



CERTIFICATE OF ACCREDITATION



United States Department of Agriculture

Agricultural Marketing Service

National Organic Program

PENNSYLVANIA CERTIFIED ORGANIC

106 School Street, Suite 201, Spring Mills, Pennsylvania, 16875, 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, Livestock, Wild Crops Operations

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

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

Certificate No: **USDA-34-24**

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

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

Issue Date: **11/12/2024**

Jennifer Tucker, Ph.D.

Deputy Administrator

National Organic Program

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National Organic Program
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Room 2642-South, STOP 0268
Washington, DC 20250-0268

NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT

GENERAL INFORMATION

Certifier Name	Pennsylvania Certified Organic (PCO)
Physical Address	106 School Street, Spring Mills, Pennsylvania 16875, U.S.A.
Audit Type	Renewal Audit
Auditor(s) & Audit Dates	Colleen O'Brien, Alicia Hudson, Emily Prisco, Samuel Schaefer-Joel, 05/23/2022 to 05/27/2022
Audit Identifier	NOP-39-22

CERTIFIER OVERVIEW

The National Organic Program (NOP) conducted a remote renewal audit of Pennsylvania Certified Organic (PCO)'s certification system for the period November 21, 2020, to May 2, 2022. The purpose of the audit is to verify PCO's conformance to the USDA organic regulations. Audit activities included three onsite witness audits conducted June 7, 2022 and July 11-12, 2022. Witness audits consisted of two livestock and crop operations and one handling operation.

PCO is a non-profit organization and was initially accredited on April 29, 2002. PCO's office is in Spring Mills, PA. PCO is accredited to the following scopes: Handling, Crops, Livestock, and Wild Crop. PCO certifies 1,696 operations to the following certification scopes: Crops (903), Livestock (995), Handling (250), and Wild Crop (1). Certification services are conducted in Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Indiana, Kentucky, Maine, Maryland, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Vermont, Virginia, Washington State, Washington DC, and West Virginia.

Certification activities are performed by 33 staff employees and approximately 40 contract inspectors. The majority of PCO's certification personnel work remotely.

NOP DETERMINATION:

NOP reviewed the audit results to determine whether PCO'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 "**Outstanding**" indicates the corrective actions were not effectively implemented. 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-3291-20 – Cleared.

AIA-3292-20 – Cleared.

AIA-3293-20 – Cleared.

AIA-7179-21 – Cleared.

AIA-3290-20 – Accepted. 7 C.F.R. §205.662(a) states, "When an inspection, review, or investigation of a certified operation by a certifying agent or a State organic program's governing State official reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation."

Comments: *PCO did not issue a notification of noncompliance to certified operations, even though PCO's inspections of the operations revealed noncompliant practices. The auditor's review of certification files of four operations found that PCO issued a certification decision report with "conditions for certification" after noncompliant practices were identified during the inspection. The inspection reports identified issues including incomplete DMI calculations, confinement of livestock, knowingly purchasing nonorganic livestock for organic slaughter, incomplete feed rations, and failure to meet 30% DMI from pasture for ruminants.*

Corrective Action: PCO managers will monitor five certification files for each certification specialist to ensure that timely and accurate notifications of noncompliance are issued to noncompliant operations. The monitoring began October 25, 2021 and will be documented in staff evaluations. PCO conducted internal training for certification staff on the revised Standard Operating Procedures and the Compliance Decision Tree in October 2021. PCO submitted "Compliance Decision Tree," "CER007-Certification Report Process SOP," "CER008- Compliance Process SOP," and "Certification Review" training documentation as objective evidence of training staff on differentiating between issues of concern and noncompliances. PCO will require all existing certification specialists to complete the NOP OILC course "NOP 170 Certification Review Essentials" by January 10, 2022. PCO will also require the NOP 170 course for onboarding certification specialists.

Verification of Corrective Action: The auditors verified PCO monitored at least five certification files for each certification specialist during the specified timeframe. The auditors also verified that existing and new certification specialists have completed the NOP OILC course "NOP 170 Certification Review Essentials." Additional verification of inspections that occurred following full implementation of this corrective action is needed to verify that corrective measures have effectively prevented a recurrence of the noncompliance. The additional verification will occur at PCO's next accreditation audit.

Noncompliances Identified during the Current Assessment

AIA-949-22 - 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: *PCO does not fully implement international organic trade arrangement policies and procedures as outlined in the NOP’s International Trade Policies resources. The auditors’ review of PCO’s import/export policies and documents identified the following issues:*

- 1. PCO’s Policy Manual and PCO’s Policy Manual for Inspectors contains outdated requirements for importing and exporting of organic products regarding India, Japan, and the UK)*
- 2. PCO issued organic certificates that do not include the correct attestation statement for export under the US-Canada Equivalency Arrangement.*

Corrective Action: PCO consolidated its Policy Manual and Policy Manual for Inspectors into one manual for use by PCO staff and contracted inspectors; the manual was updated to include current requirements for importing and exporting products for all trade arrangements. PCO also updated its certificate template to include the correct attestation statement for export under the US-Canada Equivalency Arrangement. PCO submitted the slides of its 2023 International Trade Verification training resource for inspectors, as well as training logs to demonstrate training completion.

AIA-952-22 - 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: *PCO does not fully carry out the procedures of NOP 2613 Instruction; Responding to Results from Pesticide Residue Testing. The auditor’s review of pesticide residue analysis reports and responses to certified operations found PCO is not informing operations that their product may be sold as organic when residues are not detected.*

Corrective Action: PCO added a notification of eligibility for organic sale to the residue results template letter used to inform clients of residue test results. PCO submitted a copy of the template.

AIA-953-22 - Accepted. 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

Comments: *PCO does not carry out the provisions of the Act and regulations. The auditor’s review of certification files and interviews with certification staff found that PCO does not consistently verify all organic livestock regulations. The following are regulations that PCO does/did not adequately verify:*

- 1. §205.237(c)(1): PCO does not verify that all classes of ruminant animals graze throughout the entire grazing season.*
- 2. §205.237(d)(2): A PCO inspector did not use actual feed fed values to verify the dry matter intake (DMI) calculations; the inspector instead used the planned organic system plan (OSP) ration values.*
- 3. §205.237(d)(4): PCO did not verify dry matter demand (DMD) calculations for ruminants, which resulted in incorrect DMI consumed from pasture values.*

4. §205.237(d)(4): PCO accepted an incomplete OSP that did not include DMD calculation methods.
5. §§205.103, 205.100: PCO does not require its dairy operations to maintain slaughter eligibility status in their records.

Corrective Action: PCO updated its Ruminant and Swine OSP to require grazing season start and end dates for all ruminant groups and to tell operations to document actual feed fed for each type and class of animal. PCO also updated the Ruminant and Swine OSP to ask for information that can be used to determine slaughter eligibility and updated its Herd List template to include tracking of slaughter eligibility. PCO updated its inspector checklist to add questions verifying accuracy of the grazing information in the OSP, feed fed according to operation records, and the animal identification system, including slaughter eligibility. PCO submitted evidence of relevant training for all PCO Inspectors on April 6, 2023. PCO submitted evidence that certification specialists who review dairy files completed dairy compliance trainings in the Organic Integrity Learning Center (NOP-090 and NOP-290) by the end of 2023.

AIA-954-22 - 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: PCO’s organic system plan (OSP) and inspection report forms do not fully verify an operation’s compliance with the USDA organic regulations. The auditor’s review of certification files and interviews with certification staff found the following examples:

1. PCO’s inspection report templates do not prompt the inspector to verify whether livestock confinement timeframes are temporary and in compliance with §205.239(b)&(c).
2. The OSP supplement for livestock auction facilities does not ask the inspector to verify the livestock regulations for healthcare and treatments per §205.238.
3. PCO’s inspection report does not prompt inspector to verify prevention of commingling, or split operation separation per §205.200.
4. PCO does not verify that livestock treated with parasiticides have their slaughter eligibility status changed to ‘not eligible’ per §205.603(18).

Corrective Action: PCO updated its inspector checklist to include verification of livestock confinement timeframes, prevention of commingling for split operations, and parasiticide use and slaughter eligibility status. PCO updated its OSP supplement for livestock auction facilities to include questions about healthcare treatments and treatment documentation. PCO provided training for inspectors on these topics at the PCO Annual Inspector Meeting on April 6, 2023 and submitted training logs for inspectors.

AIA-955-22 - 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: PCO does not ensure that its employees have sufficient expertise in organic production or handling techniques. The auditor’s review of certification files and interviews with certification staff found the following issues:

1. PCO approved noncompliant practices in Organic System Plans (OSPs) for ruminant producers. In two OSPs, PCO failed to identify that certified ruminant producers combined rations or dry matter requirements for lactating cows and dry cows, two separate classes of animals, in violation of §205.237.

2. *Inspectors are not conducting adequate traceback and mass balance exercises to verify operations' compliance with the USDA organic regulations. Examples found during the audit include failing to trace products fully through the recordkeeping system from source to final disposition, failing to fully complete mass balance audits, and conducting mass balance audits based on a single record.*

Corrective Action: PCO required training for certification specialists and inspectors as follows:

1. PCO certification specialists reviewed ***NOP 5017-1: Calculating Dry Matter Intake from Pasture***. PCO stated that they plan to conduct annual refresher training on dry matter requirements and submitted a training plan for 2023-2024 as evidence.
2. PCO created a learning module on basic expectations for mass balance and traceback audits inspection, which was and presented at the 2023 Annual Inspector Meeting on April 6, 2023. PCO required inspectors to complete NOP-080 Traceability Techniques by the end of 2023 and submitted training logs to demonstrate completion.

AIA-956-22 - Accepted. 7 C.F.R. §205.501(a)(4) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Use a sufficient number of adequately trained personnel, including inspectors and certification review personnel, to comply with and implement the organic certification program established under the Act and the regulations in subpart E of this part;”

Comments: *PCO does not have a sufficient number of material review personnel to implement its USDA organic certification program. The auditors' review of certification files and interviews with staff found that PCO is unable to consistently re-review approved materials within a reasonable timeframe due to a lack of material review personnel. PCO's policies and procedures require approved materials to be identified for re-review and reviewed on a 5-year cycle; however, the auditor's review of approved materials found approximately 270 input materials approved for use by certified operations that had not been reviewed in the last 5 years and had not been identified as needing to be re-reviewed.*

Corrective Action: PCO conducted a review of input materials approved for use by certified operations that had not been reviewed in the last 5 years. PCO hired two Contracted Materials Reviewers to review inputs past the 5-year review mark or close to expiration. PCO bulk-created material review request task for inputs that are over 5 years old and inputs that are over 4 years old, and PCO created an “expired” status applied to inputs over 5 years old. PCO also created and implemented a new procedure, MAT016-Materials Database Annual Maintenance, to annually determine the re-review workload for the Materials Review Team. PCO submitted a spreadsheet to demonstrate that re-review of materials over 5 years old was completed as of November 21, 2023.

AIA-957-22 - Accepted. 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

Comments: *PCO does not always conduct a sufficient review of information when determining the compliance of an input material. The auditors reviewed input material documentation and found that PCO reviewed a “paper pot” product without verifying that the “paper” material in the product met the “Newspaper or other recycled paper” requirement as specified by the National List. Additionally, PCO's approval of this “paper pot” product extends to the entire product line; the product line includes multiple products that contain a fungicide that has not been reviewed for compliance.*

Corrective Action: PCO conducted Input Material Review training for all Materials Specialists and submitted training records as evidence. PCO updated the materials section of its policy manual to

include verification of paper products. PCO also changed the status of the identified “paper pot” product in its materials database.

AIA-958-22 - Accepted. 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

Comments: *PCO does not carry out the provisions of the Act and regulations. The auditor’s review of certification files found incomplete or inaccurate information in operations’ organic system plans (OSPs). Examples of incomplete or inaccurate OSPs include:*

- 1. One mushroom operation’s OSP included production practices and inputs that are no longer used.*
- 2. Several handling operations’ OSPs were missing information regarding whether the operation packages and/or labels the certified products.*
- 3. One handling operation inaccurately stated that no labeling is done, but the operation provides pallet shipping labels to third-party certified operations that process and package their products.*

Corrective Action: PCO required Certification Specialists to complete NOP OILC Course “NOP 140-Recordkeeping” by the end of 2023 and provided training logs as evidence. PCO plans to conduct yearly training refreshers on file and documentation review; PCO provided its training plan for 2024.

NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted an audit as part of the NOP's assessment of the certifier's USDA organic certification program. NOP reviewed the auditor's assessment to determine compliance with the USDA organic regulations. This report provides the results of NOP's assessment and review of corrective actions.

GENERAL INFORMATION

Applicant Name	Pennsylvania Certified Organic (PCO)
Physical Address	106 School Street, Spring Mills, Pennsylvania 16875, U.S.A.
Mailing Address	106 School Street, Spring Mills, Pennsylvania 16875, U.S.A.
Contact & Title	Ms. Kyla Smith, Certification Director, Interim Co-Executive Director
E-mail Address	kyla@paorganic.org
Phone Number	814-422-0251
Reviewers & Auditors	Karin French, NOP Reviewer; Sherry Aultman, Joshua Lindau, Auditors
Program	USDA National Organic Program (NOP)
Review & Audit Dates	Corrective Action Review: January 20, 2022 NOP assessment review: June 1, 2021 Onsite audit: November 16, 2020 to November 20, 2020
Audit Identifier	NOP-40-20
Action Required	No
Audit & Review Type	Mid-Term Assessment
Audit Objective	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of PCO's certification
Audit & Determination Criteria	<i>7 CFR Part 205, National Organic Program as amended</i>
Audit & Review Scope	PCO's demonstrated conformance and program implementation during the period: August 11, 2017 through November 20, 2020.

Pennsylvania Certified Organic (PCO) is a non-profit organization initially accredited by the USDA National Organic Program (NOP) on April 29, 2002 for the scopes of Crops, Wild Crops, Livestock, and Handling.

At the time of the assessment, PCO certified 1,629 operations: 927 crops, 6 wild crops, 976 livestock, and 261 handling operations. PCO's certified operations are located in Arkansas, California, Connecticut, Delaware, District of Columbia, Florida, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Missouri, New Hampshire, New Jersey, New York, North

Carolina, Ohio, Pennsylvania, Tennessee, Vermont, Virginia, and West Virginia. PCO does not certify grower groups.

PCO's office is located in Spring Mills, PA. PCO staff consist of three directors, nine Managers, eight certification officers, six administrative staff, three Program Assistants, two Material Specialists, and forty-two contracted inspectors. Nine of the permanent staff also perform onsite inspections.

NOP DETERMINATION

The NOP reviewed the onsite audit results to determine whether PCO corrective actions adequately addressed previous noncompliances. The NOP also reviewed the findings identified during the audit to determine whether noncompliances should be issued to PCO.

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

Noncompliances from Prior Assessments

AIA-3138-20 (NP7219JLA.NC1) – Cleared.
AIA-3217-20 (NP7219JLA.NC2) – Cleared.
AIA-3218-20 (NP7219JLA.NC3) – Cleared.
AIA-3219-20 (NP7219JLA.NC4) – Cleared.
AIA-3220-20 (NP7219JLA.NC5) – Cleared.
AIA-3221-20 (NP7219JLA.NC6) – Cleared.

Noncompliances Identified during the Current Assessment

AIA-3290-20 – Accepted. 7 C.F.R. §205.662(a) states, "When an inspection, review, or investigation of a certified operation by a certifying agent or a State organic program's governing State official reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation."

Comments: *PCO did not issue a notification of noncompliance to certified operations, even though PCO's inspections of the operations revealed noncompliant practices. The auditor's review of certification files of four operations found that PCO issued a certification decision report with "conditions for certification" after noncompliant practices were identified during the inspection. The inspection reports identified issues including incomplete DMI calculations,*

confinement of livestock, knowingly purchasing nonorganic livestock for organic slaughter, incomplete feed rations, and failure to meet 30% DMI from pasture for ruminants.

Corrective Actions: PCO managers will monitor five certification files for each certification specialist to ensure that timely and accurate notifications of noncompliance are issued to noncompliant operations. The monitoring began October 25, 2021 and will be documented in staff evaluations. PCO conducted internal training for certification staff on the revised Standard Operating Procedures and the Compliance Decision Tree in October 2021. PCO submitted “Compliance Decision Tree”, “CER007-Certification Report Process SOP”, “CER008-Compliance Process SOP”, and “Certification Review” training documentation as objective evidence of training staff on differentiating between issues of concern and noncompliances. PCO will require all existing certification specialists to complete the NOP OILC course “NOP 170 Certification Review Essentials” by January 10, 2022. PCO will also require the NOP 170 course for onboarding certification specialists.

AIA-3291-20 – 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: *PCO does not consistently issue certified operations a Notice of Noncompliance per §205.406(c) when the certified operation is not in compliance. The auditor’s review of certification files found that organic system plans and supporting documents were incomplete due to the applicant not answering questions or providing inaccurate answers. The auditors also found product profiles that were incomplete and missing critical information. PCO did not issue a notification of noncompliance to the operations for incomplete or inaccurate information.*

Corrective Actions: PCO submitted a revised “CER002 – Initial Review Process SOP,” instructing certification specialists to issue an “Initial Review (IRR) – Not Approved” letter to operations when the OSP is incomplete or inaccurate. PCO conducted training for certification specialists on the revised initial review process in September 2021 including the requirement to issue the “IRR – Not Approved”. PCO conducted refresher training for certification specialists on product reviews and complete product profiles in September 2021. PCO submitted the training documentation. PCO will require all certification specialists and program assistants to complete the NOP Organic Integrity Learning Center course “NOP 170 Certification Review Essentials” by January 2022. PCO will revise “C-OPS001: The Prospective Client Process SOP”, “CER002: Initial Review Process SOP”, “CER012: Product Profile Review”, the initial review checklist, and the New application screening task to provide certification staff the regulatory standards and expectations for OSPs, supporting documents, and product profile reviews. In order to provide guidance and expectations for submitting complete applications to prospective clients, PCO will revise the “Welcome New Applicant Letter” and the “Application Received Letter”. PCO will conduct training on the revised procedures and processes in January 2022. All pending revised documents will be submitted in February 2022.

AIA-3292-20 – Accepted. 7 C.F.R. §205.501(a)(11)(v) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Prevent conflicts of interest by: Requiring 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 all parties responsibly connected to the certifying agent to complete an annual conflict of interest disclosure report.”

Comments: *The auditors’ review of three conflict of interest disclosures found that the documents were incomplete because they did not have the Certification Agency Representative’s signature to document PCO’s acknowledgement of employee conflicts of interest.*

Corrective Actions: PCO revised their “Conflict of Interest Disclosure” (COI) form and integrated the forms into their Intact database. COIs are entered into the database when received and any conflicts are noted on the corresponding entity file providing a transparent review and documentation process. PCO submitted the updated ‘Conflict of Interest Disclosure and Confidentiality Agreement’, the “Conflict of Interest, Confidentiality and Qualifications Documentation SOP QS008,” and evidence of COI notations in the database.

AIA-3293-20 – 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: *PCO’s internal program review does not adequately verify and monitor effective implementation of corrective actions identified by its own internal audits. PCO’s 2018 and 2019 internal program reviews identified certificates missing information required by the USDA organic regulations and NOP Policy. The same issue was identified during PCO’s NOP Renewal audit in 2017 and corrective actions were accepted by the NOP. Internal program reviews in 2018 and 2019 also noted “inaccuracies, incompleteness and lack of timely documentation of noncompliance procedure activities have been noted in past internal program reviews and continue to be problematic” and the 2020 internal program review noted “Lack of substantial improvement has generated a concern about our ability to effectively ensure organic integrity”, demonstrating continuing issues with identified noncompliances that are not resolved through corrective actions implemented by the certifier.*

Corrective Actions: PCO instituted a quarterly audit which will verify and track corrective actions previously identified in annual internal program reviews. Quarterly audit findings will be reviewed by the PCO Leadership team, the Certification Director, and the appropriate Certification Team Assistant Managers to verify corrective action implementation. PCO submitted the “PCO Internal Program Review SOP QS010 V3” and the “PCO Quarterly Audit Template V1” documenting the new process of tracking and verifying implementation of corrective actions.

NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

An onsite renewal assessment of Pennsylvania Certified Organic's (PCO) organic program was conducted on August 7-11, 2017. The National Organic Program (NOP) reviewed the auditor's report to assess PCO's compliance to the USDA organic regulations. This report provides the results of NOP's assessment.

GENERAL INFORMATION

Applicant Name	Pennsylvania Certified Organic (PCO)
Physical Address	106 School Street, Suite 201 Spring Mills, PA 16875
Mailing Address	106 School Street, Suite 201 Spring Mills, PA 16875
Contact & Title	Kyla Smith, Certification Director
E-mail Address	kyla@paorganic.org
Phone Number	814-422-0251
Reviewer(s) & Auditor(s)	Graham Davis, NOP Reviewer; Rebecca Claypool and Jason Lopez, Onsite Auditors
Program	USDA National Organic Program (NOP)
Review & Audit Date(s)	Corrective actions review: December 8, 2017 NOP assessment review: August 30, 2017 Onsite audit: August 7-11, 2017
Audit Identifier	NP7219JLA
Action Required	None
Audit & Review Type	Renewal Assessment
Audit Objective	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of PCO's certification system.
Audit & Determination Criteria	7 CFR Part 205, National Organic Program as amended
Audit & Review Scope	PCO's certification services in carrying out the audit criteria during the period: July 25, 2014 through August 11, 2017

Pennsylvania Certified Organic (PCO) is a non-profit organization initially accredited by the USDA National Organic Program (NOP) on April 29, 2002 for the scopes of Crops, Wild Crops, Livestock, and Handling.

At the time of the assessment, PCO certified 1215 operations: 769 crops, 4 wild crops, 800 livestock, and 239 handling operations. PCO's certified operations are located in Delaware, Florida, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Missouri, New

Hampshire, New York, New Jersey, North Carolina, Ohio, Pennsylvania, West Virginia, Virginia, Vermont, Washington D.C., California, Georgia, and Michigan. PCO does not certify grower groups.

PCO's office is located in Spring Mills, PA. PCO staff consist of 9 administrative staff, 18 certification staff, 2 quality management & IT staff, and 28 contracted inspectors. Eight of the certification specialists also conduct inspections.

Four witness audits were conducted. One witness audit of an annual inspection of a crops and dairy operation; one witness audit of an annual inspection of a soybean processing plant; and witness audits of an unannounced inspection of a crops and wild crops operation and a partial inspection of a crops and livestock operation.

NOP DETERMINATION:

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

AIA16138GD.NC1 – Cleared
AIA15170RKA.NC1 – Cleared
AIA14233RK.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.

NP7219JLA.NC1 – Accepted. 7 C.F.R. §205.501(a)(21) states, "A private or governmental entity accredited as a certifying agent under this subpart must...Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary." NOP 2603, *Organic Certificates*, Section 3.1, indicates the elements of an organic certificate, and Section 3.4 states "Certifying agents should issue a new organic certificate each year."

Comments: *PCO's certificate does not include all of the required elements of an organic*

certificate in the following manner:

- *An issue date is not specified on the certificate.*
- *An anniversary date is not specified on the certificate.*
- *The statement, “Certified to the USDA organic regulations, 7 CFR Part 205” is not included on the certificate.*
- *The statement “Once certified, a production or handling operation’s organic certification continues in effect until surrendered, suspended or revoked” is not included on the certificate.*

2017 Corrective Action: PCO revised its organic certificate template in the following manner:

1. An issue date has been specified on the certificate.
2. An anniversary date is captured on the certificate addendum to reflect the date upon which annual updates are due.
3. The statement, “Certified to the USDA organic regulations, 7 CFR Part 205” has been added to the organic certificate and the organic certificate addendum.
4. The statement “Once certified, a production or handling operation’s organic certification continues in effect until surrendered, suspended or revoked” has been added.

PCO will review their certificate, at minimum, annually for compliance with NOP 2603 and 7 CFR §205.404 (b). PCO amended their quality manual and internal program review standard operating procedure to specifically require a review of the certificates and certificate of operation-Addendums during their internal program review.

NP7219JLA.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 2603, *Organic Certificates*, Section 3.4 states “Certifying agents should issue a new organic certificate each year.”

Comments: *PCO does not issue all its certified operations a new organic certificate each year. A new certificate is issued only in cases where the category of organic operation or contact information of the certified operation changes.*

2017 Corrective Action: PCO implemented the following revisions to clearly identify their certificate of organic operation and their certificate of organic operation - addendum, collectively, as the complete certificate of organic operation:

1. Revised the previous title of the addendum from “Organic Product Verification” to “*Certificate of Organic Operation - Addendum*”.
2. Added the statement: “*This document is not valid without the Certificate of Organic Operation - Addendum*” to the Certificate of Organic Operation.
3. Added a corresponding statement to the Certificate of Organic Operation - Addendum which reads: “*This document is not valid without the Certificate of Organic Operation*”.

PCO will issue a revised certificate of organic operation and an explanatory letter to certified operations as their certification reports are completed for the 2017 review year. PCO will conduct

a comprehensive review of all organic certificates at the close of the review year to ensure all certified operations have been issued a revised and complete Certificate of Organic Operation. PCO conducted internal training on September 27, 2017, to inform staff of the updates to their certificate of organic operation and certificate of organic operation - addendum and to provide instruction on issuing the documents.

NP7219JLA.NC3 – Accepted. 7 C.F.R. §205.642 states, “Fees charged by a certifying agent must be reasonable, and... The fee schedule must explain what fee amounts are nonrefundable and at what stage during the certification process fees become nonrefundable.”

Comments: *PCO’s fee schedule does not clearly explain at which point certain fees become nonrefundable. The fee schedule notes that the application fee is nonrefundable, however it is unclear at which point the remaining fees are also nonrefundable. The fee schedule states that one half of the paid fees are nonrefundable, however in practice it appears that once fees are invoiced they become nonrefundable.*

2017 Corrective Action: PCO’s fee schedule has been updated to include a refund policy section. The revised fee schedule became effective as of September 29, 2017 and was updated on the PCO website on October 2, 2017. PCO is now providing it to all new applicants with their application and will be providing to renewing applicants with their annual update packets beginning January 1, 2018. The fee schedule will be reviewed annually by the certification director and the quality systems manager during the annual controlled document review to ensure that the refund policy is clearly explained.

NP7219JLA.NC4 – 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 2615 *Organic System Plans, Organic System Plan Updates, and Notification of Changes* Section 3.1 states, “The NOP expects certifiers to require that OSPs, annual updates, and notifications of changes contain sufficient information to determine whether an operation complies with the USDA organic regulations.”

Comments: *PCO’s organic system plan templates do not ask operations whether they import organic products.*

2017 Corrective Action: PCO revised their organic system plan- international trade supplement template, their organic system plan- general information form and annual update form to include questions regarding the import of organic products. The forms are controlled documents that will be reviewed annually through PCO’s internal auditing system to ensure that they contain appropriate questions about the operation’s import activities.

NP7219JLA.NC5 – Accepted. 7 C.F.R. §205.403(c)(1) states, “The on-site inspection of an operation must verify: The operation's compliance or capability to comply with the Act and the regulations in this part; ...”

Comments: *Questions about import and export activities are not included in PCO’s inspection report templates and therefore, verification of such activities may not occur.*

2017 Corrective Action: PCO revised their inspection report templates to prompt for review of the OSP- International Trade Supplement. PCO will review these documents annually through

PCO's internal audit procedure to ensure that they contain appropriate questions about an operation's import/export activities. PCO additionally issued a memo to its inspectors on October 4, 2017, which contained the import/export presentation from their March 10, 2017 Annual Inspector Training and an International Trade Policies Chart reminding them of the expectations and requirements for verification of import/export activities. PCO revised two standard operating procedures (SOPs) to address the process for verification of import/export activities, and relevant NOP guidance documents were added to the reference sections of these SOPs as additional instruction. The new procedure and the revised inspection reports will be highlighted at PCO's annual inspector training in March 2018.

NP7219JLA.NC6 – 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 3.4 states that the organic inspection should include, “Reconciliation of the volume of organic products produced or received with the amount of organic products shipped, handled and/or sold, also known as trace-back audits or in-out balances”

Comments: *The trace-back and in-out balance audits recorded in the inspection reports in six of the ten files reviewed by the auditors were incomplete. In two of the six files reviewed by the auditors, trace-back or in/out audits were not completed in the inspection report. The information provided in the inspection reports was inconsistent and lacked the detail necessary to evaluate compliance.*

2017 Corrective Action: PCO issued a memo to its inspectors on October 4, 2017, which contained the January 13, 2016 NOP audit reminders presentation. The memo was sent to remind inspectors to conduct thorough and complete trace-back or in/out audits with sufficient narrative detail including, which documents/records were used in the audits. PCO inspection reports have been revised to clarify expectations for audit narrative and documentation. PCO created Standard Operating Procedure “Writing and Evaluating Audit Report Narratives” to provide instruction on writing and reviewing inspection audit reports. PCO certification staff were given training on evaluating the audit sections contained in the inspection report at a certification team meeting in October 2017.

NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

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

GENERAL INFORMATION

Applicant Name	Pennsylvania Certified Organic (PCO)
Physical Address	106 School Street, Suite 20, Spring Mills, PA 16875-8118
Mailing Address	Same
Contact & Title	Leslie Zuck, Executive Director
E-mail Address	leslie@paorganic.org
Phone Number	(814) 422-0251
Reviewer & Auditor	Janna Howley, NOP Reviewer Rick Skinner, On-site Auditor
Program	USDA National Organic Program (NOP)
Review & Audit Dates	NOP assessment review: December 30, 2014 Onsite audit: July 22-25, 2014
Audit Identifier	NP4203EEA
Action Required	None
Audit & Review Type	Mid-Term Assessment
Audit Objective	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of PCO's certification.
Audit & Determination Criteria	7 CFR Part 205, National Organic Program as amended
Audit & Review Scope	PCO's certification services in carrying out the audit criteria during the period: April 2012 through July 2014.

Pennsylvania Certified Organic (PCO) is an organic, non-profit, membership certification program that is owned by members of the organization. The membership structure has three levels: Business, Associate, and Certified Operations; however, membership is not a pre-requisite to certification.

PCO has been accredited as a certifying agent since April 29, 2002, to the National Organic Program (NOP) for the scopes of crop, wild crop, livestock, and handling. Currently, PCO has 586 clients certified to the NOP that includes 463 crop, 6 wild crop, 297 livestock, and 145 handling operations, including 131 processors and 14 distributors. Most certified operations are located within the State of Pennsylvania; however, the geographic scope of certification includes, Delaware, Maryland, New Jersey, New York, North Carolina, Ohio, Virginia, West Virginia, and the District of Columbia. PCO does not have any other accreditations at this time.

NOP DETERMINATION

The NOP reviewed the onsite audit results to determine whether PCO corrective actions adequately addressed previous noncompliances. The NOP also reviewed the findings identified during the onsite audit to determine whether noncompliances should be issued to PCO.

Noncompliances from Prior Assessments – Cleared

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.

NP21300OA.NC1 – Rebutted and accepted.

NP21300OA.NC2 – Cleared – 7 CFR §205.642 states, “The certifying agent shall provide each applicant with an estimate of the total cost of certification and an estimate of the annual cost of updating the certification.”

2012 Comments: *A review of 10 certification files indicated that an estimate for total cost of certification was not being provided to applicants or clients. This was further substantiated by interviews with PCO personnel who indicated that cost estimates are not being provided to applicants or clients.*

2012 Corrective Action: PCO submitted new procedures for providing cost estimates to new and renewing applicants. The Office Manager shall develop templates for cost estimates, and the new procedure will be implemented starting November 1, 2012. PCO will conduct an internal training session for PCO staff prior to implementation of the new procedures.

2014 Verification of Corrective Action: PCO created new templates and new procedures for providing cost estimates. Training was conducted prior to the implementation of the new procedure and template. Cost estimates are being provided to applicants and clients.

Noncompliances Identified during the Current Assessment

None.

AUDIT INFORMATION

Applicant Name:	Pennsylvania Certified Organic
Est. Number:	N/A
Physical Address:	106 School Street, Suite 201, Spring Mills, PA 16875-8118
Mailing Address:	106 School Street, Suite 201, Spring Mills, PA 16875-8118
Contact & Title:	Robert Yang, Quality Systems Manager; Leslie Zuck, Executive Director
E-mail Address:	robert@paorganic.org ; leslie@paorganic.org
Phone Number:	(814) 422-0251
Auditor(s):	Betsy Rakola, Accreditation Manager
Program:	USDA National Organic Program (NOP)
Audit Date(s):	August 7-13, 2012
Audit Identifier:	NP21300OA
Action Required:	No
Audit Type:	Corrective Action
Audit Objective:	To verify continuing compliance to the audit criteria.
Audit Criteria:	7 CFR Part 205, National Organic Program, Final Rule, dated December 21, 2000; updated March 15, 2012.
Audit Scope:	Corrective Actions submitted by PCO.
Location(s) Audited:	Desk

GENERAL INFORMATION:

Pennsylvania Certified Organic (PCO) is an organic non-profit, membership certification program that is owned by members of the organization. PCO was accredited as a certifying agent on April 29, 2002, to the National Organic Program (NOP) for crops, wild crops, livestock, and handling operations. The PCO list of certified operations included 647 certified operations, consisting of 429 crop, 367 livestock, 9 wild crop, and 160 processor/handling operations certified to the NOP Standards. The majority of clients are certified in the State of Pennsylvania with some clients in Delaware, Maryland, New Jersey, New York, North Carolina, Ohio, Virginia, West Virginia and Washington D.C.

Members of the Grading and Verification Division conducted an NOP and ISO 65 audit of PCO on May 9 and May 15 – 17, 2012. The NOP issued PCO a Notice of Noncompliance to PCO based on this report on July 5, 2012. PCO contacted the NOP twice to discuss the findings and to indicate their intention to rebut NC1. On August 6, 2012, PCO submitted a rebuttal for NC1 and corrective actions for NC2. The

NOP Deputy Administrator approved the rebuttal on August 12, 2012. As a result, NC1 has been

eliminated from the corrective actions report.

FINDINGS

Observations made, interviews conducted, and procedures and records reviewed verified that PCO is currently operating in compliance to the requirements of the audit criteria, except as identified below. There was one non-compliance identified during the renewal assessment.

NP21300OA.NC1 – Rebutted and accepted.

NP21300OA.NC2 – Adequately addressed. NOP §205.642 states, “The certifying agent shall provide each applicant with an estimate of the total cost of certification and an estimate of the annual cost of updating the certification.” *A review of 10 certification files indicated that an estimate for total cost of certification was not being provided to applicants or clients. This was further substantiated by interviews with PCO personnel who indicated that cost estimates are not being provided to applicants or clients.* **Corrective Action:** PCO submitted new procedures for providing cost estimates to new and renewing applicants. The Office Manager shall develop templates for cost estimates, and the new procedure will be implemented starting November 1, 2012. PCO will conduct an internal training session for PCO staff prior to implementation of the new procedures