



CERTIFICATE OF ACCREDITATION



# United States Department of Agriculture

Agricultural Marketing Service

National Organic Program

***ARGENCERT, S.A.***

***Calle Bouchard 644, 6 "A", Ciudad Autónoma de Buenos Aires, Argentina***

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, Wild Crops, Livestock and Handling Operations***

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

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

Certificate No: **NP7144ACA**  
Effective Date: **November 9, 2012**  
Expiration Date: **November 8, 2017**

**Ruihong Guo, Ph.D.**  
**Acting Deputy Administrator**  
**National Organic Program**

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## NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

### AUDIT AND REVIEW PROCESS

An onsite mid-term assessment of the ARGENCERT S.A.'s organic program was conducted on March 2-6, 2015. The National Organic Program (NOP) reviewed the auditor's report to assess ARGENCERT's compliance to the USDA organic regulations. This report provides the results of NOP's assessment.

### GENERAL INFORMATION

<b>Applicant Name</b>	ARGENCERT S.A.
<b>Physical Address</b>	Bernardo de Irigoyen 972, Fourth Floor, Office "B" Buenos Aires C1072AAT, Argentina
<b>Mailing Address</b>	Bernardo de Irigoyen 972, Fourth Floor, Office "B" Buenos Aires C1072AAT, Argentina
<b>Contact &amp; Title</b>	Laura Montenegro, President and Technical Director
<b>E-mail Address</b>	lmonenegro@argencert.com.ar
<b>Phone Number</b>	54 11 4363 0033
<b>Reviewer(s) &amp; Auditor(s)</b>	Penny Zuck, NOP Reviewer Corey Gilbert and Janna Howley, On-site Auditors
<b>Program</b>	USDA National Organic Program (NOP)
<b>Review &amp; Audit Date(s)</b>	NOP assessment review: August 19, 2015 Onsite audit: March 2-6, 2015
<b>Audit Identifier</b>	NP5061ZZA
<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 ARGENCERT's certification system.
<b>Audit &amp; Determination Criteria</b>	7 CFR Part 205, National Organic Program as amended
<b>Audit &amp; Review Scope</b>	ARGENCERT's certification services in carrying out the audit criteria.

#### Organizational Structure:

ARGENCERT is a privately owned, for-profit corporation that was initially accredited as a certifying agent on October 16, 2002 to the U.S. Department of Agriculture (USDA) National Organic Program (NOP) for the scopes of crop, wild crop, livestock, and handling.

ARGENCERT currently has 309 operations certified to the USDA organic regulations including 198 crop, 97 handlers (processors), and 13 traders. ARGENCERT does not have any operations certified for wild crop or livestock. ARGENCERT certifies clients in Argentina, Chile, and Paraguay.

ARGENCERT is also accredited as an ISO 17065 certification body through DAkkS (Germany), is accredited by SENASA, COR, GLOBALGAP, IFOAM, and recognized for JAS, EU, Bio Suisse and other organic certifications standards.

ARGENCERT's main office is located in Buenos Aires, Argentina with two additional offices in Argentina and one in Chile. All key certification activities occur in the Buenos Aires office. The office in Mendoza, Argentina provides a location for applicants or certified operations to drop off documents and meet with an ARGENCERT staff member with technical questions; however, all documents are sent to Buenos Aires for review, inspection assignment, and final decision. The Mendoza office is also used for training meetings. The office in Cipolletti (General Roca), Río Negro, Argentina is used as a convenient mail drop for client documents, which are sent directly to Buenos Aires. ARGENCERT's office in Santiago, Chile is primarily to comply with the requirements of the Chilean government with a small meeting room and file storage area; all applications or other documents are sent to Buenos Aires to be processed.

ARGENCERT's staff includes a President/Technical Director, Quality Manager/Program Coordinator, Certification Coordinator, Technical Coordinator, Certification Review Team, 3 Staff Reviewers/Inspectors, and 14 Contracted Inspectors. ARGENCERT also has 7 Administrative Staff assisting in the certification area (no certification activities), Administrative Manager, Accountant, Receptionist, and 2 Computer Systems Staff.

#### **NOP DETERMINATION:**

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

**NP0032ACA.NC1 – Cleared**  
**NP2310NNA.NC2 – Cleared**  
**NP2310NNA.NC3 – Cleared**  
**NP2310NNA.NC4 – Cleared**  
**NP2310NNA.NC5 – Cleared**  
**NP2310NNA.NC6 – Cleared**  
**NP2310NNA.NC7 – Cleared**  
**NP2310NNA.NC8 – Cleared**  
**NP2310NNA.NC9 – Cleared**

**NP2310NNA.NC10 – Cleared**  
**NP2310NNA.NC11 – Cleared**

**NP2310NNA.NC1 – Accepted** – 7 CFR §205.402(a)(2) states, “Upon acceptance of an application for certification, a certifying agent must determine by a review of the application materials whether the applicant appears to comply or may be able to comply with the applicable requirements of subpart C of this part.”

**Comments:** *ARGENCERT Quality Manual 1.6 states, “In case the applicant subcontracts any operation on his/her behalf, such as processing, storage, transportation, production, etc. the information related to the subcontracted operation must be included in an Application that must be under the name of the original applicant and part of his/her OSP, with the information of the subcontractor/supplier.” ARGENCERT does require that each subcontracted operation submit an OSP, but all subcontracted operations receive an annual inspection. This policy violates §205.100(a), which requires that each production or handling operation, or portion of a production or handling operation, must be certified.*

**Corrective action:** ARGENCERT submitted evidence of corrective and preventive actions to address the noncompliance.

- **Corrective:** ARGENCERT will inform its clients in June, 2013, during its annual renewal cycle, of the prohibition for certifying subcontracted entities. ARGENCERT plans to have its simple, existing subcontracted facilities reorganized by December, 2013. It plans to handle “special existing subcontracted operations... that may need more time for personalized communication and internal reorganization” by June, 2014, one complete cycle from the moment of notification.
- **Preventive:** ARGENCERT changed its NOP Manual, point 1.6 to remove the section regarding subcontracted operations. All new operations are being treated as independent and will be issued their own certificate. ARGENCERT’s inspectors will be informed of this change in the June “annual course.”

**2015 Verification of Corrective Action:** ARGENCERT had not yet completed the conversion process to individual certification for nine (9) complex certified operations. ARGENCERT had notified all clients of the requirements for individual certification in June 2013, completed the individual certification process for simple operations by December 2013, and completed the individual certification process for more than 80 percent of complex operations by June 2014. ARGENCERT covered these requirements during inspector training conducted June 27-28, 2013, and all new subcontracted operations since the last assessment have been required to be independently certified.

**Corrective Action:** ARGENCERT notified NOP the remaining nine operations surrendered their NOP certification. A list of these operations was submitted to NOP along with documentation to verify the surrender of each subcontracted operation. In order to prevent the certification of subcontracted operations in the future, ARGENCERT has revised their Procedures Manual by removing the subcontracted operations section and requiring all new operations to receive their own organic certification. Training was conducted for personnel. Revised Procedures Manual and training records were submitted to NOP.

### **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.

**NP5061ZZA.NC1 – Accepted.** 7 CFR §205.405(a) states, “When the certifying agent has reason to believe, based on a review of the information specified in §205.402 or §205.404, that an applicant for certification is not able to comply or is not in compliance with the requirements of this part, the certifying agent must provide a written notification of noncompliance to the applicant. When correction of a noncompliance is not possible, a notification of noncompliance and a notification of denial of certification may be combined in one notification.”

**Comments:** *ARGENCERT issued a Notice of Denial of Certification to a handling operation (wine processing) without first issuing a Notice of Noncompliance and allowing the applicant to rebut or correct the noncompliance. ARGENCERT cited 7 CFR §205.405 and §205.605(b) because the operation was using prohibited inputs (potassium metabisulfite and diammonium phosphate) in their wine making process. These prohibited inputs were not listed in the applicant’s organic system plan but were observed by the inspector during the initial inspection. Correction of the identified noncompliance was possible because the inputs supposedly had not been used; therefore, a notice of denial should not have been issued. Interviews with ARGENCERT certification staff indicated they believed the applicant had willfully made a false statement or otherwise purposefully misrepresented their operation by not identifying the prohibited inputs and the operation fully intended to use these inputs; however, these reasons and 7 CFR §205.405(g) were not cited in the denial of certification.*

**Corrective Action:** ARGENCERT conducted training on the issuance of Notices of Noncompliance before denials and correct identification and citation of reasons. The training record was submitted to NOP. ARGENCERT referenced section 5.1 of their NOP Procedures Manual, which was submitted to NOP and is in compliance with the regulations.

**NP5061ZZA.NC2 – Accepted.** 7 CFR §205.501(a)(6) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Conduct an annual performance evaluation of all persons who...perform on-site inspections...” NOP 2027, Instruction Personnel Performance Evaluations, Section 3.2(b) states, “Field Evaluation (Inspectors only): Inspectors should be evaluated during an onsite inspection by a supervisor or peer (another inspector) at least annually. This field evaluation should be conducted at the certifying agent’s expense.”

**Comments:** *ARGENCERT is not conducting annual field evaluations of inspectors. A review of ARGENCERT’s inspector performance evaluation records for 2013-2015, along with interviews of inspectors and certification staff, verified ARGENCERT is only conducting field evaluations of inspectors for their initial approval and then once every 3 years as stated in their NOP Procedures Manual, Section 7.3 (Evaluation and supervising inspection/certification personnel). ARGENCERT does conduct annual performance evaluations of all inspectors, including a written test, but these are not by field evaluations of onsite inspections conducted by the inspector.*

**Corrective Action:** ARGENCERT has field evaluations planned for all inspectors in 2015. A chart of dates was submitted to ARGENCERT. All involved personnel have been trained on this procedure and the training record was submitted to NOP. ARGENCERT submitted the revised section 7.3 of their Procedures Manual with the requirement of annual field evaluations.

**NP5061ZZA.NC3 – Accepted.** 7 CFR §205.403(a)(2)(ii-iii) states, “(ii) The Administrator...may require that additional inspections be performed by the certifying agent for the purpose of determining compliance with the Act and the regulations in this part. (iii) Additional inspections may be announced or unannounced at the discretion of the certifying agent or as required by the Administrator...” 7 CFR §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” NOP 2609, Instruction Unannounced Inspections, Section 4.1.1 states, “We recommend that certifying agents conduct unannounced inspections of 5 percent of their total certified operations per year as a tool in ensuring compliance with the regulations.” The Administrator has determined certifiers must conduct unannounced inspections on 5 percent of the total certified operations per year.

**Comments:** *ARGENCERT did not conduct any unannounced inspections in 2013 and only conducted 3 (2.6%) in 2014. ARGENCERT’s NOP Procedures Manual does not specify conducting unannounced inspections at 5% of certified operations.*

**Corrective Action:** ARGENCERT submitted a list of 18 NOP operations they have selected for unannounced inspections to take place in 2015. This would represent 6% of the total operations they certify. ARGENCERT has revised section 3.5.2 of their NOP Procedures Manual, requiring annual unannounced inspections of 5 percent of total certified operations, and has communicated this change to personnel.

**NP5061ZZA.NC4 – Accepted.** 7 CFR §205.402(a)(2) states, “Upon acceptance of an application for certification, a certifying agent must: Determine by a review of the application materials whether the applicant appears to comply or may be able to comply with the applicable requirements of subpart C of this part.” 7 CFR §205.304(b)(2) requires the certifier identifying statement to be listed below the information identifying the handler or distributor of the product.

**Comments:** *ARGENCERT approved one “made with organic” wine label in 2014 which incorrectly listed the certifier identifying statement above the information identifying the U.S. distributor of the product. All other labels reviewed contained the correct placement of the required information.*

**Corrective Action:** ARGENCERT requested corrective action and new labels from the operator with the noncompliant wine label. A copy of the notification to the operator was submitted to NOP. ARGENCERT conducted training to specific personnel reminding them of this requirement. The training record was submitted to NOP. Inspector training took place July 2-3, 2015. ARGENCERT submitted training records, program and materials from the 2015 Annual Inspector Course training.

## AUDIT INFORMATION

<b>Applicant Name:</b>	ARGENCERT, S.A.
<b>Est. Number:</b>	N/A
<b>Physical Address:</b>	Bernardo de Irigoyen 972 4 B, Ciudad Autónoma de Buenos Aires, Argentina
<b>Mailing Address:</b>	Same
<b>Contact &amp; Title:</b>	Laura Montenegro, General Director
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<b>Phone Number:</b>	54 11 4793-4340
<b>Auditor(s):</b>	Renee Mann, Accreditation Manager
<b>Program:</b>	USDA National Organic Program (NOP)
<b>Audit Date(s):</b>	Review of corrective actions: March 18 – May 9, 2013
<b>Audit Identifier:</b>	NP2310NNA
<b>Action Required:</b>	No
<b>Audit Type:</b>	Corrective Action Assessment, Renewal of Accreditation
<b>Audit Objective:</b>	To verify, review and approve corrective actions addressing the noncompliances identified during the Renewal Assessment.
<b>Audit Criteria:</b>	7 CFR Part 205, National Organic Program; Final Rule, dated December 21, 2000, updated September 27, 2012.
<b>Audit Scope:</b>	ARGENCERT's proposed corrective actions.
<b>Location(s) Audited:</b>	Desk

The USDA National Organic Program (NOP) conducted a Renewal of Accreditation Assessment of ARGENCERT, S.A. from November 5-9, 2012. The NOP issued ARGENCERT a Notice of Noncompliance based on the findings from this assessment on February 4, 2013. On March 4, April 5, and May 9, 2013, ARGENCERT submitted proposed corrective actions for review. The NOP Accreditation Committee considered these corrective actions on June 13, 2013 and recommended that the NOP renew ARGENCERT's accreditation as a USDA organic certifying agent.

## GENERAL INFORMATION

ARGENCERT is a privately owned, for-profit corporation registered in the country of Argentina, offering a third-party certification program and verification services to organic producers and processors/handlers. ARGENCERT was accredited as a certifying agent on October 16, 2002, to the U.S. Department of Agriculture (USDA) National Organic Program (NOP) for crop, wild crop, livestock, and handling operations. ARGENCERT currently has approximately 83 crop and 66 handling operations certified to the USDA organic regulations. ARGENCERT does not have any NOP operations certified for livestock or wild crop. ARGENCERT certifies NOP clients in Argentina, Chile, and Paraguay.

ARGENCERT is also accredited as an ISO Guide 65 certification body through DAkkS (Germany), and



is accredited by SENASA, COR, GLOBALGAP, IFOAM, and recognized for JAS, EU, Bio Suisse and other organic certifications standards.

## **FINDINGS**

Observations made, interviews conducted, and procedures and records reviewed verified that ARGENCERT is currently operating in compliance with the requirements of the audit criteria, except as noted below. The corrective actions for the six non-compliances identified during the Mid-Term Audit were verified. The corrective actions for five of the six non-compliances were found to be implemented and effective. Those non-compliances were cleared; one non-compliance remains outstanding. Ten new non-compliances were identified during the renewal assessment.

**NP0032ACA.NC2 – Cleared**

**NP0032ACA.NC3 – Cleared**

**NP0032ACA.NC4 – Cleared**

**NP0032ACA.NC5 – Cleared**

**NP0032ACA.NC6 – Cleared**

**NP0032ACA.NC1 – Accepted.** § 205.501(a)(15)(i) requires that a private entity accredited as a certifying agent must submit to the Administrator a copy of any notice of denial of certification, notification of noncompliance, notice of noncompliance resolution sent pursuant to § 205.662 simultaneously with its issuance. *ARGENCERT has not been submitting to the Administrator “notices of minor noncompliance” issued to the clients.* **Corrective Action:** ARGENCERT has instituted a policy that ensures that all non-compliances issued to clients will be sent to the Administrator. **Verification of corrective action (November 2012):** The quality manager assumed the position at ARGENCERT in April of 2012. She has been completing unfinished work from the previous quality manager and has submitted notices of noncompliance and adverse action to the Administrator from 2011. However, she has not forwarded any from 2012. **Corrective action (March, May, 2013):** ARGENCERT emailed all adverse action notices from 2012 to the NOP Appeals team on March 4, 2013. ARGENCERT has now created a database program to automatically translate all notices into English, simultaneously with their issuance in Spanish, to ensure that future notices will be submitted to the NOP as soon as they are issued.

**NP2310NNA.NC1 – Accepted.** § 205.402(a)(2) states, “Upon acceptance of an application for certification, a certifying agent must determine by a review of the application materials whether the applicant appears to comply or may be able to comply with the applicable requirements of subpart C of this part.” *ARGENCERT Quality Manual 1.6 states, “In case the applicant subcontracts any operation on his/her behalf, such as processing, storage, transportation, production, etc. the information related to the subcontracted operation must be included in an Application that must be under the name of the original applicant and part of his/her OSP, with the information of the subcontractor/supplier.” ARGENCERT does require that each subcontracted operation submit an OSP, but all subcontracted operations receive an annual inspection. This policy violates §205.100(a), which requires that each production or handling operation, or portion of a production or handling operation, must be certified.* **Corrective action:** ARGENCERT submitted evidence of corrective and preventive actions to address the noncompliance.

- **Corrective:** ARGENCERT will inform its clients in June, 2013, during its annual renewal cycle, of the prohibition for certifying subcontracted entities. ARGENCERT plans to have its simple, existing subcontracted facilities reorganized by December, 2013. It plans to handle “special existing subcontracted operations... that may need more time for personalized communication and internal reorganization” by June, 2014, one complete cycle from the moment of notification.



- Preventive: ARGENCERT changed its NOP Manual, point 1.6 to remove the section regarding subcontracted operations. All new operations are being treated as independent and will be issued their own certificate. ARGENCERT's inspectors will be informed of this change in the June "annual course."

**NP2310NNA.NC2 – Accepted.** § 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." *A review of 3 handler inspection reports showed that the inspector did not verify the residual chlorine levels, as required for compliance with 205.603(a)(7). The operators' OSPs contained information regarding the use of chlorine bleach/water mixtures in the cleaning process. The inspectors did not verify this process. There was no evidence of documentation on file to allow the final reviewers to verify compliance.* **Corrective action:** ARGENCERT added two questions to its inspection report form regarding the verification of residual chlorine levels, asking the inspector to note whether the residual chlorine level had been verified and whether it complied with the restriction. ARGENCERT submitted evidence that the quality management and inspection team received the new version of the form on April 3, 2013.

**NP2310NNA.NC3 – Accepted.** § 205.404(b) states, "The certifying agent must issue a certificate of organic operation which specifies the name and address of the certified operation, the effective date of certification and the categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation." *A review of client files and the witness inspections demonstrated that subcontracted operations are not issued individual certificates for their operations. Eight of ten files reviewed had certificates which listed multiple operations. The ARGENCERT quality manual states that subcontractors must sign an agreement and are to be considered under the primary contractor's OSP. Certificates listed all subcontracted operations by name but not physical location. Effective dates for individual operations are not included on the certificate. The scope of organic operation is not stated. In addition, while operations with multiple locations are issued multiple certificates, these certificates do not specify the physical address of the locations or, in some cases, the category of certification. Instead, the certificates specify the legal address of the incorporated entity only, which differed in several cases from the physical address of the production or processing facility. Although the certified products are listed, the scope of the operation is not always listed.* **Corrective action:** ARGENCERT submitted a new certificate template, which will include the physical location, scope, and effective dates of certification for each individual operation. ARGENCERT submitted evidence that the quality management and inspection team received the new version of the form on January 3, 2013. Also, per ARGENCERT's response to Noncompliance 1, subcontracted operations will now be issued individual certificates.

**NP2310NNA.NC4 – Accepted.** § 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." *ARGENCERT is accredited for livestock, although they do not have any active USDA organic livestock clients currently. Previous livestock clients were primarily sheep operations for the sale of wool. ARGENCERT has not revised the application forms, livestock OSPs, inspection checklists, livestock certification procedures, etc. to address the changes necessary to comply with the pasture rule.* **Corrective action:** ARGENCERT submitted new livestock organic system plan forms and inspection checklists. Both forms ask questions to solicit and verify information that will demonstrate compliance with the pasture rule. If ARGENCERT receives any

livestock operation applications, then the forms will be used to capture this information. ARGENCERT submitted evidence that the quality management and inspection team received the new version of the form on April 3, 2013.

**NP2310NNA.NC5 – Accepted.** § 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.” *ARGENCERT Procedure Manual v.1.12, section 7.3, outlines evaluation procedures. It states that all certification personnel must pass an annual exam. Written application reviews and inspection reports are also randomly reviewed as a part of the annual evaluation. Inspectors are to be evaluated on-site once after their initial hire, and then once every 3 years. However, evidence of personnel evaluations was not available for four of the 16 inspectors. Staff stated that inspectors were not always evaluated each year, because they were not considered part of the certification team.* **Corrective action:** ARGENCERT submitted documentation showing that it had completed evaluations of two of the four inspectors, and that the other two inspectors are prohibited from conducting inspections until their evaluations are completed. To prevent the noncompliance from occurring in the future, ARGENCERT changed its NOP Procedures Manual at point 7.3 *Evaluation and supervising inspection/certification personnel*; the Manual now clarifies that inspectors are required to pass the evaluation test annually, otherwise those inspectors will not be assigned inspections until they are able to attend an additional training course.

**NP2310NNA.NC6 – Accepted.** § 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.” *Interviews revealed that the staff was not aware of the existence of the NOP Program Handbook. ARGENCERT conducts training for NOP only once annually, and no additional trainings were scheduled for new policies during the year. ARGENCERT has not conducted any training on the pasture rule, and staff were not aware of any trainings on the Program Handbook.* **Corrective action:** ARGENCERT replied that staff responses were a misunderstanding. ARGENCERT submitted evidence of its June 2012 NOP training material, which covered 2012 updates to instructions on operations changing certifying agents, reinstating suspended organic operations, and changes to the national list. The March 2013 training agenda mentioned a comparison of the EU, USDA organic, and IFOAM programs. ARGENCERT noted that it had not conducted trainings on the pasture rule because it had no livestock operations certified at the time, however, it planned to conduct training on the pasture rule and any new updates to the Program Handbook at its June 2013 NOP training.

**NP2310NNA.NC7 – Accepted.** § 205.660(d) states, “Each notification of noncompliance, rejection of mediation, noncompliance resolution, proposed suspension or revocation, and suspension or revocation issued pursuant to § 205.662, § 205.663, and § 205.665 and each response to such notification must be sent to the recipient's place of business via a delivery service which provides dated return receipts.” *ARGENCERT sends all notifications of noncompliance or adverse action via email only. The agency's email system does not provide certified return receipts.* **Corrective action:** ARGENCERT submitted a new procedure for sending notices to certified operations. The certification department will send hard copies of notices via priority mail, which provides acknowledgements of receipt. ARGENCERT will

retain all such acknowledgements with the certification file. ARGENCERT will also send notices via email.

**NP2310NNA.NC8 – Accepted.** § 205.662(a) (3) 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. Such notification shall provide ... the date by which the certified operation must rebut or correct each noncompliance and submit supporting documentation of each such correction when correction is possible.” *Notices of Noncompliance issued by ARGENCERT include the date by which the corrective actions are required. However, a review of ten files indicated that one notice of noncompliance stated a correction date of “pending,” listing the time for correction as the next annual update. Staff stated that the severity of the noncompliance determined whether a date for correction was given in the notice of noncompliance, and that “pending” status was a common option for minor noncompliances.* **Corrective action:** ARGENCERT has corrected its database to note specific corrective action dates, rather than using the term “pending.” This will correct the verbiage on Notices of Noncompliance. ARGENCERT plans to develop instructions for its certification review team on this matter. ARGENCERT submitted a revised procedure for Notices of Noncompliance and adverse action notices, which instructed staff to include a date by which the certified operation must rebut or correct each noncompliance, including supporting documentation, when correction is possible.

**NP2310NNA.NC9 – Accepted.** § 205.662(f)(2) states, “A certified operation or a person responsibly connected with an operation whose certification has been revoked will be ineligible to receive certification for a period of 5 years following the date of such revocation.” *A review of an olive oil operation revealed two years of pesticide residue test results which showed that multiple production lots were contaminated with multiple prohibited substances. Although ARGENCERT revoked this operation's 2010 production lot, they did not consider the revocation applicable to the entire operation. They again revoked production lots for continued positive residue test results in 2011. Interviews with staff confirmed that ARGENCERT would consider this operation's 2012 production lots eligible for certification. Staff stated that, to their knowledge, they have never suspended or revoked an entire operation, but rather suspend or revoke only specific fields or annual production lots.* **Corrective action:** The olive oil plant's certification was suspended in December, 2013. To prevent the noncompliance from occurring in the future, ARGENCERT created a new document called “Considerations for treatment of NOP noncompliances,” that specifies how all or part of an operation can be suspended or revoked of its certification. ARGENCERT also edited its “Review Team Instruction” to refer to the new document. ARGENCERT submitted these documents, as well as proof of training of the staff members and review team members to the new documents. Annual training for the inspectors and reviewers will also be held at the end of June, where the topics of noncompliances, differences between major and minor noncompliances, suspensions vs. revocations, and the new template notices will be addressed.

**NP2310NNA.NC10 – Accepted.** NOP §205.662(c)(1)–(4) states, “When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, the certifying agent or State organic program's governing State official shall send the certified operation a written notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance. When correction of a noncompliance is not possible, the notification of noncompliance and the proposed suspension or revocation of certification may be combined in one notification. The notification of proposed suspension or revocation of certification shall state: the reasons

for the proposed suspension or revocation, the proposed effective date of such suspension or revocation, the impact of a suspension or revocation on future eligibility for certification, and the right to request mediation pursuant to §205.663 or to file an appeal pursuant to §205.681.” *One notice of revocation did not include either the effective date or the impact of revocation on future eligibility for certification. The notice implied that the operation could only appeal if ARGENCERT rejected its request for mediation. There were no instructions for appeal or references to 205.681. As to the impact, the proposal stated, “once revoked, you will be unable to sell, or label this product as organic.” It did not mention the 5-year timeframe. The final notice of revocation stated only, “NOP certification is revoked for 2011 [product].”* **Corrective action:** ARGENCERT submitted a revised Notice of Proposed Revocation template, which explained the 5-year revocation period. ARGENCERT distributed this new format to the quality management and certification staff on February 20, 2013.

**NP2310NNA.NC11 – Accepted.** § 205.670(c) states, “The preharvest or postharvest tissue test sample collection pursuant to paragraph (b) of this section must be performed by an inspector representing the Administrator, applicable State organic program's governing State official, or certifying agent. Sample integrity must be maintained throughout the chain of custody.” *ARGENCERT's Quality Manual section 6.5 requires that the chain of custody be maintained. Sample forms viewed confirmed the chain of custody. However, the instructions to inspectors regarding the collection of samples and maintaining the chain of custody allowed the inspector to have an operator send the samples to the lab directly, if the inspector was not able to find a way to send the samples to the lab him/herself.* **Corrective action:** The instructions for inspectors have been corrected to state that the inspector must send the sample to the closest laboratory or, if nonperishable, to ARGENCERT. The inspector shall also provide a counter-sample to the operator and to ARGENCERT. This policy was distributed to the certification and quality management staff on February 15, 2013.



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**AUDIT INFORMATION**

<b>Applicant Name:</b>	Argencert, SRL
<b>Est. Number:</b>	N/A
<b>Physical Address:</b>	Bernardo de Irigoyen 972 4 B, Ciudad Autónoma de Buenos Aires, Argentina
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<b>Auditor(s):</b>	David J. Hildreth
<b>Program:</b>	USDA National Organic Program (NOP)
<b>Audit Date(s):</b>	June 2, 2010
<b>Audit Identifier:</b>	NP0032ACA
<b>Action Required:</b>	No
<b>Audit Type:</b>	Corrective Action Audit
<b>Audit Objective:</b>	To verify that corrective actions adequately address the non-compliances identified during the mid-term audit.
<b>Audit Criteria:</b>	7 CFR Part 205 National Organic Program, Final Rule, dated December 21, 2000, revised February 17, 2010.
<b>Audit Scope:</b>	Submitted corrective actions
<b>Location(s) Audited:</b>	Desk

Argencert submitted corrective actions to the National Organic Program for the non-compliances identified during the mid-term audit conducted February 1-6, 2010. The corrective actions were forwarded to the auditor on April 19, 2010.

**FINDINGS**

The corrective actions submitted by Argencert adequately addressed the non-compliances identified during the mid-term audit.

**NP0032ACA.NC1 – Adequately Addressed** - NOP § 205.501(a)(15)(i) requires that a private entity accredited as a certifying agent must submit to the Administrator a copy of any notice of denial of certification, notification of noncompliance, notice of noncompliance resolution sent pursuant to §205.662 simultaneously with its issuance. *Argencert has not been submitting to the Administrator “notices of minor noncompliances” issued to the clients.* **Corrective Action:** Argencert has instituted a





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policy that ensures that all non-compliances issued to clients will be sent to the Administrator.

**NP0032ACA.NC2 – Adequately Addressed** - NOP § 205.202 Land Requirements states, “Any field or farm parcel from which harvested crops are intended to be sold, labeled, or represented as “organic” must: (c) have distinct, defined boundaries and buffer zones...” *One client file reviewed (asparagus grower) did not identify in the Organic System Plan any buffer zones. The inspection report stated “no buffer zones required” indicating that the inspector was making a decision on the buffer zones, instead of supplying information to the ACA and the certification decision did not identify any requirements for the buffer zone. Corrective Action:* The Argencert NOP Application form – Farm Questioner and Organic System Plan (OSP) was modified so that the operator justifies why or why not it is necessary to state a buffer zone. The inspection report was also modified to include information on the buffer zone or lack thereof so the certifying agent has adequate information to make a decision.

**NP0032ACA.NC3 - Adequately Addressed** - NOP § 205.205 Crop rotation practice standard states, “The producer must implement a crop rotation including but not limited to sod, cover crops, green manure crops, and catch crops that provide the following functions that are applicable to the operation.” *Two client files reviewed (Asparagus and Chia) found that the OSP did not identify a crop rotation plan. The Chia product crop rotation section did not identify any crop rotation. The asparagus OSP crop rotation section identified the crop as a perennial and no crop rotation used. The inspection reports or certification decisions did not identify requirements for the crop rotation. Corrective Action:* Argencert stated the forms submitted were not correctly completed. It was verified by the inspector that for the Chia production, cover crops are grown during the rainy season and are plowed into the soil. The Asparagus operation does grow butternut and this is also incorporated back into the soil. Argencert stated that both the NOP Application form and the inspection report were modified to show in depth how the operator is meeting the requirements of the NOP rule.

**NP0032ACA. NC4 – Adequately Addressed** - NOP § 205.204 (a) Seeds and planting stock practice standard states, “The producer must use organically grown seeds..., except that (1) Nonorganically produced, untreated seeds... may be used to produce an organic crop when an equivalent organically produced variety is not commercially available.” *One file reviewed for a Chia crop found that the OSP identified the use of “own conventional untreated seed.” The OSP and inspection reports did not identify any justification for the use of nonorganically untreated seeds or the verification that an equivalent organic seed was not available. Corrective Action:* Argencert stated the producer presented written documentation supporting that no organic Chia was available. The information was not sent to Argencert at the time of submission of the OSP but was submitted later. The information was found in the client’s EU file. Argencert will stress to the reviewers at the annual training the need of having all supporting documentation before accepting the OSP and training will also be presented at the inspector training to ensure that this requirement is correctly verified.

**NP0032ACA.NC5 – Adequately Addressed** - NOP § 205.236 (a) Origin of livestock states, “Livestock products that are to be sold, labeled, or represented as organic must be from livestock under continuous organic management from the last third of gestation.” *Argencert had approved a sheep operation for wool products in 2007 and had enrolled the animals born in 2005 and 2006 as well as further born animals in 2007 and subsequent years. The OSP and inspection reports identified the use of the*



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*parasiticides “Ivermectin” but did not identify the frequency of use for all animals in the herd. Therefore, Argencert could not determine if all animals in 2005 and 2006 had been managed as NOP for the last third of gestation. **Corrective Action:** Argencert stated that the husbandry management is focused on the prevention of parasite infestation. The practices are as follows: a) low stocking rate –more than two hectares per animal, b) Paddocks are changed (rotated every year), c) Shearing shed and adjoining yards (corrals) are thoroughly cleaned before use, d) “Flocking” or grazing in bunches is discouraged to avoid any buildup of endoparasites. The use of the local breed “Cormo Argentino”, which spread widely when grazing rather than the breed “Merino” which is bred and designed to flock together, e) Watering facilities are distributed widely to avoid buildup of endoparasites in the vicinity, f) NOP sheep are gathered and handled only three times per year: (1.) September for shearing prior to lambing (due to begin October 15<sup>th</sup>); (2.) Jan/Feb for weaning the lambs (at 3-4 months old); and (3.) April for sorting, culling, and sale of surplus lambs, flocks to winter paddocks until September. On these occasions, the effectiveness of management is evaluated, if any infestation is found, Ivermectin is used. If used, the treatment is done after fleecing so the fiber will not have any residue (the withdrawal period is utilized). No treatment is applied during the gestation period. All areas of the farm and grazing area are managed organically according to the NOP rule therefore allowing the certification of the animals from 2005, 2006, and 2007.*

**NP0032ACA.NC6 - Adequately Addressed** – NOP § 205.201(a)(1-5) and 205.406(a)(1)(i,ii) requires that the producer or handler or a production or handling operation must develop an organic production or handling system plan that is agreed to by the producer or handler and an accredited certifying agent. An organic system plan must meet the requirements set forth in this section. An OSP must include 1-5. To continue certification, a certified operation must ... submit the following information to the ACA: (1) An updated OSP which includes: (i) a summary statement supported by documentation, detailing any deviations from, changes to, modification to, or other amendments to the previous year’s OSP during the previous year; and (ii) any addition or deletions to the previous year’s OSP, intended to be undertaken in the coming year. *A review of the six office files (2 original applications, 4 continuation clients) and the two witness inspections found that the OSP for both client types was lacking information pursuant to these two clauses. Examples of inadequate information included but not limited to:*

- *Olive grove OSP did not inform that mineral oil was applied two times per year instead of the stated one time. The mineral oils were from two different suppliers rather than the one stated. Buffer zones were not identified on plot maps. Fruit trees were not harvested for organic sale, only personnel use. Weed management plan states that client needs to improve, but no mention of how the client will attempt to improve.*
- *Olive oil processing plant OSP did not identify the paper filters that are used in the process. That nitrogen was used in tanks for keeping oil from oxidizing and it was oil free grade. The resulting waste product from the olive pressing was going to be added back to fields.*
- *Livestock operation OSP did not identify what method of identification was to be used on all cattle.*
- *One crop file for asparagus, the OSP does not identify how weed and pest management is needed or not and then controlled when the OSP identifies the use of hand weeding as a control. The OSP asks the producer to identify soil type and the OSP is blank.*
- *Another crop producer does not identify how the crop weed, pest, and disease management occurs.*





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- *How wool from NOP organic sheep would be segregated from non NOP sheep.*
- *OSP for fruit juice processor does not identify what if any filtering aides would be used.*

*In many cases the producer was stating in the OSP that these areas were being done or addressed and the inspector was marking "Yes" as following the OSP without giving details as to how the producer was complying with the NOP rule. Therefore, the certification review committee did not have adequate information to make an informed decision. However, the committee was using the file that contained the requirements for the Argentinean Organic standards that the clients were all certified to prior to the NOP certification requested. **Corrective Action:** Argencert has and is continuing to update all documents to gather all the information required to allow the certifying agent to make an informed decision. The NOP Application Form and the Farm Inspection Report have been modified to show in detail how the operation is complying with the NOP rule. Argencert will stress to the reviewers at the annual training that detailed information must be in the OSP and training will also be presented at the inspector training to ensure that the inspectors provide details as to how the producers comply with the NOP rule.*