



CERTIFICATE OF ACCREDITATION



# United States Department of Agriculture

Agricultural Marketing Service

National Organic Program

## **MONTEREY COUNTY CERTIFIED ORGANICS**

**1428 Abbott Street, Salinas, California, 93901, 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, Wild Crops Operations**

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

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

Certificate No: **USDA-55-25**

Effective Date: **04/29/2022**

Expiration Date: **04/29/2027**

Issue Date: **04/18/2025**

**Christopher Purdy**  
**Acting Deputy Administrator**  
**National Organic Program**

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

### **GENERAL INFORMATION**

- **Certifier Name** Monterey County Certified Organics, (MCCO)
- **Physical Address** 1428 Abbott Street, Salinas, California 93901, U.S.A.
- **Audit Type** Renewal Assessment
- **Auditors & Audit Dates** Patricia Bursten, 07/13/2022 to 07/21/2022
- **Audit Identifier** NOP-25-22

### **CERTIFIER OVERVIEW**

The National Organic Program (NOP) conducted an onsite Renewal Audit of Monterey County Certified Organics (MCCO)'s USDA organic certification program covering the period December 17, 2020 to July 15, 2022. The purpose of the audit was to verify MCCO'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 MCCO personnel, a records audit and two onsite witness audits. The two witness audits consisted of one annual onsite inspection of a crops operation and one annual onsite inspection of a processing/handling operation; both operations are in California.

MCCO is a government agency initially accredited on April 29, 2002. MCCO is accredited to the crops, wild crops, and handling scopes. MCCO's office is in Salinas, California. MCCO certifies 24 operations and offers certification services in Monterey County, California. Certification activities are performed by the MCCO Supervisor, MCCO Program Manager, three certification program reviewers/inspectors, and four designated inspectors.

## **NOP DETERMINATION:**

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

### **Noncompliances from Prior Assessments**

**AIA-4113-20 - Cleared.**

**AIA-4114-20 - Cleared.**

**AIA-4115-20 - Cleared.**

**AIA-4185-20 - Cleared.**

**AIA-4186-20 - Cleared.**

**AIA-4111-20 – 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:** *MCCO does not consistently 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 found instances where MCCO did not provide operations with a written notification of noncompliance for noncompliant practices identified during the operation’s onsite inspection. The noncompliant practices were instead relayed to the operations in a “memorandum.”*

**Corrective Action:** MCCO management has taken the OILC course “Compliance and Enforcement: Adverse Actions, Appeals and Reinstatements” and conducted in-house training for certification staff on January 21, 2022. The in-house training topics were the MCCO Certification Handbook, Certified Organic Process section 2.3.1 Notification of Noncompliance, NOP 4002 Instruction Enforcement of the USDA Organic Regulation: Penalty Matrix, §205.662 Noncompliance Procedure for certified operations and the in-house process of issuing notices of noncompliance. MCCO management creates the notice of noncompliance and the management supervisor reviews and signs the notice of noncompliance. MCCO submitted a copy of the training agenda, training slides and the attendance roster to the NOP for review.

**Verification of Corrective Action:** The auditor’s review of certification files found that MCCO does not consistently provide operations with a written notification of noncompliance for noncompliant practices identified during the operation’s onsite inspection. Inspectors are not identifying violations of the USDA Organic Regulations as issues of concern, but as “follow-up” items. MCCO allows these “follow-up” items to be resolved between the operation and the inspector prior to the report review.

**2024 Corrective Action:** MCCO performed a review of recent certification activities and determined that points of follow up at inspection are often related to insufficient updates to OSPs during operators' renewal applications. MCCO has updated its process to improve initial review of renewals by issuing noncompliances prior to inspection, when appropriate. MCCO revised its MCCO Certification Handbook, Section 2.2.1, to clarify responsibility to review information submitted to determine completeness of the operation's OSP before assigning an inspector to conduct an on-site inspection. MCCO also revised its Organic Inspection Exit Interview form to change terminology from "Follow-up Items" to "Additional Information Items" to align with language in 7 CFR 205.403(e). MCCO conducted staff training on September 19, 2022, July 15, 2023 and September 8, 2023, which covered MCCO staff requirements and practices regarding certification review, exit interview, and issuance of noncompliances.

**AIA-4116-20 – Accepted.** 7 C.F.R. §205.501(a)(9) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Maintain all records pursuant to §205.510(b) and make all such records available for inspection and copying during normal business hours by authorized representatives of the Secretary and the applicable State organic program's governing State official;”

**Comments:** *MCCO does not consistently maintain all records required by the regulations. The auditors' review of certification files found that emails containing information regarding certification decisions are sent to clients and are not retained according to record retention requirements outlined in 205.510(b)(2).*

**Corrective Action:** MCCO has updated its recordkeeping system from hard copy documents to Microsoft365 SharePoint. Each certified operation will have an individual SharePoint folder. The MCCO Program is maintaining email and written records containing information regarding certification decisions in the electronic client folders. Certification reviewers and inspectors will have access to the files in SharePoint. MCCO trained certification staff on January 21, 2022, regarding records retention and the updated recordkeeping software. The NOP reviewed MCCO's submission of the training agenda, presentation, and attendance log.

**Verification of Corrective Action:** The auditor's review of certification files verified that some certification documents are stored in individual operation folders in SharePoint. However, emails containing information regarding certification decisions are not consistently maintained in the operations' SharePoint folders.

**2024 Corrective Action:** MCCO staff will maintain certification documents in MCCO SharePoint folders for each client in Crop Producer or Crop Processor folders. Each operation has a dedicated folder, containing subfolders organized by chronological events. Each event folder requires maintaining certification documents verifying compliance to NOP regulation, including email and USPS transmittals. MCCO conducted staff training on September 19, 2022 and July 15, 2023 which covered MCCO staff requirements and practices to meet NOP Regulations regarding record retention, how to organize folders, and uploading of certification records into operation's folders to ensure they are ready for review and copying.

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

**AIA-1419-22 – 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:** *MCCO does not consistently demonstrate the ability to fully comply with the requirements for accreditation. The auditor's review of MCCO's Certification Handbook identified inaccurate and outdated information. The following are examples:*

- 1. The Inspection and Testing section incorrectly states that MCCO "may conduct sampling & testing of a minimum of 5% of the operations it certifies." §205.670(c) states "A certifying agent must, on an annual basis, sample and test from a minimum of five percent of the operations it certifies..."*
- 2. The Inspection and Testing section states the appropriate response when residue testing detects prohibited substances at levels greater than 5% of the Environmental Protection Agency's (EPA) tolerance. However, the Handbook does not include information about Food & Drug Administration (FDA) Action Levels, or how to respond to residue results when no EPA Tolerance or FDA Action Level has been established.*
- 3. The Exports and Imports Requirements section states that the attestation to the US-Canada Organic Equivalency Arrangement (USCOEA) "can be made by either the operation or by MCCO." The USCOEA arrangement requires the attestation to be listed on the organic certificate.*
- 4. The Exports and Imports Requirements section states that the correct attestation is "Certified in compliance with the terms of the US-Canada Organic Equivalency Arrangement". The compliant attestation is "Certified in accordance with the US-Canada Organic Equivalency Arrangement."*

**Corrective Action:** MCCO updated its Certification Handbook at Sections 2.2.4 and 2.5.1 to state definitively that MCCO performs sampling and unannounced inspections of 5% of certified operations on an annual basis as required; at Section 2.5.1 to include language specific to responding to positive sampling test results and actions required if no EPA tolerance and FDA action level exists; and at Section 5.0 to correct noncompliant export language and clarify that the attestation to the US- Canada Organic Equivalency Arrangement (USCOEA) must be listed on the organic certificate. MCCO made its staff aware of changes to the Certification Handbook and conducted internal training as of October 9, 2023.

**AIA-1420-22 – 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:** *MCCO's wild crops organic system plan (OSP) and inspection report templates do not demonstrate that MCCO fully complies with the requirements of §205.201(a)(1)-(6) and NOP 5022 Guidance Wild Crop Harvesting. MCCO's templates do not include all the required elements for wild crop production.*

**Corrective Action:** MCCO updated their Crop Organic System Plan template, Section C16: Wild Crop Harvesting to comply with requirements of §205.201(a)(1)-(6) and NOP 5022. Additionally, MCCO's updated its Crop Inspection Report and Crop Certification Review forms, including Wild Crop Harvesting, to comply with these requirements. MCCO made its staff aware of changes to its templates and conducted internal training as of October 9, 2023.

**AIA-1421-22 – Accepted.** 7 C.F.R. §205.403(c)(1) states, "The onsite inspection of an operation must verify: The operation's compliance or capability to comply with the Act and

the regulations in this part;”

**Comments:** *MCCO’s inspectors do not fully verify an operation’s compliance with the USDA organic regulations during the inspection. During a witness audit, the auditor observed that the MCCO inspector did not conduct a traceability exercise during the onsite inspection. The inspector informed the operation that the review and evaluation of the records would be completed after the exit interview.*

**Corrective Action:** MCCO implemented a plan to incorporate a review of traceability and mass balance exercises conducted by the inspector into the Crop Certification Review form and witness inspections to verify the exercises are being conducted onsite, during the inspection with the operation and to verify inspector capacity to conduct the exercises. MCCO will use the Crop Certification Review form at final review to verify the exercises were completed properly and assess actions conducted by the inspector to determine if any issues should be addressed with the inspector. MCCO will document the inspector ability to conduct traceability audits during annual witness inspections on the Witness Inspection Evaluation form. MCCO has conducted a witness inspection incorporating these updates with no issues noted with the traceability exercise. MCCO conducted training on September 8, 2023 that covered information verification by the inspector at onsite inspection and the exit interview.

**AIA-4237-23 – 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:** *MCCO does not demonstrate the ability to fully comply with the requirements for accreditation. The auditor’s review of certification files and interviews with staff found that MCCO’s Organic System Plan (OSP) templates do not 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, as required by §205.201(a)(3).*

**Corrective Action:** MCCO updated its Crops and Handling Organic System Plan templates to require operators to provide a description of the monitoring practices, procedures to be performed and maintained, including the frequency with which they will be performed. Additionally, MCCO updated its Crops and Handling Inspection Report and Certification Review to verify an operation’s practices to meet these requirements. MCCO made its staff aware of changes to its templates and conducted internal training as of October 9, 2023.

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

### **GENERAL INFORMATION**

- **Certifier Name** Monterey County Certified Organics, MCCO
- **Physical Address** 1428 Abbott Street, Salinas, California 93901, U.S.A.
- **Audit Type** Mid-term Audit
- **Auditor(s) & Audit Dates** Alison Howard & Colleen O'Brien, 12/07/2020 to 12/11/2020
- **Audit Identifier** NOP-68-20

### **CERTIFIER OVERVIEW**

Monterey County Certified Organic (MCCO) is a state organic agency located in Salinas, California. MCCO was originally accredited by the USDA National Organic Program (NOP) on April 29, 2002 to certify Crops, Wild Crops and Handling/processing operations. MCCO provides services to Monterey County operations and all key certification activities are conducted at the Salinas office.

The MCCO organic certification program certifies 19 operations to the following certification scopes: Crops (12), Wild Crop (0) and Handlers (8).

Certification services are performed by the MCCO Supervisor, MCCO Manager, three certification program reviewers and seven inspectors.

### **NOP DETERMINATION:**

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

Any noncompliance labeled as "**Cleared**," indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as "**Outstanding**" indicates that either the auditor could not verify implementation of the corrective actions or that records reviewed and audit observations did not demonstrate compliance. Any noncompliance labeled as "**Accepted**" indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next onsite audit.

## **Noncompliances from Prior Assessments**

**AIA-1318-20 – Cleared.**

**AIA-1319-20 – Cleared.**

**AIA-1320-20 - Cleared.**

## **Noncompliances Identified during the Current Assessment**

**AIA-4111-20 - 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:** *MCCO does not consistently 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 found instances where MCCO did not provide operations with a written notification of noncompliance for noncompliant practices identified during the operation’s onsite inspection. The noncompliant practices were instead relayed to the operations in a “memorandum.”*

**Corrective Action:** MCCO management has taken the OILC course “Compliance and Enforcement: Adverse Actions, Appeals and Reinstatements” and conducted in-house training for certification staff on January 21, 2022. The in-house training topics were the MCCO Certification Handbook, Certified Organic Process section 2.3.1 Notification of Noncompliance, NOP 4002 Instruction Enforcement of the USDA Organic Regulation: Penalty Matrix, §205.662 Noncompliance Procedure for certified operations and the in-house process of issuing notices of noncompliance. MCCO management creates the notice of noncompliance and the management supervisor reviews and signs the notice of noncompliance. MCCO submitted a copy of the training agenda, training slides and the attendance roster to the NOP for review.

**AIA-4113-20 - Accepted.** 7 C.F.R. §205.501(a)(6) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Conduct an annual performance evaluation of all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions and implement measures to correct any deficiencies in certification services.”

**Comments:** *MCCO is not conducting proper personnel evaluations of staff members. The auditors’ review of records found MCCO has not established performance criteria for evaluating staff and reviews are not being completed on an annual basis. MCCO did not conduct an annual performance evaluation in 2019 or 2020 for one staff member of the four members evaluated. **NOP 2027 Instruction Personnel Performance Evaluations** requires certifying agents to outline a defined competency system that assesses technical and interpersonal competencies, conduct annual personnel performance evaluations and implement measures to correct any deficiencies in certification services.*

**Corrective Action:** MCCO conducted annual personnel evaluations for all staff in 2021 and has created an Annual NOP Calendar which will automatically schedule annual performance



evaluations for all MCCO staff. MCCO also created the Personnel Evaluation Form. To prevent the noncompliance from reoccurring, the MCCO Supervisor with relevant organic experience will conduct the annual staff performance reviews. MCCO staff were trained on NOP 2027 Personnel Performance Evaluations and §205.501(a)(6). MCCO communicated the new Personnel Evaluation Form to staff and conducted training on personnel topics on January 21, 2022. MCCO submitted the new Personnel Evaluation Form, 2021 completed annual performance evaluations for all staff, training agenda, training materials, training attendance roster, and NOP Calendar to the NOP for review.

**AIA-4114-20 - 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:** *MCCO's 2019/2020 Annual Program Review report did not identify any proposed corrective actions that would address the findings in a timely and appropriate manner. This is required as outlined in NOP 2025 Instruction Internal Program Review.*

**Corrective Action:** MCCO updated the 2019-2020 Annual Program Review to add previous noncompliances and an update on the status of their associated corrective actions. MCCO will include previous noncompliances and an update on the status of their associated corrective actions in their annual internal reviews in the future. MCCO has contracted with an external auditor who will provide follow up to annual audit findings and noncompliances for MCCO to resolve. MCCO held training for certification staff on January 21, 2022 on NOP 2025 Instruction Internal Program Review and §205.501(a)(7). MCCO submitted the updated Annual Program Review, the training agenda, presentation and attendance roster for NOP review.

**AIA-4115-20 - Accepted.** 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

**Comments:** *MCCO is not consistently carrying out the provisions of the Act and regulations. The auditor's review of operation files and MCCO procedures found the following:*

- *MCCO incorrectly applied the exemptions to certification per 205.101(a)(1). MCCO certified an operation under the crops scope but informed the operation they could sell processed products under exemption based on less than \$5,000 in gross handling sales. The gross agricultural income from organic sales for this operation totaled more than \$5,000 for all organic products.*
- *MCCO did not verify pest management processes noted in the Organic System Plan (OSP) for a certified operation. The producer noted seven types of pest management recordkeeping conducted, but also noted that no records of pest management are kept. Pest management records were not verified in the review and inspection activities.*

**Corrective Action:** MCCO updated its Organic Certification Handbook section 1.13 Exemptions and Exclusions from Certification to capture provisions of §205.101 regarding exempt operations. MCCO provided an example of an updated OSP showing types of pest management practices in place and records to be kept. The pest management implementation

was verified at inspection. The NOP reviewed both the updated OSP and Inspection Report submitted by MCCO. MCCO conducted training on January 21, 2022 and February 4, 2022 for NOP-involved staff. The NOP reviewed MCCO's training agenda, presentations and attendance log for both trainings.

**AIA-4116-20 - Accepted.** 7 C.F.R. §205.501(a)(9) states, "A private or governmental entity accredited as a certifying agent under this subpart must: Maintain all records pursuant to §205.510(b) and make all such records available for inspection and copying during normal business hours by authorized representatives of the Secretary and the applicable State organic program's governing State official;"

**Comments:** *MCCO does not consistently maintain all records required by the regulations. The auditors' review of certification files found that emails containing information regarding certification decisions are sent to clients and are not retained according to record retention requirements outlined in 205.510(b)(2).*

**Corrective Action:** MCCO has updated its recordkeeping system from hard copy documents to Microsoft365 SharePoint. Each certified operation will have an individual SharePoint folder. The MCCO Program is maintaining email and written records containing information regarding certification decisions in the electronic client folders. Certification reviewers and inspectors will have access to the files in SharePoint. MCCO trained certification staff on January 21, 2022, regarding records retention and the updated recordkeeping software. The NOP reviewed MCCO's submission of the training agenda, presentation, and attendance log.

**AIA-4185-20 - Accepted.** 7 C.F.R. §205.662(c) states, "Proposed suspension or revocation. 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."

**Comments:** *MCCO did not issue a proposed suspension after failure to successfully correct or rebut a noncompliance.*

- *MCCO issued a notice of noncompliance on May 7, 2019; the operation did not respond to the noncompliance by the deadline of June 12, 2019 as evidenced by the producer's response letter dated July 2, 2019. MCCO did not subsequently issue a proposed suspension.*
- *MCCO issued a Notice of Noncompliance Resolution to an operation for a noncompliant label.*

**Corrective Action:** MCCO certification staff attended an in-house training on their Organic Certification Handbook, Certified Organic Process section 2.3.1 Notification of Noncompliance and on the requirements of §205.662(c). MCCO staff were trained on response dates and proposed adverse actions when noncompliances are not resolved. MCCO submitted the January 21, 2022 training agenda, presentations and attendance log for NOP review.

**AIA-4186-20 - Accepted.** 7 C.F.R. §205.670(g) states, "If test results indicate a specific agricultural product contains pesticide residues or environmental contaminants that exceed the Food and Drug Administration's or the Environmental Protection Agency's regulatory

tolerances, the certifying agent must promptly report such data to the Federal health agency whose regulatory tolerance or action level has been exceeded. Test results that exceed federal regulatory tolerances must also be reported to the appropriate State health agency or foreign equivalent.”

**Comments:** *MCCO does not fully carry out the requirements of NOP 2613 Instruction Responding to Results from Pesticide Residue Testing. The auditor’s review of pesticide residue analysis reports found MCCO is not always informing operations that their product may be sold as organic when residues are not detected.*

**Corrective Action:** MCCO conducted training for certification staff on January 21, 2022. Topics for the training included NOP 2613 Instruction Responding to Results from Pesticide Residue Testing and MCCO Organic Certification Handbook, Certified Organic Process 2.5.1 Inspection and Testing. MCCO staff were trained on notification of certified operations of any product test results and indication of whether the product may be sold as organic. The NOP reviewed MCCO’s submission of the training agenda, presentations, and attendance log.

## NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

### AUDIT AND REVIEW PROCESS

An onsite renewal assessment of Monterey County Certified Organic's (MCCO) organic program was conducted on August 22, 2017. The National Organic Program (NOP) reviewed the auditor's report to assess MCCO's compliance to the USDA organic regulations. This report provides the results of NOP's assessment.

### GENERAL INFORMATION

<b>Applicant Name</b>	Monterey County Certified Organic (MCCO)
<b>Physical Address</b>	1428 Abbott Street, Salinas, CA 93901
<b>Mailing Address</b>	1428 Abbott Street, Salinas, CA 93901
<b>Contact &amp; Title</b>	Graham Hunting or Rich Ordonez
<b>E-mail Address</b>	<a href="mailto:ordonezr@co.monterey.ca.us">ordonezr@co.monterey.ca.us</a> or <a href="mailto:huntinggb@co.monterey.ca.us">huntinggb@co.monterey.ca.us</a>
<b>Phone Number</b>	831.759.7325
<b>Reviewer &amp; Auditor</b>	Rebecca Claypool, NOP Reviewer; Penny Zuck, On-site Auditor.
<b>Program</b>	USDA National Organic Program (NOP)
<b>Review &amp; Audit Dates</b>	Corrective action review: February 2, 2018 NOP assessment review: September 26, 2017 Onsite audit: August 22-25, 2017
<b>Audit Identifier</b>	NP7203PZA
<b>Action Required</b>	No
<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 MCCO's certification
<b>Audit &amp; Determination Criteria</b>	7 CFR Part 205, National Organic Program as amended
<b>Audit &amp; Review Scope</b>	MCCO's certification services in carrying out the audit criteria during the period: October 2014 through August 2017

MCCO was originally accredited on April 29, 2002 to the National Organic Program (NOP) as a county program within the Monterey County Agriculture Commissioner's Office.

MCCO's accreditation request is to the scopes of crops, wild crops and processing/handling. The MCCO certified operations list consists of 15 operations: 6 crops and 9 handlers. Of the handler operations, 7 are processors and 2 are distributors (1 distributor and 1 handler/ processor/ distributor). MCCO does not certify grower groups. All operations are based in Monterey County, California.

MCCO's organic program office is located in Salinas, CA. The MCCO staff consists of the Assistant Commissioner (MCCO Manager); Chief Deputy Ag Commissioner (MCCO Manager); Deputy Ag Commissioner (MCCO Supervisor); and three staff as Reviewers, Inspectors; and a contracted Quality Systems Manager.

During the onsite audit, two witness audits were performed. One witness audit was conducted during the annual inspection of a vineyard. The other witness audit was conducted during the annual inspection of a vegetable seed processor/handler.

#### **NOP DETERMINATION:**

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

#### **Noncompliances from Prior Assessments**

Any noncompliance labeled as "**Cleared**," indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as "**Outstanding**" indicates that either the auditor could not verify implementation of the corrective actions or that records reviewed and audit observations did not demonstrate compliance. 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.

**NP4275ADA.NC1 – Cleared.**

**NP4275ADA.NC2 – Cleared.**

**NP4275ADA.NC3 – Cleared.**

**NP4275ADA.NC4 – Cleared.**

#### **Non-compliances Identified during the Current Assessment**

Any noncompliance labeled as "**Accepted**," indicates that the corrective actions for the noncompliance are accepted by the NOP and will be verified for implementation and effectiveness during the next onsite audit.

**NP7203PZA.NC1 – Accepted.** 7 C.F.R. §205.402(b)(2) states, "The certifying agent shall within a reasonable time:...Provide the applicant with a copy of the on-site inspection report, as approved by the certifying agent, for any on-site inspection performed; and..."

**Comments:** *MCCO is not providing a copy of unannounced inspection reports to operations.*

**2017 Corrective Action:** MCCO developed a new policy requiring MCCO to provide unannounced inspection reports to operators. MCCO updated their Certification Handbook, Section 2.2.4 Additional Surveillance Inspections, to include this requirement. MCCO held a staff training on October 11, 2017 to describe the new policy in the Certification Handbook. On October 3, 2017, MCCO conducted an unannounced inspection and submitted the inspection report to the operator on October 27, 2017. MCCO submitted the updated Certification

Handbook, training log and evidence the unannounced inspection report was sent to the operator to the NOP.

**NP7203PZA.NC2 – Accepted.** 7 C.F.R. §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must:…Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” NOP 2601 The Organic Certification Process Section 3.5 states, “Within a reasonable period of time, the certifier evaluates the inspection report, the OSP, the results of any analyses conducted, and any additional information provided.”

**Comments:** *MCCO is not conducting reviews of unannounced inspection reports post inspection.*

**2017 Corrective Action:** MCCO developed a new policy requiring MCCO to perform a review of unannounced inspection reports. MCCO updated its Certification Handbook, Section 2.2.4 Additional Surveillance Inspections, to include this requirement. MCCO held a staff training on October 11, 2017 to describe the new policy in the Certification Handbook. On October 3, 2017, MCCO conducted an unannounced inspection, reviewed the report, and submitted the inspection report to the operator. MCCO submitted the updated Certification Handbook, training log and evidence the unannounced inspection report was reviewed to the NOP.

**NP7203PZA.NC3 –** 7 C.F.R. §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must:…Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” NOP 2040 Instruction Organic Certification of Industrial Hemp Production was issued in August, 2016 and the NOP website provides instructions and the terms of international trade arrangements.

**Comments:** *The auditor identified the following issues:*

1. *The MCCO Certification Handbook Section 7.7 indicates the USDA has no guidance to certify Industrial Hemp according to the Farm Bill and NOP-accredited certifying agents may not certify the domestic production of industrial hemp, however, the NOP has published NOP 2040 instruction on Industrial Hemp production.*
2. *The MCCO Certification Handbook Export Section does not include instructions and procedures for the Switzerland-US Equivalency Arrangement.*
3. *The MCCO Certification Handbook does not include procedures for operations importing organic products according to Equivalency Arrangements.*

**2017 Corrective Action:** MCCO updated the Certification Handbook Section 1.5 NOS Regulations, to state that MCCO will update their Certification Handbook to include new information from the NOP through guidance, instructions or policy memos. MCCO updated the Certification Handbook further to address missing guidance regarding hemp production, inclusion of the Switzerland-US Equivalency Arrangement, and information on importing organic products.

1. MCCO updated Section 7.7 of the Certification Handbook to explain that hemp may be certified as organic following the *Statement of Principles on Industrial Hemp* in the 2014 Farm Bill.
2. MCCO updated Section 5.5 of the Certification Handbook to explain the US-Switzerland Equivalency Arrangement.

3. MCCO added section 5.6 to the Certification Handbook which includes procedures for importing product to the US under Equivalency and Recognition Arrangements. MCCO held a staff training on October 11, 2017 to describe the updates in the Certification Manual. On October 26, 2017 MCCO provided all its operators a copy of the updated Certification Handbook along with a summary of changes. MCCO submitted the updated Certification Handbook, training log and the summary of Certification Handbook changes to the NOP.

## NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

### AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted a mid-term assessment of Monterey County Certified Organic. An onsite audit was conducted, and the audit report reviewed to determine Monterey County Certified Organic's capability to continue operating as a USDA accredited certifier.

### GENERAL INFORMATION

<b>Applicant Name</b>	Monterey County Certified Organic (MCCO)
<b>Physical Address</b>	1428 Abbott Street, Salinas, CA 93901
<b>Mailing Address</b>	Same
<b>Contact &amp; Title</b>	Richard Ordonez, Chief Deputy Agricultural Commissioner
<b>E-mail Address</b>	<a href="mailto:ordonezr@co.monterey.ca.us">ordonezr@co.monterey.ca.us</a>
<b>Phone Number</b>	(831) 759-7322
<b>Reviewer &amp; Auditors</b>	NOP Reviewer: Janna Howley On-site Auditors: Nikki Adams (Lead Auditor) and Robert Yang (Auditor Trainee)
<b>Program</b>	USDA National Organic Program (NOP)
<b>Review &amp; Audit Dates</b>	NOP assessment review: February 25, 2015 Onsite audit: October 2-3 and October 14-15, 2014
<b>Audit Identifier</b>	NP4275ADA
<b>Action Required</b>	None
<b>Audit &amp; Review Type</b>	Mid-Term Assessment
<b>Audit Objective</b>	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of MCCO's certification system.
<b>Audit &amp; Determination Criteria</b>	7 CFR Part 205, National Organic Program as amended
<b>Audit &amp; Review Scope</b>	MCCO's certification services in carrying out the audit criteria during the period: May 2012 through October 2014.

Monterey County Certified Organic (MCCO) is a county program, initially accredited on April 29, 2002 as a USDA National Organic Program (NOP) certifying agent. MCCO is currently accredited to provide organic certification in crops, wild crops and processing/handling to the NOP standard only in Monterey County of California. The MCCO list of NOP certified operations included 16 operations, consisting of 5 crops and 11 handlers. Of the handler operations, 10 are processors and 3 are distributors (1 handler distributor and 2 handler/processor/ distributors).

MCCO has one office located in Salinas, CA based within the Monterey County Agriculture



Commissioner's Office. MCCO provides accreditation services under the USDA NOP Program, as well as equivalency under the EU and COR.

## **NOP DETERMINATION:**

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

### **Non-compliances from Prior Assessments**

Any noncompliance labeled as "**Cleared**," indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as "**Outstanding**" indicates that either the auditor could not verify implementation of the corrective actions or that records reviewed and audit observations did not demonstrate compliance.

#### **NP1284ADA.NC1 – Cleared**

### **Non-compliances Identified during the Current Assessment**

Any noncompliance labeled as "**Accepted**," indicates that the corrective actions for the noncompliance are accepted by the NOP and will be verified for implementation and effectiveness during the next onsite audit.

**NP4275ADA.NC1 – Accepted** - 7 CFR §205.403(e)(1) states, "At the time of inspection, the inspector shall provide the operation's authorized representative with a receipt for any samples taken by the inspector."

**Comments:** *A review of the procedures, sample results, and interviews conducted found that no receipt is left with the authorized representative at the time the sample is taken.*

**Corrective Action:** MCCO has a procedure in the *MCCO Certification Handbook*, 2.2.2 *Annual Inspection* for leaving receipts of sampling with the operator. In December 2014, MCCO also developed a *MCCO Sampling Receipt* form to be used by the inspector when conducting the sampling. This was inserted into MCCO's Field Sampling Notebook for use by inspectors. The *MCCO Sampling Receipt* form instructs the inspector to complete the sample receipt for each sample taken and have the operator sign this receipt before leaving the operation. It also instructs the inspectors to provide a copy to the operator on the day of sampling and keep the original for MCCO's file. This instruction is then reiterated in the *Inspector Residue Sampling Preparation & Tools Checklist*. MCCO updated its Quality Manual to include the *MCCO Sampling Receipt* as part of the MCCO Field Sampling Notebook. In January 2015, MCCO circulated a training memorandum, which included copies of the new form, to MCCO staff.

**NP4275ADA.NC2 – Accepted** - 7 CFR §205.403(d) states, “Exit Interview: The inspector must conduct an exit interview... to confirm the accuracy and completeness of inspection observations and information gathered during the on-site inspection. The inspector must also address the need for any additional information as well as any issues of concern.”

**Comments:** *A review of files, the exit interview template, observation at the witness inspection and interviews conducted found that 1) the Exit Interview form asks for ‘Recommended Corrective Actions’ and states these are for Minor Non-compliances or recommended areas of improvement, which could imply giving advice for identifying overcoming barriers to certification; and 2) MCCO inspectors are issuing an ‘Organic Compliance Agreement’ at the conclusion of the inspection when minor issues are noted (such as OSP corrections, organic certificates not available during the inspection), which requires the operator to perform immediate correction based on the inspector’s determination. This is being used in place of a ‘Notification of Minor Issues’ that requires the operator to provide corrective actions. Two of eight files reviewed did not have Notifications of Minor Issues given to the client when it was warranted.*

**Corrective Action:** In December, 2014, the *Organic Inspection Exit Interview* document was updated from referencing "recommended corrective actions/minor noncompliance(s) or recommended areas of improvement" to state, "issues of concern and follow-up information." In December 2014, the *Organic Compliance Agreement* was made obsolete. Inspectors no longer issue an *Organic Compliance Agreement*. The updates to the *Organic Inspection Exit Interview* were document controlled and notification thereof was issued on December 2, 2014 to MCCO staff.

**NP4275ADA.NC3 – Accepted** - 7 CFR §205.662(c)(1-4) states, “Proposed suspension or revocation. 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.... 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:** *A review of the Proposed Suspension template, interviews conducted, and the only Proposed Suspension issued includes an opportunity to submit corrective actions to clear the proposed suspension. Additionally, this is a combined template for Proposed Suspension and Proposed Revocation. This phrasing was removed from the template during the assessment, prior to the closing meeting.*

**Corrective Action:** In October 2014 the *MCCO Proposed Suspension or Revocation* letter was updated to include: 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. The updates to the *MCCO Proposed Suspension or Revocation* letter were document controlled and notification thereof was issued on October 20, 2014 to MCCO staff.

**NP4275ADA.NC4 – Accepted** - 7 CFR §205.501(a)(5) states, “Ensure that its reasonably 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:** *Interviews conducted, and training records reviewed, found that one of the two final decision makers did not have organic training in 2011 or 2013. Two inspectors did not have training in 2014 and another did not have training in both 2013 and 2014. Additionally, in house training is not being documented.*

**Corrective Action:** MCCO made updates to its Quality Manual to clarify that the qualifications listed are required of both Inspectors and Reviewers, and that IOIA organic training "and/or an equivalent organic training" are required. MCCO maintains a Training Log to demonstrate that MCCO is actively committed to ongoing training of its personnel in the organic program. In the past, the training log has not been inclusive of all trainings. Personnel were responsible for tracking trainings by their own logging system (i.e. calendars, email, etc.). To improve this process, MCCO will now request that personnel provide evidence of their trainings so the Training Log can be updated accordingly. MCCO has implemented the *MCCO In-House Training Form*. This tool is used to document trainings that occur during meetings, or provided by staff sharing information from individually-attended trainings, meetings, seminars, scheduled webinars, and other formal or informal training opportunities. Additionally, every month the Monterey County Agricultural Commissioner's Office updates a binder that contains industry periodicals, agricultural group newsletters, internal and external memos, regulation updates, departmental notices and other informative resources. This binder is circulated to the Monterey County Agricultural Commissioner's Office supervisors and managers, who review the information and share relevant items with their staff. MCCO will now document this review and subsequent training on the *MCCO In-House Training Form*. On February 1, 2015 MCCO began their annual request for Human Resource records. A request for updating training records was included in the request; this request will now occur annually.

## AUDIT INFORMATION

<b>ACA Name:</b>	Monterey County Certified Organic (MCCO)
<b>Est. Number:</b>	N/A
<b>Physical Address:</b>	1428 Abbott St., Salinas, CA 93901
<b>Mailing Address:</b>	1428 Abbott St., Salinas, CA 93901
<b>Contact &amp; Title:</b>	Kenneth Allen, MCCO Supervisor
<b>E-mail Address:</b>	<a href="mailto:allenke@co.monterey.ca.us">allenke@co.monterey.ca.us</a>
<b>Phone Number:</b>	(831) 759-7325
<b>Auditor(s):</b>	Julie Hartley, Accreditation Manager
<b>Program:</b>	USDA National Organic Program (NOP)
<b>NOP Audit Date(s):</b>	April 17 – April 18, 2012
<b>Audit Identifier:</b>	NP1284ADA
<b>Action Required:</b>	No
<b>Audit Type:</b>	Corrective Action review (Renewal Assessment)
<b>Audit Objective:</b>	To verify that corrective actions adequately address the noncompliances identified during the renewal assessment.
<b>Audit Criteria:</b>	7 CFR Part 205, National Organic Program, Final Rule, dated December 21, 2000; as amended August 03, 2011.
<b>Audit Scope:</b>	MCCO's submitted corrective actions
<b>Location(s) Audited:</b>	Desk

The NOP conducted a Renewal Assessment of the Monterey County Certified Organic (MCCO) on October 11-14, 2011. The Renewal Assessment, NP1284ADA, resulted in one noncompliance, and the NOP issued a Notice of Noncompliance to MCCO on February 28, 2012. MCCO's corrective actions were received by the NOP on March 12, 2012. The submitted corrective actions consisted of:

- Email attachments (3/12/12) of supporting evidence for corrective actions:
  - Corrective Action letter for Renewal Assessment Audit
  - MCCO revised Organic Certificate Form
  - MCCO revised Organic Certificate Addendum

As reviewed in the renewal assessment audit report, NP1284ADA, four noncompliances identified at the previous Mid-Term Audit (2009) were verified as implemented and effective during the Renewal Assessment, and thereby cleared.

**FINDINGS**

The corrective actions submitted by MCCO are found to adequately address the noncompliances identified during the renewal assessment and are accepted. MCCO's next assessment, a Mid-Term audit in FY2013, will verify whether the corrective action is implemented and effective.

**NP1284ADA.NC1 – Accepted.** NOP §205.404(b)(3) states, "The certifying agent must issue a certificate of organic operation which specifies the: Categories of organic operation, including crops, wild crops, livestock or processed products produced by the certified operation..." *MCCO has five crop clients. A review of the three certificates issued so far in 2011 found that all three stated the scope as Producer instead of Crops. The template was corrected in the database prior to the conclusion of the audit.*

**Corrective Action:** The MCCO Organic Certification Form was revised to specify the term "Crop" rather than "Grower" or "Producer." The MCCO Organic Certification Addendum was also similarly revised. These documents will continue to be used by MCCO, now and in the future.