



United States Department of Agriculture

Agricultural Marketing Service

National Organic Program

Department of Plant Industry—Clemson University

Pendleton, South Carolina, USA

meets all the requirements prescribed in the National Organic Program Regulations

7 CFR Part 205

(Updated May 16, 2012)

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 OF ACCREDITATION



Certificate No: NP2170MMA

Effective Date: April 29, 2012

Expiration Date: April 29, 2017


Miles V. McEvoy
Deputy Administrator
National Organic Program

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program.

NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

AUDIT AND REVIEW PROCESS

An onsite mid-term assessment of the Clemson University (CU) organic program was conducted on January 6-8, 2015. The National Organic Program (NOP) reviewed the auditor's report to assess CU's compliance to the USDA organic regulations.

GENERAL INFORMATION

Applicant Name	Clemson University (CU)
Physical Address	511 Westinghouse Road, Pendleton, SC 29670
Mailing Address	511 Westinghouse Road, Pendleton, SC 29670
Contact & Title	Ryan Merck, Program Coordinator
E-mail Address	organic@clemson.edu
Phone Number	864-646-2129
Reviewer(s) & Auditor(s)	Penny Zuck, NOP Reviewer Lars Crail, Onsite Auditor Robert Yang, office audit only
Program	USDA National Organic Program (NOP)
Review & Audit Date(s)	Corrective Action review: August 19, 2015 NOP assessment review: May 6, 2015 Onsite audit: January 6-8, 2015 Review audit: July 11, 2014 Witness audit: July 10, 2014
Audit Identifier	NP5006LCA
Action Required	None
Audit & Review Type	Mid-Term (12.5 years) Assessment
Audit Objective	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of CU's certification system.
Audit & Determination Criteria	<i>7 CFR Part 205, National Organic Program as amended</i>
Audit & Review Scope	CU's certification services in carrying out the audit criteria.

GENERAL INFORMATION

Clemson University (CU) has been accredited by the USDA National Organic Program (NOP) since April 29, 2002 to certify crops, livestock, and handling operations. CU currently certifies 121 operations, which includes 77 crops, 6 livestock, and 49 handling operations. CU does not certify grower groups. The CU organic certification program is a program of the Department of Plant Industry, a department within the Division of Regulatory Services. CU's office is located in Pendleton, SC. All key certification activities are conducted from the Pendleton office.

As of June 2014, CU no longer accepts new applicants for certification outside the state of South Carolina. There are 81 Operations certified by CU in North Carolina, Georgia, and Virginia that are in the process of applying for organic certification with another accredited certifying agent. CU has informed the operations that they must either surrender or become certified by another accredited certifying agent by their 2015 anniversary date.

PERSONNEL

CU's organic certification program staff consists of the Program Manager; Program Coordinator; Administrative Assistant; and 3 staff inspectors. The Associate Director of Regulatory Service oversees the organic certification program, but is not involved in any certification activities.

NOP DETERMINATION:

NOP reviewed the onsite audit results to determine whether CU'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

None

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.

NP5006LCA.NC1 – Accepted - 7 CFR §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: *CU's crop inspection report form includes a section for the inspector to conduct a "trace-back audit (recall)". A review of three inspection reports revealed that the inspector did not conduct a trace-back audit, but instead either described the types of records the operation maintains or noted that the "recall exercise" was not applicable.*

Corrective Action: CU clarified that in 2 of these cases, the inspector outlined the records that were reviewed in conducting the trace-back audit but CU does not require inspectors to document the numbers from the records and accepts the recordkeeping information provided by the inspectors to sufficiently verify compliance of the operations. CU submitted a new work instruction that was developed for conducting audits of organic operations and it will be provided to all inspectors prior to conducting inspections with CU. The work instruction details how to perform the mass balance audit and trace-back audit. CU conducted training on July 30, 2015 to address this topic. The training log was submitted to NOP.

NP5006LCA.NC2 – Accepted - 7 CFR §205.403(c)(3) states, “The on-site inspection of an operation must verify: ... That prohibited substances have not been and are not being applied to the operation.”

Comments: *A review of inspection reports revealed an instance where the inspector did not collect information regarding the source of materials used by the operation in order to verify whether prohibited substances were being used.*

Corrective Action: CU submitted their revised Materials Inventory form, which includes the brand/source information of input materials. The work instruction for Certification Decision was also submitted, which includes reviewing the application for use of prohibited substances. This work instruction was reviewed with all Staff. CU conducted staff training on July 30, 2015 to address this topic. The training log was submitted to NOP.

NP5006LCA.NC3 – Accepted - 7 CFR §205.403(e)(1) states, “At the time of the inspection, the inspector shall provide the operation's authorized representative with a receipt for any samples taken by the inspector.”

Comments: *A review of three sample collection cases revealed that in all three instances a receipt for samples taken by inspector was not provided to the operator at the time of the inspection.*

Corrective Action: CU has added a receipt book to all inspector's sample bags and inspectors will be instructed to complete a receipt for the applicant in addition to completing the sample forms. The Sampling Procedures for Residue Testing has been revised to include this instruction and was submitted by CU. CU conducted training on July 30, 2015 to address this topic. The training log was submitted to NOP.

NP5006LCA.NC4 – Accepted - 7 CFR §205.404(a) states, “A certifying agent must review the on-site inspection report ... and any additional information requested from or supplied by the applicant.”

Comments: *The review of a new applicant certification file revealed that draft labels were collected by the inspector and submitted with the inspection report, but were not reviewed by the final reviewer.*

Corrective Action: CU submitted their newly developed label review instruction to be followed in conjunction with their label review documents to evaluate compliance of labels that are submitted at any stage of the certification process. All labels are reviewed by the Organic Certification Program Coordinator, who is the initial reviewer. CU indicated the Organic Certification Program Coordinator reviewed the regulations and developed the label review instruction that was submitted to the NOP.

NP5006LCA.NC5 – Accepted - 7 CFR §205.405(d) states, “A notice of denial of certification must state the reason(s) for denial and the applicant's right to: (1) Reapply for certification pursuant to §§205.401 and 205.405(e); (2) Request mediation pursuant to §205.663 or, if applicable, pursuant to a State organic program; or (3) File an appeal of the denial of certification pursuant to §205.681 or, if applicable, pursuant to a State organic program.”

Comments: *CU's notice of denial template does not state the applicant's right to reapply for certification or request mediation.*

Corrective Action: CU submitted the revised template for Combined Notice of Noncompliance and Denial of Certification including the compliant language.

NP5006LCA.NC6 – Accepted - 7 CFR §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: ... Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670.” Furthermore, 7 CFR §205.304(a)(1)(i) states, “Agricultural products in packages described in §205.301(c) may display on the principal display panel, information panel, and any other panel and on any labeling or market information concerning the product: The statement: “Made with organic (specified ingredients)”

Comments: *CU approved four “made with organic” product labels that display the statement “With organic (ingredient)” on the information panel.*

Corrective Action: CU issued a Notification of Noncompliance to the operation with noncompliant labeling. 7 CFR 205.304 was reviewed with all label reviewers to ensure the labels are reviewed for the verbiage “made with organic (specified ingredients).” A copy of the Notice of Noncompliance was also submitted.

NP5006LCA.NC7 – Rebuttal Accepted - 7 CFR §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: ... Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670.” Furthermore, 7CFR §205.304(b)(2) states, “Agricultural products in packages described in §205.301(c) must: On the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, “Certified organic by ***....”

Comments: *The “Certified organic by ***” statement on four Made with organic product labels was not below the information identifying the handler of the product. CU did not inform the operation that the labels are noncompliant and must be revised by January 1, 2016, pursuant to PM 12-2.*

Rebuttal: CU submitted a copy of the inspection report issued to this operation in June, 2013 where it was noted in the inspection report and in the exit interview that placement of the COB statement on labels must be revised by January 1, 2016 according to PM 12-2. CU also identified the noncompliant label in the certification decision document and in the inspection briefing for the inspector to follow up at the next inspection.

NP5006LCA.NC8 – Accepted - 7 CFR §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.”

Comments: *CU’s Notice of Noncompliance template does not provide the operation with an opportunity to rebut the noncompliance.*

Corrective Action: CU submitted the revised template for Notice of Noncompliance including the compliant language.

NP5006LCA.NC9 – Accepted - 7 CFR §205.662 (e)(1) states, “If the operation fails to correct the noncompliance, to resolve the issue through rebuttal or mediation, or to file an appeal of the proposed suspension ..., the certifying agent ... shall send the certified operation a written notification of suspension”

Comments: *CU accepted corrective actions from an operation it had issued a Notice of Proposed Suspension to, and also sent a Notice of Proposed Suspension Resolution to the operation upon accepting the corrective actions.*

Corrective Action: CU submitted a revised Notice of Proposed Suspension template and adverse action work instruction indicating CU will notify any operation receiving a Notice of Proposed Suspension that their options are to appeal pursuant to 205.681 or request mediation pursuant to 205.663.

NATIONAL ORGANIC PROGRAM REPORT

AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted a two-day onsite compliance audit of the USDA accredited certifying agent Department of Plant Industry (DPI). The NOP reviewed the auditor’s report to assess DPI’s conformance to the terms of a 2013 Settlement Agreement and compliance to the USDA organic regulations. This report provides the results of NOP’s assessment.

GENERAL INFORMATION

Applicant Name:	Department of Plant Industry (DPI) – Clemson University
Physical Address:	511 Westinghouse Road, Pendleton, SC 29670
Mailing Address:	511 Westinghouse Road, Pendleton, SC 29670
Contact & Title:	Ryan Merck, Program Manager
E-mail Address:	organic@clemson.edu
Phone Number:	864-646-2129
Reviewer(s) and Auditor(s):	Lars Crail, NOP Reviewer; Corey Gilbert, QAD Auditor
Program:	USDA National Organic Program (NOP)
Audit Date(s):	Onsite Audit: April 2-4, 2014 Reviewed: July 21, 2014
Audit Identifier:	NP4092ZZA
Action Required:	No
Audit Type:	Compliance Assessment
Audit Objective:	To verify continuing compliance to the audit criteria; and to verify the implementation and effectiveness of the corrective actions in addressing the previous noncompliances.
Audit Criteria:	7 CFR Part 205, <i>National Organic Program, Final Rule</i> , dated December 21, 2000; as amended.
Audit Scope:	The company’s corrective actions including personnel, processes, procedures, facilities, and records.

DPI was accredited as a USDA NOP certifying agent on April 29, 2002 for crops, wild crops, livestock, and handling operations. At the time of the compliance assessment, the DPI list of certified operations included 129 certified operations, consisting of 79 crop operations, 3 livestock operations, and 47 handling operations. There were no wild crop operations certified by DPI and they do not certify grower groups. The majority of certified operations are in South Carolina and North Carolina with some clients

in Alabama and Georgia.

BACKGROUND

The previous accreditation renewal assessment of the DPI organic certification program was conducted June 18-22, 2012 and seven noncompliances were identified. On November 1, 2012, the NOP issued a combined Notice of Noncompliance/Proposed Suspension to DPI for the findings from the assessment report. DPI submitted an appeal of the Notice of Proposed Suspension on November 29, 2012. DPI submitted corrective actions to the NOP on July 9, 2013 and a corrective action desk audit was conducted on July 17 to August 30, 2013. On October 24, 2013, the NOP offered a proposed settlement agreement to DPI which was signed by DPI on October 24, 2013 and by the NOP Deputy Administrator on October 28, 2013. The NOP Appeals Team notified DPI on October 29, 2013 that, because DPI and the NOP reached a settlement agreement, their appeal (APL-010-13) was closed without a decision by the AMS Administrator. The NOP issued a Notice of Accreditation Renewal and NOP Accreditation Certificate to DPI on November 5, 2013. As one of the terms of the settlement agreement, an onsite compliance assessment was conducted on April 2-4, 2014 to verify the implementation and effectiveness of the corrective actions for the noncompliances identified in the June 2012 renewal assessment.

WITNESS INSPECTION

An annual inspection was observed at a certified handling operation which mills and packages organic grains (wheat, oats, corn, rice, etc.). The inspection was conducted by the Organic Program Manager who was qualified and had a current confidentiality and conflict of interest declaration on file. All required areas were covered during the inspection and an exit interview was conducted with the operation management.

NOP DETERMINATION

NOP reviewed the onsite compliance audit report and determined the status of DPI's correction actions to adequately address previous non-compliances. 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.

During the onsite audit, no new findings were identified and as a result, NOP is not issuing any non-compliances.

NP2170MMA.NC1 – Cleared – NOP §205.402(a)(1) and (2) states, "Upon acceptance of an application for certification, a certifying agent must: Review the application to ensure completeness pursuant to §205.401; 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."

- *The DPI livestock applications which are utilized as the organic system plans (OSP) do not address the pasture practice standards (205.240) and other appropriately revised clauses of the Rule to address: access to pasture, DMI, and confinement. In addition the inspection report checklist and the initial review and certification decision checklists have not been revised to reflect the pasture practice standards. Without addressing these requirements, a livestock operation's OSP will not be complete and cannot be assessed for compliance.*
- *In addition, organic system plans were incomplete and of the ten files reviewed it was verified that:*

- *4 files did not provide a description of practices and procedures to be performed and maintained, including the frequency (205.201(a)(1)) or a complete list of each substance to be used (205.201(a)(2)).*
- *5 files did not include a description of the monitoring practices and procedures to be performed and maintained, including the frequency with which they will be performed, to verify that the plan is effectively implemented (205.201(a)(3)).*
- *1 file did not include a complete description of the management practices and physical barriers established to prevent commingling of organic and nonorganic products on a split operation and to prevent contact of organic production and products with prohibited substances.*

Corrective Action: DPI has revised its Livestock forms. The application, application worksheets and records, and review and decision checklists were updated to address §205.240, Pasture Practice Standard; access to pasture; Dry Matter Intake (DMI); or confinement, as applicable. During the 2013 certification renewal, all livestock operations completed DMI/Dry Matter Demand (DMD) calculations and compliance with the NOP regulations was documented and reviewed using DPI’s revised Livestock forms. In January 2013, DPI revised its policy concerning organic system plan (OSP) annual updates to require operations to submit comprehensive organic system plans every three years in order to facilitate its annual OSP review process. DPI revised its Crop and Handling forms to ensure that compliance factors such as descriptions of practices concerning materials, monitoring, or commingling were addressed. For 2013, DPI required its certified operations to submit the new comprehensive application forms rather than the former, shorter annual update forms for review to ensure a thorough compliance evaluation of each operation. Examples of two entire 2013 files, reviewed and approved as compliant, were submitted as evidence. **Verification of Corrective Action (April 2014):** DPI implemented the revised livestock, crop, and handling forms. DPI required all certified operations to submit the comprehensive application form and complete organic system plans. File reviews verified the organic system plans for crop, handling, and livestock operations addressed all required areas and the corrective actions were effective.

NP2170MMA.NC2 – Cleared – NOP §205.403(c)(1) – (3) 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; That the information, including the organic production or handling system plan, provided in accordance with §§205.401, 205.406, and 205.200, accurately reflects the practices used or to be used by the applicant for certification or by the certified operation; That prohibited substances have not been and are not being applied to the operation through means which, at the discretion of the certifying agent, may include the collection and testing of soil; water; waste; seeds; plant tissue; and plant, animal, and processed products samples.”

- *During the three witness inspections, the renewal assessment verified that:*
 - *During the crop inspection:*
 - *The inspector did not verify the seeds on hand matched those on invoices reviewed and did not verify the source and compliance of corn seeds.*
 - *During the crop and livestock inspection:*
 - *The dry matter intake requirements were not addressed or assessed during inspection.*
 - *The inspection did not identify that the operation was representing and selling beef on a website as “organic”. The operation could not sell or represent beef as organic because the beef cattle were not slaughtered at a certified facility.*
 - *The inspection did not identify as an issue of concern that the beef is sold at*

farmer's markets with a sign used for display by the operation which contained the statement "USDA Certified Organic Beef".

- *The inspection did not identify that land was certified as organic in 2011 when it had prohibited substance applied in the spring of 2009. This information was included in the field history sheets.*
- *During the handler inspection:*
 - *There was a 100 pound purge included in the organic system plan (OSP) which was not used by the facility. The production manager was not aware of it and stated he had never done a purge. The inspector was under impression they ran first 100 pounds of product and excluded from organic production and the facilities representative was under the impression it was 100 pounds of water flushed through system. The purge was discussed but not verified by the inspector during the inspection. After the inspection, the auditor-of-record inquired about the process and verified there were no records as this was not part of actual activities being conducted.*
 - *The plastic film liners for the top of the packages with organic claims were not reviewed.*
 - *The pest management records were reviewed but there was not a thorough review of the pest management practices to verify it was in accordance with OSP. There was no review of the mouse traps to verify placements within the production areas, and that substances were not used within them; or if used that they were in accordance with Final Rule.*
 - *The copies of labels in the file provided by DPI were reviewed and not actual labels.*
 - *The inspection did not identify that labels approved by DPI had not been received by the facility from their label supplier and the operation was still using non-conforming labels which included a bottom board label which did not include the "Certified Organic by" statement.*
 - *Inspection did not identify that the application/organic system plan was not an accurate reflection of actual practices.*

Corrective Action: DPI has resolved the above points of evidence through notices of noncompliance issued to the operations, communication with the operations, or requests for additional information from the operations to verify compliance. DPI submitted examples of its revised inspection report and briefing forms which now provide an inspector areas to address issues of concern and potential areas of noncompliance. DPI has implemented a new training policy based upon USDA NOP and Independent Organic Inspectors Association (IOIA) guidance designed to ensure that staff members receive training in any scope of certification prior to conducting an inspection for the first time and to require continuing education and annual training beyond DPI's regular annual training in order to focus upon the type of inspection work performed. In January 2013, DPI staff attended organic training and reviewed this new training policy. Records of staff training were submitted as evidence of specific trainings completed to date. In Spring 2013, DPI reviewed its past inspector performance evaluations and qualifications and chose to begin using contract inspectors with qualifications necessary to inspect organic operations. DPI is also revising its inspector performance evaluation form which is to be implemented at its 2013 year-end review meeting. **Verification of Corrective Action (April 2014):** DPI implemented the revised inspection reports, hired new contract inspectors, and provided additional training to inspectors with the most recent training conducted March 6-7, 2014. File reviews and observations during the witness inspection verified the items previously not verified by inspectors or not identified as issues of concern

are being addressed as required.

NP2170MMA.NC3 – Cleared – NOP §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.” NOP §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.” *In general, when noncompliances are identified, DPI does not send an official notification of noncompliance to applicants or certified operations. Instead, noncompliances are handled through the inspection report exit interview process, emails, or identified on the certification checklist. For a certified handler, DPI identified that the label was not in compliance with the standards and instead of issuing a notification of noncompliance, they identified it in the certification decision checklist stating that packaging must be replaced or corrected within 3 months or by July 1, 2012. For a certified livestock operation, which was using a prohibited substance for treatment of parasites, there was no notification of noncompliance issued and as identified under NP2170MMA.NC4, there were two applicants which used a prohibited input with no official notifications of noncompliance issued.* **Corrective Action:** DPI amended its method of issuing adverse actions to applicants and operations to be aligned with NOP regulations. Examples of Notices of Noncompliance, Proposed Suspension, and Suspension were submitted as evidence documenting how DPI has implemented its new method to ensure complete reviews are being conducted and adverse actions are being issued when noncompliances are identified. For specific operations noted, DPI issued notices of noncompliance, provided evidence that prohibited substances were not applied to land, addressed the removal of noncompliant products from the stream of commerce or the removal of land from certification. **Verification of Corrective Action (April 2014):** DPI implemented the work instructions and review checklists for all stages of certification to ensure noncompliances are identified and written Notices of Noncompliance and notices for adverse actions are sent to applicants or certified operations as required. File reviews and reviews of Notices of Noncompliance, Notices of Proposed Suspension, and Notices of Suspension verified the corrective actions were effective.

NP2170MMA.NC4 – Cleared – NOP §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.” *In one of the ten files reviewed, the applicant included in the application (organic system plan) that they had applied a liquid nitrogen fertilizer with a prohibited substance in one field as a test product. DPI certified the operation without issuing a notice of noncompliance and without denying a portion of the operation or the entire operation. In addition, the 2012 Annual Program Review report identified there was another operation which had applied a prohibited liquid nitrogen fertilizer which was certified under the same circumstances.* **Corrective Action:** DPI revised its certification process to ensure that each step (review, inspection, and decision) is separately conducted and recorded. Examples of issued Notices of Noncompliance, Notice of Denial of Certification, and certification decision were submitted as evidence of DPI's implemented system. For the operations identified in the assessment and the annual report, DPI wither issued Notices of Noncompliance, provided evidence that prohibited substances were not applied to the land, addressed the removal of noncompliant products from the stream of commerce, and removed the affected land from certification. **Verification of Corrective Action (April 2014):** DPI implemented the work instruction and review checklists. File reviews, interviews, and observations

verified the corrective actions were effective.

NP2170MMA.NC5 – Cleared – NOP §205.501(a)(12)(i) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Reconsider a certified operation's application for certification and, if necessary, perform a new on-site inspection when it is determined, within 12 months of certifying the operation, that any person participating in the certification process and covered under §205.501(a)(11)(ii) has or had a conflict of interest involving the applicant. All costs associated with a reconsideration of application, including onsite inspection costs, shall be borne by the certifying agent.” *A DPI staff member (staff member A) conducted an initial review of an application on March 21, 2011; the inspection was conducted by another staff member; and the certification decision was made by the Assistant Director and the operation was certified (certified operation #1) on June 29, 2011. On October 7, 2011, staff member A left the employment of DPI and started to provide consulting services to producers. On October 20, 2011, the same staff member signed a DPI Annual Conflict of Interest and Confidentiality Agreement as a subcontracted inspector and identified certified operation #1 as a conflict of interest. At the time of the certification, there was no apparent conflict of interest and afterwards the inspector was not allowed to inspect the operation and was not involved in the certification process. However, the staff member incurred a conflict of interest prior to the 12 month period after certification was granted and DPI did not reconsider the application for certification to determine if there was in fact a conflict of interest.* **Corrective Action:** The operation has been inspected and reviewed for certification since the noncompliance was issued by DPI staff members without a conflict of interest. DPI drafted and implemented a new work instruction that outlines how annual conflict of interest statements by personnel will be reviewed by DPI management to ensure conflicts of interest are managed in a compliant manner, including whether an operation’s file must be reconsidered at DPI’s cost. DPI amended its Quality Manual, Section Four – Conflicts of Interest, to reflect USDA organic regulation §205.501(a)(12)(i). **Verification of Corrective Action (April 2014):** DPI implemented the Work Instruction for Review of Conflict of Interest Statements (PM504-1112), all personnel had annual conflict of interest statements on file, and no additional issues had occurred regarding personnel conflicts of interest and certification activities.

NP2170MMA.NC6 – Cleared – NOP §205.504(a)(1) states, “A private or governmental entity seeking accreditation as a certifying agent must submit the following documents and information to demonstrate its expertise in organic production or handling techniques... (1) A copy of the applicant's policies and procedures for training, evaluating, and supervising personnel.” *The DPI quality manual addresses training of personnel at Section Two, subsection 5 Recurring and Planned Training. However, training for qualifying personnel for the organic certification program is in general terms and not specific enough to ensure the staff and inspectors are adequately trained for each scope of certification.* **Corrective Action:** DPI has implemented a new training policy based upon USDA NOP and Independent Organic Inspectors Association (IOIA) guidance designed to ensure that staff members receive training in any scope of certification prior to conducting an inspection for the first time and to require continuing education and annual training beyond DPI’s regular annual training in order to focus upon the type of inspection performed. Records of staff training were submitted as evidence of specific trainings completed to date. The DPI Quality Manual is currently being revised to include its new training policy by April 2014 and will be reviewed by Clemson University each year to ensure adherence to the policy. **Verification of Corrective Action (April 2014):** DPI implemented the DPI Inspectors Training Policy (PM005-1112) which provides specific details on organic certification training for staff and contractors. DPI conducted a two day training course for staff and contracted employees on March 6-7, 2014 covering the organic regulations and inspections. Training records reviewed verified staff and contractors are

adequately trained for their roles in the organic certification program.

NP2170MMA.NC7 – Cleared – NOP §205.642 states, “Fees charged by a certifying agent must be reasonable... The certifying agent shall provide each applicant with an estimate of the total cost of certification and estimate of the annual cost of updating the certification.” *Applicants for certification are only provided a fee estimate if requested.* **Corrective Action:** DPI amended its policy for inspection fee estimates and submitted a new “Work Instruction for Application Receipt” which describes how an operation is issued an application and inspection fee estimate letter after DPI receives an application. Examples of application acknowledgement letters and fee estimates were submitted as evidence and continue to be issued by DPI. **Verification of Corrective Action (April 2014):** DPI implemented the Work Instruction for Application Receipt (PM501-1112) and files reviewed verified fee estimates are being provided as required.

NATIONAL ORGANIC PROGRAM REPORT

AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted a two-day onsite compliance audit of the USDA accredited certifying agent Department of Plant Industry (DPI). The NOP reviewed the auditor’s report to assess DPI’s conformance to the terms of a 2013 Settlement Agreement and compliance to the USDA organic regulations. This report provides the results of NOP’s assessment.

GENERAL INFORMATION

Applicant Name:	Department of Plant Industry (DPI) – Clemson University
Physical Address:	511 Westinghouse Road, Pendleton, SC 29670
Mailing Address:	511 Westinghouse Road, Pendleton, SC 29670
Contact & Title:	Ryan Merck, Program Manager
E-mail Address:	organic@clemson.edu
Phone Number:	864-646-2129
Reviewer(s) and Auditor(s):	Lars Crail, NOP Reviewer; Corey Gilbert, QAD Auditor
Program:	USDA National Organic Program (NOP)
Audit Date(s):	Onsite Audit: April 2-4, 2014 Reviewed: July 21, 2014
Audit Identifier:	NP4092ZZA
Action Required:	No
Audit Type:	Compliance Assessment
Audit Objective:	To verify continuing compliance to the audit criteria; and to verify the implementation and effectiveness of the corrective actions in addressing the previous noncompliances.
Audit Criteria:	7 CFR Part 205, <i>National Organic Program, Final Rule</i> , dated December 21, 2000; as amended.
Audit Scope:	The company’s corrective actions including personnel, processes, procedures, facilities, and records.

DPI was accredited as a USDA NOP certifying agent on April 29, 2002 for crops, wild crops, livestock, and handling operations. At the time of the compliance assessment, the DPI list of certified operations included 129 certified operations, consisting of 79 crop operations, 3 livestock operations, and 47 handling operations. There were no wild crop operations certified by DPI and they do not certify grower groups. The majority of certified operations are in South Carolina and North Carolina with some clients

in Alabama and Georgia.

BACKGROUND

The previous accreditation renewal assessment of the DPI organic certification program was conducted June 18-22, 2012 and seven noncompliances were identified. On November 1, 2012, the NOP issued a combined Notice of Noncompliance/Proposed Suspension to DPI for the findings from the assessment report. DPI submitted an appeal of the Notice of Proposed Suspension on November 29, 2012. DPI submitted corrective actions to the NOP on July 9, 2013 and a corrective action desk audit was conducted on July 17 to August 30, 2013. On October 24, 2013, the NOP offered a proposed settlement agreement to DPI which was signed by DPI on October 24, 2013 and by the NOP Deputy Administrator on October 28, 2013. The NOP Appeals Team notified DPI on October 29, 2013 that, because DPI and the NOP reached a settlement agreement, their appeal (APL-010-13) was closed without a decision by the AMS Administrator. The NOP issued a Notice of Accreditation Renewal and NOP Accreditation Certificate to DPI on November 5, 2013. As one of the terms of the settlement agreement, an onsite compliance assessment was conducted on April 2-4, 2014 to verify the implementation and effectiveness of the corrective actions for the noncompliances identified in the June 2012 renewal assessment.

WITNESS INSPECTION

An annual inspection was observed at a certified handling operation which mills and packages organic grains (wheat, oats, corn, rice, etc.). The inspection was conducted by the Organic Program Manager who was qualified and had a current confidentiality and conflict of interest declaration on file. All required areas were covered during the inspection and an exit interview was conducted with the operation management.

NOP DETERMINATION

NOP reviewed the onsite compliance audit report and determined the status of DPI's correction actions to adequately address previous non-compliances. 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.

During the onsite audit, no new findings were identified and as a result, NOP is not issuing any non-compliances.

NP2170MMA.NC1 – Cleared – NOP §205.402(a)(1) and (2) states, "Upon acceptance of an application for certification, a certifying agent must: Review the application to ensure completeness pursuant to §205.401; 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."

- *The DPI livestock applications which are utilized as the organic system plans (OSP) do not address the pasture practice standards (205.240) and other appropriately revised clauses of the Rule to address: access to pasture, DMI, and confinement. In addition the inspection report checklist and the initial review and certification decision checklists have not been revised to reflect the pasture practice standards. Without addressing these requirements, a livestock operation's OSP will not be complete and cannot be assessed for compliance.*
- *In addition, organic system plans were incomplete and of the ten files reviewed it was verified that:*

- *4 files did not provide a description of practices and procedures to be performed and maintained, including the frequency (205.201(a)(1)) or a complete list of each substance to be used (205.201(a)(2)).*
- *5 files did not include a description of the monitoring practices and procedures to be performed and maintained, including the frequency with which they will be performed, to verify that the plan is effectively implemented (205.201(a)(3)).*
- *1 file did not include a complete description of the management practices and physical barriers established to prevent commingling of organic and nonorganic products on a split operation and to prevent contact of organic production and products with prohibited substances.*

Corrective Action: DPI has revised its Livestock forms. The application, application worksheets and records, and review and decision checklists were updated to address §205.240, Pasture Practice Standard; access to pasture; Dry Matter Intake (DMI); or confinement, as applicable. During the 2013 certification renewal, all livestock operations completed DMI/Dry Matter Demand (DMD) calculations and compliance with the NOP regulations was documented and reviewed using DPI’s revised Livestock forms. In January 2013, DPI revised its policy concerning organic system plan (OSP) annual updates to require operations to submit comprehensive organic system plans every three years in order to facilitate its annual OSP review process. DPI revised its Crop and Handling forms to ensure that compliance factors such as descriptions of practices concerning materials, monitoring, or commingling were addressed. For 2013, DPI required its certified operations to submit the new comprehensive application forms rather than the former, shorter annual update forms for review to ensure a thorough compliance evaluation of each operation. Examples of two entire 2013 files, reviewed and approved as compliant, were submitted as evidence. **Verification of Corrective Action (April 2014):** DPI implemented the revised livestock, crop, and handling forms. DPI required all certified operations to submit the comprehensive application form and complete organic system plans. File reviews verified the organic system plans for crop, handling, and livestock operations addressed all required areas and the corrective actions were effective.

NP2170MMA.NC2 – Cleared – NOP §205.403(c)(1) – (3) 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; That the information, including the organic production or handling system plan, provided in accordance with §§205.401, 205.406, and 205.200, accurately reflects the practices used or to be used by the applicant for certification or by the certified operation; That prohibited substances have not been and are not being applied to the operation through means which, at the discretion of the certifying agent, may include the collection and testing of soil; water; waste; seeds; plant tissue; and plant, animal, and processed products samples.”

- *During the three witness inspections, the renewal assessment verified that:*
 - *During the crop inspection:*
 - *The inspector did not verify the seeds on hand matched those on invoices reviewed and did not verify the source and compliance of corn seeds.*
 - *During the crop and livestock inspection:*
 - *The dry matter intake requirements were not addressed or assessed during inspection.*
 - *The inspection did not identify that the operation was representing and selling beef on a website as “organic”. The operation could not sell or represent beef as organic because the beef cattle were not slaughtered at a certified facility.*
 - *The inspection did not identify as an issue of concern that the beef is sold at*

farmer's markets with a sign used for display by the operation which contained the statement "USDA Certified Organic Beef".

- *The inspection did not identify that land was certified as organic in 2011 when it had prohibited substance applied in the spring of 2009. This information was included in the field history sheets.*
- *During the handler inspection:*
 - *There was a 100 pound purge included in the organic system plan (OSP) which was not used by the facility. The production manager was not aware of it and stated he had never done a purge. The inspector was under impression they ran first 100 pounds of product and excluded from organic production and the facilities representative was under the impression it was 100 pounds of water flushed through system. The purge was discussed but not verified by the inspector during the inspection. After the inspection, the auditor-of-record inquired about the process and verified there were no records as this was not part of actual activities being conducted.*
 - *The plastic film liners for the top of the packages with organic claims were not reviewed.*
 - *The pest management records were reviewed but there was not a thorough review of the pest management practices to verify it was in accordance with OSP. There was no review of the mouse traps to verify placements within the production areas, and that substances were not used within them; or if used that they were in accordance with Final Rule.*
 - *The copies of labels in the file provided by DPI were reviewed and not actual labels.*
 - *The inspection did not identify that labels approved by DPI had not been received by the facility from their label supplier and the operation was still using non-conforming labels which included a bottom board label which did not include the "Certified Organic by" statement.*
 - *Inspection did not identify that the application/organic system plan was not an accurate reflection of actual practices.*

Corrective Action: DPI has resolved the above points of evidence through notices of noncompliance issued to the operations, communication with the operations, or requests for additional information from the operations to verify compliance. DPI submitted examples of its revised inspection report and briefing forms which now provide an inspector areas to address issues of concern and potential areas of noncompliance. DPI has implemented a new training policy based upon USDA NOP and Independent Organic Inspectors Association (IOIA) guidance designed to ensure that staff members receive training in any scope of certification prior to conducting an inspection for the first time and to require continuing education and annual training beyond DPI's regular annual training in order to focus upon the type of inspection work performed. In January 2013, DPI staff attended organic training and reviewed this new training policy. Records of staff training were submitted as evidence of specific trainings completed to date. In Spring 2013, DPI reviewed its past inspector performance evaluations and qualifications and chose to begin using contract inspectors with qualifications necessary to inspect organic operations. DPI is also revising its inspector performance evaluation form which is to be implemented at its 2013 year-end review meeting. **Verification of Corrective Action (April 2014):** DPI implemented the revised inspection reports, hired new contract inspectors, and provided additional training to inspectors with the most recent training conducted March 6-7, 2014. File reviews and observations during the witness inspection verified the items previously not verified by inspectors or not identified as issues of concern

are being addressed as required.

NP2170MMA.NC3 – Cleared – NOP §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.” NOP §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.” *In general, when noncompliances are identified, DPI does not send an official notification of noncompliance to applicants or certified operations. Instead, noncompliances are handled through the inspection report exit interview process, emails, or identified on the certification checklist. For a certified handler, DPI identified that the label was not in compliance with the standards and instead of issuing a notification of noncompliance, they identified it in the certification decision checklist stating that packaging must be replaced or corrected within 3 months or by July 1, 2012. For a certified livestock operation, which was using a prohibited substance for treatment of parasites, there was no notification of noncompliance issued and as identified under NP2170MMA.NC4, there were two applicants which used a prohibited input with no official notifications of noncompliance issued.* **Corrective Action:** DPI amended its method of issuing adverse actions to applicants and operations to be aligned with NOP regulations. Examples of Notices of Noncompliance, Proposed Suspension, and Suspension were submitted as evidence documenting how DPI has implemented its new method to ensure complete reviews are being conducted and adverse actions are being issued when noncompliances are identified. For specific operations noted, DPI issued notices of noncompliance, provided evidence that prohibited substances were not applied to land, addressed the removal of noncompliant products from the stream of commerce or the removal of land from certification. **Verification of Corrective Action (April 2014):** DPI implemented the work instructions and review checklists for all stages of certification to ensure noncompliances are identified and written Notices of Noncompliance and notices for adverse actions are sent to applicants or certified operations as required. File reviews and reviews of Notices of Noncompliance, Notices of Proposed Suspension, and Notices of Suspension verified the corrective actions were effective.

NP2170MMA.NC4 – Cleared – NOP §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.” *In one of the ten files reviewed, the applicant included in the application (organic system plan) that they had applied a liquid nitrogen fertilizer with a prohibited substance in one field as a test product. DPI certified the operation without issuing a notice of noncompliance and without denying a portion of the operation or the entire operation. In addition, the 2012 Annual Program Review report identified there was another operation which had applied a prohibited liquid nitrogen fertilizer which was certified under the same circumstances.* **Corrective Action:** DPI revised its certification process to ensure that each step (review, inspection, and decision) is separately conducted and recorded. Examples of issued Notices of Noncompliance, Notice of Denial of Certification, and certification decision were submitted as evidence of DPI’s implemented system. For the operations identified in the assessment and the annual report, DPI wither issued Notices of Noncompliance, provided evidence that prohibited substances were not applied to the land, addressed the removal of noncompliant products from the stream of commerce, and removed the affected land from certification. **Verification of Corrective Action (April 2014):** DPI implemented the work instruction and review checklists. File reviews, interviews, and observations

verified the corrective actions were effective.

NP2170MMA.NC5 – Cleared – NOP §205.501(a)(12)(i) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Reconsider a certified operation's application for certification and, if necessary, perform a new on-site inspection when it is determined, within 12 months of certifying the operation, that any person participating in the certification process and covered under §205.501(a)(11)(ii) has or had a conflict of interest involving the applicant. All costs associated with a reconsideration of application, including onsite inspection costs, shall be borne by the certifying agent.” *A DPI staff member (staff member A) conducted an initial review of an application on March 21, 2011; the inspection was conducted by another staff member; and the certification decision was made by the Assistant Director and the operation was certified (certified operation #1) on June 29, 2011. On October 7, 2011, staff member A left the employment of DPI and started to provide consulting services to producers. On October 20, 2011, the same staff member signed a DPI Annual Conflict of Interest and Confidentiality Agreement as a subcontracted inspector and identified certified operation #1 as a conflict of interest. At the time of the certification, there was no apparent conflict of interest and afterwards the inspector was not allowed to inspect the operation and was not involved in the certification process. However, the staff member incurred a conflict of interest prior to the 12 month period after certification was granted and DPI did not reconsider the application for certification to determine if there was in fact a conflict of interest.* **Corrective Action:** The operation has been inspected and reviewed for certification since the noncompliance was issued by DPI staff members without a conflict of interest. DPI drafted and implemented a new work instruction that outlines how annual conflict of interest statements by personnel will be reviewed by DPI management to ensure conflicts of interest are managed in a compliant manner, including whether an operation’s file must be reconsidered at DPI’s cost. DPI amended its Quality Manual, Section Four – Conflicts of Interest, to reflect USDA organic regulation §205.501(a)(12)(i). **Verification of Corrective Action (April 2014):** DPI implemented the Work Instruction for Review of Conflict of Interest Statements (PM504-1112), all personnel had annual conflict of interest statements on file, and no additional issues had occurred regarding personnel conflicts of interest and certification activities.

NP2170MMA.NC6 – Cleared – NOP §205.504(a)(1) states, “A private or governmental entity seeking accreditation as a certifying agent must submit the following documents and information to demonstrate its expertise in organic production or handling techniques... (1) A copy of the applicant's policies and procedures for training, evaluating, and supervising personnel.” *The DPI quality manual addresses training of personnel at Section Two, subsection 5 Recurring and Planned Training. However, training for qualifying personnel for the organic certification program is in general terms and not specific enough to ensure the staff and inspectors are adequately trained for each scope of certification.* **Corrective Action:** DPI has implemented a new training policy based upon USDA NOP and Independent Organic Inspectors Association (IOIA) guidance designed to ensure that staff members receive training in any scope of certification prior to conducting an inspection for the first time and to require continuing education and annual training beyond DPI’s regular annual training in order to focus upon the type of inspection performed. Records of staff training were submitted as evidence of specific trainings completed to date. The DPI Quality Manual is currently being revised to include its new training policy by April 2014 and will be reviewed by Clemson University each year to ensure adherence to the policy. **Verification of Corrective Action (April 2014):** DPI implemented the DPI Inspectors Training Policy (PM005-1112) which provides specific details on organic certification training for staff and contractors. DPI conducted a two day training course for staff and contracted employees on March 6-7, 2014 covering the organic regulations and inspections. Training records reviewed verified staff and contractors are

adequately trained for their roles in the organic certification program.

NP2170MMA.NC7 – Cleared – NOP §205.642 states, “Fees charged by a certifying agent must be reasonable... The certifying agent shall provide each applicant with an estimate of the total cost of certification and estimate of the annual cost of updating the certification.” *Applicants for certification are only provided a fee estimate if requested.* **Corrective Action:** DPI amended its policy for inspection fee estimates and submitted a new “Work Instruction for Application Receipt” which describes how an operation is issued an application and inspection fee estimate letter after DPI receives an application. Examples of application acknowledgement letters and fee estimates were submitted as evidence and continue to be issued by DPI. **Verification of Corrective Action (April 2014):** DPI implemented the Work Instruction for Application Receipt (PM501-1112) and files reviewed verified fee estimates are being provided as required.

Applicant Name:	Department of Plant Industry (DPI) – Clemson University
Physical Address:	511 Westinghouse Road, Pendleton, SC 29670
Mailing Address:	511 Westinghouse Road, Pendleton, SC 29670
Contact & Title:	Sherry P. Aultman, Cooperative Agricultural Pest Survey Program Coordinator
E-mail Address:	Saltmn@clemson.edu
Phone Number:	864-646-2128
Auditor(s):	Julie Hartley, Accreditation Manager
Program:	USDA National Organic Program (NOP)
Audit Date(s):	July 17 – August 30, 2013
Audit Identifier:	NP2170MMA
Action Required:	None
Audit Type:	Corrective Action Audit
Audit Objective:	To evaluate the corrective actions submitted by the certifying agent in response to the noncompliances identified during the Renewal Assessment.
Audit Criteria:	7 CFR Part 205, National Organic Program; Final Rule, dated December 21, 2000; updated May 16, 2012.
Audit Scope:	DPI's July 9, 2013, corrective action plan, in response to the combined Notice of Noncompliance/Proposed Suspension issued on November 1, 2012.
Location(s) Audited:	Desk

GENERAL INFORMATION

Department of Plant Industry (DPI) - Clemson University was accredited as a USDA National Organic Program (NOP) certifying agent on April 29, 2002, for crops, wild crops, livestock, and handling operations. The DPI list of certified operations included 143 certified operations, consisting of 93 crop operations, 5 livestock operations, and 45 handling operations all of which were processors. There were no wild crop operations certified by DPI at the time of the renewal assessment and they did not have any grower group certifications. The majority of clients are certified in the states of South Carolina and North Carolina with some clients in Alabama and Georgia.

AUDIT INFORMATION

Representatives of the NOP conducted an accreditation renewal assessment of the DPI organic certification program from June 18-22, 2012. On November 1, 2012, the NOP issued a combined Notice of Noncompliance/Proposed Suspension to DPI for findings from the assessment report. DPI submitted corrective actions to the NOP on July 9, 2013. All corrective actions will be verified as implemented during the next on-site assessment.

FINDINGS

NP2170MMA.NC1 – Accepted. NOP §205.402(a)(1) and (2) state, “Upon acceptance of an application for certification, a certifying agent must: Review the application to ensure completeness pursuant to §205.401; 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.”

- *The DPI livestock applications which are utilized as the organic system plans (OSP), do not address the pasture practice standards (§205.240) and other appropriately revised clauses of the USDA organic regulations to address: access to pasture, DMI, and confinement. In addition, the inspection report checklist and the initial review and certification decision checklists have not been revised to reflect the pasture practice standards. Without addressing these requirements, a livestock operation’s OSP will not be complete and cannot be assessed for compliance.*
- *In addition, organic system plans were incomplete and out of the ten files reviewed it was verified that:*
 - *Four files did not provide a description of practices and procedures to be performed and maintained, including their frequency (§205.201(a)(1)) or a complete list of each substance to be used (§205.201(a)(2)).*
 - *Five files did not include a description of the monitoring practices and procedures to be performed and maintained, including the frequency with which they will be performed, to verify that the plan is effectively implemented (§205.201(a)(3)).*
 - *One file did not include a complete description of the management practices and physical barriers established to prevent commingling of organic and nonorganic products on a split operation and to prevent contact of organic production and products with prohibited substances.*

Corrective Action: DPI has revised its Livestock forms. The application, application worksheets and records, and review and decision checklists were updated to address §205.240, Pasture Practice Standard; access to pasture; Dry Matter Intake (DMI); or confinement, as applicable. During the 2013 certification renewal, all livestock operations completed DMI/Dry Matter Demand (DMD) calculations and compliance with the NOP regulations was documented and reviewed using DPI’s revised Livestock forms. In January 2013, DPI revised its policy concerning organic system plan (OSP) annual updates to require operations to submit comprehensive organic system plans every three years in order to facilitate its annual OSP review process. DPI revised its Crop and Handling forms to ensure that compliance factors such as descriptions of practices concerning materials, monitoring, or commingling were addressed. For 2013, DPI required its certified operations to submit the new comprehensive application forms rather than the former, shorter annual update forms for review to ensure a thorough compliance evaluation of each operation. Examples of two entire 2013 files, reviewed and approved as compliant, were submitted as evidence.

NP2170MMA.NC2 – Accepted. NOP §205.403(c)(1) – (3) 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; That the information, including the organic production or handling system plan, provided in accordance with §§205.401, 205.406, and 205.200, accurately reflects the practices used or to be used by the applicant for certification or by the certified operation; That prohibited substances have not been and are not being applied to the operation through means which, at the discretion of the certifying agent, may include the collection and testing of soil; water; waste; seeds; plant tissue; and plant, animal, and processed products samples.” *The following observations were noted during the three witness inspections:*

- *During the crop inspection:*

- *The inspector did not verify that the seeds on hand matched those on invoices reviewed and did not verify the source and compliance of corn seeds.*
- *During the crop and livestock inspection:*
 - *The dry matter intake requirements were not addressed or assessed during the inspection.*
 - *The inspection did not identify that the operation was representing and selling beef as “organic” on a Web site. The inspection did not identify as an issue of concern that the beef is sold at farmers’ markets as “organic” with the use of a sign displaying “USDA Certified Organic Beef.” The operation could not sell or represent beef as “organic” because the beef cattle were not slaughtered at a certified facility.*
 - *The inspection did not identify as an issue of concern that land which had a prohibited substance applied in 2009 (as indicated in the field history sheets) was certified as organic in 2011.*
- *During the handler inspection:*
 - *The OSP included a non-descriptive 100-pound purge to prevent commingling during production. The purge was discussed during the inspection but not verified by the inspector as being implemented. After the inspection, the auditor-of-record verified there were no records of a production purge as this was not part of actual activities being conducted.*
 - *The copies of labels in the operation’s file provided by DPI were reviewed. However, the labels on file were not the actual labels used by the operation. The plastic film liners placed on the top of packages, which served as product labels with organic claims, were not reviewed.*
 - *The labels approved by DPI had not been received by the facility from their label supplier and the operation was using noncompliant labels which included a bottom board label that did not include the “Certified Organic by” statement. The inspection did not identify this as a point of concern.*
 - *The pest management records were reviewed, but a thorough review of the pest management practices was not conducted in order to verify implementation in accordance with the OSP and compliance to USDA organic regulations. There was no review of the placement of mousetraps to verify use within the production areas and that prohibited substances were not used within them.*
 - *The inspection did not identify that the operation’s application/OSP was not an accurate reflection of practices used by the operation.*

Corrective Action: DPI has resolved the above points of evidence through notices of noncompliance issued to the operations, communication with the operations, or requests for additional information from the operations to verify compliance. DPI submitted examples of its revised inspection report and briefing forms which now provide an inspector areas to address issues of concern and potential areas of noncompliance. DPI has implemented a new training policy based upon USDA NOP and Independent Organic Inspectors Association (IOIA) guidance designed to ensure that staff members receive training in any scope of certification prior to conducting an inspection for the first time and to require continuing education and annual training beyond DPI’s regular annual training in order to focus upon the type of inspection work performed. In January 2013, DPI staff attended organic training and reviewed this new training policy. Records of staff training were submitted as evidence of

specific trainings completed to date. In Spring 2013, DPI reviewed its past inspector performance evaluations and qualifications and chose to begin using contract inspectors with qualifications necessary to inspect organic operations. DPI is also revising its inspector performance evaluation form which is to be implemented at its 2013 year-end review meeting.

NP2170MMA.NC3 – Accepted. NOP §§205.405(a) and 205.406(c) state the following: §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;” §205.406(c) states, “If the certifying agent has reason to believe, based on the on-site inspection and a review of the information specified in §205.404, that a certified operation is not complying with the requirements of the Act and the regulations in this part, the certifying agent shall provide a written notification of noncompliance to the operation in accordance with §205.662.” *In general, when noncompliances are identified, DPI does not send an official notification of noncompliance to applicants or certified operations. Instead, noncompliances are handled through the inspection report exit interview process, emails, or being identified on the certification checklist. For one certified handler, DPI identified a noncompliant label. Instead of issuing a notification of noncompliance, they identified it in the certification decision checklist stating that packaging must be replaced or corrected within 3 months or by July 1, 2012. For a certified livestock operation, which was using a prohibited substance for treatment of parasites, there was no notification of noncompliance issued. As identified under NP2170MMA.NC4, there were two applicants which used a prohibited input with no official notifications of noncompliance issued.* **Corrective Action:** DPI amended its method of issuing adverse actions to applicants and operations to be aligned with NOP regulations. Examples of Notices of Noncompliance, Proposed Suspension, and Suspension were submitted as evidence documenting how DPI has implemented its new method to ensure complete reviews are being conducted and adverse actions are being issued when noncompliances are identified. For specific operations noted, DPI issued notices of noncompliance, provided evidence that prohibited substances were not applied to land, addressed the removal of noncompliant products from the stream of commerce or the removal of land from certification.

NP2170MMA.NC4 – Accepted. NOP §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....” *In one of the ten files reviewed, the applicant included in the application (organic system plan) that they had applied a liquid nitrogen fertilizer with a prohibited substance in one field as a test product. DPI certified the operation without issuing a notice of noncompliance and without denying a portion of the operation or the entire operation. In addition, the 2012 Annual Program Review report identified there was another operation which had applied a prohibited liquid nitrogen fertilizer which was certified under the same circumstances.* **Corrective Action:** DPI revised its certification review process to ensure that each phase (review, inspection, and decision) are completed independently and thoroughly to verify compliance and included the development of work instructions and review checklists. Examples of Notices of Noncompliance, a Notice of Denial of Certification, and certification decision review were submitted as evidence documenting how DPI has implemented its new

review system. For specific operations noted, DPI issued notices of noncompliance, provided evidence that prohibited substances were not applied to land, addressed the removal of noncompliant products from the stream of commerce and the removal of land from certification.

NP2170MMA.NC5 – Accepted. NOP §205.501(a)(12)(i) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Reconsider a certified operation's application for certification and, if necessary, perform a new on-site inspection when it is determined, within 12 months of certifying the operation, that any person participating in the certification process and covered under §205.501(a)(11)(ii) has or had a conflict of interest involving the applicant. All costs associated with a reconsideration of application, including onsite inspection costs, shall be borne by the certifying agent.” *A DPI staff member (staff member A) conducted an initial review of an application on March 21, 2011; the inspection was conducted by another staff member; and the certification decision was made by the Assistant Director and the operation was certified (certified operation #1) on June 29, 2011. On October 7, 2011, staff member A left the employment of DPI and started to provide consulting services to producers. On October 20, 2011, the same staff member signed a DPI Annual Conflict of Interest and Confidentiality Agreement as a subcontracted inspector and identified certified operation #1 as a conflict of interest. At the time of the certification, there was no apparent conflict of interest and afterwards the inspector was not allowed to inspect the operation and was not involved in the certification process. However, the staff member incurred a conflict of interest within the 12 month period after certification was granted and DPI did not reconsider the application for certification to determine if there was in fact a conflict of interest.* **Corrective Action:** The operation has been inspected and reviewed for certification since the noncompliance was issued by DPI staff members without a conflict of interest. DPI drafted and implemented a new work instruction that outlines how annual conflict of interest statements by personnel will be reviewed by DPI management to ensure conflicts of interest are managed in a compliant manner, including whether an operation's file must be reconsidered at DPI's cost. DPI amended its Quality Manual, Section Four – Conflicts of Interest, to reflect USDA organic regulation §205.501(a)(12)(i).

NP2170MMA.NC6 – Accepted. NOP §205.504(a)(1) states, “A private or governmental entity seeking accreditation as a certifying agent must submit the following documents and information to demonstrate its expertise in organic production or handling techniques...(1) A copy of the applicant's policies and procedures for training, evaluating, and supervising personnel.” *The DPI quality manual addresses training of personnel at Section Two, subsection 5 Recurring and Planned Training. However, training for qualifying personnel for the organic certification program is in general terms and not specific enough to ensure the staff and inspectors are adequately trained for each scope of certification.* **Corrective Action:** DPI has implemented a new training policy based upon USDA NOP and Independent Organic Inspectors Association (IOIA) guidance designed to ensure that staff members receive training in any scope of certification prior to conducting an inspection for the first time and to require continuing education and annual training beyond DPI's regular annual training in order to focus upon the type of inspection performed. Records of staff training were submitted as evidence of specific trainings completed to date. The DPI Quality Manual is currently being revised to include its new training policy by April 2014 and will be reviewed by Clemson

University each year to ensure adherence to the policy.

NP2170MMA.NC7 – Accepted. NOP §205.642 states, “The certifying agent shall provide each applicant with an estimate of the total cost of certification and estimate of the annual cost of updating the certification.” *Although fees are available on the DPI’s Web site, applicants for certification are only provided a fee estimate if requested.* **Corrective Action:** DPI amended its policy for inspection fee estimates and submitted a new “Work Instruction for Application Receipt” which describes how an operation is issued an application and inspection fee estimate letter after DPI receives an application. Examples of application acknowledgement letters and fee estimates were submitted as evidence and continue to be issued by DPI.