**  
**AIA-4170-20 – Cleared.**

**AIA-4161-20 – 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:** *During the auditor's review of two inspection reports for handlers, the inspector did not verify all aspects of the OSP. For operations that process both organic and conventional products, the inspectors did not report practices to prevent commingling or specify equipment purge on packaging lines. During a witness audit of a crop producer, the inspector did not verify the information reported on the operation's OSP.*

**2016 Corrective Action:** NFC's response is to ensure that the OSP and inspection report are cross checked by the reviewer to be in agreement. This corrective action does not address the noncompliance of OSPs not being verified during inspection.

**2018 Verification of Corrective Action:** Witness inspections conducted revealed NFC inspectors were not conducting an on-site verification of the operations approved OSP. The following on-site deviations from the operations' OSP were not noted by the inspectors:

- Organic products not listed on the operation's organic certificate, that were requested in the OSP.
- Operation's noncompliant outdoor access policy and lack of confinement documentation.
- Bag style fly traps in use that are not listed or approved on the OSP.
- An operation's use of a label that was not approved by the certifier.

- OSP identified organic storage and the onsite organic storage was not labeled.
- No on-site verification of labels approved in the OSP.
- The OSP's approved pest control plan specified trap location and trap bait used as determined by trap location. The inspection did not verify the location of traps or bait within the trap. This occurred despite the certifier's inspection instructions listing pest control verification as a focus of the inspection.

**2020 Corrective Action:** Effective May 28, 2019, NFC requires inspectors to complete the NFC inspection report checklist to address all key issues that may be missed in a narrative report. Inspection Report Checklist requires the inspector to verify that operation's OSP is consistent with what is observed at the inspection. Effective January 1, 2021, NFC implemented the use of a new NFC exit interview template that inspectors are required to use as well. The Inspector SOP has been revised to include the new requirements and all inspectors received copies of the SOP and templates. During onsite evaluations, NFC will verify that inspectors are using NFC templates. NFC also plans to send NFC inspectors doing more than 2 inspections to an advanced inspection training with IOIA. The timeframe will be determined once IOIA resumes onsite trainings. NFC reviewed the internal policy update during the NFC Staff Monthly Meeting on December 28, 2020.

**2021 Verification of Corrective Action:** The auditors' review of two mixed crop and livestock operations found that there were no inspection checklists used. The narrative reports for these operations did not demonstrate that the inspectors adequately verified the operations' OSPs. The inspectors did not address the operators' compliance with feed, seed, and material use restrictions. The auditors were able to verify that NFC inspectors are consistently using the exit interview templates, that NFC sent inspectors to IOIA Level 2 courses, and that NFC demonstrated that inspectors have access to the shared drive, with document templates and SOPs.

**2022 Corrective Action:** NFC implemented a livestock and crops inspection checklist in August 2021 although they did not conduct any inspections for these scopes between the implementation date and the 2021 midterm assessment. The checklist includes verification points for seed and material use restrictions. In January 2023, NFC hired a new staff person as the Crops Certification Coordinator (CCC) to oversee NFC's crop certification activities and further develop crops scope policies and procedures. NFC plans for the CCC to complete development and revision of crops policies, procedures and documents completed by the end of March 2023, and plans to conduct training for certification staff and inspectors on NFC's updated crop certification program in the second quarter of 2023. Additionally, NFC ceased accepting livestock applications in September 2021, submitted a request to surrender livestock scope accreditation to NOP on December 19, 2022, and plans to remove livestock scope from the checklist once the surrender process is complete on March 31, 2023. NFC submitted the crop and livestock inspection checklist template, two completed checklists from 2022 inspections, the CCC position description, the resume for the newly hired CCC, and the livestock accreditation surrender request to the NOP.

## **Verification of October 5, 2018 Decision Without Hearing by Reason of Consent**

Any term labeled as “**Adequate**,” indicates that the term was determined to have been met. Any term labeled as “**Inadequate**” indicates that either the review could not verify implementation of the term or that records reviewed did not demonstrate that the term was met. Any term labeled as “**Not Yet Verified**” indicates that additional actions are needed in order for the NOP to verify whether the term has been met.

### **Terms:**

1. Within twenty-four (24) months of the issuance of this Order, Respondent will undergo two additional accreditation audits conducted by NOP at Respondent's expense.

#### **2021 Verification of Term: Adequate.**

*The first additional accreditation audit was conducted December 3-7, 2018. The audit conducted on August 30, 2021 – September 3, 2021 covered the second compliance audit as well as NFC's Mid-term Audit.*

2. Within twenty-four (24) months of the issuance of this Order, Respondent will undergo two additional witness audits of an on-site inspection of a USDA organic program certification operation, with those witness audits conducted by NOP at Respondent's expense. The inspections should occur roughly annually, with the first inspection occurring after ten (10) months have passed, and the second inspection occurring before the full twenty-four (24) months have passed.

#### **2020 Verification of term: Adequate.**

*Three (3) witness audits were conducted in conjunction with the Renewal Assessment in December 2018.*

3. Respondent will obtain the services of a qualified accreditation consultant to develop an on- going training program for certification staff, inspectors, and contractors to ensure an adequate staff skill level for maintaining compliance with the USDA organic regulations. Respondent's training will provide a minimum of 40 hours of training time per year for two (2) years. Respondent's training materials will address USDA organic regulations, NOP Handbook, NOP international trade arrangements and NOP policy updates. Respondent will submit its annual training plan to NOP within three (3) months of the issuance of this Order and on the same date the following year.

#### **2020 Verification of Term:**

- *The 2019 training schedule did not propose a minimum of 40 hours of annual training be provided. The 2020 training schedule was not submitted timely according to documents in file. The 2020 schedule was received by the Accreditation Manager on May 19, 2020, past the due date of January 5, 2020.*
- *The 2019 training schedule states “...all contracted inspectors will be invited to attend.” If contracted inspector’s attendance is not required, the submitted schedule does not meet the settlement agreement term requirement of “ensure an adequate staff skill level for maintaining compliance with the USDA organic regulations.”*
- *The accreditation consultant hired does not meet the requirements of “a qualified accreditation consultant” as listed in the term of the settlement agreement. The consultant’s experience in the*

*organic industry was very limited. The consulting agency's owner was primarily experienced in food safety auditing and training, not organic.*

**2021 Corrective Action:**

- Based on NFC's records, the training hours provided in 2019 were 40 hours of training for staff members. The delay in submitting the proposed training schedule for 2020 occurred during the transition of the Program Administrator position. However, the training provided over the 2020 year was 40 hours annually per staff member. This issue will not reoccur in the future as the NFC Program Administrator includes reminders on his calendar for submitting required items to the NOP.
- NFC has created a new training program moving forward that requires 25 hours of training annually. NFC has revised the language for the training requirements to include that contractors need to provide verification they have attended the required hours of training. Contracted employees must join the NFC trainings or provide comparable training evidence or NFC can choose not to use them moving forward.
- The consultant originally hired to assist with developing the training schedule is an organic consultant for operations and NFC understood that to be sufficient. The new Program Administrator, after consulting with other certifiers and consultants, has decided to utilize IOIA, ACA and the NOP for most of the NFC staff training options.

**2021 Verification of Term: Adequate.**

*NFC provided training and staff logs for 2019-2021. For each employee and contractor there was approximately 40 hours of training for 2020, and 15 hours of training to date for 2021. For 2019, the log was less specific, although the Program Administrator indicated that all staff and contractors attended most of the trainings NFC conducted, for a total of more than 40 hours per person. No outstanding issues were found.*

4. Respondent will submit objective evidence of their implemented written or electronic system—including a description of their quality management system for version control of Respondent templates, operator file documents, and label reviews—to the NOP within one (1) month of the issuance of this Order.

**2020 Verification of Term:**

*The submission does not include "a description of their quality management system for version control of Respondent templates." Interview with the Document Manager and Assistant Administrator revealed the current process is a template or form is changed and saved with a date in the title. Staff are expected to use the document with the most current date. This does not specify the process of which the templates are stored after revision. It also does not specify how new versions are communicated to all staff for use.*

**2021 Corrective Action:** The previous templates of NFC's documents are stored on the Google Drive System under NFC's system folder titled "previous versions". Whenever templates are updated, the NFC Program Administrator will email the revised template to all personnel that will be using it. Any contracted staff will generally receive the needed current checklists when they receive a certification task and NFC will not rely on them having it previously stored on their computer. All staff have access to the NFC templates folder on the Google Drive System to have access to the most current version. As NFC personnel numbers have grown, NFC has added the protocol to include the document number on the header of each document.

**2021 Verification of Term: Adequate.**

*All staff employees and contractors who do more than three reviews and inspections with NFC have access to the google drive. Contractors doing less than three inspections a year do not have access, but are sent the most current templates and inspection checklist at the time they are assigned inspections. The auditors reviewed the google drive that contains organized and controlled documents that are managed by the Program Administrator. The auditors also viewed the folder that contained previous document versions as well as the document control log that records the document numbers and most recent version date. All certification documents include a document control number and version history. No outstanding issues were found.*

5. Respondent will submit future corrective actions using the format it used for its submission to the NOP on May 23, 2018.

**2020 Verification of Term: Adequate.**

*NFC has changed its format for corrective action submissions to mirror the May 2018 submission and provide a full description in response to NOP-issued noncompliances. This includes a description of the changes implemented to correct the cause of the noncompliance and prevent it in the future. NFC submitted corrective actions to NOP-27-18 Noncompliance Report in the appropriate format.*

6. Respondent will contract with an outside entity to conduct its annual employee performance evaluation of the Administrator. The outside entity will be knowledgeable of the USDA organic regulations, and Respondent will not otherwise employ the outside entity either as an employee or contractor.

**2020 Verification of Term:**

*NFC initially contracted with a consulting agency whose experience in the organic industry was very limited. The agency's owner was primarily experienced in food safety auditing and training. The Administrator stated he was evaluated in November 2018 by the agency. A field evaluation was to be conducted in January 2019. A performance evaluation and field evaluation were both completed in December 2019 by the director of another USDA NOP accredited certifying agent. Both evaluations seem to be satisfactory. However, neither show that the NFC Administrator received a satisfactory, passing, or otherwise acceptable opinion of performance.*

**2021 Corrective Action:** The new Program Administrator now manages completion of all performance evaluations. To ensure completion of an acceptable evaluation of the Program Administrator by an outside entity that would be knowledgeable of the USDA organic regulations, NFC has implemented a new contract with the director of another USDA accredited certifying agency so that this issue will not reoccur. In 2020, the performance review of the Program Administrator was conducted by the other agency and includes acceptable evaluation and opinion of performance.

**2021 Verification of Term: Adequate.**

*The 2021 performance review of the Program Administrator was conducted by an outside agency and includes an adequate evaluation and summary of the Program Administrator's performance. No outstanding issues were found.*

## **Noncompliances Identified during the Current Assessment and Corrective Actions**

**AIA-7606-21 – 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:** *NFC does not 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 prior to performing the duties assigned. The auditors’ review of certification files and interviews with certification staff identified the following issues with NFC’s expertise in assessing livestock materials/inputs for compliance with the USDA organic regulations:*

- 1. An approved livestock OSP included a prohibited pesticide for use directly on livestock. The inspector did not mention this in the inspection report and the reviewer did not identify this as a noncompliance.*
- 2. An approved livestock OSP included a nonorganic livestock feed. The inspector did not mention this in the inspection report and the reviewer did not identify this as a noncompliance.*
- 3. Lime requested for use as a livestock housing sanitizer approved by a contract reviewer was based on verification documentation from a Material Review Organization that approves the lime as a crop fertilizer/soil amendment. The reviewer could not provide additional justification on whether the lime is also allowed for livestock use.*

**Corrective Action:** NFC reviewed the file for the operation whose OSP included a prohibited pesticide and nonorganic livestock feed, and confirmed with the most recent inspector that the noncompliant input and feed were not being used for organic production and had been included on the OSP in error. NFC collected, reviewed and approved an updated input list for the operation, which was verified at the May 2022 inspection. NFC suspended the operation for which the lime was incorrectly approved on October 7, 2021. Additionally, NFC ceased accepting livestock applications in September 2021 and submitted a request to surrender livestock scope accreditation to NOP on December 19, 2022. NFC submitted the updated input list and 2022 inspection report for the livestock operation, and livestock accreditation surrender request to the NOP.

**AIA-7607-21 – Accepted.** 7 C.F.R. §205.404(b)(1) – (4) states, “The certifying agent must issue a certificate of organic operation which specifies the: Name and address of the certified operation; Effective date of certification; Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation; and Name, address, and telephone number of the certifying agent.;

**Comments:** *NFC’s organic certificates are missing the required elements identified in **NOP 2603 Organic Certificates**. The auditor’s review of certification files found that:*

- 1. Certificate templates incorrectly state, “Certification is valid until surrendered, suspended, or revoked per USDA NOP section §205.404(c).”*
- 2. One certificate issued did not include specific certified organic products. Instead, the certificate listed only “livestock” and locations.*

**Corrective Action:** NFC revised the organic certificate template to include all required elements identified in NOP 2603 and specifically indicate the type of livestock certified. NFC issued a corrected organic certificate to the livestock operation which listed the type of livestock certified.

NFC will use the new certificate template to issue updated certificates as currently certified operations complete the renewal process. NFC conducted certification staff training on the revisions to the certificate template at the December 15, 2022 staff meeting. Additionally, NFC ceased accepting livestock applications in September 2021 and submitted a request to surrender livestock scope accreditation to NOP on December 19, 2022. NFC submitted updated certificate templates, a copy of the corrected livestock operation certificate, and the NFC staff meeting agenda and attendee list to NOP.

**AIA-7608-21 – Accepted.** 7 C.F.R. §205.501(a)(1) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Have sufficient expertise in organic production or handling techniques to fully comply with and implement the terms and conditions of the organic certification program established under the Act and the regulations in this part;”

**Comments:** *NFC does not have sufficient expertise in organic livestock production techniques to comply with and implement a USDA organic certification program for ruminant livestock operations. The auditors’ review of certification files and interviews with certifier staff uncovered multiple issues in ruminant livestock operation documentation, verification, and expertise.*

*Specifically:*

1. *NFC staff does not have sufficient expertise to oversee certification activities for ruminant livestock operations. The Program Administrator stated that livestock certification is a shortcoming in their program, and certification oversight relies exclusively on contractors.*
2. *NFC did not recognize when the contractors were also deficient in ruminant livestock certification knowledge and unable to verify compliance of operations.*
3. *Review of livestock inspection files revealed insufficient information to verify the compliance for crop yield, recordkeeping, livestock healthcare, livestock feed, grazing and DMI.*
4. *NFC did not issue noncompliances to correct the following issues identified during pre-inspection, inspection report, and exit interview reviews:*
  - a. *Complete feed records, including “as fed” records, are not maintained by the operation;*
  - b. *Dry Matter Intake (DMI) fell below 30% over the grazing season.*
5. *NFC inspectors have not been conducting DMI audits for ruminant livestock operations. During interviews with inspection staff the inspector stated that they reviewed the DMI worksheet submitted by the operation, but did not complete a DMI audit from the records of actual feed fed.*
6. *In the review of a ruminant livestock operation’s OSP the auditors identified multiple prohibited livestock inputs that were not identified by either the reviewer or inspector.*
7. *The Master Input List provided at annual renewal of a ruminant livestock operation did not include a complete list of all inputs in use. The auditors’ review of the inspection report found that the inspector had taken photos of inputs, which were not included in the OSP. The inspector provided no explanation about how the inputs are used and whether the OSP needed to be updated. There is no evidence that the NFC reviewer assessed the materials for compliance or ensured that a complete list was provided.*

**Corrective Action:** NFC suspended its only certified ruminant livestock operation on October 7, 2021. Additionally, NFC ceased accepting livestock applications in September 2021 and submitted a request to surrender livestock scope accreditation to NOP on December 19, 2022.

**AIA-7609-21 – 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:** *NFC does not fully carry out the procedures of NOP 2601 The Organic Certification Process. The auditors’ review of a producer file identified that the inspector did not verify all production units included on the certificate.*

**Corrective Action:** NFC determined that this issue arose from the inspector not following NFC inspection procedure and NFC’s deficiencies in livestock certification. NFC stopped using the inspector in question and confirmed that all NFC inspection report checklists and final review checklists include verification of all production locations. NFC conducted certification staff training on this topic at its December 15, 2022 staff meeting, and conducted additional training for all staff and inspectors on February 23, 2023. Additionally, NFC has submitted a request to surrender livestock scope accreditation to NOP. NFC submitted inspection report checklists, final review checklists, livestock accreditation surrender request, and the training materials and attendance lists to NOP.

**AIA-7610-21 – Accepted.** 7 C.F.R. §205.406(c) states, “If the certifying agent has reason to believe, based on the on-site inspection and a review of the information specified in §205.404, that a certified operation is not complying with the requirements of the Act and the regulations in this part, the certifying agent shall provide a written notification of noncompliance to the operation in accordance with §205.662.”

**Comments:** *NFC does not issue its certified operations a notice of noncompliance even though the review of the inspection report finds that the operation does not comply with the USDA organic regulations. The auditor’s review of certification files identified the following issues noted in the inspection report that were not identified by NFC reviewers as noncompliances:*

- 1. An inspection report for a handling operation stated that the operation sends organic product to a contract processor to add a color coating to the organic product. This practice is not stated in the operation’s organic system plan (OSP), the inspection report did not provide verification that the contract processor is certified organic, and NFC reviewers did not identify this as an issue of concern or follow up with the operation.*
- 2. An inspection report for a handling operation stated that the results of both the traceability and mass balance exercises demonstrated that more organic product was processed and/or sold than what was substantiated by the quantity of organic ingredients available. NFC issued a noncompliance regarding the discrepancy identified during the traceback exercise but did not issue a noncompliance for the discrepancy found during the mass balance exercise.*
- 3. An inspection report for a livestock operation identified feather meal – a prohibited slaughter-byproduct – as an input fed to organic poultry. This practice is not included in the operation’s organic system plan and the NFC inspector and reviewer did not identify this as an issue of concern or follow up with the operation.*
- 4. An inspection report for a livestock operation identified numerous purchased feed rations that were not included in the operation’s organic system plan and the inspector and reviewer did not identify this as an issue of concern or follow up with the operation.*

**Corrective Action:**

- NFC issued the handling operation a notice of noncompliance on July 19, 2022 for the use of a third-party copacker not included in their OSP. The operation resolved the noncompliance by submitting an updated OSP including the master product list, process flow chart and verification of organic certification status for the copacker, and conducting staff training on including copackers in their OSP. NFC reported that it no longer contracts with the inspector or

reviewer in question. NFC revised their inspector qualifications to require new inspectors to either provide evidence of inspection experience and a field evaluation from another agency, or undergo field training and evaluation from NFC prior to conducting inspections. Additionally, NFC implemented a new SOP for certification reviews which includes several verification points related to copackers. NFC also added several verification points for copackers to the handling inspection report checklist. NFC updated their OSP template to include a master copacker list, began tracking operations' copackers in NFC's new certification platform, and is sending the new template to certified operations to complete and submit with their annual update. Additionally, NFC conducted certification staff and contract inspector training on copacker verification on February 23, 2023.

2. NFC reviewed the operation in question and reported that their corrective actions for the noncompliance issued for the traceback exercise discrepancy also resolved the concern raised regarding the mass balance exercise discrepancy. NFC reported that it no longer contracts with the inspector or reviewer in question. NFC revised the inspection report checklists to include a table to document traceback and mass balance exercises and identify any discrepancies found. NFC also revised the final review checklist to document review of traceback and mass balance findings. NFC implemented new SOPs for inspections and certification reviews which include requirements for traceback and mass balance exercises. Additionally, NFC is implementing a new certification platform which will automatically add findings from the inspection report to the exit interview form. NFC conducted certification staff and contract inspector training on the revised checklists, SOPs and requirements for inspector qualifications on December 15, 2022 and February 23, 2023.
3. & 4. NFC's review of the operation's file found inaccuracies in the inspector's documentation related to these noncompliant feed rations. NFC collected, reviewed and approved updated input list including compliant feed rations for the operation, which were verified at the May 2022 inspection. Additionally, NFC ceased accepting livestock applications in September 2021 and submitted a request to surrender livestock scope accreditation to NOP on December 19, 2022.

**AIA-7611-21 – 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:** *NFC does not fully carry out the procedures of NOP 2613 Instruction Responding to Results from Pesticide Residue Testing. The auditors' review of pesticide residue analysis reports found that NFC does not always immediately inform operations that their product may not be sold as organic when residues are detected and there are no established EPA tolerance or FDA action levels. In one case, the operator was not informed of a positive detection that required exclusion from sale for one month from the date the test result was received.*

**Corrective Action:** NFC determined that this issue arose in December 2019 while NFC was transitioning to a new administrator which led to a delay in addressing the residue detection. NFC implemented a new internal procedure for residue sampling and responding to results. The Document Manager is responsible for managing the implementation of the procedure, while the NFC Administrator is responsible for approval of notices related to residue results. The procedure specifies that NFC will notify operations within five business days of receiving sample analysis results if the sampled product may not be sold as organic, and revised the residue result checklist and internal administrative log to document the notification occurred. NFC conducted training for certification staff on the revised procedure, checklist and residue log at the December 15, 2022 staff

meeting. NFC submitted copies of the revised procedure, checklist, residue log, examples of residue detection notifications sent to clients in 2021 and 2022, and the NFC staff meeting attendance list and agenda to the NOP.

**AIA-7612-21 – 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:** *NFC does not fully carry out the procedures of NOP 5032 Guidance Products in the Made with Organic Labeling Category and 205.304(a)(1)(ii). The auditors’ review of product labels identified the following:*

1. *A product that is only eligible to make a “made with organic\*\*\*” label claim represented a finished product as “organic”, which does not meet the requirements of NOP 5032. The label displays the NFC logo on the principal display panel (PDP). NFC’s logo includes the word “Organic” in capital letters on the top of the logo. There is no other claim on the PDP to clarify this product is certified to the “made with organic\*\*\*” category.*
2. *A product making a “made with organic chaga” label claim includes organic and nonorganic forms of chaga mushrooms.*

**Corrective Action:**

1. NFC received confirmation from the operation that they have not copacked any orders of the “made with organic \*\*\*” product in question since September 2021, and they will submit a corrected label to NFC for review and approval prior to the next production run requested by the customer. NFC revised its Organic Program Manual to specify that “made with organic \*\*\*” product labels may only use the NFC logo on the back panel and only if the label includes a clear “made with organic \*\*\*” claim, and revised the label review checklist to include verification points for these requirements. NFC conducted training for certification staff on the revisions to the organic program manual and label review checklist at the December 15, 2022 staff meeting.
2. On November 16, 2022, NFC issued a noncompliance to the operation for the noncompliant “made with organic chaga” product label. The operation submitted revised product labels and updated internal procedures for label review and approval. NFC revised its label review checklist to include a verification point for products containing organic and nonorganic forms of the same ingredient. NFC conducted training for certification staff on the revisions to the label review checklist at the December 15, 2022 staff meeting.

**AIA-7613-21 – 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:** *NFC does not 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 prior to performing the duties assigned. The auditor’s review of certification files and interviews with certification staff identified the following issues:*

1. *NFC does not adequately review certification documents for accuracy. The auditors identified several mistakes on notices of noncompliance, adverse action notifications, TM-11 documents for shipments to Japan, organic certificates, and the quality manual. Examples include*

*inaccurate dates and grammatical mistakes on noncompliance and adverse action notifications, grammatical mistakes on TM-11 documents and organic certificates, and contradictory policies in the quality manual.*

2. *NFC does not always sufficiently verify that products listed on EU Certificates of Inspection (COI) are certified organic. The auditors reviewed a signed EU COI that listed “chocolate” with no lot number. The corresponding customer invoice listed both organic and nonorganic chocolate products. NFC did not require that the EU COI only list the chocolate products that were certified organic.*
3. *The mass balance and traceability exercises carried out by inspectors for the handler, livestock, and crop files were not adequate. The auditors identified the following issues during the review:*
  - a. *For the mass balance exercises in the two handler files reviewed, it was not clear which records the inspector reviewed to determine the quantity of the organic products received, quantity used in processing, quantity sold, and quantity stored.*
  - b. *Inspectors are not calculating the quantities of organic products manufactured and/or sold, only the ingredients received, used in production or stored, and in inventory. Therefore, there is no verification that the quantities of processed products produced and sold are supported by the quantities of organic ingredients received and used in manufacturing.*
  - c. *The audit trail exercises in one livestock operation did not trace all activities from crop production, through livestock activities, to sale of final handled products.*
  - d. *The auditor’s review of inspection reports for one producer and one handler operation determined that the traceback included only the names of documents, with no specific documentation links and quantities described.*

**Corrective Action:**

1. NFC reported that this issue arose from the NFC Administrator performing the additional role of Document Manager (DM), resulting in lack of capacity to perform accurate work. In September 2022, NFC designated the DM role as a separate position and began training another staff person to take on the role. NFC expects the new DM to be fully trained and performing all assigned duties within the first half of 2023. NFC reformatted the organic program manual and internal procedures into one document; reviewed and revised content for accuracy and compliance with the NOP regulations; and added an annual quality manual review requirement to be documented in the NFC admin log. NFC conducted training for certification staff on the revised quality manual and verifying document accuracy at the December 15, 2022 staff meeting. Additionally, NFC plans to complete implementation of a new certification platform by end of first quarter of 2023 to standardize content generation for most notices and certificates and minimize opportunity for human error. NFC submitted training records for the new DM, the revised organic program manual, NFC admin log, certificate and notification templates and work instructions for the new certification platform, and the NFC staff meeting attendance list and agenda to the NOP.
2. NFC revised its exports procedure and EU/UK export review checklists to require all COI certificates list the lot numbers and product names requested for export, and product names match the product names on the operation’s organic certificate. NFC conducted training for certification staff on the revised procedure and checklists at the December 15, 2022 staff meeting. NFC submitted the revised procedure and checklists, a copy of a recently issued COI, and the NFC staff meeting attendance list and agenda to the NOP.
3. NFC reported that the two inspectors of the operations in question had performance concerns and no longer conduct inspections for NFC. NFC revised their inspector qualifications to require new inspectors to either provide evidence of inspection experience and a field evaluation from another agency, or undergo field training and evaluation from

NFC prior to conducting inspections. NFC revised the inspection report checklists to include a table to document traceback and mass balance exercises and identify any discrepancies found. NFC also revised the final review checklist to document review of traceback and mass balance findings. NFC implemented a new SOP for inspections which includes requirements for traceback and mass balance exercises. NFC conducted training for certification staff on the revised checklists, SOP and requirements for inspector qualifications at the December 15, 2022 staff meeting. NFC conducted additional staff training on inspection protocols and audit trail requirements on February 23, 2023. NFC submitted the updated SOPs for inspections, the revised handling inspection report and final review checklists, and the training materials and attendance lists to NOP.

**AIA-7614-21 – 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:** *NFC does not consistently demonstrate the ability to fully comply with the requirements for accreditation. The auditor’s review of certification files found that organic system plan (OSP) templates do not fully address the requirements of §205.201(a)(3), which require operators to “provide a description of the monitoring practices and procedures to be performed and maintained, including the frequency with which they will be performed, to verify that the plan is effectively implemented.”*

**Corrective Action:** NFC revised its OSP form to require operators to provide a description of monitoring practices and procedures. NFC implemented the revised OSP form in January 2023 and will require all currently certified operations to complete the new OSP form with their next annual update. NFC also revised its OSP review and inspection report checklists to verify compliance with §205.201(a)(3). NFC conducted training for certification staff on the revised forms at the December 15, 2022 staff meeting. NFC submitted the draft OSP form, revised checklists and the NFC staff meeting attendance list and agenda to the NOP.

**AIA-7616-21 – Accepted.** 7 C.F.R. §205.501(a)(11)(vi) states “A private or governmental entity accredited as a certifying agent under this subpart must: Prevent conflicts of interest by: Ensuring that the decision to certify an operation is made by a person different from those who conducted the review of documents and on-site inspection.”

**Comments:** *NFC incorrectly waived inspection and certification fees for one operation though there is no policy for fee waivers. The decision to waive the fees was made by the NFC Chief Executive Officer, who also conducted the inspection of the operation.*

**Corrective Action:** NFC reported that the fees were waived by the previous Administrator, who has since left that position and no longer conducts inspections for NFC. On July 1, 2022, NFC notified the operation in question that NFC could no longer offer discounts not listed in its fee schedule. NFC updated the organic program manual to state that no discounts can be offered beyond what is described in the fee schedule. NFC conducted training for certification staff on the current fee schedule and revisions to the organic program manual at the December 15, 2022 staff meeting. NFC submitted the notice to the operation, the revised manual, and the NFC staff meeting attendance list and agenda to the NOP.

**AIA-7617-21 – Accepted.** 7 C.F.R. §205.501(a)(7) states, “A private or governmental entity accredited as a certifying agent under this subpart must: have an annual program review of its certification activities conducted by the certifying agent's staff, an outside auditor, or a consultant who has expertise to conduct such reviews and implement measures to correct any noncompliances with the Act and the regulations in this part that are identified in the evaluation.”

**Comments:** *The auditors' review of the 2020 and the 2021 Internal Program Review Report found that the report did not include all certification activities. NOP 2025 Instruction Internal Program Review, Section 3.2 states that "The annual internal program review of all certification activities ensures adherence to the regulations. The review must be conducted in a planned and systematic manner and the results must be documented in a report."*

**Corrective Action:** NFC revised its procedures to require the internal program review to cover all certification activities and added a verification point for internal program review to the NFC admin log. NFC contracted with a different third-party auditor to conduct NFC's 2022 internal program audit (completed July 29, 2022) in accordance with **NOP 2025 Instruction: Internal Program Review** and NFC's procedures. NFC conducted training for certification staff on the revised procedure and documents at the December 15, 2022 staff meeting. NFC submitted the revised procedure, the internal auditor's qualifications, the 2022 internal audit plan, the completed internal audit report including findings, the NFC admin log, and the NFC staff meeting attendance list and agenda to the NOP.

**AIA-7618-21 – 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:** *NFC does not submit to the NOP a copy of all the notices listed in §205.501(a)(15)(i). The auditor's review of certification files found that NFC is not submitting a copy of notices of noncompliance, notices of noncompliance resolutions, and all notices of suspension to the NOP.*

**Corrective Action:** NFC reported that copies of all notices of noncompliance, proposed adverse action, adverse action and noncompliance resolution have been sent to the NOP since September 1, 2021. NFC revised its internal procedure to require a copy of all such notices be sent to the NOP, and added a verification point to its noncompliance and adverse action checklist. NFC conducted training for certification staff on the revised procedure and checklist at the December 15, 2022 staff meeting. NFC submitted the revised procedure, revised checklist and the NFC staff meeting attendance list and agenda to the NOP.

**AIA-7619-21 – Accepted.** 7 C.F.R. §205.662(c) states, "When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, the certifying agent or State organic program's governing State official 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. When correction of a noncompliance is not possible, the notification of noncompliance and the proposed suspension or revocation of certification may be combined in one notification. 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 a suspension or revocation on future eligibility for certification; and (4) The right to request mediation pursuant to §205.663 or to file an appeal pursuant to §205.681."

**Comments:** *NFC's templates used for notifications of noncompliance, notifications of proposed suspension, and notifications of suspension do not reflect NFC's adverse action process nor the adverse action process and notification requirements of the USDA organic regulations. Specifically:*

1. *The post-inspection notice of noncompliance incorrectly states that a failure to submit a response or rebuttal will result in NFC suspending the operation's organic certification,*

*which “would stop all organic production.”*

2. *The post-inspection notice of proposed suspension template incorrectly states that “an effective resolution is possible by submitting (the) application and fees.”*
3. *The notice of suspension template incorrectly states that the operation being suspended is “not authorized be able to sell, label or represent (their) product as organic until such that the non-compliances are corrected and verifiable by NFC.”*

**Corrective Action:** NFC revised the templates for the notification of noncompliance, notification of proposed suspension, and notification of suspension to be compliant. Additionally, NFC reviewed all templates for compliance with NOP regulations and NFC internal procedures, and implemented a template revision log to document changes. NFC updated the document control SOP with the template revision process and updated the internal program review SOP to specifically include review of NFC templates and revisions. NFC conducted training for certification staff on the revised SOPs and new template revision log at the December 15, 2022 staff meeting. NFC submitted copies of the revised notification templates, the template revision log, the revised SOPs, and the NFC staff meeting attendance list and agenda to the NOP.



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**NATIONAL ORGANIC PROGRAM:**

**CORRECTIVE ACTION REPORT AUDIT AND REVIEW PROCESS**

An onsite renewal assessment of Natural Food Certifiers (NFC)’s organic program was conducted December 3-7, 2018. The National Organic Program (NOP) reviewed the auditor’s report to assess NFC’s compliance to the USDA organic regulations. This report provides the results of NOP’s assessment.

**GENERAL INFORMATION**

<b>Applicant Name</b>	Natural Food Certifiers (NFC)
<b>Physical Address</b>	100 Lawrence Street, Suite 304 Nanuet, NY 10954
<b>Mailing Address</b>	Same as above
<b>Contact &amp; Title</b>	Mendy Flamer, Program Administrator
<b>E-mail Address</b>	mendy@nfccertification.com
<b>Phone Number</b>	(914) 319-9040
<b>Reviewer &amp; Auditor</b>	Jon Frady, NOP Reviewer; Jason Lopez and Robert Yang, On-site Auditors
<b>Program</b>	USDA National Organic Program (NOP)
<b>Review &amp; Audit Date(s)</b>	Corrective Action Review: January 4 – March 2, 2021 NOP Assessment Review: April 29 – September 15, 2020 Onsite Audit: December 3 – 7, 2018
<b>Audit Identifier</b>	Renewal Assessment: NOP-27-18
<b>Action Required</b>	None
<b>Audit &amp; Review Type</b>	Renewal Assessment
<b>Audit Objective</b>	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of NFC’s certification
<b>Audit &amp; Determination Criteria</b>	<i>7 CFR Part 205, National Organic Program as amended</i>
<b>Audit &amp; Review Scope</b>	NFC’s certification services in carrying out the audit criteria during the period: February 2017 through July 2019; terms of settlement agreement dated August 29, 2018 with effective date of October 5, 2018.

Natural Food Certifiers (NFC) has been accredited since October 8, 2002. NFC is accredited for the scopes of crops, livestock, and handling. NFC certifies 130 operations certified to the National Organic Program (crops 3, livestock 2, and handlers 125). NFC’s offices are in Nanuet, NY, and a secondary office in Rockaway, NJ. NFC provides certification services in Arizona, California, Connecticut, Delaware, District of Columbia, Florida, Illinois, Massachusetts, Michigan, New

Jersey, New York, Pennsylvania, Tennessee, Texas, Virginia, Washington.

Certification services are performed by the Program Administrator, two office staff, and three contract inspectors. As part of the renewal assessment, witness audits were conducted on a crops, a livestock and a handling operation.

On October 5, 2018, the USDA issued NFC a Decision Without Hearing by Reason of Consent (ALJ Settlement). As part of the onsite audit, auditors reviewed whether NFC had adequately met the terms of the ALJ Settlement to date. In addition, the NOP reviewer examined information NFC submitted to the NOP outside the renewal assessment to determine whether NFC had met the terms.

## **NOP DETERMINATION**

The NOP reviewed the onsite audit results to determine whether NFC corrective actions adequately addressed previous noncompliances and whether NFC adequately met the terms of the settlement agreement. The NOP also reviewed the findings identified during the onsite audit to determine whether noncompliances should be issued to NFC.

### **Noncompliances from Prior Assessments & Corrective Actions**

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 onsite audit.

**NP0221ACA.NC1 – Cleared.**  
**NP2255OOA.NC3 – Cleared.**  
**NP5349RKA.NC1 – Cleared.**  
**NP5349RKA.NC2 – Cleared.**  
**NP5349RKA.NC4 – Cleared.**  
**NP5349RKA.NC5 – Cleared.**  
**NP5349RKA.NC15 – Cleared.**  
**NP5349RKA.NC16 – Cleared.**

**NP5349RKA.NC3 (AIA-4153-20) – Accepted.** 7 C.F.R. §205.404 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.” 7 CFR §205.501(a)(21) NOP Instruction 2603 “Organic Certificates.”

#### **Comments:**

*a) The auditors noted that the certificate does not report the following dates: anniversary, effective, and issue. On two certificates reviewed, only the month and year are specified. Furthermore, the certifier’s address, website, and phone number are not shown on the certificate. Finally, the certificate does not specifically state “Certified to the USDA organic regulations, 7*

CFR Part 205.” It only states the operation “has met the USDA – National Organic Program Standards.”

*b) One operation is certified under an incorrect scope. The certificate reports the operation as a Handler, which is appropriate for the packaging operations conducted. However, the operation should be certified for the scope of Crops too, based on its current production activities.*

*c) A certificate was issued to Canadian operation as an “organic trader,” which is not a recognized scope in the USDA organic regulations.*

*d) One certificate issued to a processor listed a different name than that on the application or other documents for the same operator.*

*e) On one certificate for a sauce processor, the product list addendum was incomplete and did not align with the most recent version of the client’s OSP. The auditor noted that during the audit, the certificate template was updated to include the following: initial, anniversary and issue dates (day, month, year); a reference to 7 CFR Part 205; and NFC’s e-mail, phone number, address, and website.*

**2016 Corrective Action:** NFC submitted an updated certificate template. The template does not state the effective date, and the NFC’s website was not added to the certificate template.

**2018 Verification of Corrective Action:** NFC has added the issuance of compliant certificates to the Administrator and Final Reviewer SOP duties (NC3.1.4). The Final Reviewer is responsible for generating the organic certificate and the Administrator is tasked with verifying the certificates are correct during the monthly spot check review. Additionally, the inspector SOP was updated to include verification of scopes listed while onsite. Staff were made aware of these changes in policy during the monthly meeting on August 14, 2017. Despite the NFC changes the following elements of the noncompliance remain outstanding:

- a) **Cleared.** NFC has made amendments to the organic certificate template that includes anniversary, effective, and issue dates and the names of operations match the names listed in the application. The certifier’s address, website, and phone number have been added and certification statements have been correct to state “Certified to the USDA organic regulations, 7 CFR Part 205.”
- b) **Cleared.** No evidence of this issue was found in audit documentation. The organic certificates currently identify the incorrect scopes as “Producer – Crops” and “Processor and Handler.”
- c) **Cleared.** Auditor found no organic certificates with an “Organic Trader” scope.
- d) **Cleared.** The auditor saw no evidence of NFC issuing operations organic certificates that had not applied for certification.
- e) **Outstanding.** The auditor found an operation’s certificate did not include two of the three organic products requested for certification on the current OSP. The operation is currently selling organic products that are not listed on the organic certificate.

**2020 Corrective Action:** The certificate of the operation in question was updated to properly reflect all products as required. Effective December 2020, NFC implemented an updated detailed final review checklist which now requires the final reviewer to list each individual product to be certified. In addition, NFC now requires operations to submit the NFC completed master product list for the reviewer to cross reference and review. Effective January 2020, the NFC Program Administrator is the only one to sign off on certificates before they are issued. Before issuing the certificate, the Program Administrator will review the final review checklist and product list or

the approval notice for any OSP changes. The final review checklist includes verification that the product list matches the certificate. The NFC Program Administrator discussed the above requirements in the December 28, 2020 staff meeting.

**NP5349RKA.NC6 (AIA-4154-20) – Accepted.** 7 CFR §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:** *During the witness audit of a processor, two of the sauce labels reviewed by the inspector contained the statement “100% Organic Italian tomatoes” on the principal display panel for an “organic” category product. The inspector did not record the compliance issue with the sauce labels (per §205.301) as an issue of concern during the exit interview.*

**2016 Corrective Action:** NFC contacted the operation and they revised the labels to no longer claim “100% organic.” The new labels submitted use a noncompliant USDA seal and the “Certified organic by \*\*\*” statement placement is incorrect. NFC did not provide a description of the actions taken to prevent a reoccurrence of this noncompliance and documentary evidence supporting the actions taken.

**2018 Verification of Corrective Action:** The auditor witnessed the manager of an operation state to the inspector they were using a noncompliant label approved by the certifier prior to the exit meeting. The inspector did not note the issue on the exit meeting form. NFC received and approved a corrected label from the operation. The Inspector SOP was updated to require the verification of labels and percentage organic claims and discuss findings during the exit interview. 1.4.4. The product checklist includes verification of label elements for compliance. The staff were informed of the policy changes during the August 14, 2018 monthly meeting.

**2020 Corrective Action:** NFC received and approved a revised compliant label from the operation. Effective May 28, 2019, NFC requires inspectors to complete the NFC inspection report checklist to address all key issues that may be missed in a narrative report. Effective January 1, 2021, NFC implemented the use of a new NFC exit interview template that inspectors are required to use. The exit interview template requires the inspector to address any issues noted during the inspection. The Inspector SOP has been revised to include the new requirements and all inspectors received copies of the SOP and templates. During onsite evaluations, NFC will verify that inspectors are using NFC templates. NFC also plans to send NFC inspectors doing more than 2 inspections to an advanced inspection training with IOIA. The timeframe will be determined once IOIA resumes onsite trainings. NFC reviewed the internal policy update during the NFC Staff Monthly Meeting on December 28, 2020.

**NP5349RKA.NC7 (AIA-4155-20) – Accepted.** 7 CFR §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must...comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.”

**Comments:** *The auditor identified two cases where NFC is not following the terms of the US organic equivalency terms for Canada or Korea. NFC certifies an operation based in Canada, which violates the terms of the US-Canada Organic Equivalency Arrangement. The NFC director stated he planned to issue a letter notifying the Canadian client that he would terminate the USDA organic certification provided by NFC. During the file review, the auditor noted that NFC*

*issued one NAQS Import Certificate for Organic Processed Foods for organic maple syrup that did not include the attestation statement “Certified in compliance with the terms of the US- Korea Organic Equivalency Arrangement.”*

**2016 Corrective Action:** NFC no longer certifies the Canadian client in question. The client shipping to Korea, will have the certificate reviewed at their annual inspection in late July of 2016. NFC will submit an updated certificate at that time.

**2018 Verification of Corrective Action:** The auditors’ review of certification files indicated that NFC does not currently certify any operations in Canada, and that NFC no longer certifies the client shipping to Korea. The auditors’ review of NAQS Import certificates found that in one case, NFC issued a certificate that did not include an attestation statement.

**2020 Corrective Action:** Effective January 2020, NFC has implemented a checklist to be completed for all international agreements. Checklists for Canada and EU are to be completed during the final reviews. When a request for an export certificate (JAS and Taiwan), NAQS Import (Korea) or COI (EU and Switzerland) is submitted, an equivalency agreement checklist will be completed. Effective November 2020, NFC protocols require that only the Program Administrator will issue international certificates for export/ import. NFC created an export certificate template for JAS, Taiwan and Korea that includes the attestation pre-filled. Copies of all templates are saved in the new NFC templates folder which are accessible to all NFC staff to provide to certified operations. NFC conducted a training on March 23, 2020 on three of the six international equivalency agreements (Canada, EU and Japan). NFC certified operations currently only certify under those three agreements which is the reason for the focus. NFC plans to conduct an additional training on the other three agreements in early 2021.

**NP5349RKA.NC8 (AIA-4156-20) – 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.”

**Comments:** *NFC’s inspectors do not verify that imported products comply with the terms of the USDA NOP’s international trade arrangements. During the witness audit of a processor, the inspector did not verify the compliance of imported olive oil or tomatoes. The inspector did not review organic certificates and NOP import certificates to verify the product was compliant with the terms of the U.S.-EU equivalency arrangement. In one file reviewed, the inspector did not verify import documentation for grain products imported from Canada under the U.S.-Canada equivalency arrangement. Based on the auditors’ interviews with NFC employees, the review of import documents is not a component of inspection or review activity to determine compliance with organic trade arrangement terms and conditions.*

**2016 Corrective Action:** NFC has notified all inspectors that they must check all EU incoming certificates, and the letter sent to inspectors was submitted. All current desk audits include confirmation that equivalency agreements are being met.

**2018 Verification of Corrective Action:** The auditor reviewed two files in which the inspector did not note verification of the international agreements in his inspection report. NFC updated the EU-US Organic Equivalency Arrangement Checklist. The checklist includes the import and export requirements. The desk review verifies the import certificate and the organic certificate are valid. The SOPs’ for Document Manager, Assistant Administrator, Administrator, and Inspector have been amended to require the verify documents comply with international arrangement

requirements. The staff were informed of the policy change on August 14, 2018 monthly meeting.

**2020 Corrective Action:** Inspection requests issued now include the question of whether EU and COR imports need to be verified. Effective May 28, 2019, NFC implemented and requires inspectors to complete the NFC inspection report checklist. The checklist requires the inspector to address international imports from countries with equivalency. Effective January 1, 2021, NFC implemented the use of a new NFC exit interview template that inspectors are required to use. The Inspector SOP has been revised to include the new requirements and all inspectors received copies of the SOP and templates. During onsite evaluations, NFC will verify the above is being carried out by the inspectors. NFC conducted a training on March 23, 2020 on three of the six international equivalency agreements (Canada, EU and Japan). NFC has planned to conduct an additional training on the other three agreements in early 2021. NFC staff joined the ACA training for international agreements which was completed during the NOP/ACA training. NFC reviewed the internal policy update during the NFC Staff Monthly Meeting on December 28, 2020.

**NP5349RKA.NC9 (AIA-4157-20) – 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.” NOP Instruction 2027(3.1) states, “Certifying agents must conduct annual performance evaluations of personnel and contract staff that perform any of the following roles: a. Review applications and certification documents; b. Inspect operations; c. Evaluate qualifications for certification; and d. Make recommendations concerning certification decisions.”

**Comments:** *Inspector field performance evaluations have not been conducted on four of the inspectors, including the director. NFC has four contract inspectors and one staff inspector (NFC’s director). Two contract inspectors are located the Midwest and Southwest regions of the United States and perform one and two inspections annually for NFC. In addition, the NFC director conducts an evaluation of himself; his review is not performed by a peer or third-party evaluator.*

**2016 Corrective Action:** NFC’s Operations Manager plans to conduct performance evaluations for all personnel in December of 2016 including inspectors. NFC did not address the issues with the evaluation of the director or field evaluations for inspectors.

**2018 Verification of Corrective Action:** The NFC administrator was unaware of the requirements of NOP 2027 requirements for an inspector field evaluation system. NFC conducts annual performance evaluations for all staff, but these do not include a field evaluation system for staff that perform on-site inspections.

**2020 Corrective Action:** Effective July 21, 2019, NFC has implemented a separate checklist for performance and field evaluations. The implemented checklists have been used for the year 2019 and are in the process of being used for the year 2020 performance reviews. NFC has implemented a SOP detailing the protocol for conducting Annual Performance Evaluations and field evaluations. NFC created an “administrative checklist” which includes Program Administrator tasks, including the task of performing evaluations annually. The Program

Administrator has put in his tasks a reminder on October 1st to make ensure that all performance and field evaluations have been completed or scheduled by December 31 of each year. NFC reviewed the internal policy update during the NFC Staff Monthly Meeting on July 21, 2019.

**NP5349RKA.NC10 (AIA-4158-20) – Accepted.** 7 C.F.R. §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;”

**Comments:** *During the witness audit, the auditor identified that NFC approved tomato sauce labels stating “100% organic Italian tomatoes” on the principal display panel for an “organic” label category product. Additionally, during the review of one crop producer file and one grain processor file, the auditor could not verify 1) when the operations submitted retail labels to NFC, 2) if a label review was conducted for each label submission, or 3) when the operations were notified by NFC about the compliance status of the labels. The NFC director stated that label compliance was discussed with the operation via telephone.*

**2016 Corrective Action:** NFC instructed the client remove the 100% organic claim on the label. NFC responded that all label approvals are now recorded on a new form. NFC did not submit the new form used for label reviews.

**2018 Verification of Corrective Action:** The auditor was not able to determine a label’s approval from viewing the proof provided by the certifier. The only way to identify approved labels is to have access to the certifier’s computer files. The label in question was corrected. NFC’s label review process is initiated in the initial review or the label review log when the label is submitted for approval. Labels are reviewed using the label review checklist, according to the organic label class identified in the product profile. The label review checklist includes label requirements for all organic label classes. The task of label review is captured in the operation certification log. Label review can be tracked through the label review logs and an Operation certification history log. Approved labels are saved in a label subfolder within the current year file in the file system. This label is cross-referenced in the Label review log listed as an “OSP Change approval” specifying the label approval.

**2020 Corrective Action:** The label review checklist will be completed during the initial review, final review, and any time a label is added or revised. During the initial and renewal certification process when a certificate is issued an approval notice with a copy of all labels will be drafted and digitally signed by the reviewer or NFC Program Administrator. A copy of label approval will be filed in the labels folder of the certified operation. When an operation requests to update the OSP with a new or revised label, a checklist will be completed, and an approval notice will be issued. The approval notice will include a copy of the labels approved. The approval notices will be filed with the operation’s OSP Change folder with all supporting documents. All label reviews made outside of the application process are logged in the NFC logs on the label review log and timestamped when they were reviewed and approved. A revised SOP detailing the protocol for reviewing and approving labels has been created. NFC reviewed the internal policy update during the NFC Staff Monthly Meeting on December 28, 2020.

**NP5349RKA.NC11 (AIA-4159-20) – Accepted.** 7 C.F.R. §205.501(a)(3) states, “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:**

*a) The auditor determined that NFC is not consistently following its procedures for multiple certification activities; particularly label reviews, material reviews, and tracking of operation deadlines to respond to requests or notices issued by NFC. In five of the files reviewed, it was difficult to determine who performed a review, when it was performed (i.e. labels, materials), and/or the outcome/findings of the review. There are multiple versions of files (both hard copy and electronic) and some contain different information making it difficult to understand which information is most current, or what information has been reviewed, approved/not approved, etc.*

*b) NFC is not carrying out all provisions of the Act and regulations. The NFC director is not knowledgeable of some current NOP policies or parts of the USDA organic regulations. For example, the NOP published the requirement for unannounced inspections in 2012 and the instruction on informing operations of the pesticide results in 2013. NFC's director stated he was not aware of these requirements until it was discussed during this audit.*

**2016 Corrective Action:** NFC hired a Document Control Manager and NFC plans to move to a web-based system which will rectify multiple versions of the same document. Residue sampling and analysis are scheduled for 2016, and NFC has added the requirement to send the test results to the operation.

**2018 Verification of Corrective Action:**

**a)** The NFC Administrator is not utilizing the established Google drive system for all storage of NFC files. Files continue to be in multiple versions, stored in several locations and in paper and electronic form. The positions of Assistant Administrator (July 13, 2015) and Document Manager (August 1, 2016) were established to establish and maintain a consistent document process. NFC's document manager established and document control system in Google Drive. The system utilizes logs to track incoming certification tasks (label review, product review, material review, issuance of notices) and recording milestones as the task is completed and the completion date. In conjunction with the logs, task supporting documents are saved in predetermined folders (ex. labels, certificates, application, etc.) organized by year. The Document Manager reviews the logs every 2 weeks and follows up on items where response deadlines have passed. The Assistant Director and Document Manager are responsible for the maintenance and accuracy of the documents and procedure completion. Staff were made aware of these policy changes on August 14, 2018 at the monthly meeting.

**b)** NFC is not able to carry out all provisions of the Act and regulations. The administrator did not understand the avenues of resolution for proposed suspension and asked the auditor, "What is mediation?" and sought clarification of what mediation is. The NFC administrator, who is solely responsible for the reviewing the pesticide test results and determining the certifier response based on the information, was not aware of requirements.

**2020 Corrective Action:**

**a)** The Program Administrator has been removed from his position due to the record keeping and administrative deficiencies. The new Program Administrator is responsible to oversee all aspects of the organic certification program including NFC documents and the google drive document management system. In review of the system, NFC found that the overall system in place for record keeping will be sufficient with the certifier's current size. However, implementation of that system was lacking with the previous Program Administrator. NFC continues to utilize the google drive platform and continues to use a log to timestamp all milestones of the process. Reviews of the logs and files are completed on a biweekly basis by the Program Administrator. Identified

inconsistencies are corrected in real time and the reviewer/inspector is notified of the issue identified. The Program Administrator conducts weekly meetings with each of the reviewers and inspectors to go through the status of their work and address any concerns. Prior to issuing documents to operations, they are sent to the Program Administrator to review any issues. NFC reviewed the internal policy of storing documents during the NFC Staff Monthly Meeting on December 28, 2020.

(b) The new Program Administrator is responsible to oversee all administrative work including adverse action process and residue results review. NFC has joined with the ACA and will be joining various working groups and the annual training to keep up with the ongoing changes and requirements with the NOP and other organic certifiers. The new Standard Operating Procedure for adverse action and the mediation process has been implemented on December 15, 2018. The Mediation request form and agreement templates have been implemented. A Mediation log has been implemented to track all mediations conducted each year. A training on the adverse action and mediation process has been conducted and presented by the Program Administrator to NFC staff/contractors on April 6, 2020. NFC reviewed the NOP guidance on residue testing and internal policy for adverse action and review of residue results during the NFC Staff Monthly Meeting on December 17, 2018. A new Standard Operating Procedure for reviewing residue testing results have been implemented effective January 1, 2019. A Residue Testing log was created to track the progress of all residue testing completed.

**NP5349RKA.NC12 (AIA-4160-20) – Accepted.** 7 C.F.R. §205.501(a)(5) states, “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:**

*a) NFC has no training program for staff or contracted staff. The NFC director stated he hires staff or contractors based on the training background they have. The NFC director provided training to the one contractor who conducts initial reviews, but the final reviewer, who is also a contractor, has not received any training (she is an organic consultant). Generally, the inspectors have not received any training beyond what they bring with them when hired, although the NFC director is providing some training to one new contract inspector.*

*b) During the audit the NFC director stated he was not familiar with some NOP requirements, particularly with respect to international trade verification or the policy on annual inspector field evaluations.*

*c) The inspection report for a vegetable co-packing operation states that “only blending and packaging” of the vegetables occur, but “there will be no processing of organic products.” However, the facility performs blanching, packaging and freezing services as a toll-processor; all of these activities are defined as “processing” in §205.2.*

**2016 Corrective Action:** NFC provides feedback and direction to staff when needed by personal email or phone conversations. NFC will conduct an annual webinar training (at the minimum) each January and will cover any areas that need review. A certificate was reissued for the operation freezing vegetables that states “Processing and handling”.

**2018 Verification of Corrective Action:**

a) **Outstanding** Review of contract inspector records show no additional training despite the following corrective action policies the noncompliance persists. NFC amended the training to

require new inspectors to complete IOIA Trainings for each scope of intended inspection. Inspectors must attend two onsite inspections with the administrator prior to completing an independent inspection. NFC will attend the NOP annual training at the ACA conference. NFC staff are required to review all new NOP modules at the beginning of each year and review the modules at the monthly meeting. This training plan is included in the internal procedures manual updated in January 2018.

b) **Outstanding** – NFC is not able to carry out all provisions of the Act and regulations. The NFC Administrator is not aware of the requirements of the US-Switzerland arrangement including the need to issue a Switzerland import certificate. The NFC administrator was unaware of the requirements of NOP 2027 requirements for an inspector field evaluation system. The NFC Administrator, solely responsible for reviewing and approving product labels for export under the EU-US equivalency arrangement, was not aware of the req. to include the NFC certifier code on product labeling.

c) **Cleared** – There was no evidence of this instance occurring in any of the files reviewed.

### **2020 Corrective Action:**

(a) NFC now provides training to all full time and contracted staff. For 2019, NFC has provided trainings for all staff in the forms of various webinars and NOP trainings through the learning center. A review of the trainings has been conducted and determined that protocols should be changed to properly oversee and document the trainings. For the second half of 2020, NFC staff attended third party trainings provided by IOIA. For 2021 and beyond, NFC will provide approximately 25 hours of training including the ACA/NOP training, IOIA trainings, Internal NFC trainings and trainings provided on the Organic Integrity Learning Center. The schedule of training will be provided to each staff member at the beginning of each year based on their role and expertise at NFC. Contracted personnel will attend NFC trainings, or be required to submit verification of ongoing training equivalent to the NFC trainings. Staff who do not attend trainings as scheduled will not be allowed to conduct future jobs with NFC. The NFC Program Administrator will complete a log verifying that all NFC approved staff have completed the necessary trainings. NFC reviewed the internal policy update during the NFC Staff Monthly Meeting on December 28, 2020.

(b) The Program Administrator has been replaced due to past deficiencies in the management of the NFC program. The new Program Administrator has led NFC to develop and implement a checklist to be completed for all international agreements including the EU and Switzerland as of January 2020. International checklists will be completed prior to issuing any COI for shipments. Effective November 2020, NFC protocols require that the Program Administrator will approve international certificates for export/import provided by the reviewers. NFC conducted a training on March 23, 2020 on three of the six international equivalency agreements (Canada, EU and Japan). NFC certified operations currently only certify under those three agreements which is the reason for the focus. NFC has planned to conduct an additional training on the other three agreements in early 2021 once the ACA completes their best practices for international arrangements. Effective July 21, 2019, NFC has implemented a separate checklist for performance and field evaluations. The implemented checklists have been used for the year 2019 and are in the process of being used for the year 2020 performance reviews. NFC has implemented a SOP detailing the protocol for conducting Annual Performance Evaluations and field evaluations. NFC created an “administrative checklist” which includes Program Administrator tasks, including the task of performing evaluations annually. The Program Administrator has put in his tasks a reminder on October 1st to make ensure that all performance and field evaluations have been completed or scheduled by

December 31 of each year. NFC reviewed the internal policy update during the NFC Staff Monthly Meeting on July 21, 2019.

**NP5349RKA.NC13 (AIA-4161-20) – 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:** *During the auditor’s review of two inspection reports for handlers, the inspector did not verify all aspects of the OSP. For operations that process both organic and conventional products, the inspectors did not report practices to prevent commingling or specify equipment purge on packaging lines. During a witness audit of a crop producer, the inspector did not verify the information reported on the operation’s OSP.*

**2016 Corrective Action:** NFC’s response is to ensure that the OSP and inspection report are cross checked by the reviewer to be in agreement. This corrective action does not address the noncompliance of OSPs not being verified during inspection.

**2018 Verification of Corrective Action:** Witness inspections conducted revealed NFC inspectors were not conducting an on-site verification of the operations approved OSP. The following on-site deviations from the operations’ OSP were not noted by the inspectors:

- Organic products not listed on the operation’s organic certificate, that were requested in the OSP.
- Operation’s noncompliant outdoor access policy and lack of confinement documentation.
- Bag style fly traps in use that are not listed or approved on the OSP.
- An operation’s use of a label that was not approved by the certifier.
- OSP identified organic storage and the onsite organic storage was not labeled.
- No on-site verification of labels approved in the OSP.
- The OSP’s approved pest control plan specified trap location and trap bait used as determined by trap location. The inspection did not verify the location of traps or bait within the trap. This occurred despite the certifier’s inspection instructions listing pest control verification as a focus of the inspection.

**2020 Corrective Action:** Effective May 28, 2019, NFC requires inspectors to complete the NFC inspection report checklist to address all key issues that may be missed in a narrative report. Inspection Report Checklist requires the inspector to verify that operation’s OSP is consistent with what is observed at the inspection. Effective January 1, 2021, NFC implemented the use of a new NFC exit interview template that inspectors are required to use as well. The Inspector SOP has been revised to include the new requirements and all inspectors received copies of the SOP and templates. During onsite evaluations, NFC will verify that inspectors are using NFC templates. NFC also plans to send NFC inspectors doing more than 2 inspections to an advanced inspection training with IOIA. The timeframe will be determined once IOIA resumes onsite trainings. NFC reviewed the internal policy update during the NFC Staff Monthly Meeting on December 28, 2020.

**NP5349RKA.NC14 (AIA-4162-20) – Accepted.** 7 C.F.R. §205.501(a)(9) states, “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...”

**Comments:** *Access to information and records for the audit was difficult due to the fact that NFC*  
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*stores information on multiple computers, in cloud storage, and in paper files shared among inspectors and contract staff. NFC's director often notifies clients via telephone, instead of in written format as outlined in the NFC procedures, about approvals or the need for more information. During the audit, some e-mails were not available to verify communications between NFC and its contract staff or its certified operations.*

**2016 Corrective Action:** NFC is in the process of moving all applications and paperwork to a web-based system. A consultant was hired, and the website is currently being developed and should be active by September 1, 2016.

**2018 Verification of Corrective Action:** The noncompliance persists despite the change in NFC policies, not all NFC documents are retained on the web-based system. The following are some of the files/documents found to be stored outside the Google Drive: residue testing, personnel, residue test result notifications, email communication for noncompliant labeling. NFC's policy was the implementation of a document system based in Google Drive and managed by the Document Manager. The document manager will back up on a hard drive except for client submitted hard copy submissions. Hard copy submissions are reviewed, and applicable documents are scanned and retained in the Google Drive. NFC may contact operations via telephone, but all notifications and requests are additionally sent via email.

**2020 Corrective Action:** The Program Administrator has been removed from his position due to the record keeping and administrative deficiencies. The new Program Administrator is responsible to oversee all aspects of the organic certification program including NFC documents and the google drive document management system. In review of the system, NFC found that the overall system in place for record keeping will be sufficient with the certifier's current size. However, implementation of that system was lacking with the previous Program Administrator. NFC continues to utilize the google drive platform and continues to use a log to timestamp all milestones of the process. Reviews of the logs and files are completed on a biweekly basis by the Program Administrator. Identified inconsistencies are corrected in real time and the reviewer/inspector is notified of the issue identified. The Program Administrator conducts weekly meetings with each of the reviewers and inspectors to go through the status of their work and address any concerns. Prior to issuing documents to operations, they are sent to the Program Administrator to review any issues. NFC reviewed the internal policy of storing documents during the NFC Staff Monthly Meeting on December 28, 2020.

**NP5349RKA.NC17 (AIA-4163-20) – 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:** *NFC is not providing pesticide residue test results to its clients.*

**2016 Corrective Action:** NFC responded that residue test results will be sent to all sampled operations.

**2018 Verification of Corrective Action:** NFC did not retain evidence of residue test results mailed by the NFC Administrator.

**2020 Corrective Action:** Due to the administrative assistant leaving without notice, the previous Program Administrator assumed the responsibility to review and send all residue results to operations. This caused issues of evidence not being documented that notices have been sent. Effective December 5, 2018, the new Program Administrator has taken the responsibilities to oversee scheduling and making sure residue result notices are sent to operations and properly

documented. Since December 2018, all notices have been sent with return receipt email/mail and documented. To prevent the issue from reoccurring in the future, NFC requires all correspondence with the operation to be conducted on a company email which the Program Administrator has access to and can retrieve if the staff should leave without notice. Job description for the Program Administrator has been updated and includes that should a staff member leave the Program Administrator is responsible to oversee to pass on the responsibilities of the staff member to another individual. NFC reviewed the internal policy update during the NFC Staff Monthly Meeting on December 28, 2020.

### **Noncompliances Identified during the Current Assessment and Corrective Actions**

**NOP-27-18.NC1 (AIA-4164-20) – Accepted.** 7 CFR §205.662(e)(1) states, “If the certified operation fails to correct the noncompliance, to resolve the issue through rebuttal or mediation, or to file an appeal of the proposed suspension or revocation of certification, the certifying agent or State organic program's governing State official shall send the certified operation a written notification of suspension or revocation.”

**Comments:** *NFC is incorrectly accepting corrective actions and issuing a notice of noncompliance resolution to operations that NFC has issued a proposed adverse action notice to*

**2020 Corrective Action:** The new Program Administrator is currently responsible to oversee administrative work and implement the adverse action protocol. Effective December 18, 2018, NFC implemented a new adverse action protocol and created a flow chart for the process. A mediation request form and mediation agreement templates have been created for the process. Training on adverse actions was conducted with NFC staff and contractors on April 6, 2020. To prevent the future occurrence of the noncompliance an adverse action checklist was created to manage the process. A log to track all mediation agreements conducted was created as part of the NFC logbook. NFC reviewed the internal policy update regarding adverse action on December 17, 2018.

**NOP-27-18.NC2 (AIA-4166-20) – Accepted.** 7 CFR §205.501(a)(11)(iv) states, “ A private or governmental entity accredited as a certifying agent under this subpart must: Prevent conflicts of interest by not giving advice or providing consultancy services, to certification applicants or certified operations, for overcoming identified barriers to certification;”

**Comments:** *During the witness audit, the auditor observed that the NFC representative provided consultancy to the inspected operation by providing information required to document their outdoor access plan.*

**2020 Corrective Action:** NFC has updated the NFC Conflict of Interest (COI) form to include the statement “I agree that as an NFC representative, I will not provide any advice or consultation to an operation that I am visiting or have any communication with.” The COI form is completed by all NFC staff/consultants when they are first contracted and in January of each year. A revised COI has been sent to all NFC staff/consultants for completion. NFC reviewed the internal policy update regarding what constitutes consultation with the NFC personnel at the monthly meeting on December 28, 2020.

**NOP-27-18.NC3 (AIA-4167-20) – Accepted.** 7 C.F.R. §205.403(b)(2) states, “All on-site inspections must be conducted when an authorized representative of the operation who is

knowledgeable about the operation is present and at a time when land, facilities, and activities that demonstrate the operation's compliance with or capability to comply with the applicable provisions of subpart C of this part can be observed, except that this requirement does not apply to unannounced on-site inspections.”

**Comments:** *During the witness audit, the auditor found that NFC’s inspection of the operation consistently occurred in the late fall when the livestock outdoor access could not be observed. Additionally, NFC’s policy to complete the certification process by an operation’s anniversary date results in the inspection of the operation occurring at a time when outdoor access cannot be observed.*

**2020 Corrective Action:** NFC’s protocol requires that inspections be conducted when compliance or capability of compliance can be observed. Anniversary date is set based on the operation’s annual anniversary of initial certification. In general, this process would mean that the operation would have their inspection approximately 4-6 months after their anniversary date. NFC inspection report checklists will require that inspector to verify verification of compliance or capability of compliance. NFC will update the anniversary date for the operation in question to August 1, 2021 to allow sufficient time to properly observe access to the outside. Inspection for the operation in question will be projected for the month of September when access to the outdoors can be observed. In addition, an unannounced inspection will be scheduled for the operation in question. The protocol to observe compliance or capability of compliance was discussed at the NFC staff meeting on December 28, 2020.

**NOP- 27-18.NC4 (AIA-4168-20) – Accepted.** 7 C.F.R. §205.642 states, “Fees charged by a certifying agent must be reasonable, and a certifying agent shall charge applicants for certification and certified production and handling operations only those fees and charges that it has filed with the Administrator...”

**Comments:** *The auditor requested a copy of NFC’s current fee schedule from NFC and was informed they did not have one. NFC stated the estimate was always the same amount except for an increase in the certification fee last year. The auditor found that NFC had not submitted the increased certification fee schedule to the NOP.*

**2020 Corrective Action:** NFC has created a complete fee schedule effective February 1, 2020. A notice to operations has been sent on November 11, 2019 notifying them of the upcoming change. NFC has included the fee schedule in the application package sent to potential applicants as well it is included in the NFC agreement signed by the certified operations. The NFC Program Administrator will be responsible to complete the NFC Internal Changes log during any changes that should be submitted to the NOP.

**NOP-27-18.NC5 (AIA-4170-20) – Accepted.** 7 CFR §205.404 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.” indicates the required elements of the organic certificate.

**Comments:** *The auditor’s review of organic certificates issued by NFC found that the categories of certification were not correctly listed on the certificates per NOP Instruction 2603 “Organic Certificates” Section 3.1, Item 6. The organic certificates incorrectly identified the operation’s categories as “Producer – Crops” and “Processor and Handler.”*

**2020 Corrective Action:** The certificates have been corrected with correct organic scopes effective December 17, 2018. A certificate template for each organic scope has been created to help prevent confusion and having incorrect scopes. The NFC Program Administrator will review and sign all organic certificates before being issued. A new Standard Operating Procedure for issuing organic certificates was created. NFC personnel reviewed the NOP Instruction 2603 regarding certificates during the monthly meeting on December 17, 2018.

### **Verification of October 5, 2018 Decision Without Hearing by Reason of Consent**

Any term labeled as “**Adequate**,” indicates that the term was determined to have been met. Any term labeled as “**Not Yet Verified**” indicates that additional actions are needed in order for the NOP to verify whether the term has been met. Any term labeled as “**Corrective Action Accepted**” indicates acceptance of the listed corrective action and verification of corrective action implementation will be conducted during the next onsite audit.

#### **Terms:**

**1.** Within twenty-four (24) months of the issuance of this Order, Respondent will undergo two additional accreditation audits conducted by NOP at Respondent's expense.

#### **Verification of term: Not Yet Verified.**

*The first additional accreditation audit was conducted December 3-7, 2018. NFC has yet to undergo the second additional accreditation audit.*

**2.** Within twenty-four (24) months of the issuance of this Order, Respondent will undergo two additional witness audits of an on-site inspection of a USDA organic program certification operation, with those witness audits conducted by NOP at Respondent's expense. The inspections should occur roughly annually, with the first inspection occurring after ten (10) months have passed, and the second inspection occurring before the full twenty-four (24) months have passed.

#### **Verification of term: Adequate.**

*Three (3) witness audits were conducted in conjunction with the Renewal Assessment in December 2018.*

**3.** Respondent will obtain the services of a qualified accreditation consultant to develop an on-going training program for certification staff, inspectors, and contractors to ensure an adequate staff skill level for maintaining compliance with the USDA organic regulations. Respondent's training will provide a minimum of 40 hours of training time per year for two (2) years. Respondent's training materials will address USDA organic regulations, NOP Handbook, NOP international trade arrangements and NOP policy updates. Respondent will submit its annual training plan to NOP within three (3) months of the issuance of this Order and on the same date the following year.

#### **Verification of Term: Corrective Action Accepted.**

- *The 2019 training schedule did not propose a minimum of 40 hours of annual training be provided. The 2020 training schedule was not submitted timely according to documents in file. The 2020 schedule was received by the Accreditation Manager on May 19, 2020, past the due date of January 5, 2020.*

- *The 2019 training schedule states “...all contracted inspectors will be invited to attend.” If contracted inspector’s attendance is not required, the submitted schedule does not meet the settlement agreement term requirement of “ensure an adequate staff skill level for maintaining compliance with the USDA organic regulations.”*
- *The accreditation consultant hired does not meet the requirements of “a qualified accreditation consultant” as listed in the term of the settlement agreement. The consultant’s experience in the organic industry was very limited. The consulting agency’s owner was primarily experienced in food safety auditing and training, not organic.*

**Corrective Action:**

- Based on NFC’s records, the training hours provided in 2019 were 40 hours of training for staff members. The delay in submitting the proposed training schedule for 2020 occurred during the transition of the Program Administrator position. However, the training provided over the 2020 year was 40 hours annually per staff member. This issue will not reoccur in the future as the NFC Program Administrator includes reminders on his calendar for submitting required items to the NOP.
- NFC has created a new training program moving forward that requires 25 hours of training annually. NFC has revised the language for the training requirements to include that contractors need to provide verification they have attended the required hours of training. Contracted employees must join the NFC trainings or provide comparable training evidence or NFC can choose not to use them moving forward.
- The consultant originally hired to assist with developing the training schedule is an organic consultant for operations and NFC understood that to be sufficient. The new Program Administrator, after consulting with other certifiers and consultants, has decided to utilize IOIA, ACA and the NOP for most of the NFC staff training options.

4. Respondent will submit objective evidence of their implemented written or electronic system—including a description of their quality management system for version control of Respondent templates, operator file documents, and label reviews—to the NOP within one (1) month of the issuance of this Order.

**Verification of Term: Corrective Action Accepted.**

*The submission does not include “a description of their quality management system for version control of Respondent templates.” Interview with the Document Manager and Assistant Administrator revealed the current process is a template or form is changed and saved with a date in the title. Staff are expected to use the document with the most current date. This does not specify the process of which the templates are stored after revision. It also does not specify how new versions are communicated to all staff for use.*

**Corrective Action:** The previous templates of NFC’s documents are stored on the Google Drive System under NFC’s system folder titled “previous versions”. Whenever templates are updated, the NFC Program Administrator will email the revised template to all personnel that will be using it. Any contracted staff will generally receive the needed current checklists when they receive a certification task and NFC will not rely on them having it previously stored on their computer. All staff have access to the NFC templates folder on the Google Drive System to have access to the most current version. As NFC personnel numbers have grown, NFC has added the protocol to include the document number on the header of each document.

5. Respondent will submit future corrective actions using the format it used for its submission to the NOP on May 23, 2018.

**Verification of Term: Adequate.**

*NFC has changed its format for corrective action submissions to mirror the May 2018 submission and provide a full description in response to NOP-issued noncompliances. This includes a description of the changes implemented to correct the cause of the noncompliance and prevent it in the future. NFC submitted corrective actions to NOP-27-18 Noncompliance Report in the appropriate format.*

6. Respondent will contract with an outside entity to conduct its annual employee performance evaluation of the Administrator. The outside entity will be knowledgeable of the USDA organic regulations, and Respondent will not otherwise employ the outside entity either as an employee or contractor.

**Verification of Term: Corrective Action Accepted.**

*NFC initially contracted with a consulting agency whose experience in the organic industry was very limited. The agency's owner was primarily experienced in food safety auditing and training. The Administrator stated he was evaluated in November 2018 by the agency. A field evaluation was to be conducted in January 2019. A performance evaluation and field evaluation were both completed in December 2019 by the director of another USDA NOP accredited certifying agent. Both evaluations seem to be satisfactory. However, neither show that the NFC Administrator received a satisfactory, passing, or otherwise acceptable opinion of performance.*

**Corrective Action:** The new Program Administrator now manages completion of all performance evaluations. To ensure completion of an acceptable evaluation of the Program Administrator by an outside entity that would be knowledgeable of the USDA organic regulations, NFC has implemented a new contract with the director of another USDA accredited certifying agency so that this issue will not reoccur. In 2020, the performance review of the Program Administrator was conducted by the other agency and includes acceptable evaluation and opinion of performance.

## CORRECTIVE ACTION REPORT

<b>Applicant Name:</b>	Natural Food Certifiers (NFC)
<b>Est. Number:</b>	N/A
<b>Physical Address:</b>	119A South Main Street, Spring Valley, New York 10977
<b>Mailing Address:</b>	119A South Main Street, Spring Valley, New York 10977
<b>Contact &amp; Title:</b>	Reuven Flamer, President/Owner
<b>E-mail Address:</b>	<a href="mailto:info@nfccertification.com">info@nfccertification.com</a>
<b>Phone Number:</b>	(845) 426-5098
<b>Auditor(s):</b>	Julie Hartley, Accreditation Manager; Betsy Rakola, Accreditation Manager
<b>Program:</b>	USDA National Organic Program (NOP)
<b>Audit Date(s):</b>	January 22, March 4, and May 12, 2014
<b>Audit Identifier:</b>	NP2255OOA
<b>Action Required:</b>	None
<b>Audit Type:</b>	Renewal Assessment
<b>Audit Objective:</b>	To verify, review, and approve corrective actions addressing the noncompliances identified during the September 2012 Renewal Assessment.
<b>Audit Criteria:</b>	7 CFR Part 205, National Organic Program; as amended.
<b>Audit Scope:</b>	NFC's January 14, 2014 response letter to the 2012 Renewal Assessment noncompliance report
<b>Location(s) Audited:</b>	Desk

## GENERAL INFORMATION

Natural Food Certifiers (NFC) is a for profit company that was accredited as a certifying agent on October 8, 2002, to the USDA National Organic Program (NOP) for crops, livestock, and handling operations. The NFC organic program currently includes 35 operations certified to the NOP, consisting of 1 crop, 2 livestock, and 35 handlers (all processors). NFC provides certification services in New York, New Jersey, Texas, Pennsylvania, Connecticut, Colorado, Delaware, and Massachusetts.

## AUDIT INFORMATION

During the September 11 – October 17, 2012 Renewal Assessment, the corrective actions for the noncompliances identified during the 2010 Mid-term Assessment were found to be implemented and effective. Those non-compliances were cleared, with exception of NP0221ACA.NC1. There were 4 noncompliances identified during this audit. The NOP notified Natural Food Certifiers (NFC) of these findings in writing on December 18, 2013. NFC submitted a response to the NOP on January 14, 2014, and additional information on February 10, 2014. The NOP Accreditation Committee recommended accreditation renewal on May 27, 2014.

## FINDINGS

**NP0221ACA.NC1 – Accepted.** NOP § 205.406(a) states, “To continue certification, a certified operation must annually... submit the following information as applicable, to the certifying agent: (1) 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 undertaken in the coming year, detailed pursuant to §205.200.” *Two of 5 files reviewed indicated that an updated organic system plan (OSP) was not submitted annually and NFC conducted on-site inspections; however, NFC did issue noncompliances to the clients after the inspections that an updated OSP must be submitted.* **Corrective Action:** NFC has updated its procedures to institute timeframes for certification renewal files. If operations do not submit updated OSPs (or pay certification fees) within the timeframes indicated, and after several notices are sent within the timeframe, then NFC will issue notices of noncompliance to the operation, followed by proposed adverse action procedures. **Verification of Corrective Action (October 2012):** An interview with the President of NFC verified that this practice still continues. If a returning client does not submit their update on time and if NFC does not receive the updates as requested, they are still conducting the inspections in order to keep the inspections with the annual requirement. NFC is issuing noncompliances to clients that are not submitting the updates on time. For one of the six files reviewed, an operation did not submit an annual update concerning its crops operation for the last certification cycle. This was not identified during the NFC review of the update and ultimately the operation was granted continuing certification for crops. **Corrective Action:** NFC submitted template letters that will be issued to an operation prior to its anniversary date specifying possible ramifications if updated organic system plans are not submitted. Ramifications include charging possible late fees and commencing noncompliance procedures. NFC submitted a checklist of operations with company billing cycles to track whether operations have submitted required information annually prior to conducting an onsite inspection.

**NP2255OOA.NC1 – Accepted.** NOP §205.402(a)(2) states, “Upon acceptance of an application for certification, a certifying agent must: Determine by a review of the application materials whether the applicant appears to comply or may be able to comply with the applicable requirements of subpart C of this part.” *NFC is approving operations for certification that do not meet the USDA organic regulation requirements of §205.311(b)(1) and §205.301(b).*

- §205.311(b)(1) states, “The USDA seal must replicate the form and design of the example in figure 1 and must be printed legibly and conspicuously: On a white background with a brown outer circle and with the term, “USDA,” in green overlaying a white upper semicircle and with the term, “organic,” in white overlaying the green lower half circle.” *During the review of labels for certified operations it was revealed that in 2 of the 6 client files reviewed that the labels included the USDA Seal that did not have a brown outer circle.*
- §205.301(b) states in part “A raw or processed agricultural product sold, labeled, or represented as “organic” must contain (by weight or fluid volume, excluding water and salt) not less than 95 percent organically produced raw or processed agricultural products.” *During the review of labels for certified operations it was revealed that in 1*

*of the 6 client files reviewed, the label indicated that sea salt was organic and the product profiles indicated that sea salt was included in the calculation for the percentage of organic product.*

**Corrective Action:** NFC reviewed all labels from its certified operations for compliance to §205.311(b)(1) and §205.301(b). The operations corrected the labels in question, and NFC reviewed and approved each one. NFC also updated its policy to mandate that certified operations must submit all labels with annual updates for review by NFC.

**NP225500A.NC2 – Accepted.** NOP §205.501(a)(5) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Ensure that its responsibly connected persons, employees, and contractors with inspection, analysis, and decision-making responsibilities have sufficient expertise in organic production or handling techniques to successfully perform the duties assigned.” *There were no qualifications available for review during this assessment for the individual that makes the final decision for certification.*

**Corrective Action:** NFC submitted a resume for their newly hired reviewer, which showed evidence of relevant skills and experience.

**NP225500A.NC3 – Accepted.** NOP §205.662(b) states, “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.” *During the review of 2 certification files, for which noncompliances had been issued, it was revealed that for one of the operations, corrective actions had been submitted to NFC, but a notice of noncompliance resolution had not been sent to the operation.* **Corrective Action:** NFC developed a checklist to ensure outstanding procedures are completed. The process includes monthly reviews of separate operation files which include master diaries of actions taken. NFC has also contracted with a private service to review or audit the NFC certification system on a quarterly basis to ensure compliance.

**NP225500A.NC4 – Accepted.** NOP §205.662(c)(4) states, “The notification of proposed suspension...of certification shall state: The right to request mediation pursuant to §205.663....” *NFC had issued one proposed suspension since the last assessment and a review of the issued notice of noncompliance/notice of proposed suspension was reviewed. The notification of proposed suspension did not contain the right to request mediation.* **Corrective Action:** NFC submitted its notification of proposed suspension template, which included information concerning mediation rights, and developed a procedure to ensure that the notices will be reviewed by multiple staff.

<b>Applicant Name:</b>	Natural Food Certifiers (NFC)
<b>Est. Number:</b>	N/A
<b>Physical Address:</b>	119A South Main Street, Spring Valley, NY 10977
<b>Mailing Address:</b>	Same
<b>Contact &amp; Title:</b>	Reuven Flamer, President/Owner
<b>E-mail Address:</b>	info@nfc certification.com
<b>Phone Number:</b>	845-426-5098
<b>Auditor(s):</b>	Meg Kuhn, RAM – East Region
<b>Program:</b>	USDA National Organic Program (NOP)
<b>Audit Date(s):</b>	December 1 – 17, 2010
<b>NOP Audit Identifier:</b>	AIA120110MMK
<b>Action Required:</b>	No
<b>Audit Type:</b>	Mid- Term Corrective Action Audit
<b>Audit Objective:</b>	To verify review and approve corrective actions addressing the non-compliances identified during the Mid-Term Audit.
<b>Audit Criteria:</b>	7 CFR Part 205, National Organic Program; Final Rule, dated December 21, 2000; revised February 17, 2010.
<b>Audit Scope:</b>	Natural Food Certifiers, LLC 11/15/10 response letter to the Mid Term Audit non-compliance report ( <b>ARC audit identifier: NP0221ACA</b> )
<b>Location(s) Audited:</b>	Desk

## AUDIT INFORMATION

During the Mid Term audit, the corrective actions for the non-compliances identified during the 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 identified during this audit. NFC was notified of this finding in a notice from the NOP on September 27, 2010. A response, dated November 15, 2010, was received from NFC on December 1, 2010.

**NP0221ACA.NC1 – Adequately Addressed:** NOP § 205.406(a) states, “To continue certification, a certified operation must annually... submit the following information as applicable, to the certifying agent: (1) 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 undertaken in the coming year, detailed pursuant to §205.200.” *Two of 5 files reviewed indicated that an updated organic system plan (OSP) was not submitted annually and NFC conducted on-site inspections; however, NFC did issue non-compliances to the clients after the inspections that an updated OSP must be submitted.*

**Corrective Action Response:** NFC has updated its procedures to institute timeframes for certification renewal files. If operations do not submit updated OSPs (or pay certification fees) within the timeframes indicated, and after several notices are sent within the timeframe, then

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NFC will issue notices of non-compliance to the operation, followed by proposed adverse action procedures. This response is to be verified at the next on-site audit. If effectively implemented, NFC's plan demonstrates compliance to the NOP accreditation requirements.