



CERTIFICATE OF ACCREDITATION



# United States Department of Agriculture

Agricultural Marketing Service

National Organic Program

## **CONTROL UNION CERTIFICATIONS**

**Meeuwenlaan 4, Zwolle, Overijssel, 801 BZ, NETHERLANDS**

meets all the requirements prescribed in the USDA National Organic Program Regulations

**7 CFR Part 205**

**an Accredited Certifying Agent**  
for the scope of

**Crops, Handling, Livestock, Wild Crops Operations**

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

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

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Issue Date: **05/07/2025**

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

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National Organic Program  
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Washington, DC 20250-0268

## NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT

### GENERAL INFORMATION

- **Certifier Name** Control Union Certifications (CUC), India
- **Physical Address** 22nd & 23rd Floor, B Wing, Arihant Aura, Plot No. 13/1, TTC, Opp. Turbhe Railway Station, Thane Belapur Road, Navi Mumbai – 400705 Maharashtra, India
- **Audit Type** Compliance Audit
- **Auditor(s) & Audit Dates** Lars Crail, 10/16/2023 to 11/08/2023
- **Audit Identifier** NOP-437-23

### CERTIFIER OVERVIEW

The National Organic Program (NOP) conducted surveillance activities in India October 16 – November 8, 2023, to verify USDA organic regulation compliance of certifiers and operations with a focus on organic export supply chains. Audit activities included a review of certification files, onsite audit activities at certified operations, and product sampling and analysis for pesticide residue.

CUC is a private limited company initially accredited on October 18, 2002. CUC's primary office is in Zwolle, Netherlands. CUC is accredited to the crops, wild crops, livestock, and handling categories. CUC currently certifies 286 operations in India, including producer groups.

## **NOP DETERMINATION:**

NOP reviewed corrective actions submitted as a result of noncompliances issued from Findings identified during the audit.

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

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

**AIA-1727-24 - Accepted.** 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

**Comments:** *CUC India does not consistently review applications to ensure completeness and inspectors are not verifying the accuracy of organic system plans (OSP) during inspections. The auditors conducted a review audit, reviewed certification files and interviewed CUC staff and found the following:*

1. *CUC India did not identify that operations’ OSPs were incomplete and did not contain enough information to verify compliance with the USDA organic regulations. The following are examples:*
  - a. *A handling operation’s OSP was incomplete and inaccurate because the operation did not describe its production practices, procedures, and equipment in sufficient detail to be readily audited or understood. These undescribed and inaccurate practices and procedures include the processing of smoking black pepper, the bottling of oils, and the sun drying of herbs and fruits.*
  - b. *Operation product profiles in the OSP do not record the suppliers and do not contain enough information or any distinct identifiers to allow for the verification of the product labeling claim.*
2. *CUC India is not consistently verifying that operations are implementing their crop rotation plans. In one case, a producer group member was producing castor plant which was not identified on the grower’s plant rotation plan.*
3. *CUC India is not consistently verifying whether nonorganic ingredients are produced using excluded methods, sewage sludge and ionizing radiation.*
4. *CUC India not is not consistently verifying whether nonorganic ingredients are used in compliance with applicable National List annotations.*

**Corrective Action:** CUC corrected the noncompliance as follows:

1. CUC determined that its India office understood the certification requirements but did not have sufficient administrative capacity to manage complex operations with more than 50 products applying for certification and was not spending enough time on OSP reviews.
  - a. CUC instructed its CUC India certification office to designate staff exclusively as organic system plan (OSP) reviewers, appoint a dedicated input reviewer to manage approval of inputs in the OSP, appoint a dedicated pesticide residue handler (reviewer) and to conduct a witness audit (inspection) of each NOP auditor (inspector) starting in 2024 through 2025. CUC provided training to CUC India in July 2024 on planning resources for certification activities, including assigning personnel and calculating the estimated time for OSP review, inspections and certification reviews. CUC India’s certification activity resources plan identifies one day planned for OSP review when previously no time was

allotted for this activity. CUC India conducted an administrative capacity evaluation and concluded two additional reviewers should be hired and CUC India has begun the hiring process. CUC issued a notice of noncompliance to the two operations identified in this noncompliance for incomplete organic system plans.

- b. CUC updated its “P08 Planning Organic 01 Scoping & OSP Annex Ic Product Specification” template in October 2024 to obtain additional information about products seeking certification including the category (claim) of ingredients and the label claim. CUC will require operations complete the updated template during their next annual renewal, except for single ingredient products. CUC requires operations to list suppliers in the OSP and submitted the template with an example demonstrating that the ingredients are listed with their category/claim (e.g. 100%, Organic, etc.).
2. CUC implemented a new guidance document “Guidance Multiple Crops/Growing Seasons” in August 2024 that requires operations to complete multiple field specification and history sheets for separate growing seasons. CUC India staff received training on the guidance document in August 2024 through CUC’s e-learning system. CUC India will issue a notice of noncompliance to an operation that does not report changes to its crop rotation plan. CUC India plans to use a risk assessment approach described in the guidance document to determine which operations will be inspected for each crop produced.
3. CUC decided to limit the number of staff assigned to handle complex input evaluations and instead form a “input expert group.” CUC assigned reviewers from each L2 certification office to manage input review as of July 18, 2024. CUC India staff completed input training through CUC’s E-learning in August 2024. CUC provided additional training on crop inputs in September 2024, handler inputs in October 2024, and plans to provide livestock input training in the first quarter of 2025.
4. CUC India reviewed all nonorganic ingredients for operations certified through its India office and requested operations submit the necessary documents to verify compliance. CUC India issued a notice of noncompliance to operations using ingredients that could not be verified as compliant.

**AIA-1728-24 - Accepted.** 7 C.F.R. §205.501(a)(1) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Have sufficient expertise in organic production or handling techniques to fully comply with and implement the terms and conditions of the organic certification program established under the Act and the regulations in this part;”

**Comments:** *CUC India does not have sufficient expertise in organic production or handling techniques to fully comply with and implement a USDA organic certification program. Auditors conducted a review audit, reviewed certification files, and interviewed CUC India staff and found that CUC India repeatedly reviewed and accepted incorrect or inadequate corrective actions from its operations for noncompliances regarding pesticide residue detections. The following are examples:*

1. *CUC India accepted a corrective action from an operation that stated the pesticides Allethrin and Bioallethrin are naturally occurring in chrysanthemums; however, these compounds are synthetic and found in insecticides.*
2. *CUC India accepted a corrective action that stated the detection of Ethofenprox (Etofenprox) on a sample of ginger was the result of farmers using handheld spray bottles in adjacent barn yards to mist cattle. Ethofenprox (Etofenprox) is used in agriculture, horticulture, viticulture, forestry, animal and public health against many insect pests,*

*however, the amounts of the pesticides being used at the operation, the method of application, and the method of producing ginger were not consistent with the level of contamination detected.*

**Corrective Action:** CUC India evaluated the incorrect and inadequate corrective actions with its consultant as a training activity. CUC determined it would conduct an additional inspection and sampling activity at the operation that had the positive detection. CUC confirmed an unannounced inspection and sampling activity occurred at the operation in August 2024 and a notice of noncompliance was issued. CUC also confirmed the operation changed certifiers and CUC informed the new certifier about the noncompliances. CUC decided to limit the number of staff assigned to handle residue cases and established a “residue expert group.” CUC assigned a certifier (reviewer) from each L2 certification office to manage residue cases as of July 18, 2024, provided training through September 2024 and qualified staff with an exam. CUC develop new training materials for the evaluation of corrective actions published on its E-learning platform in September 2024. CUC monitors staff completion of the training and sends one reminder before disqualification.

**AIA-1729-24 - Accepted.** 7 C.F.R. §205.670(g) states, “If test results indicate a specific agricultural product contains pesticide residues or environmental contaminants that exceed the Food and Drug Administration's or the Environmental Protection Agency's regulatory tolerances, the certifying agent must promptly report such data to the Federal health agency whose regulatory tolerance or action level has been exceeded. Test results that exceed federal regulatory tolerances must also be reported to the appropriate State health agency or foreign equivalent.”

**Comments:** *CUC India does not fully carry out the procedures of NOP 2613 Instruction Responding to Results from Pesticide Residue Testing. The auditors found that CUC India does not always notify the operation of test results.*

**Corrective Action:** CUC determined that its procedures were overly complicated and included the use of too many templates for notices to operations. CUC eliminated the template Residue Resolution that was incorrectly used. CUC updated its procedure “P12 Certification Organic 08 USDA NOP procedure on evaluation of Laboratory Test Results” in June 2023 and October 2024 to include roles and responsibilities for evaluating residue sampling results. CUC’s procedure includes the requirements of NOP 2613, prompts staff when to inform an operation the product may be sold as organic or not, and when to issue a notice of noncompliance for residue detections. CUC updated its template “P12 Certification Organic 03 Annex I CUC Incident Form” in June 2023 to notify operations of a residue detection and initiate a request for information from the operation. CUC updated its “P12 Certification Organic 03\_Annex IV USDA NOP Residue Detection Summary” excel form in September 2024 to document residue case and actions taken. CUC established a residue expert team to limit the number of staff assigned to handle residue cases. CUC assigned a certifier (reviewer) from each L2 certification office to manage residue cases as of July 18, 2024, provided training through September 2024 and qualified staff with an exam. CUC trained staff to immediately notify an operation when their product cannot be sold as organic. CUC implemented a new governance structure to improve operational efficiency, and to enhance control of CUC headquarters across certification offices to ensure compliance. CUC’s Governance Team implemented the role of Technical Officer at CUC India and other L2 offices in March 2024. CUC’s Technical Officer will monitor CUC India staff notifying operations their test results.

**AIA-1730-24 - Accepted.** 7 C.F.R. §205.501(a)(9) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Maintain all records pursuant to §205.510(b) and make all such records available for inspection and copying during normal

business hours by authorized representatives of the Secretary and the applicable State organic program's governing State official;”

**Comments:** *CUC India does not consistently maintain all the records required in § 205.510(b). The auditors found that CUC India could not retrieve certain records during the audit because the records were maintained in the email accounts of staff members who had left the company and CUC India could not access those email accounts.*

**Corrective Action:** CUC determined the noncompliance was isolated to email communication between the certifiers (reviewers) and the auditors (inspectors). CUC updated its procedure “P08 Planning Organic 02 Initiate assessment and Audit Plan” prompting staff to type all communication in its CUSI database system or upload it as a document. CUC provided training to CUC India on the procedure through its e-learning system from June to August 2024.

**AIA-1731-24 - Accepted.** 7 C.F.R. §205.404(b)(1) – (4) states, “The certifying agent must issue a certificate of organic operation which specifies the: Name and address of the certified operation; Effective date of certification; Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation; and Name, address, and telephone number of the certifying agent.”

**Comments:** *CUC India certificates do not include the statement as instructed in NOP 2603 Instruction Organic Certificates, “Once certified, a production or handling operation’s organic certification continues in effect until surrendered, suspended or revoked.” Instead, CUC India certificates state, “This certificate remains in force until further notice, provided that the participant continues to meet the conditions as laid down in the client contract with Control Union Certifications B.V. and verified in inspections by Control Union Certifications B.V.”*

**Corrective Action:** CUC determined the required statement was inadvertently deleted from its system that generates certificates in May 2023. CUC notified all offices on November 15, 2023, to re-issue any noncompliant certificates with the required language by the end of year 2023. CUC also issues all certificates from the Organic Integrity Database (OID) as of March 19, 2024, which contain the required language.

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

### **GENERAL INFORMATION**

- **Certifier Name** Control Union Certifications (CUC), India
- **Physical Address** 22nd & 23rd Floor, B Wing, Arihant Aura, Plot No. 13/1, TTC,  
Opp. Turbhe Railway Station,  
Thane Belapur Road, Navi Mumbai – 400705  
Maharashtra, India
- **Audit Type** Compliance Audit
- **Auditor(s) & Audit Dates** Lars Crail, 03/20/2023 to 03/30/2023
- **Audit Identifier** NOP-260-23

### **CERTIFIER OVERVIEW**

The National Organic Program (NOP) conducted an onsite Compliance Audit of CU Inspections & Certifications India Pvt LTD's (CUC India) organic certification activities covering the period January 1, 2022, to March 30, 2023. The purpose of the audit was to verify CUC India's compliance with the Organic Foods Production Act of 1990 (OFPA), the USDA organic regulations (7 CFR Part 205), the requirements of the NOP Handbook, and the implementation of the NOP's March 2022 directive to certifiers operating in India. Audit activities included a review of certification activity records, interviews with CUC India personnel, two review audits, two witness audits, and residue sample collection and analysis.

CUC India is a satellite office of Control Union Certifications (CUC). CUC is a private limited company initially accredited on October 18, 2002. CUC's main office is in Zwolle, Netherlands, with several satellite offices worldwide. CUC is accredited to the crops, wild crops, livestock, and handling categories. CUC certifies 2,637 operations (including grower groups) in 43 countries. Certification activities at the India office are performed by 36 personnel.

## **NOP DETERMINATION:**

NOP reviewed corrective actions submitted as a result of noncompliances issued from Findings identified during the audit.

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

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

**AIA-4398-23 – Accepted.** 7 C.F.R. §205.405(a)(1) 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. The notification of noncompliance shall provide: a description of each noncompliance.”

**Comments:** *CUC India does not consistently issue a notification of noncompliance to applicants that are not able to comply with or are not in compliance with the USDA organic regulations. The auditor’s review of certification files found that CUC India incorrectly issued an applicant a notice of denial of certification without issuing a notification of noncompliance.*

**Corrective Action:** CUC utilized a consultant to provide training on the noncompliance and adverse action process May 9-16, 2022. CUC conducted a refresher training in March 2023. CUC’s OSP reviewers, auditors (inspectors) and certifiers (reviewers) completed the Organic Integrity Learning Center “NOP-040 Compliance and Enforcement: Adverse Actions, Appeals, and Reinstatement” course by January 31, 2023. CUC formed an Adverse Action Team that is reviewing all adverse action notices before issuance, as of September 2023. CUC’s Adverse Action Team also provides training to colleagues, is making the decision for accepting or rejecting mediation requests and supports colleagues during mediations including preparation of settlement agreements. CUC updated its program manual “P12 Certification Organic 02 Non-Conformities (NC)” to describe the role of CUC’s Adverse Action Team and NOP scheme coordinator in overseeing the adverse action process. CUC updated its procedure “P01 P04 Organization, Qualifications and Training Organic” in January 2024 to include mandatory training on the NOP noncompliance and adverse action process for new OSP reviewers, auditors and certifiers.

**AIA-4399-23 - Accepted.** 7 C.F.R. §205.501(a)(5) states “A private or governmental entity accredited as a certifying agent under this subpart must: Ensure that its responsibly connected persons, employees, and contractors with inspection, analysis, and decision-making responsibilities have sufficient expertise in organic production or handling techniques to successfully perform the duties assigned.”

**Comments:** *CUC India does not ensure that its certification staff have sufficient expertise in organic production or handling techniques prior to performing the duties assigned. The auditor’s review of certification files and interviews with certification staff found that certification staff do not have sufficient knowledge of the USDA organic regulations. The auditor’s review found the following instances where CUC India staff used inconsistent and incorrect citations:*

1. *A CUC India inspector incorrectly cited an issue of concern to §205.201(a)(3) – OSP monitoring. The operation was missing organic signage to prevent commingling in the*



*processing area, which is a violation of §205.272(a) – Prevention of commingling.*

2. *CUC India issued an operation a noncompliance incorrectly cited to §205.201(a)(3) – OSP monitoring. The operation was missing records, which is a violation of §205.103(c).*

**Corrective Action:** CUC utilized a consultant to provide training on the notice of noncompliance procedure in March 2023 which included an exercise to determine the correct noncompliance citation. CUC determined that its onboarding of auditors (inspectors) and certifiers (reviewers) was not robust and relied on each certification office to provide training utilizing their own decentralized resources. CUC updated its procedure “P01 P04 Organization, Qualifications and Training Organic” in January 2024 to include all mandatory training required for new OSP reviewers, auditors and certifiers. CUC training materials for distribution to certification offices were uploaded to CUC’s E-learning system to provide consistent training to all staff, track training participation and require an exam. CUC plans to provide additional training to staff on “Determining Compliance and Writing of Noncompliances” in the first quarter of 2025. CUC restructured its audit (inspection) checklists and questions in June 2024 to prompt auditors how to verify compliance with each regulatory citation and formulate findings.

**AIA-4403-23 - Accepted.** 7 C.F.R. §205.662(a) states, “When an inspection, review, or investigation of a certified operation by a certifying agent or a State organic program's governing State official reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation.”

**Comments:** *CUC India did not issue a notification of noncompliance to its certified operation when the operation was found to be noncompliant. The auditor’s review of certification files found that an operation had a positive residue detection. CUC issued the operation a noncompliance resolution notification, but did not issue the operation a notification of noncompliance.*

**Corrective Action:** CUC determined that its procedures were overly complicated and included the use of too many templates for notices to operations. CUC eliminated the template Residue Resolution that was incorrectly used. CUC updated its procedure “P12 Certification Organic 08 USDA NOP procedure on evaluation of Laboratory Test Results” in June 2023 and October 2024 to include roles and responsibilities for evaluating residue sampling results. CUC’s procedure includes the requirements of NOP 2613, prompts staff when to inform an operation the product may be sold as organic or not, and when to issue a notice of noncompliance for residue detections. CUC updated its template “P12 Certification Organic 03 Annex I CUC Incident Form” in June 2023 to notify operations of a residue detection and initiate a request for information from the operation. CUC updated its “P12 Certification Organic 03 \_Annex IV USDA NOP Residue Detection Summary” excel form in September 2024 to document residue cases and actions taken. CUC established a residue expert team to limit the number of staff assigned to handle residue cases. CUC assigned a certifier (reviewer) from each L2 certification office to manage residue cases as of July 18, 2024, provided training through September 2024 and qualified staff with an exam. CUC trained staff to immediately notify an operation when its product cannot be sold as organic.

**AIA-4404-23 - Accepted.** 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

**Comments:** *CUC India does not carry out the provisions of the Act and regulations. The auditor’s review of certification files found that CUC India does not sufficiently verify an operation’s Organic System Plan (OSP) for accuracy and completeness. Examples of incomplete*

*or inaccurate information include:*

- 1. OSP did not describe the handling activities for private label services occurring at the facility.*
- 2. OSP did not describe the operation's trading activities for a majority of the products listed on the operation's organic certificate.*
- 3. OSP did not describe the types of packaging and labeling used by the operation.*
- 4. OSP did not describe the manufacturing and handling processes for the different types of products listed on the operation's organic certificate.*
- 5. In many cases, the operations did not respond to questions in the OSP template or provided information that did not address the OSP question or section.*

**Corrective Action:** CUC determined that its India office understood the certification requirements but did not have sufficient administrative capacity to manage complex operations applying for certification with more than 50 products and was not spending enough time on OSP reviews. CUC instructed its CUC India certification office to dedicate staff exclusively as organic system plan (OSP) reviewers, appoint a dedicated input reviewer to manage approval of inputs in the OSP, appoint a dedicated pesticide residue handler (reviewer) and to conduct a witness audit (inspection) of each NOP auditor (inspector) starting in 2024 through 2025. CUC provided training to CUC India in July 2024 on planning resources for certification activities, including assigning personnel and calculating the estimated time for OSP review, inspections and certification reviews. CUC India's certification plan submitted identifies one day planned for OSP review when previously no time was allotted for this activity. CUC India conducted an administrative capacity evaluation and concluded two additional reviewers should be hired and CUC India has begun the hiring process. CUC updated its "P08 Planning Organic 01 Scoping & OSP Annex Ic Product Specification" template in October 2024 to obtain additional information about products seeking certification including the label claim. CUC will require operations complete the updated template during their next annual renewal, except for single ingredient products.

**AIA-4405-23 - Accepted.** 7 C.F.R. §205.403(c)(1) states, "The onsite inspection of an operation must verify: The operation's compliance or capability to comply with the Act and the regulations in this part;"

**Comments:** *CUC India's inspectors do not fully verify an operation's compliance with the USDA organic regulations. The auditor's review of inspection reports and inspection report assessment addendums found that inspectors are not sufficiently recording the mass balance and traceback audit activities conducted during onsite inspections. Additionally, the inspectors are inconsistently using CUC's worksheets to record the activities.*

**Corrective Action:** CUC utilized a consultant to provide training on mass balance and traceback audit activities in February 2023. CUC updated its audit (inspection) assessment form used by certifiers (reviewers) in its CUSI system in May 2023 to verify that a mass balance and traceback occurred and were recorded during annual inspections and to require an additional audit (inspection) if the mass balance or traceback was not conducted. CUC conducted additional mass balance and traceback audit training in October 2024.

**AIA-4406-23 - Accepted.** 7 C.F.R. §205.403(e)(2) states, "A copy of the on-site inspection report and any test results will be sent to the inspected operation by the certifying agent."

**Comments:** *CUC India does not consistently send operations a copy of their inspection report. The auditor's review of an unannounced inspection report and interviews with staff found that the*

*operation was not sent a copy of their inspection report.*

**Corrective Action:** CUC determined that its India office did not have sufficient administrative capacity to implement all procedures consistently. CUC implemented a new governance structure to improve operational efficiency, and to enhance control of CUC headquarters across certification offices to ensure compliance. CUC's Governance Team implemented the role of Technical Officer at CUC India and other L2 offices in March 2024. CUC's Technical Officer will monitor CUC India staff that send operations a copy of their inspection report. CUC submitted its procedure "P12 Certification Organic 03 Certification Decision and Post Certification" effective in 2024 which states that the inspection report must be provided to the operation for all types of audits (inspections).

**AIA-4407-23 - Accepted.** 7 C.F.R. §205.403(a)(1) states, "A certifying agent must conduct an initial on-site inspection of each production unit, facility, and site that produces or handles organic products and that is included in an operation for which certification is requested. An on-site inspection shall be conducted annually thereafter for each certified operation that produces or handles organic products for the purpose of determining whether to approve the request for certification or whether the certification of the operation should continue."

**Comments:** *CUC India did not conduct an annual inspection of all its certified operations in 2022. The auditor's review of a certification file and interviews with certification staff found that an operation was initially inspected in 2021 and granted certification. CUC India did not conduct the next inspection until 2023.*

**Corrective Action:** CUC updated its audit (inspection) planning instruction in 2023 to clarify the annual inspection requirement for CUC India. CUC also submitted its current 2024 audit planning instruction "P08 Planning Organic 02 Initiate assessment and Audit Plan" which states that at least one on-site audit must be conducted annually. CUC India's Technical Officer is monitoring audit activities since March 2024. CUC provided training to CUC India on the audit planning procedure from June to August 2024.

**AIA-4420-23 - Accepted.** 7 C.F.R. §205.501(a)(2) states, "Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart; ...."

**Comments:** *CUC India was unable to demonstrate that it is conducting unannounced inspections. The auditor's review of inspection reports and inspection-related documents found that there is no record of the unannounced inspections CUC India conducts to meet the requirements of NOP 2609 Unannounced Inspections.*

**Corrective Action:** CUC trained its CUC India staff on the requirements of unannounced inspections in September 2023. CUC developed a procedure for unannounced in sections in September 2023 and updated its procedure "P09 P10 Assessment Organic 01b Investigations, Unannounced Audits, SCTA" in 2024 to incorporate supply chain traceability audit (SCTA) requirements. CUC India staff completed the training updated with SCTA requirements through CUC's e-learning system between May and August 2024.



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## NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT

### GENERAL INFORMATION

- **Certifier Name** Control Union Certifications, (CUC)
- **Physical Address** Meeuwenlaan 4, Zwolle, Overijssel 8011 BZ, NETHERLANDS
- **Audit Type** Renewal Audit
- **Auditor(s) & Audit Dates** Colleen O'Brien, Bridget McElroy, Renee Gebault King, 12/05/2022 to 12/09/2022
- **Audit Identifier** NOP-10-22

### CERTIFIER OVERVIEW

The National Organic Program (NOP) conducted an onsite renewal audit of Control Union Certification (CUC)'s USDA organic certification program covering the period July 1, 2021 to December 9, 2022. The purpose of the audit was to verify CUC's compliance with the Organic Foods Production Act of 1990 (OFPA), the USDA organic regulations (7 CFR Part 205), and the NOP Handbook. Audit activities included a review of certification activities, interviews with CUC personnel, a records audit, and four onsite witness audits. Witness audits consisted of one annual and three additional inspections of certified livestock, crop, wild crop, and handling operations.

CUC is a private limited company initially accredited on October 18, 2002. CUC is accredited to the crops, wild crops, livestock and handling scopes. CUC's main certification office is in Zwolle, Netherlands. CUC has certification offices in Ethiopia, India, Indonesia, Peru, and Sri Lanka.

CUC certifies 2,617 operations in 43 countries. Certification activities are performed by 4 Directors, 7 Managers, 38 Certifiers (senior reviewers), 141 Certifier Assistants (reviewers), and 213 inspectors.

## **NOP DETERMINATION:**

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

Any noncompliance labeled as "**Cleared**," indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as "**Accepted**" indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next audit.

### **Noncompliances from Prior Assessments**

**AIA-6294-21 - Cleared.**

**AIA-6298-21 - Cleared.**

**AIA-6299-21 - Cleared.**

**AIA-6303-21 - Cleared.**

**AIA-6305-21 - Cleared.**

**AIA-6306-21 - Cleared.**

**AIA-6930-21 - Cleared.**

**AIA-6935-21 - Cleared.**

**AIA-6950-21 - Cleared.**

**AIA-7812-21 - Cleared.**

**AIA-7813-21 - Cleared.**

**AIA-7816-21 - Cleared.**

**AIA-1172-20 - Accepted.** (NOP-26-18.NC8) 7 CFR § 205.501(a)(2) states, "A private or governmental entity accredited as a certifying agent under this subpart must....Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart:"

**Comments:** *Interviews with CUC certification staff, certification record reviews, and multiple on-site findings identified by the auditor, demonstrate that certification staff lack knowledge to adequately implement the certification program according to USDA organic regulations and NOP policies. The following is a list of issues identified:*

- 1. Inconsistent use of citing the USDA organic regulations and NOP policies when identifying issues of concern and issued noncompliances.*
- 2. Many noncompliance and adverse action records were not available or could not be obtained. The CUC database could generate a draft copy for review, but not the original documents. CUC could not demonstrate that all copies sent to the NOP were in English.*
- 3. Certification fee estimates sent to operations do not include inspector expenses such as lodging and meals. These expenses are later recovered by CUC in the final invoice sent to operators. CUC does not provide operations with a cost estimate (offer letter) for the total cost of annual certification each year. CUC provides a cost estimate when an operation applies for certification and in subsequent years if the updated OSP does not change significantly, no cost estimate is sent (§205.642).*
- 4. CUC did not demonstrate a complete understanding of **NOP 2613 "Responding to***

***Results from Pesticide Residue Testing.***” Operations are notified of test result availability in the CUC online portal account only when detections are identified. Furthermore, a determination statement of product compliance is not included in the notification (e.g. your product may be sold or not). Investigation of the cause/source of contamination is inconsequential as the operation is suspended within three days without assessment and solely based on test results.

5. A witness audit of a certified “Wild Crops” operation revealed that the operation should be certified to the “Crops” scope. The operation employs tillage to promote the plant growth.
6. CUC inspectors do not provide the operation with a sample receipt at the time of sample collection. The receipt is uploaded to the operation’s online portal for review and no notification of its availability is provided to the operation (§205.402(e)(1)).

**Corrective Action:** CUC is now able to print original documents for noncompliance and adverse action notices through the CUSI software system. CUC created detailed instructions on this process in their organic program manual. CUC revised their offer letter to a detailed cost estimate. CUC has amended the procedures on responding to results of residual testing. The procedure now states if no residuals are detected, clients are notified of the results in the “Inspection and Certification Report” and are informed that their products may be sold as ‘Organic’. If residuals are detected, clients are immediately notified of the detection and whether or not their product(s) can be sold as ‘Organic’. All CUC employees have been (re)trained on these procedures and have been notified of these changes via CUSI News. CUC’s NOP Wild Crop Guidance has been updated to include a definition of wild crop, examples of where wild crop harvesting do not apply, what an inspector is to look for in a Wild Crop Organic Compliance Plan, and a link to the USDA NOP Program Handbook for Wild Crop Guidance. CUC personnel have been (re)trained on Wild Crop procedures and have been notified of these changes to CUC’s guidance via CUSI News. CUC’s pesticide residue sampling procedure now requires inspectors to provide a receipt for the sample. CUC has amended its procedures on responding to results of residual testing and it is compliant with NOP 2613. CUC employees have been informed of these changes via CUSI News. CUC hired consultants with extensive knowledge of the USDA organic regulations to provide training to all their staff members. Initial training for CUC’s staff took place at CUC’s Netherlands office on April 29th - May 3rd. Training by the consultants began in June 2019 at CUC’s satellite office in Peru. Certification staff attended the trainings that lasted for 5 days and covered adverse actions, audit trail verification, mass balance audits and residual sample testing protocol and procedures. These sessions include Q&A sessions to cover several aspects of organic certification. Additional on-line and on-site training has been scheduled for CUC’s staff throughout 2020.

**Verification of Corrective Action:** CUC Indonesia has implemented subpoints 1-3 and 5-6. CUC Indonesia has not implemented subpoint 4. CUC-Indonesia staff did not demonstrate a complete understanding of NOP 2613. During staff interviews, CUC Indonesia staff explained that they correctly followed NOP 2613 when a soil test came back with no detection of pesticide residues, and they notified the operation that their products may be sold as organic. However, NOP 2613 instructs certifiers on responding to pesticide residue test results from organically produced agricultural products. The auditors reviewed the new form “Inspection and Certification Report,” which does record the residue test result and provide a notification to operations about whether they can sell their product as organic. This new “Inspection and Certification Report” form was implemented by CUC Indonesia just a week prior to the NOP audit; this corrective action will be verified at a future audit. Training for certification personnel occurred as planned according to files reviewed and interviews with CUC Indonesia certification personnel.

**Corrective Action:** CUC developed a new procedure, USDA NOP Procedure on Evaluation of Laboratory Test Results, which instructs reviewers on how to accurately evaluate laboratory test results and how to communicate the test results to the operations. This procedure is in line with

NOP 2613. The procedure also addresses the evaluation of results for non-agricultural products such as soil and instructs staff on the language to use when notifying operations of the results. CUC submitted the new procedure, which was effective September 2, 2021. CUC carried out a training for all CUC offices on August 9 -12, 2021, on the topics of risk assessment, sampling, lab selection, and evaluation of laboratory test results. A list of training attendees was submitted to the NOP, along with the resume of the organic consultant who carried out the training. CUC submitted compliant templates to NOP for the various notices that are sent to operations following a residue test. The evaluation of laboratory test results will be monitored by the scheme coordinator during CUC's periodic monitoring of reviewers and internal audits. CUC provided an example of the spreadsheet used to record the details of the internal audits to NOP. This spreadsheet records files review, personnel interviewed, noncompliances, and corrective actions.

**2022 Verification of Corrective Action:** The auditors review of certification files and interviews with staff verified CUC implemented staff trainings and monitoring noted in the 2021 corrective action submitted to the NOP. However, CUC has not fully implemented their procedure, USDA NOP Procedure on Evaluation of Laboratory Test Results. The auditors identified the following issues related to CUC's compliance with the requirements of **NOP 2613 Responding to Results from Pesticide Residue Testing**:

1. CUC sent an operator an Inspection and Certification Report two months after the testing results were reported by the lab as no detection of residues. The report noted the results of the residue testing but did not state that the product could be sold as organic.
2. CUC did not follow their NOP Procedure on Evaluation of Laboratory Test Results or NOP 2613 in several residue sampling cases where there was detection above 5 percent of the EPA tolerance (or above 0.01 ppm where there was no EPA tolerance or FDA Action Level). For example:
  - a. CUC did not issue a notice of noncompliance to an operation when there was a residue detected above 5 percent of the EPA tolerance.
  - b. CUC notified clients of positive residue test results via a notice of residue detection or via an email but did not issue a notice of noncompliance to the operations per CUC procedures.
  - c. CUC did not immediately notify operations that their product could not be sold as organic when applicable. There were months-long delays between when CUC received the test results and when CUC notified the operation.

**Corrective Action:** CUC corrected the noncompliance as follows:

1. CUC implemented a new governance structure to improve operational efficiency and to enhance CUC headquarters' control and compliance of certification offices. CUC's Governance Team implemented the role of Technical Officer at CUC L2 offices in March 2024. CUC's Technical Officer monitors the management of residue cases and ensures that every office has residue procedures that are well organized and understood by staff.
2. CUC established a residue expert team to limit the number of staff assigned to handle residue cases. CUC assigned a certifier (reviewer) from each L2 certification office to manage residue cases as of July 18, 2024, provided training through September 2024 and qualified staff with an exam. CUC determined the residue expert team will ensure residue case processing delays are avoided.
3. CUC updated its procedure "P12 Certification Organic 03e USDA NOP procedure on evaluation of Laboratory Test Results" in June 2023 and October 2024 to include roles and responsibilities for evaluating residue sampling results. CUC's procedure includes the requirements of NOP 2613, prompts staff when to inform an operation the product may be sold as organic or not, and identifies when to issue a notice of noncompliance for

residue detections. CUC updated its template “P12 Certification Organic 03 Annex I CUC Incident Form” in June 2023 to notify operations of a residue detection and initiate a request for information from the operation. CUC updated its “P12 Certification Organic 03 Annex IV USDA NOP Residue Detection Summary” excel form used to document residue case and actions taken in September 2024. CUC eliminated the template Residue Resolution.

4. CUC conducted training for the residue expert team in September 2024 and for all staff regarding the new residue evaluation process in October 2024. CUC trained staff to immediately notify an operation when their product cannot be sold as organic.

**AIA-6300-21 - Accepted.** 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

**Comments:** *CUC Indonesia does not fully implement the criteria for grower group certification, as required by **NOP Policy Memo 11-10 Grower Group Certification**. The auditors' review of grower group certification files found that CUC Indonesia has approved the following practices:*

1. *The members do not operate under a single Organic System Plan (OSP), and have different practices regarding inputs used, fertility management and pest control practices, and record-keeping systems.*
2. *The members within a production unit do not share a common input supply.*
3. *All members are not always located within geographic proximity, as defined by access to the same collection or post-harvest handling facility, and/or common soils, water source, slope, topography, or other physical features.*
4. *The organic certificate covers products not grown by the grower group, but also crops purchased by the processing facility from other certified entities.*
5. *An Internal Control System (ICS) that does not include many of the required elements, such as defined risk criteria to identify high-risk members, a description of sanctions, a provision for inclusion and exclusion of members or sub-units, how conflicts of interest are mitigated, details on the training requirements, a description of shared production practices and inputs, and clear policies or procedures to verify the group's compliance to the USDA organic regulations.*

**Corrective Action:** CUC amended the Inspection Instruction in their Organic Program Manual (INSP.ORG.W01, Edition 34; 2021JUL) to include a detailed description of how to evaluate the ICS according to NOP requirements. All CUC offices were trained on the Small Farmer Group (SFG) and Internal Control System (ICS) evaluation procedure and OSP review procedure in October/November 2021 and again in June/July of 2022, as described in their submitted Training Plan. The OSP's were reviewed and updated in December 2021, as a part of the OSP Review and Approval Process (OSPREV.ORG.W01). The updated OSP templates require that the ICS fill out one OSP for the entire group. This OSP includes an individual excel sheet for every production unit. During the OSP review, the OSP reviewer checks that the OSP describes the uniform practices of the group. If there are slight deviations because of localized cultural practices, it is identified in the OSP and noted as an area for inspection by the reviewer in the audit assessment forms. The OSP review procedure and evaluation of SFG and ICS will be monitored during the internal audits and the periodic monitoring of the reviewers (referred to as “certifiers”). In addition, CUC informed the grower group operation about the noncompliances, and the operator is required to complete and submitted the updated OSP by their next anniversary date (October 2022). The updated versions of the OSP templates were provided to the NOP: ORGPLSS.F01(8)\_Organic\_System\_Plant\_Production\_2021DEC; USDAPRSS.F01(9)\_Organic\_System\_Plan\_Processing\_2021DEC; and ORGANSS.F01(9)



\_Organic\_System\_Plan\_Livestock\_2021DEC.

**Verification of Corrective Action:** The auditors reviewed grower group certification files and found that CUC is still not implementing the requirements of ***NOP Policy Memo 11-10 Grower Group Certification***. The auditors found that the majority of CUC-certified grower group operations have not completed the updated OSP template. CUC did not implement the new OSP version until April 1, 2022 for operations in most geographic regions and not until June 1, 2022 for operations managed by CUC's Peru office. CUC does not anticipate all operations to be transitioned to the new OSP templates until April 1, 2023 and June 1, 2023, respectively. Additionally, the auditors reviewed grower group OSPs and found noncompliant maps, grower group members that do not share a common input supply, and an organic certificate of a livestock grower group that included products purchased by the processing facility from other certified entities.

**Corrective Action:** CUC corrected the noncompliance as follows:

1. CUC determined that the delay implementing the updated OSP template was due to translation of documents by local offices. CUC updated its organic program manual in February 2024 to implement a new procedure "P05 P06 Methods Organic 01 Program Management" for the management of translated documents. CUC instructed its offices to notify CUC's organic program management team if it translates CUC's organic program manual documents and to upload translated documents to the CUC shared folder system. CUC instructed its offices to complete translations of documents, as applicable, within 2 weeks of being notified by the organic program management team that a document has been revised. CUC's organic program management team is maintaining a list of translated documents for oversight.
2. CUC's certified producer (grower) group operations in Asia/EMEA regions completed the new producer group OSP in 2024. CUC's Peru office implemented the updated producer group OSP in May 2024. CUC will require operations to complete the updated OSP by May 2025 as part of their annual update.
3. CUC implemented a new role of dedicated OSP reviewers in 2023 to ensure OSPs are complete and adequately reviewed. CUC conducted training in 2023 on grower group requirements including the Strengthening Organic Enforcement final rule.
4. CUC updated its audit (inspection) assessment form "P09 P10 Assessment Organic 01 Assessment Execution\_Annex Ia Plant Production Assessment Items," including the NOP-IC (grower group) addendum, in March 2024 to prompt inspectors to verify compliance of all grower group requirements. CUC inspectors completed training on the new checklist in 2024.
5. CUC provide training to CUC staff on producer (grower) group requirements in January 2025.
6. CUC implemented a new structure in 2024 for witness assessors (witness inspectors) that perform the witness inspections of inspectors. CUC implemented the new document "Guidance G22 on Witness Assessments" in May 2024 to prompt staff on how to conduct witness inspections. CUC redefined witness assessor personnel as those who meet inspection technical requirements and have the authority to provide training and correction to colleagues. CUC developed an NOP specific witness inspection form "Organic Witness Assessment Report part B" and utilized a contractor to provide training on witness inspections to assessors in May 2024. CUC plans to conduct witness inspections on 100% of its NOP inspectors starting in 2024 through 2025.

**AIA-6301-21 - Accepted.** 7 C.F.R. §205.403(c)(1) states, “The onsite inspection of an operation must verify: The operation's compliance or capability to comply with the Act and the regulations in this part;”

**Comments:** *CUC Indonesia’s inspectors do not fully verify an operation’s compliance with the USDA organic regulations. The auditor’s review of several certification files found that CUC Indonesia inspectors are not verifying an operation’s compliance with the USDA organic regulations as follows:*

- 1. CUC inspectors failed to include evidence verifying the OSP in three inspection reports reviewed. In each case, the inspector restated the operator’s OSP instead of providing evidence on how they verified the implementation of the plan. The auditor’s review found that verification evidence was missing for pest control practices, compost production records, input material use, documentation for seeds purchased, practices regarding international trade arrangements, and whether the operation immediately informs CUC of any concerns that may affect its compliance with the USDA organic regulations.*
- 2. CUC’s inspector, for another inspection report reviewed, did not verify the operator’s use of a purge prior to processing organic product. The inspector did not adequately complete the sections of the checklist, which would have provided verification of whether the operation was complying with their cleaning procedure.*

**Corrective Action:** CUC submitted their plan for trainings scheduled through July 2022. According to the training plan, inspectors, certifiers (reviewers), and OSP reviewers will be trained on effective writing and reporting by July 2022. This training will emphasize how to provide adequate evidence in inspection reports. In addition, CUC trained certifiers in December 2021 on how to give instructive feedback to the auditors. OSP and OSP review assessment forms were reviewed and updated in December 2021 as described in the Organic Program Updates implementation plan submitted to NOP. The quality of the audit reporting will continue to be monitored by the certifiers and during the internal audits. CUC submitted their monitoring sheet as an example of how they will monitor the implementation of corrective actions. The internal auditor will provide their observations in the monitoring sheet and the certification staff will provide comment/feedback in response. If issues are discussed by phone, that conversation will be recorded in the monitoring sheet. Monitoring results will be shared with the Quality Team and L1 and L2 managers so that they can take further action if necessary.

**Verification of Corrective Action:** The auditors reviewed certification files and conducted witness audits and found that CUC inspectors are still not fully verifying operations’ compliance with the USDA organic regulations. The auditors found that CUC inspectors did not verify operations’ practices regarding saving seeds, observe where cleaning materials were stored, verify whether labels in use at the operation were the same as those submitted and approved by CUC, review batch records or other on-site records to verify the accuracy of the product formulations in the operation’s OSP, verify organic livestock were prevented from grazing on pasture in transition (conversion) or verify a fertility input containing raw manure was used in accordance with the regulations. The auditors reviewed CUC’s corrective action of periodic monitoring of the certification process and determined CUC’s new monitoring process identifies the same concerns raised by NOP auditors, but this has not led to an overall improvement in how competent inspectors are at verifying an operation’s compliance with the USDA organic regulations.

**Corrective Action:** CUC corrected the noncompliance as follows:

1. CUC updated its procedure “P01 P04 Organization, Qualifications and Training Organic 01” to define training that must be completed by inspectors. CUC will provide on-going training to its inspectors through its e-learning platform to ensure inspectors at certification offices receive the same training.

2. CUC implemented a new structure in 2024 for witness assessors (inspectors) that perform the witness inspections of inspectors. CUC implemented the new document “Guidance G22 on Witness Assessments” in May 2024 to prompt staff on how to conduct witness inspections. CUC redefined witness assessor personnel as those who meet inspection technical requirements and have the authority to provide training and correction to colleagues. CUC developed an NOP specific witness inspection form “Organic Witness Assessment Report part B” and utilized a contractor to provide training on witness inspections to assessors in May 2024. CUC plans to conduct witness inspections on 100% of its NOP inspectors starting in 2024 through 2025.
3. CUC updated all its audit (inspection) checklists in April 2024, adding additional prompts for inspectors to verify compliance.

**AIA-6302-21 - Accepted.** 7 C.F.R. §205.403(e)(2) states, “A copy of the on-site inspection report and any test results will be sent to the inspected operation by the certifying agent.”

**Comments:** *CUC Indonesia does not send operations a copy of their on-site inspection report. The auditors' review of certification files and interviews with staff found that operations are only sent a summary of the inspection, titled “Inspection and Certification Report,” which is completed by both the inspector and reviewer, and not the complete on-site inspection report.*

**Corrective Action:** CUC amended the Instruction for Certification (CERT.ORG.W01(36) 2021AUG) to require CUC personnel to send all relevant sections of the inspection report (referred to as assessment form) to the certified operation by registered mail. The updated instruction was submitted to NOP. CUC staff were informed about the requirements of §205.403(e)(2) and the updated instruction by CUSI news. The process of sending the on-site inspection report to operations following their inspection will be monitored by the scheme coordinator during CUC’s periodic assessment of satellite offices and during internal audits.

**Verification of Corrective Action:** The auditors’ review of certification files determined that CUC staff are still not consistently sending inspection reports to operations after inspections. During an interview with CUC staff from a regional office, CUC explained the policy is to send the inspection report only if the client requests it, but not as standard practice as required in the CUC Instruction for Certification. The auditors reviewed the results of CUC’s periodic monitoring of the certification process and determined CUC’s new monitoring process identifies the same concerns raised by NOP auditors, but this has not led to an overall improvement in CUC consistently sending operations a copy of their on-site inspection reports.

**Corrective Action:** CUC determined inspections reports were not consistently being sent to operations due to lack of administrative capacity. CUC implemented a new governance structure to improve operational efficiency and to ensure CUC headquarters’ control and compliance of certification offices. CUC instructed L2 offices to assess their administrative capacity in 2024 and emphasized that having a sufficient number of personnel is essential. CUC’s Governance Team implemented the role of Technical Officer at CUC L2 offices in March 2024. CUC’s Technical Officer will monitor CUC staff sending operations a copy of their inspection report. CUC’s procedure “P12 Certification Organic 03 Certification Decision and Post Certification” prompts staff to send the inspection report within 5 days of the certification decision.

**AIA-6307-21 - Accepted.** 7 C.F.R. §205.501(a)(5) states “A private or governmental entity accredited as a certifying agent under this subpart must: Ensure that its responsibly connected persons, employees, and contractors with inspection, analysis, and decision-making responsibilities have sufficient expertise in organic production or handling techniques to successfully perform the duties assigned.”

**Comments:** *CUC Indonesia does not consistently ensure that its inspectors and reviewers have sufficient expertise in organic production or handling techniques prior to performing the following activities:*

1. *Mass balance and traceability exercises. The mass balance and traceability exercises carried out by inspectors for 5 of 6 files reviewed were not adequate. The auditors identified the following issues:*
  - a. *For the mass balance exercises, it was not clear which records the inspector reviewed to determine the quantities of organic products received, used in processing, and sold and stored.*
  - b. *The audit trail template is not instructive enough for the inspector to demonstrate an adequate mass balance exercise for certified organic multi-ingredient products. The auditors reviewed inspection reports for one handler operation producing multi-ingredient products and determined that inspectors are not calculating the quantities of organic products manufactured and sold, only the ingredients received, sold, and in inventory. Therefore, there is no verification that the quantities of processed products produced and sold are supported by the quantities of organic ingredients received and used in manufacturing.*
  - c. *For the traceability exercises, inspectors are only tracing ingredients back to the supplier, not finished product that has been sold or shipped back to the supplier of ingredients. In addition, the form used by inspectors to record their audit trail exercises does not provide sufficient instruction to the inspectors on how to carry out these exercises.*
2. *Non-organic ingredient review. For two operations, there was no evidence that CUC Indonesia verified whether nonorganic ingredients used in certified products comply with the National List annotation. In addition, there was no evidence that CUC Indonesia collects documentation, reviews it, and verifies that nonorganic ingredients are not produced with genetically modified organisms, irradiation, and sewage sludge.*
3. *Inspection report review. The auditor reviewed inspection reports for four operations and found these reports were incomplete, provided insufficient evidence, and/or did not align with the operation's OSP. CUC Indonesia's review of the inspection reports did not identify these discrepancies and so did not request additional information from the inspector or the operation to correct them.*
4. *Issuing adverse action notices. In one proposed suspension file reviewed, CUC Indonesia issued a notice of proposed suspension on a notice of "combined noncompliance and proposed suspension" template.*
5. *Label and product formula review. The auditors found the following issues regarding the review of labels and product formulas for multi-ingredient products:*
  - a. *For one product, an ingredient on the product formulation was not listed on the label.*
  - b. *For another product, an ingredient on the label was not listed on the product formulation.*
  - c. *For one certified handler, there were no approved labels on file for the organic products listed on the organic certificate.*
  - d. *For one certified handler, products are listed on the organic certificate as "Organic" but the non-organic ingredient in the product is used at greater than 5% and is not on the National List, 205.606.*

**Corrective Action:**

1. CUC reviewed their mass balance and traceability templates and updated them to include adequate instructions to inspectors. The new excel templates were submitted to the NOP with the corrective action. The certifiers and auditors were trained on mass balance calculations in October 2021 and the mass balance and audit trail course on the Organic Integrity Learning Center (OILC) was completed by most staff by October 2021. The remaining staff will take the OILC mass balance trainings by June 2022. CUC will monitor the performance of the auditor carrying out the mass balance calculations during periodic shadow audits.
2. CUC updated the OSP template for handlers to ask for more detailed information regarding the use of ingredients and processing aids. The OSP now requests information on nonorganic ingredients and processing aids, including verification that the ingredients are produced without excluded methods, that they meet the specific annotation on the National List, if applicable, and the prompt for the operation to complete an application for the assessment and approval of the use of nonorganic ingredients. The new OSP also asks questions about the use of natural flavors and if they are used, a natural flavor questionnaire is required to be completed and submitted by the operation. The updated handler OSP template, the Vendor Declaration form (excluded method verification – (USDAVENDEC.F01(01)\_2021DEC), the natural flavor questionnaire (NAFLQU.USDA.F01(01)\_2021MAR), and the nonorganic ingredient/processing aid application form (USDAAPPDER.205.606.F01(02)) were provided to the NOP.
3. CUC will train auditors in July 2022 on how to fill out assessment forms (inspection report templates) properly and how to provide detailed evidence. Certifiers were trained during December 2021 on how to give instructive feedback to the auditors.
4. CUC gave an on-line training on August 23, 2021 for Indonesia, Sri Lanka, and India offices regarding the Noncompliance and Adverse action procedure, including the topic of reinstatement of suspended operators. The other offices were re-trained on this topic May 2022. The attendee list was provided to NOP.
5. CUC updated the OSP templates and product specification templates to ask for clear and detailed information regarding the used ingredients and labels. CUC issued a Notice of Noncompliance to the operations in question and updated labels were obtained, reviewed, and approved by CUC personnel. CUC submitted the OSP templates, product specification templates, the notices of noncompliance, the updated labels and label approval forms to NOP.

CUC plans to monitor corrective action implementation during its internal audits.

**Verification of Corrective Action:** The majority of CUC’s corrective actions have not been implemented effectively, as follows:

1. Outstanding. The auditors’ review of certification files found that CUC inspectors are consistently using the updated mass balance and traceability templates, but the inspectors are not completing the form correctly or, at some inspections, are not conducting any audit trail exercise (for example, at initial inspections where the operation has not yet had any organic sales). The auditors verified that CUC monitors the effectiveness of the audit trail exercises through file reviews, which are recorded on the File Review Checklist, but this is not evaluated during the field evaluations of inspectors. CUC’s field evaluation (‘shadow audit’) forms are used for all certification schemes and do not evaluate the inspectors on any NOP-specific requirements. The auditors reviewed several completed File Review Checklists which also indicated inspectors are not completing the traceability audits correctly or not recording them adequately, but this has not led to an overall improvement in inspectors correctly completing and recording the traceability audits.

2. Outstanding. The auditors did not observe completed non-organic ingredient forms among the certification files reviewed. CUC stated they do not require operations to resubmit Vendor Declaration forms, the Natural Flavor Questionnaire, or the Nonorganic Ingredient/Processing Aid application forms for existing certified products with each renewal application. The auditors interviewed certification staff and determined that CUC required operations submit the new OSP templates as of April 1, 2022, except for operations managed by the Peru office, which had a June 1, 2022 implementation date. Two certification files reviewed by the auditors that included OSPs submitted after the implementation date did not utilize the updated OSP templates.
3. Outstanding. The auditors reviewed completed inspection reports and found several instances where the CUC inspector provided insufficient evidence, or described practices that did not align with the operation's OSP, without citing this as an issue of concern.
4. Cleared. The auditors reviewed certification files and verified CUC used the correct adverse action templates.
5. Outstanding. The auditors reviewed certification files and found that labels were not filed with the OSP or readily available to be audited. After an extensive search, CUC reviewers were usually able to find the labels. The auditors review of labels found that CUC approved labels that displayed a noncompliant USDA logo and had the "certified organic by" statement in a noncompliant location.

The auditors reviewed CUC's corrective action of periodic monitoring of the certification process and determined CUC's new monitoring process identifies the same concerns raised by NOP auditors, but this has not led to an overall improvement in ensuring staff have sufficient expertise in organic production and handling techniques to perform the duties assigned.

**Corrective Action:** CUC corrected the noncompliance as follows:

1. CUC utilized a consultant to provide training on mass balance and traceback audit activities in February 2023. CUC updated its audit (inspection) assessment form used by certifiers (reviewers) in its CUSI system in May 2023 to verify that a mass balance and traceback occurred during annual inspections and to require an additional audit if the mass balance or traceback was not conducted. CUC conducted additional mass balance and traceback audit training in October 2024. CUC implemented an NOP-specific witness inspection form "Organic Witness Assessment Report part B" to verify inspectors are conducting adequate mass balance and traceback activities.
2. CUC assigned a certifier (reviewer) from each L2 certification office as part of an "input expert group" to conduct input reviews as of July 18, 2024. CUC updated its procedure "P08 Planning Organic 01 Scoping & OSP Annex IIf USDA-NOP Input Evaluation Assessment" in February 2024 to prompt staff on the requirements for conducting input review including review of ingredients. CUC provided training on the updated procedure April 2024 and July 2024 (Spanish). CUC instructed staff to document the review of inputs using the template "P08 Planning Organic 01 Scoping & OSP Annex IIf\_2 USDA NOP Input Evaluation Template.xlsx." CUC conducted training on handler input evaluation in October/November 2024.
3. CUC determined that the delay implementing the updated OSP template was due to translation of documents by local offices. CUC updated its organic program manual in February 2024 to implement a new procedure "P05 P06 Methods Organic 01 Program Management" for the management of translated documents. CUC instructed its offices to notify CUC's organic program management team if it translates CUC's organic program manual documents and to upload translated documents to the CUC shared folder system. CUC instructed its offices to complete translations of documents, as applicable, within 2 weeks of being notified by the organic program management team that a document has

been revised. CUC's organic program management team is maintaining a list of translated documents for oversight.

4. CUC updated all its audit (inspection) checklists in April 2024, adding additional prompts for inspectors to verify compliance.
5. CUC utilized a consultant to provide staff training on organic product label requirements in May 2023. CUC implemented a new procedure "P08 Planning Organic 01 Scoping & OSP Annex IId USDA-NOP Label Assessment" and associated checklist (under a previous document name) in June 2023. CUC trained staff in June 2023 on the requirements for saving labels in the CUC database.

**AIA-6931-21 - Accepted.** 7 C.F.R. §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:** *CUC is certifying large crop and processing operations with an incomplete organic system plan (OSP) that does not fully describe the practices and procedures of the entire certified operation, as required in 205.200. The auditors review of certification files found:*

1. *Multiple individual site OSPs are used to collectively represent a certified operation, but are incomplete and do not disclose the full organizational structure and activities of the certified operation.*
2. *Practices and procedures to be performed and maintained by a certified operation are missing from the OSP, such as: records retention, records maintenance, storage locations, employee training procedures and practices to prevent commingling, including whether the company produces both organic and conventional (e.g. buffer) crops, and equipment sharing.*
3. *Approved OSPs inaccurately describe some activities as occurring at all sites within a certified operation when there are different site-specific activities taking place.*

**Corrective Action:** CUC updated their OSP templates (ORGPLSS.F01, ORGANSS.F01, and USDAPRESS.F01) to provide space for operations to describe their complete practices and procedures. CUC also updated the procedures OSP Review and Approval Process (OSPREV.ORG.W01) and OSP Review Assessment Form (OSPREVAS.F01), both of which now offer additional guidance for CUC reviewers to conduct a more detailed assessment of the OSP. All of CUC's updated OSPs and the OSP assessment form have an expanded "General" section to capture an overview of the entire operation, while still allowing for separate sub-sections of the OSP to be completed for individual production units. CUC held training on the new forms on December 8 and 9, 2021, and began implementation of the new OSP templates following the December 2021 training. CUC will work with operations to transition to the new OSP templates and expects all CUC operations to be fully transitioned to the new templates by April 2023.

**Verification of Corrective Action:** The auditors' review of operation files determined that CUC has not completed transitioning all operations to the new OSP templates. The auditors interviewed CUC personnel and determined that starting April 1, 2022, operations are required to submit an updated OSP on the new version of the template with their certification renewal paperwork, except in the case of operations managed by the Peru office where the implementation date was June 1, 2022. The auditors' review of certification files found that operations who had submitted their renewal paperwork after the stated implementation dates utilized the older versions of CUC's OSP template. CUC accepted the submission of these renewal applications on the outdated templates. Therefore, the operations' OSPs still do not fully describe the practices and procedures of the entire certified operation.

**Corrective Action:** CUC corrected the noncompliance as follows:

1. CUC determined that the delay implementing the updated OSP template was due to translation of documents by local offices. CUC updated its organic program manual in February 2024 to implement a new procedure “P05 P06 Methods Organic 01 Program Management” for the management of translated documents. CUC instructed its offices to notify CUC’s organic program management team if it translates CUC’s organic program manual documents and to upload translated documents to the CUC shared folder system. CUC instructed its offices to complete translations of documents, as applicable, within 2 weeks of being notified by the organic program management team that a document has been revised. CUC’s organic program management team is maintaining a list of translated documents for oversight.
2. CUC implemented the new software “Compass” in January 2024 to make organic program manual documents more accessible to staff.
3. CUC’s certified producer (grower) group operations in Asia/EMEA regions completed the new producer group OSP in 2024. CUC’s Peru office implemented the updated producer group OSP in May 2024. All CUC operations will have completed the updated OSP by May 2025 as part of their annual update.

**AIA-6933-21 - Accepted.** 7 C.F.R. §205.403(e)(2) states, “A copy of the on-site inspection report and any test results will be sent to the inspected operation by the certifying agent.”

**Comments:** *CUC does not consistently send operations a copy of their inspection report. The auditors’ review of certification files and interviews with CUC staff found that operations are not sent copies of unannounced inspection reports.*

**Corrective Action:** CUC amended their Instruction for Certification [CERT.ORG.W01(37) 2021OCT] to require CUC personnel to send all relevant sections of the inspection report (referred to as assessment form) to the NOP-certified operation by registered mail. CUC submitted the updated instruction to the NOP. CUC reminded their staff about the requirements of §205.403(e)(2) and notified them of the updated instruction by CUSI news. The process of sending the on-site inspection report to operations following their inspection will be monitored by the scheme coordinator during CUC’s periodic assessment of satellite offices and during internal audits.

**Verification of Corrective Action:** The auditors’ review of unannounced inspection files found that CUC is not consistently sending inspection reports to operations. CUC sends an “Inspection and Certification Report” that includes a summary of the inspection, any sampling results, and overall inspection findings, but not the complete inspection report. The auditors’ review of internal audit files found that the NOP Scheme Coordinator completes File Review Checklists and provides an Executive Summary of the completed checklists annually for the internal auditors. The auditors review of CUC’s corrective action to periodically monitor the certification process has found CUC’s new monitoring process identifies the concerns raised by NOP auditors, but this has not led to an improvement in ensuring operations receive a copy of their unannounced inspection reports.

**Corrective Action:** CUC determined unannounced inspections reports were not consistently being sent to operations due to lack of administrative capacity. CUC implemented a new governance structure to improve operational efficiency and to ensure CUC headquarters’ control and compliance of certification offices. CUC instructed L2 office to assess their administrative capacity in 2024 and emphasized that having a sufficient number of personnel is essential. CUC’s Governance Team implemented the role of Technical Officer at CUC L2 offices in March 2024. CUC’s Technical Officer will monitor CUC staff sending operations a copy of their inspection



report. CUC submitted its procedure “P12 Certification Organic 03 Certification Decision and Post Certification” implemented in 2024 which states that the inspection report must be provided to the operation for all types of audits (inspections).

**AIA-6934-21 - Accepted.** 7 C.F.R. §205.662(a)(1) 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: A description of each noncompliance;”

**Comments:** *CUC does not consistently cite the applicable regulation for the noncompliance identified in its Notices of Noncompliance. The auditors’ review of notices found that CUC incorrectly cited §205.641 for a certified operation’s failure to pay certification fees and §205.201 for a certified operation’s failure to submit their annual update instead of §205.406(a).*

**Corrective Action:** CUC amended the procedures Contracting, Registration and Resignation of a Client [CONTR.ORG.W01(27)] and Review and Approval of Organic System Plans [OSPREV.ORG.W01(05)] and created a new NC item in CUSI that is linked to the review assessment form (checklist). If “no” is checked to the question regarding whether the operation has submitted the annual update and paid the annual fees, a violation of §205.406(a) will automatically populate in the Notice of Noncompliance letters generated from the CUSI system. CUC informed all relevant staff through a CUSI news item.

**Verification of Corrective Action:** The auditors reviewed certification files and found CUC still does not consistently cite the applicable regulations for the noncompliance identified in the notices of noncompliance issued to certified operations. The auditors found notices of noncompliance that did not have any NOP citation, notices of noncompliance that included a regulatory reference that was for a different certification scheme and several other examples of incorrect citations.

**Corrective Action:** CUC utilized a consultant to provide training on the notice of noncompliance procedure in March 2023 which included an exercise to determine the correct noncompliance citation. CUC uploaded all training to the E-Learning platform. CUC is planning additional training for staff on Determining Compliance and Writing of Noncompliances in the first quarter of 2025. CUC restructured its audit checklists and questions in June 2024 to prompt auditors how to verify compliance with each regulatory citation and formulate findings. CUC also updated the regulatory references in its CUSI system, providing staff with the ability to issue a notice of noncompliance referencing any NOP citation, as applicable.

**AIA-6951-21 - Accepted.** 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

**Comments:** *CUC is not consistently verifying the Organic System Plan (OSP) descriptions during the initial review, the on-site inspection, and the final certification review/decision stages. The auditors’ review of certification files found incomplete or inaccurate OSPs and supporting documents. Examples of incomplete and inaccurate OSPs:*

1. *Supplier information is missing from Handling/Processing OSPs.*
2. *OSP are not updated with information obtained by inspectors as reported in inspection reports.*
3. *OSP are approved without a complete or accurate description of practices and*

*procedures to be performed and maintained, including the frequency with which they will be performed; a description of the recordkeeping system implemented to comply with the requirements established in §205.103; or 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.*

4. *CUC does not ensure organic fields have distinct, defined boundaries and buffer zones as required by §205.202(b). The auditors reviewed OSPs that were approved without a description or accompanying map that defined the certified sites' boundaries. The maps reviewed do not meet CUC's requirements as outlined in their crop OSP form.*

**Corrective Action:** CUC updated their OSP templates and OSP Review and Approval Process (OSPREV.ORG.W01). CUC's new review form (OSPREVAS.F01) prompts reviewers to carry out a more detailed review of each OSP. CUC's OSP Review and Approval Process (OSPREV.ORG.W01) requires OSPs to include all elements of § 205.201 Organic production and handling system plan and sufficient maps to be submitted in order to approve the OSP. CUC introduced the new OSP templates to their staff during a training on Dec. 8 and 9, 2021 and plans to carry out additional trainings in the first quarter of 2022. CUC's inspector checklist includes a question regarding incomplete or inaccurate OSPs and requires a finding to be issued. Inspectors, certifiers (reviewers), and OSP reviewers will be trained on effective writing and reporting by July 2022. This training will emphasize how to provide adequate evidence in inspection reports. In addition, CUC trained certifiers in December 2021 on how to give instructive feedback to the auditors. CUC intends to monitor the efficacy of this corrective action during their annual program reviews and periodic monitoring of reviewers and inspectors.

**Verification of Corrective Action:** The auditors reviewed certification files and found that CUC is still failing to identify incomplete or inaccurate OSPs. The auditors confirmed CUC contracted with an external trainer who provided a training on effective writing skills on June 29, 2022. The auditors reviewed CUC's assessment of the efficacy of this corrective action, which is reported on the periodic monitoring records (documented on their File Review Checklists) and determined the NOP Scheme Manager had identified ongoing issues with incomplete or inaccurate OSPs. However, CUC had not followed up with any reviewer or inspector to initiate additional training in response to issues identified in the periodic monitoring. These findings corresponded with the issues the NOP auditors found during review of certification files, which included repeating the original noncompliance issues as well as other examples of OSPs that had unanswered questions or did not describe the practices as verified in the inspection report. Although CUC has implemented the corrective actions as stated, the auditors found several examples of incomplete and inaccurate OSPs in their certification file review and CUC's corrective actions have failed to resolve the issue.

**Corrective Action:** CUC implemented a new role of dedicated OSP reviewer in 2023 to ensure OSPs are complete and adequately reviewed. CUC updated its procedure "P01 P04 Organization, Qualifications and Training Organic" and "P01 P04 Annex I Roles and Responsibilities" in January 2024 to define the OSP reviewer as responsible for a complete application and to describe all mandatory training required for new OSP reviewers. CUC's procedure also requires that the OSP reviewer, inspector and certifier (reviewer) roles are performed by three separate staff members. CUC provided training to staff on OSP review and on-site inspections in 2024 and planned additional training for the first quarter of 2025.

**AIA-6952-21 - Accepted.** 7 C.F.R. §205.501(a)(7) states, "A private or governmental entity accredited as a certifying agent under this subpart must: have an annual program review of its certification activities conducted by the certifying agent's staff, an outside auditor, or a consultant who has expertise to conduct such reviews and implement measures to correct any

noncompliances with the Act and the regulations in this part that are identified in the evaluation.”

**Comments:** *CUC does not fully implement the criteria for annual (internal) program review, as required by NOP 2025 Instruction: Internal Program Review. The auditors’ review of CUC’s internal audit reports found:*

- 1. The reports do not identify how proposed corrective actions will be addressed in a timely and appropriate manner.*
- 2. The reports do not include an assessment of findings and implemented corrective actions from prior program reviews.*
- 3. In one satellite office’s internal program review, the audit was conducted by the same person who performs certification activities in that office.*
- 4. The internal program review and CUC’s additional monitoring activities for Zwolle and satellite office locations do not always identify noncompliant inspector and certifier (reviewer) certification activities that are identified by accreditation auditors, such as those identified in this report.*
- 5. Incorrect or inadequate certifier review decisions regarding material review, pesticide residue detections and use of incorrect regulatory citations have been observed at multiple CUC offices during NOP audits. These noncompliant practices have not been identified and corrected through CUC’s internal audits or monitoring activities.*

**Corrective Action:** CUC has contracted with external consultants to assess the root cause of the deficiencies identified by NOP auditors, the efficacy of the training undertaken, and to identify any remaining gaps in CUC’s oversight of certification activities at all CUC offices. The CUC Quality Team will conduct the annual program reviews; the reviewers and scheme coordinator will only act as technical experts during these reviews. The scheme coordinator and senior reviewers will continue to conduct periodic monitoring of reviewers, including at least one monitoring event per office each quarter, ensuring each reviewer in each office will be monitored once per year. CUC submitted their 2022 monitoring plan to NOP for review. The scheme coordinator will review these monitoring events and inform the relevant office manager of the results including if a reviewer needs additional training. CUC noted that additional changes to their internal program review procedures and processes may be updated based on the findings of the external consultant. CUC and the external consultant will carry out additional internal audits from March 1 through August 15, 2022.

**Verification of Corrective Action:** The auditors’ review found that while CUC has improved its processes and procedures for conducting the annual program review and identifying issues, CUC’s annual program review is ineffective. The auditors confirmed with CUC that they contracted with an external consultant to assist in ensuring all USDA organic regulations are covered during the annual program review. CUC developed a File Review Checklist to use during the periodic monitoring of reviewers and inspectors. The NOP Scheme Coordinator is responsible for ensuring the periodic monitoring events are conducted and compiles the results in an executive summary that is used by the internal auditors. The NOP Scheme Coordinator also maintains a spreadsheet of all findings from both internal and external audits that records the root cause analysis, extent analysis, corrective actions, and evidence that the corrective actions have been implemented. The NOP auditors reviewed several of CUC’s internal audit reports and completed File Review Checklists and found that these identify noncompliant inspector and reviewer certification activities, as well as incorrect reviewer decisions. However, the identification of these noncompliant certification activities and incorrect certification decisions during the annual program review and periodic monitoring of inspectors and reviewers has not led CUC to implement adequate corrective actions or systemic improvements.

**Corrective Action:** CUC updated its “Internal Auditor’s Instruction Document” in June 2024

which describes four elements of the internal audit process: program manual assessment, technical decision monitoring, process monitoring and office assessment. CUC introduced a new position of Operational Manager in October 2024 which is responsible for following-up with L2 offices and monitoring if corrective actions from internal and external audits are implemented. CUC assigned a new position of Quality Assessment Officer at L2 offices which are responsible for determining if proposed corrective actions are sufficient. CUC's lead internal auditor reviews proposed corrective actions and closes noncompliances but may provisionally close a noncompliance until CUC's QA team verifies effective implementation. CUC's lead internal auditors completed NOP Organic Integrity Learning Center courses: NOP-350 Strengthening Organic Enforcement (SOE), NOP-050 Certification Administration Essentials and NOP-040 Compliance and Enforcement: Adverse Actions, Appeals, and Reinstatement, by December 31, 2024.

**AIA-6954-21 - Accepted.** 7 C.F.R. §205.501(a)(3) states, "A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;"

**Comments:** *CUC is not carrying out the provisions of the Act and the regulations. CUC approves synthetic input materials for a use not described in §205.601. The auditors' review of certification files also found that the documentation obtained and reviewed by CUC for input materials does not provide full disclosure of ingredients and/or the manufacturing processes.*

**Corrective Action:** CUC reviewed and updated their OSP templates to request more information from the operators regarding inputs, ingredients, additives, and processing aids. CUC also developed a centralized list of all approved input materials for reviewers and inspectors to refer to when evaluating new input materials for an operation. Additional questions have been added to the OSP Review Assessment Form (OSPREVAS F02\_2021DEC) to put a greater emphasis on the review and evaluation of the input materials and ingredients. CUC's new instructions, "Evaluation of USDA NOP Inputs," which will be finalized by April 2022, was submitted to NOP. CUC planned a 15-hour training scheduled for April 4-8, 2022, for all inspection and review staff which will include the updated OSP templates and input review.

**Verification of Corrective Action:** The auditors selected and reviewed inputs from the centralized list of inputs in CUSI and found that CUC is still not reviewing and approving material inputs according to NOP requirements and/or CUC's own procedures. For example:

1. CUC staff do not always conduct material reviews despite materials being listed on the operation's OSP or CUC's inspectors noting materials on inspection reports,
2. CUC does not fully evaluate inputs for compliance with the National List requirements according to CUC's new instruction, and
3. CUC does not correctly document input restrictions according to CUC's procedures.

**Corrective Action:** CUC decided to limit the number of staff assigned to handle complex input evaluations and instead form a "input expert group." CUC assigned reviewers from each L2 certification office to manage input review as of July 18, 2024. CUC provided training to all staff on input review in June 2024 through its E-learning platform. CUC provided additional training crop inputs in September 2024, handler inputs in October 2024, and plans to provide livestock input training in the first quarter of 2025.

**AIA-6955-21 - Accepted.** 7 C.F.R. §205.501(a)(3) states, "A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and

§205.670;”

**Comments:** *CUC is not carrying out the provisions of §205.670, NOP 2610 Instruction: Sampling Procedures for Residue Testing, and NOP 2613 Responding to Results from Pesticide Residue Testing. The auditor’s review of certification files found:*

1. *Samples of a variety of crops from multiple production areas are combined into one sample that is sent for residue testing. This also violates CUC’s own sample guidance G05.*
2. *CUC cites EPA tolerances and NOP 2613 in a Notice of Noncompliance regarding positive results of a soil sample.*
3. *CUC requires an operation to exclude crops from sale as organic when the sample result is below 5% of EPA tolerance for that crop.*

**Corrective Action:** CUC revised their Organic Program Manual to include a new procedure, “USDA NOP procedure on evaluation of laboratory test results” (V01 AUG2021). This procedure includes the requirements of NOP 2613 and clarifies CUC’s response to residue sampling for agricultural products, non-agricultural products, and instances when a third-party result is reported to CUC. CUC also further refined their Analysis Investigation Record, which is an internal document that records all information and steps taken when a positive residue is detected, and an investigation is opened. CUC contracted with an external trainer to provide training on risk assessment, sampling, lab selection, and evaluation of laboratory test results from August 9-12, 2021. CUC reviewed compliant sampling techniques with inspectors at a July 2021 training and will review the topic again during inspector and reviewer trainings scheduled in 2022. CUC plans to monitor the efficacy of this corrective action during their annual program reviews and periodic monitoring of reviewers and inspectors.

**Verification of Corrective Action:** The auditors’ review of certification files found that CUC still does not fully comply with **NOP 2610 Instruction: Sampling Procedures for Residue Testing**. The auditors found that CUC is still combining samples of a variety of crops from multiple production areas and into one sample for testing. The auditors reviewed CUC’s corrective action of periodic monitoring of the certification process and determined CUC’s new monitoring process identifies the same concerns raised by NOP auditors, but this has not led to an overall improvement in CUC complying with NOP sampling requirements.

**Corrective Action:** CUC provided training on sampling and residue analysis to a limited number of staff at each L2 office in October 2023. CUC updated its procedure “P09 P10 Assessment Organic 06 Sampling Guidance” in January 2024 to specify that samples should not be taken from multiple production areas and combined into one sample for testing. CUC developed an NOP specific witness inspection form “Organic Witness Assessment Report part B” that includes verification of sampling activities. CUC plans to conduct witness inspections on 100% of its NOP inspectors starting in 2024 through 2025. All witness inspections occurring after May 2024 include evaluation of inspectors conducting sampling. CUC provided additional training to CUC staff on sampling in September 2024 through its E-learning platform.

**AIA-6956-21 - Accepted.** 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

**Comments:** *CUC is not carrying out the provisions of §205.403(c)(2) “The on-site inspection of an operation must verify: That the information, including the organic production or handling system plan, provided in accordance with §§205.401, 205.406, and 205.200, accurately reflects*

*the practices used or to be used by the applicant for certification or by the certified operation;” CUC’s inspectors do not fully verify the accuracy of an operation’s organic system plan or compliance with the USDA organic regulations. The auditors’ review of certification files found:*

- 1. Inspectors do not always conduct and record traceability exercises during initial or annual inspections. Additionally, auditors found several examples where trace-back and mass balance audits are inadequate.*
- 2. Inspection reports include ingredients observed at inspection that are not listed as ingredients on product specification sheets and the inspector failed to cite this as an issue of concern.*
- 3. For ruminant livestock operations, inspectors do not include evidence verifying the operation’s compliance to §205.237(d) and §205.240(c).*
- 4. Inspectors do not consistently verify an operation’s compliance with §205.270. The auditors reviewed several inspection reports that did not describe verification of the operation’s facility pest management practices, other than the operation contracts with a pest control company.*

**Corrective Action:** CUC created new OSP Review Assessment Forms (OSPREVAS F02\_2021DEC) to ensure reviewers are carrying out a more thorough review of the OSP prior to inspection. In January 2022 CUC updated their inspection report forms to address the missing verification questions regarding livestock operations. CUC also updated the Audit Trail and Mass Balance worksheet in March 2022 to provide clearer guidance for inspectors completing these audit trail exercises. CUC provided training for all offices in October 2021 on the topic of mass balance and trace back audit exercises and required each reviewer and inspector to complete the relevant OILC course in October 2021. CUC submitted their plan for trainings scheduled through July 2022. According to the training plan, CUC inspectors, certifiers, and OSP reviewers will be trained on effective writing and reporting by July 2022. This training will emphasize how to provide adequate evidence in inspection reports. Training on livestock certification will be completed by July 15, 2022. CUC plans to monitor the efficacy of the training during inspector field evaluations.

**Verification of Corrective Action:** CUC’s inspectors are still not fully verifying the accuracy of an operation’s OSP or compliance with the USDA organic regulations. The auditors reviewed certification files and found several examples of when the inspector did not complete any traceability audits, or the audit trail exercises were inadequate or unclear. The auditor reviewed a completed livestock inspection report for a dairy operation that did not verify total days grazed, confinement records, or changes in rations for all classes of sheep. During witness audits, the auditor observed that CUC’s inspectors did not report inaccuracies in operations’ OSPs regarding equipment shared with non-organic farms; bedding used for organic livestock; vaccines and other treatments; tillage and cultivation practices; dry matter demand; rare, threatened, or endangered plant or animal species; adjoining land use; seed production and storage and inventory records. The auditors also found evidence of the CUC inspector restating the description in the operation’s OSP instead of providing evidence of compliance obtained through observation, interviews, or records review.

**Corrective Action:** CUC corrected the noncompliance as follows:

1. CUC updated all its audit (inspection) checklists in April 2024, adding additional prompts for inspectors to verify compliance.
2. CUC assessed its administrative capacity and informed NOP that it no longer certifies dairy ruminant livestock operations as of June 7, 2024. CUC ceased certification activities for all types of livestock in the ASIA and EMEA regions and only provides certification of non-dairy ruminant livestock in the LATAM region. CUC submitted

evidence that staff in the LATAM region received training on livestock requirements in 2022 and 2023.

3. CUC utilized a consultant to provide training on mass balance and traceback audit activities in February 2023. CUC updated its audit (inspection) assessment form used by certifiers (reviewers) in its CUSI system in May 2023 to verify that a mass balance and traceback occurred during annual inspections and to require an additional audit if the mass balance or traceback was not conducted. CUC conducted additional mass balance and traceback audit training in October 2024. CUC implemented an NOP specific witness inspection form “Organic Witness Assessment Report part B” to verify inspectors are conducting adequate mass balance and traceback activities.
4. CUC plans to provide additional training to staff on livestock requirements and on-site inspection activities, including verifying the accuracy of OSPs, in the first quarter of 2025.

**AIA-7814-21 - Accepted.** 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

**Comments:** *CUC does not accurately report the certification status of its certified operations in the Organic Integrity Database (OID). A review of certification files found one operation identified in the OID with incorrect “Scope” information and another operation identified as “Suspended” when it was currently certified by CUC. Additionally, during CUC’s mid-term audit, the auditors were unable to identify livestock operations in OID because the livestock scope was missing or incorrectly listed as Crops.*

**Corrective Action:** CUC manually updated OID in order to have all operation scopes correctly entered in OID by the end of May 2022. CUC is working on improvements to their information system CUSI that will allow for automating the extraction and uploading of accurate operation data to OID in the future. CUC identified 12 operations incorrectly listed in OID as suspended and worked with the NOP to correct the status.

**Verification of Corrective Action:** The auditors’ review of certification files and corresponding OID entries identified significant inaccuracies with OID data for CUC’s certified operations. The inaccuracies include surrendered operations listed in OID as certified, incorrect operation names, a different country listed on operation’s organic certificates than in operation data in OID, differences between the operation’s scope listed on its certificate and the scope listed in OID, discrepancies between the products listed on the certificate and products listed in OID, discrepancies between the products listed for each operation’s certification scope on the certificate and scope to product correlation in OID.

**Corrective Action:** CUC determined its current IT system is not suitable to develop an API connection that will automatically transfer data to OID. CUC is developing a new IT system with the potential for an API connection planned for implementation at the end of 2026. CUC staff at each L2 office currently enter data in OID manually. In June 2024, CUC implemented an OID data monitoring process at its L2 offices. CUC Technical Officers carry out weekly monitoring of OID data and request immediate correction if any discrepancies or missing information is identified. CUC’s NOP scheme coordinator also periodically monitors OID data quality.

**AIA-6932-21 - Accepted.** 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

**Comments:** *CUC does not fully implement the criteria for grower group certification, as*

*required by NOP Policy Memo 11-10 Grower Group Certification. The auditors' review of grower group certification files found that CUC allows the members of the group to operate under multiple, separate Organic System Plans (OSPs) rather than a single OSP across multiple production units.*

**Corrective Action:** CUC updated the plant production organic system plan (OSP) template (ORGPLSS.F01) to ensure grower groups have a single OSP per scope; the new templates will have separate sheets to describe distinct practices at each production unit and an overview (“General”) section that describes common practices throughout the entire group and details about the whole operation. CUC updated the OSP Review Assessment Form (OSPREVAS.F01) to include a question about whether differences in organic practices between production units and sites are clearly described in the OSP. CUC also updated the Plant Production Unit inspection report form (ORGPLAS.F01) in January 2022, adding questions asking the inspector to verify whether any differences in production practices among growers is accurately described in the operation’s OSP. CUC contracted with an external trainer to provide training on certification of small farmer groups over three days in October 2021. Twenty CUC staff attended the training, and CUC plans for the attendees of the training to disseminate the information through additional trainings for satellite office staff by the end of March 2022. CUC will work with operations to transition to the new OSP templates and expects all CUC operations to be fully transitioned to the new templates by April 2023.

**Verification of Corrective Action:** The auditors interviewed CUC personnel and found that starting April 1, 2022, operations were required to submit an updated OSP using the new OSP template with their renewal paperwork, except in the case of operations managed by the Peru office where implementation was delayed. CUC stated that due to a delay in translating the new forms, the updated grower group OSP template was not implemented until the end of May 2022 for the Peru office. Therefore, operations located in the Americas will not be fully transitioned to the new templates until June 2023. Of the grower group operation files reviewed by the auditors, none had been submitted after the respective implementation dates. The effectiveness of CUC’s corrective action will be further evaluated at CUC’s next audit.

**AIA-6953-21 – Accepted.** 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

**Comments:** *CUC is not implementing the requirements for livestock certification. The auditor’s review of certification files found that CUC’s Livestock Organic System Plan templates do not require the ruminant livestock operation to provide complete descriptions of the practices specified by §205.237(d) and §205.240(c). The auditor’s review of CUC’s livestock inspection report template (assessment checklist) found that CUC does not instruct inspectors to record their verification of pasture rule requirements, dry matter demand and dry matter intake, the operation’s grazing season, or animal confinement records.*

**Corrective Action:** CUC updated the livestock OSP (ORGANSS.F01) in December 2021 and updated the corresponding inspection report in January 2022. CUC began to request operators use the new OSP forms starting in December 2021, as the operation’s anniversary date comes up. Given the rolling deadlines, all livestock operations will have completed the new OSP form no later than April 2023. CUC inspectors began using the updated inspection report forms immediately after they were updated in January 2022. CUC will organize a training for reviewers and inspectors on the new forms in the first quarter of 2022.

**Verification of Corrective Action:** The auditors’ review of certification files and interviews with certification staff found that CUC’s updated livestock OSP templates are not consistently used by



CUC's livestock operations. The auditors interviewed certification staff and found that the new OSP templates were required of renewing and new operations after March 30, 2022, except for operations managed by the Peru office, which had an implementation date at the end of May 2022. Because of these implementation dates, it would not be until June 2023 when all livestock operations are using the updated OSP template. The auditors reviewed certification files and determined that after January 2022, CUC inspectors were using the updated inspection report forms. The effectiveness of CUC's corrective action will be further evaluated at CUC's next audit.

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

**AIA-3171-22 - Accepted.** 7 C.F.R. §205.403(d) states, "The inspector must conduct an exit interview with an authorized representative of the operation who is knowledgeable about the inspected operation to confirm the accuracy and completeness of inspection observations and information gathered during the on-site inspection. The inspector must also address the need for any additional information as well as any issues of concern."

**Comments:** *During witness audits of a crops/livestock/handling inspection, a wild crop/handling inspection, and a handling inspection, the auditor observed that the CUC inspectors did not address potential noncompliances resulting from the inspections as issues of concern. Examples of potential noncompliances that the inspectors should have identified as issues of concern include:*

- 1. An operator's pasture plan did not meet the requirements of § 205.240(c)(2), (4), and (5) and was not accurately described in the operation's organic system plan (OSP); the OSP indicated pastures are used "on a rotating basis" but the practice the auditor observed and confirmed through interviewing the operator was to allow the animals continuous free range of the entire pasture.*
- 2. The maps and description in an operation's OSP did not meet the requirements of § 205.240(c)(6), or CUC's own requirements, as outlined in its OSP template. The maps had unclear boundaries that did not identify all areas where animals were allowed to forage, did not describe adjoining land use, nor did they indicate locations of water and shade or shelter for the livestock.*
- 3. An operator did not take preventive actions to minimize the spread of disease throughout his flock, as required by § 205.238(a)(3). The auditor observed several sheep affected by hoof rot, and the operation did not have preventive health care practices.*
- 4. An operator did not maintain temporary confinement records. The auditor observed all of the lambs and one lame ewe in confinement, however, the operation did not have any records to show how long the animals had been confined.*
- 5. An operation did not manage its pasture to prevent erosion, as required by § 205.240(c)(8). The auditor observed erosion on two pastures, both of which had minimal plant coverage and a steep pitch to the land.*
- 6. An operation did not maintain records showing actual feed fed for each class of animal, as required by § 205.237(d)(2).*
- 7. An operation did not maintain records, as required by § 205.103. The invoice for rock salt purchased and fed to animals in the barn feeding stalls was not available.*
- 8. A wild crop operation allowed people who were not listed on the operation's OSP and had not attended the operation's training for collectors to collect herbs.*
- 9. A finished goods warehouse had organic tea products whose labels included*

*noncompliant USDA organic logos, noncompliant placements of the “certified organic by” statement, and noncompliant ingredients statements.*

**Corrective Action:** CUC corrected the noncompliance as follows:

1. CUC assessed its administrative capacity and informed NOP that it no longer certifies dairy ruminant livestock operations as of June 7, 2024. CUC ceased certification activities for all types of livestock in the ASIA and EMEA regions and only provides certification of non-dairy ruminant livestock in the LATAM region. CUC submitted evidence that staff in the LATAM region received training on livestock requirements in 2022 and 2023. CUC updated its livestock audit (inspection) checklists in April 2024 to prompt inspectors to verify compliance. CUC plans to provide additional training to staff on-site inspection activities and livestock requirements in the first quarter of 2025.
2. CUC determined it did not have procedures regarding wild crop certification and this scope was not part of CUC’s annual training plan. CUC developed the procedures *P09 “P10 Assessment Organic 01d Wild Collection and Annex I Wild Collector Interview Form”* for the audit (inspection) and certification of wild crop operations. CUC provided training to staff on the new procedures in June 2023. CUC updated its wild crop audit (inspection) checklists in April 2024 to prompt inspectors to verify compliance. CUC provided training to staff on wild crop certification through CUC’s E-learning platform from April to September 2024 and plans to provide additional training to staff in the first quarter of 2025.
3. CUC implemented a new structure in 2024 for witness assessors (inspectors) that perform the witness inspections of inspectors. CUC implemented the new document “Guidance G22 on Witness Assessments” in May 2024 to prompt staff on how to conduct witness inspections. CUC redefined witness assessor personnel as those who meet inspection technical requirements and have the authority to provide training and correction to colleagues. CUC developed an NOP specific witness inspection form “Organic Witness Assessment Report part B” and utilized a contractor to provide training on witness inspections to assessors in May 2024. CUC plans to conduct witness inspections on 100% of its NOP inspectors starting in 2024 through 2025.
4. CUC utilized a consultant to provide staff training on organic product label requirements in May 2023. CUC implemented a new procedure “P08 Planning Organic 01 Scoping & OSP Annex IId USDA-NOP Label Assessment” and associated checklist (under a previous document name) in June 2023. CUC trained staff in June 2023 on the requirements for saving labels in the CUC database.

**AIA-3172-22 - Accepted.** 7 C.F.R. §205.403(a)(2)(ii) states, “The Administrator or State organic program's governing State official 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.”

**Comments:** *CUC does not comply with the instructions of NOP 2609 Unannounced Inspections. The auditor’s review of certification files found that CUC incorrectly classified visits to operations to collect samples as unannounced inspections, even though the inspector did not review other aspects of the operation during the visit. The auditors also found that CUC notified a client seven days prior to an unannounced inspection taking place.*

**Corrective Action:** CUC updated its procedure “P09 P10 Assessment Organic 01b Investigations, Unannounced Audits, and SCTA” to state that an unannounced audit (inspection) cannot consist only of taking samples and that other aspects of an operation must be reviewed. The procedure also clarifies that an operation may be notified of the unannounced inspection up to 4 hours in advance only when extenuating circumstances prevent the inspection from occurring

without prior notification. CUC provided training to staff on the requirements for unannounced inspections in September 2023. CUC updated the procedure further in 2024 and staff received additional training through CUC's E-learning platform from June 30 to September 2024. CUC plans to monitor unannounced inspection activities during its annual periodic file-level monitoring activities performed by Technical Officers and on-site witness inspections.

**AIA-3173-22 - Accepted.** 7 C.F.R. §205.663 states, “Any dispute with respect to denial of certification or proposed suspension or revocation of certification under this part may be mediated at the request of the applicant for certification or certified operation and with acceptance by the certifying agent. Mediation shall be requested in writing to the applicable certifying agent. If the certifying agent rejects the request for mediation, the certifying agent shall provide written notification to the applicant for certification or certified operation. The written notification shall advise the applicant for certification or certified operation of the right to request an appeal, pursuant to §205.681, within 30 days of the date of the written notification of rejection of the request for mediation. If mediation is accepted by the certifying agent, such mediation shall be conducted by a qualified mediator mutually agreed upon by the parties to the mediation. If a State organic program is in effect, the mediation procedures established in the State organic program, as approved by the Secretary, will be followed. The parties to the mediation shall have no more than 30 days to reach an agreement following a mediation session. If mediation is unsuccessful, the applicant for certification or certified operation shall have 30 days from termination of mediation to appeal the certifying agent's decision pursuant to §205.681. Any agreement reached during or as a result of the mediation process shall be in compliance with the Act and the regulations in this part. The Secretary may review any mediated agreement for conformity to the Act and the regulations in this part and may reject any agreement or provision not in conformance with the Act or the regulations in this part.”

**Comments:** *CUC's settlement agreements do not comply with the requirements of the USDA organic regulations. The auditors' review of settlement agreements established by CUC found the terms of the settlement agreements did not include defined timelines for the completion of the agreement.*

**Corrective Action:** CUC updated its procedures “P12 Certification Organic 02 Non-Conformities” in January 2024 to include the requirements of different standards in separate chapters to prompt staff to follow the settlement agreement requirements for NOP. CUC updated its settlement agreement template “Annex Ib 16 Settlement Agreement” in March 2023 to include deadlines for each term and timeline for the completion of the agreement. CUC updated its procedure “P01 P04 Organization, Qualifications and Training Organic” in January 2024 to include mandatory training on the NOP noncompliance and adverse action process for new OSP reviewers, inspectors and certifiers (reviewers). CUC formed an Adverse Action Team that is reviewing all adverse action notices before issuance, as of September 2023. CUC's Adverse Action Team also provides training to colleagues, is making the decision for accepting or rejecting mediation requests and supports colleagues during mediations including preparation of settlement agreements. CUC updated its procedure “P12 Certification Organic 02 Non-Conformities” to describe the role of CUC's Adverse Action Team and NOP scheme coordinator in overseeing the adverse action process.

**AIA-3174-22 - Accepted.** 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

**Comments:** *CUC does not consistently carry out the provisions of the Act and regulations. The auditors reviewed certification files and found that CUC approved labels that displayed a noncompliant USDA logo and had the “certified organic by” statement in a noncompliant location.*

**Corrective Action:** CUC utilized a consultant to provide staff training on organic product label requirements in May 2023. CUC implemented a new procedure “P08 Planning Organic 01 Scoping & OSP Annex IId USDA-NOP Label Assessment” and associated checklist (under a previous document name) in June 2023. CUC trained staff in June 2023 on the requirements for saving labels in the CUC database.

**AIA-3175-22 - Accepted.** 7 C.F.R. §205.501(a)(5) states “A private or governmental entity accredited as a certifying agent under this subpart must: Ensure that its responsibly connected persons, employees, and contractors with inspection, analysis, and decision-making responsibilities have sufficient expertise in organic production or handling techniques to successfully perform the duties assigned.”

**Comments:** *CUC does not consistently ensure that its employees with inspection, analysis, and decision-making responsibilities have sufficient expertise in organic livestock production prior to performing the duties assigned. The auditor’s review of certification files and interviews with certification staff found the following:*

1. *CUC’s inspectors did not know how to calculate dry matter intake (DMI).*
2. *CUC’s inspectors and reviewers did not verify the use or compliance of livestock inputs (including vaccines and homeopathic medications). The inspectors did not identify that the inputs were missing from the operation’s organic system plan (OSP), nor did the inspector verify the input in accordance with CUC’s Material Evaluation procedure and associated annexes. CUC reviewers did not review the inputs listed on the OSP.*
3. *CUC’s inspector was not knowledgeable of expected product yields and could not provide NOP auditors with the expected cashmere yields during the audit to verify that harvest quantities were within reason.*
4. *CUC’s inspector and reviewer did not verify the compliance of non-agricultural ingredients that were part of the feed ration fed to livestock.*

**Corrective Action:** CUC assessed its administrative capacity and informed NOP that it no longer certifies dairy ruminant livestock operations as of June 7, 2024. CUC ceased certification activities for all types of livestock in the ASIA and EMEA regions and only provides certification of non-dairy ruminant livestock in the LATAM region. CUC submitted evidence that staff in the LATAM region received training on livestock requirements in 2022 and 2023. CUC updated its livestock audit (inspection) checklists in April 2024 adding additional prompts for inspectors to verify compliance. CUC plans to provide additional training to staff on on-site inspection activities and livestock requirements, including livestock inputs, in the first quarter of 2025.

**AIA-3176-22 - Accepted.** 7 C.F.R. §205.501(a)(5) states “A private or governmental entity accredited as a certifying agent under this subpart must: Ensure that its responsibly connected persons, employees, and contractors with inspection, analysis, and decision-making responsibilities have sufficient expertise in organic production or handling techniques to successfully perform the duties assigned.”

**Comments:** *CUC does not consistently ensure that its employees, including inspectors, have sufficient expertise or training to perform their duties. The auditors reviewed personnel*

*documentation, certification files, and observed CUC inspectors and personnel responsible for evaluating inspector performance and found that CUC's employees do not have sufficient expertise in USDA organic regulations and/or CUC's policies, procedures, and templates. The following evidence supports this finding:*

- 1. CUC's inspector identified noncompliant labels as compliant. The auditor observed labels for three different tea products in a finished goods warehouse that displayed a noncompliant USDA organic logo, a noncompliant placement of the "certified organic by" statement, and an ingredients list that did not identify the ingredients as organic. The auditor asked the inspector to assess the labels for compliance, and the inspector stated the labels appeared compliant.*
- 2. CUC inspectors did not correctly complete CUC's inspection report forms. The auditor observed inspectors write the same text in the "Finding" column as in the "Evidence" column of the 'NOP Findings' section of CUC's inspection reports. The inspectors described the scenario that occurred but did not clearly identify what potential noncompliance they were reporting as an issue of concern.*
- 3. CUC inspectors wrote an identical response for multiple questions in the inspection report, even when the response did not apply to that question. The auditor observed this in several inspection reports.*
- 4. The manager of the local CUC office carried out the annual evaluations of two inspectors, however, the manager did not have sufficient knowledge of CUC's USDA organic certification program, and the annual evaluations did not address the inspector's performance in relation to USDA organic regulations.*

**Corrective Action:** CUC corrected the noncompliance as follows:

1. CUC utilized a consultant to provide staff training on organic product label requirements in May 2023. CUC implemented a new procedure "P08 Planning Organic 01 Scoping & OSP Annex IId USDA-NOP Label Assessment" and associated checklist (under a previous document name) in June 2023. CUC trained staff in June 2023 on the requirements for saving labels in the CUC database. CUC staff have been instructed to take additional training on label review in the CUSI system by the first quarter of 2025.
2. CUC updated all its audit (inspection) checklists in April 2024, adding additional prompts for inspectors to verify compliance.
3. CUC plans to provide additional training to staff on on-site inspection activities in the first quarter of 2025.
4. CUC updated their procedure "P01 P04 Organization, Qualification and Training Organic 01 Qualifications and Training" in 2024 to include a new NOP organic performance evaluation component documented in "Annex V NOP Annual Performance Evaluation." CUC's NOP scheme coordinator (or delegated person) will prepare an annual performance evaluation based on the results of the annual monitoring and overall performance for each OSP reviewer, inspector, certifier (reviewer) and transaction certificate (TC) issuer.



National Organic Program  
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## NATIONAL ORGANIC PROGRAM: AUDIT & CORRECTIVE ACTION REPORT

### GENERAL INFORMATION

- **Certifier Name** Control Union Certifications (CUC)
- **Physical Address** Meeuwenlaan 4-6, Zwolle, Overijssel 8011 BZ, NETHERLANDS
- **Audit Type** Mid-term Audit
- **Auditor(s) & Audit Dates** Colleen O'Brien, Joshua Lindau, Samuel Schaefer-Joel  
06/21/2021 to 06/25/2021
- **Audit Identifier** NOP-104-20

### CERTIFIER OVERVIEW

The National Organic Program (NOP) conducted an on-site midterm audit of CUC's certification activities during the period November 2, 2018, through March 16, 2021. The purpose of the audit was to verify CUC's conformance to the USDA organic regulations.

CUC is a private limited company with its main certification office in Zwolle, Netherlands. CUC satellite offices are established in Ethiopia, India, Indonesia, Israel, Peru, South Korea, and Sri Lanka.

CUC was accredited for all categories as a certifying agent on October 18, 2002. At the time of the mid-term assessment, CUC certifies worldwide 1,953 operations: Crops (1,071), Wild Crops (5), Livestock (38) and Handlers (1,344). CUC certifies 535 grower groups in 39 countries.

### NOP DETERMINATION:

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

Any noncompliance labeled as "**Cleared**," indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as "**Accepted**" indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next audit.

## **Noncompliances from Prior Assessments**

**AIA-1165-20 – Cleared**

**AIA-1166-20 – Cleared**

**AIA-1167-20 – Cleared**

**AIA-1169-20 – Cleared**

**AIA-1170-20 – Cleared**

**AIA-1171-20 – Cleared**

**AIA-1173-20 – Cleared**

**AIA-1174-20 – Cleared**

**AIA-1403-20 – Cleared**

**AIA-1404-20 – Cleared**

**AIA-1405-20 – Cleared**

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

**AIA-6930-21 – Accepted.** 7 C.F.R. §205.404(b)(1-4) states, “The certifying agent must issue a certificate of organic operation which specifies the: Name and address of the certified operation; Effective date of certification; Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation; and Name, address, and telephone number of the certifying agent.”

**Comments:** *CUC's organic certificates do not fully comply with the requirements of the USDA organic regulations and NOP 2603 Organic Certificates. The auditors' review of certification files found that CUC incorrectly includes “ICS-NOP” as one of the categories of organic operation on certificates for Grower Groups.*

**Corrective Actions:** CUC modified the certificate templates within their software system to remove “ICS-NOP” as an option. CUC submitted an example certificate for a certified grower group operation. CUC began using the new organic certificates in September 2021 and stated that all operations will receive a compliant certificate by December 31, 2022.

**AIA-6931-21 – Accepted.** 7 C.F.R. §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:** *CUC is certifying large crop and processing operations with an incomplete organic system plan (OSP) that does not fully describe the practices and procedures of the entire certified operation, as required in 205.200. The auditors review of certification files found:*

- *Multiple individual site OSPs are used to collectively represent a certified operation but are incomplete and do not disclose the full organizational structure and activities of the certified operation.*
- *Practices and procedures to be performed and maintained by a certified operation are missing from the OSP, such as: records retention, records maintenance, storage locations, employee training procedures and practices to prevent commingling, including whether the company produces both organic and conventional (e.g. buffer) crops, and*

*equipment sharing.*

- *Approved OSPs inaccurately describe some activities as occurring at all sites within a certified operation when there are different site-specific activities taking place.*

**Corrective Actions:** CUC updated their OSP templates (ORGPLSS.F01, ORGANSS.F01, and USDAPRESS.F01) to provide space for operations to describe their complete practices and procedures. CUC also updated the procedures OSP Review and Approval Process (OSPREV.ORG.W01) and OSP Review Assessment Form (OSPREVAS.F01), both of which now offer additional guidance for CUC reviewers to conduct a more detailed assessment of the OSP. All of CUC's updated OSPs and the OSP assessment form have an expanded "General" section to capture an overview of the entire operation, while still allowing for separate sub-sections of the OSP to be completed for individual production units. CUC held training on the new forms on December 8 and 9, 2021, and began implementation of the new OSP templates following the December 2021 training. CUC will work with operations to transition to the new OSP templates and expects all CUC operations to be fully transitioned to the new templates by April 2023.

**AIA-6932-21 – Accepted.** 7 C.F.R. §205.501(a)(2) states, "A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart."

**Comments:** *CUC does not fully implement the criteria for grower group certification, as required by NOP Policy Memo 11-10 Grower Group Certification. The auditors' review of grower group certification files found that CUC allows the members of the group to operate under multiple, separate Organic System Plans (OSPs) rather than a single OSP across multiple production units.*

**Corrective Actions:** CUC updated the plant production organic system plan (OSP) template (ORGPLSS.F01) to ensure grower groups have a single OSP per scope; the new templates will have separate sheets to describe distinct practices at each production unit and an overview ("General") section that describes common practices throughout the entire group and details about the whole operation. CUC updated the OSP Review Assessment Form (OSPREVAS.F01) to include a question about whether differences in organic practices between production units and sites are clearly described in the OSP. CUC also updated the Plant Production Unit inspection report form (ORGPLAS.F01) in January 2022, adding questions asking the inspector to verify whether any differences in production practices among growers is accurately described in the operation's OSP. CUC contracted with an external trainer to provide training on certification of small farmer groups over three days in October 2021. Twenty CUC staff attended the training, and CUC plans for the attendees of the training to disseminate the information through additional trainings for satellite office staff by the end of March 2022. CUC will work with operations to transition to the new OSP templates and expects all CUC operations to be fully transitioned to the new templates by April 2023.

**AIA-6933-21 – Accepted.** 7 C.F.R. §205.403(e)(2) states, "A copy of the on-site inspection report and any test results will be sent to the inspected operation by the certifying agent."

**Comments:** *CUC does not consistently send operations a copy of their inspection report. The auditors' review of certification files and interviews with CUC staff found that operations are not sent copies of unannounced inspection reports.*

**Corrective Actions:** CUC amended their Instruction for Certification [CERT.ORG.W01(37) 2021OCT] to require CUC personnel to send all relevant sections of the inspection report



(referred to as assessment form) to the NOP-certified operation by registered mail. CUC submitted the updated instruction to the NOP. CUC reminded their staff about the requirements of §205.403(e)(2) and notified them of the updated instruction by CUSI news. The process of sending the on-site inspection report to operations following their inspection will be monitored by the scheme coordinator during CUC's periodic assessment of satellite offices and during internal audits.

**AIA-6934-21 – Accepted.** 7 C.F.R. §205.662(a)(1) 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: A description of each noncompliance;”

**Comments:** *CUC does not consistently cite the applicable regulation for the noncompliance identified in its Notices of Noncompliance. The auditors' review of notices found that CUC incorrectly cited §205.641 for a certified operation's failure to pay certification fees and §205.201 for a certified operation's failure to submit their annual update instead of §205.406(a).*

**Corrective Actions:** CUC amended the procedures Contracting, Registration and Resignation of a Client [CONTR.ORG.W01(27)] and Review and Approval of Organic System Plans [OSPREV.ORG.W01(05)] and created a new NC item in CUSI that is linked to the review assessment form (checklist). If “no” is checked to the question regarding whether the operation has submitted the annual update and paid the annual fees, a violation of §205.406(a) will automatically populate in the Notice of Noncompliance letters generated from the CUSI system. CUC informed all relevant staff through a CUSI news item.

**AIA-6935-21 – Accepted.** 7 C.F.R. §205.662(e)(1) states, "If the certified operation fails to correct the noncompliance, to resolve the issue through rebuttal or mediation, or to file an appeal of the proposed suspension or revocation of certification, the certifying agent or State organic program's governing State official shall send the certified operation a written notification of suspension or revocation."

**Comments:** *CUC does not issue a Notice of Suspension following an operation's failure to correct the noncompliance, resolve the issue through rebuttal or mediation, or to file an appeal. The auditors' review of certification files found CUC accepted an operation's surrender after a Notice of Proposed Suspension was issued and did not complete the adverse action process.*

**Corrective Actions:** CUC organized an on-line training on August 23, 2021, for staff at the Indonesia, Sri Lanka, and India offices, and on September 30, 2021, for staff at all other offices regarding the Noncompliance and Adverse action procedure. CUC sent the NOP an attendance list and screen shots of the training. CUC will monitor the Noncompliance and Adverse action procedure during the internal audits and CUC's periodic monitoring of the certification processes.

**AIA-6950-21 – Accepted.** 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

**Comments:** *CUC does not consistently demonstrate the ability to fully comply with the requirements for accreditation. CUC has inadequate policies, procedures, and work instructions for the review and approval of material inputs as detailed in NOP 3012 Interim Instruction*

*Material Review. The auditors found the following issues related to CUC's material review process:*

- CUC does not have clear written protocols and procedures that outline the depth and frequency of the review, or provide clear direction for the evaluation of ingredients, sub-ingredients, processing aids, and manufacturing methodologies at all stages associated with the production of formulated products.*
- CUC's Organic System Plan templates and supporting forms do not require the operation to disclose a list of each substance to be used as a production or handling input, indicating its composition, source, location(s) where it will be used, and documentation of commercial availability.*

**Corrective Actions:** CUC updated their OSP templates to request more specific information from the operators regarding the inputs, ingredients, additives, and processing aids used by each operation. Additionally, in the crop OSP (ORGPLSS.F01), CUC clarified two points: that factory farm manure is only prohibited under EU organic regulations, and a complete list of ingredients must be submitted for review when an operation requests to use compost. CUC added additional questions to the OSP Review Assessment Form (OSPREVAS F02\_2021DEC) to prompt the reviewer to look at all inputs and ensure compliance with § 205.105 and the National List. CUC created new instructions, "Evaluation of USDA NOP Inputs," as well as a centralized list of all approved input materials for use by CUC certification staff. CUC held a 15-hour training for all NOP review and inspection staff on evaluating crop and post-harvest inputs, taught by an external trainer from January 31 to February 4, 2022. CUC plans to hold additional training concurrent with the implementation of the new instructions and use of centralized input list on April 4, 2022.

**AIA-6951-21 – Accepted.** 7 C.F.R. §205.501(a)(3) states, "A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;"

**Comments:** *CUC is not consistently verifying the Organic System Plan (OSP) descriptions during the initial review, the on-site inspection, and the final certification review/decision stages. The auditors' review of certification files found incomplete or inaccurate OSPs and supporting documents. Examples of incomplete and inaccurate OSPs:*

- Supplier information is missing from Handling/Processing OSPs.*
- OSPs are not updated with information obtained by inspectors as reported in inspection reports.*
- OSPs are approved without a complete or accurate description of practices and procedures to be performed and maintained, including the frequency with which they will be performed; a description of the recordkeeping system implemented to comply with the requirements established in §205.103; or 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.*
- CUC does not ensure organic fields have distinct, defined boundaries and buffer zones as required by §205.202(b). The auditors reviewed OSPs that were approved without a description or accompanying map that defined the certified sites' boundaries. The maps reviewed do not meet CUC's requirements as outlined in their crop OSP form.*

**Corrective Actions:** CUC updated their OSP templates and OSP Review and Approval Process

(OSPREV.ORG.W01). CUC's new review form (OSPREVAS.F01) prompts reviewers to carry out a more detailed review of each OSP. CUC's OSP Review and Approval Process (OSPREV.ORG.W01) requires OSPs to include all elements of § 205.201 Organic production and handling system plan and sufficient maps to be submitted in order to approve the OSP. CUC introduced the new OSP templates to their staff during a training on Dec. 8 and 9, 2021 and plans to carry out additional trainings in the first quarter of 2022. CUC's inspector checklist includes a question regarding incomplete or inaccurate OSPs and requires a finding to be issued. Auditors (inspectors), certifiers (reviewers), and OSP reviewers will be trained on effective writing and reporting by July 2022. This training will emphasize how to provide adequate evidence in inspection reports. In addition, CUC trained certifiers in December 2021 on how to give instructive feedback to the auditors. CUC intends to monitor the efficacy of this corrective action during their annual program reviews and periodic monitoring of reviewers and inspectors.

**AIA-6952-21 – Accepted.** 7 C.F.R. §205.501(a)(7) states, “A private or governmental entity accredited as a certifying agent under this subpart must: have an annual program review of its certification activities conducted by the certifying agent's staff, an outside auditor, or a consultant who has expertise to conduct such reviews and implement measures to correct any noncompliances with the Act and the regulations in this part that are identified in the evaluation.”

**Comments:** *CUC does not fully implement the criteria for annual (internal) program review, as required by NOP 2025 Instruction: Internal Program Review. The auditors' review of CUC's internal audit reports found:*

- *The reports do not identify how proposed corrective actions will be addressed in a timely and appropriate manner.*
- *The reports do not include an assessment of findings and implemented corrective actions from prior program reviews.*
- *In one satellite office's internal program review, the audit was conducted by the same person who performs certification activities in that office.*
- *The internal program review and CUC's additional monitoring activities for Zwolle and satellite office locations do not always identify noncompliant inspector and certifier (reviewer) certification activities that are identified by accreditation auditors, such as those identified in this report.*
- *Incorrect or inadequate certifier review decisions regarding material review, pesticide residue detections and use of incorrect regulatory citations have been observed at multiple CUC offices during NOP audits. These noncompliant practices have not been identified and corrected through CUC's internal audits or monitoring activities.*

**Corrective Actions:** CUC has contracted with external consultants to assess the root cause of the deficiencies identified by NOP auditors, the efficacy of the training undertaken, and to identify any remaining gaps in CUC's oversight of certification activities at all CUC offices. The CUC Quality Team will conduct the annual program reviews; the reviewers and scheme coordinator will only act as technical experts during these reviews. The scheme coordinator and senior reviewers will continue to conduct periodic monitoring of reviewers, including at least one monitoring event per office each quarter, ensuring each reviewer in each office will be monitored once per year. CUC submitted their 2022 monitoring plan to NOP for review. The scheme coordinator will review these monitoring events and inform the relevant office manager of the results including if a reviewer needs additional training. CUC noted that additional changes to their internal program review procedures and processes may be updated based on the findings of the external consultant. CUC and the external consultant will carry out additional internal audits

from March 1 through August 15, 2022.

**AIA-6953-21 – Accepted.** 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

**Comments:** *CUC is not implementing the requirements for livestock certification. The auditor’s review of certification files found that CUC’s Livestock Organic System Plan templates do not require the ruminant livestock operation to provide complete descriptions of the practices specified by §205.237(d) and §205.240(c). The auditor’s review of CUC’s livestock inspection report template (assessment checklist) found that CUC does not instruct inspectors to record their verification of pasture rule requirements, dry matter demand and dry matter intake, the operation’s grazing season, or animal confinement records.*

**Corrective Actions:** CUC updated the livestock OSP (ORGANSS.F01) in December 2021 and updated the corresponding inspection report in January 2022. CUC began to request operators use the new OSP forms starting in December 2021, as the operation’s anniversary date comes up. Given the rolling deadlines, all livestock operations will have completed the new OSP form no later than April 2023. CUC inspectors began using the updated inspection report forms immediately after they were updated in January 2022. CUC will organize a training for reviewers and inspectors on the new forms in the first quarter of 2022.

**AIA-6954-21 – Accepted.** 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

**Comments:** *CUC is not carrying out the provisions of the Act and the regulations. CUC approves synthetic input materials for a use not described in §205.601. The auditors’ review of certification files also found that the documentation obtained and reviewed by CUC for input materials does not provide full disclosure of ingredients and/or the manufacturing processes.*

**Corrective Actions:** CUC reviewed and updated their OSP templates to request more information from the operators regarding inputs, ingredients, additives, and processing aids. CUC also developed a centralized list of all approved input materials for reviewers and inspectors to refer to when evaluating new input materials for an operation. Additional questions have been added to the OSP Review Assessment Form (OSPREVAS F02\_2021DEC) to put a greater emphasis on the review and evaluation of the input materials and ingredients. CUC’s new instructions, “Evaluation of USDA NOP Inputs,” which will be finalized by April 2022, was submitted to NOP. CUC planned a 15-hour training scheduled for April 4-8, 2022, for all inspection and review staff which will include the updated OSP templates and input review.

**AIA-6955-21 – Accepted.** 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

**Comments:** *CUC is not carrying out the provisions of §205.670, NOP 2610 Instruction: Sampling Procedures for Residue Testing, and NOP 2613 Responding to Results from Pesticide Residue Testing. The auditor’s review of certification files found:*

- *Samples of a variety of crops from multiple production areas are combined into one*

*sample that is sent for residue testing. This also violates CUC's own sample guidance G05.*

- *CUC cites EPA tolerances and NOP 2613 in a Notice of Noncompliance regarding positive results of a soil sample.*
- *CUC requires an operation to exclude crops from sale as organic when the sample result is below 5% of EPA tolerance for that crop.*

**Corrective Actions:** CUC revised their Organic Program Manual to include a new procedure, "USDA NOP procedure on evaluation of laboratory test results" (V01 AUG2021). This procedure includes the requirements of NOP 2613 and clarifies CUC's response to residue sampling for agricultural products, non-agricultural products, and instances when a third-party result is reported to CUC. CUC also further refined their Analysis Investigation Record, which is an internal document that records all information and steps taken when a positive residue is detected, and an investigation is opened. CUC contracted with an external trainer to provide training on risk assessment, sampling, lab selection, and evaluation of laboratory test results from August 9-12, 2021. CUC reviewed compliant sampling techniques with inspectors at a July 2021 training and will review the topic again during inspector and reviewer trainings scheduled in 2022. CUC plans to monitor the efficacy of this corrective action during their annual program reviews and periodic monitoring of reviewers and inspectors.

**AIA-6956-21 – Accepted.** 7 C.F.R. §205.501(a)(3) states, "A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;"

**Comments:** *CUC is not carrying out the provisions of §205.403(c)(2) "The on-site inspection of an operation must verify: That the information, including the organic production or handling system plan, provided in accordance with §§205.401, 205.406, and 205.200, accurately reflects the practices used or to be used by the applicant for certification or by the certified operation;" CUC's inspectors do not fully verify the accuracy of an operation's organic system plan or compliance with the USDA organic regulations. The auditors' review of certification files found:*

- *Inspectors do not always conduct and record traceability exercises during initial or annual inspections. Additionally, auditors found several examples where trace-back and mass balance audits are inadequate.*
- *Inspection reports include ingredients observed at inspection that are not listed as ingredients on product specification sheets and the inspector failed to cite this as an issue of concern.*
- *For ruminant livestock operations, inspectors do not include evidence verifying the operation's compliance to §205.237(d) and §205.240(c).*
- *Inspectors do not consistently verify an operation's compliance with §205.270. The auditors reviewed several inspection reports that did not describe verification of the operation's facility pest management practices, other than the operation contracts with a pest control company.*

**Corrective Actions:** CUC created new OSP Review Assessment Forms (OSPREVAS F02\_2021DEC) to ensure reviewers are carrying out a more thorough review of the OSP prior to inspection. In January 2022 CUC updated their inspection report forms to address the missing verification questions regarding livestock operations. CUC also updated the Audit Trail and Mass Balance worksheet in March 2022 to provide clearer guidance for inspectors completing

these audit trail exercises. CUC provided training for all offices in October 2021 on the topic of mass balance and trace back audit exercises and required each reviewer and inspector to complete the relevant OILC course in October 2021. CUC submitted their plan for trainings scheduled through July 2022. According to the training plan, CUC inspectors, certifiers, and OSP reviewers will be trained on effective writing and reporting by July 2022. This training will emphasize how to provide adequate evidence in inspection reports. Training on livestock certification will be completed by July 15, 2022. CUC plans to monitor the efficacy of the training during inspector field evaluations.

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

### **GENERAL INFORMATION**

- **Certifier Name** Control Union Certifications (CUC), Indonesia
- **Physical Address** PT. PCU Indonesia. AD Premier Building, 8th Floor,  
Suite 5-6, Jl. TB Simatupang No. 5, Ragunan 12550 DKI  
Jakarta
- **Audit Type** Satellite Office Audit (Desk Audit)
- **Auditor(s) & Audit Dates** Jessica Walden, Colleen O'Brien 04/05/2021 - 04/09/2021
- **Audit Identifier** NOP-31-21

### **CERTIFIER OVERVIEW**

The National Organic Program (NOP) conducted a satellite office audit of CUC Indonesia's certification activities. The purpose of the audit was to verify CUC's conformance to the USDA organic regulations.

CUC is a limited liability company with its main certification office in Zwolle, Netherlands, including nine satellite offices around the world. CUC was initially accredited for Crops, Livestock, Wild Crops, and Handling/Processing on October 18, 2002. CUC Indonesia conducts key certification activities in Indonesia, Cambodia, Laos, Thailand, Fiji, Malaysia, Timor Leste, Papua New Guinea, Singapore and Vietnam. The CUC Indonesia office is responsible for the certification of 347 operations composed of the following: crops/on-farm handling (64), crops/handling/grower group (159), crop grower groups (2), and handling (122). Certification services are performed by 4 Certification Officers and 33 staff inspectors.

### **NOP DETERMINATION:**

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

Any noncompliance labeled as "**Cleared**," indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as "**Accepted**" indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next audit.

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

**AIA-1165-20 – Cleared**

**AIA-1166-20 – Cleared**

**AIA-1167-20 – Cleared**

**AIA-1169-20 – Cleared**

**AIA-1170-20 – Cleared**

**AIA-1171-20 – Cleared**

**AIA-1173-20 – Cleared**

**AIA-1174-20 – Cleared**

**AIA-1403-20 – Cleared**

**AIA-1404-20 – Cleared**

**AIA-1405-20 – Cleared**

**AIA-1172-20 - Accepted.** (NOP-26-18.NC8) 7 CFR § 205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must....Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart:”

**Comments:** *Interviews with CUC certification staff, certification record reviews, and multiple on-site findings identified by the auditor, demonstrate that certification staff lack knowledge to adequately implement the certification program according to USDA organic regulations and NOP policies. The following is a list of issues identified:*

- 1. Inconsistent use of citing the USDA organic regulations and NOP policies when identifying issues of concern and issued noncompliances.*
- 2. Many noncompliance and adverse action records were not available or could not be obtained. The CUC database could generate a draft copy for review, but not the original documents. CUC could not demonstrate that all copies sent to the NOP were in English.*
- 3. Certification fee estimates sent to operations do not include inspector expenses such as lodging and meals. These expenses are later recovered by CUC in the final invoice sent to operators. CUC does not provide operations with a cost estimate (offer letter) for the total cost of annual certification each year. CUC provides a cost estimate when an operation applies for certification and in subsequent years if the updated OSP does not change significantly, no cost estimate is sent (§205.642).*
- 4. CUC did not demonstrate a complete understanding of NOP 2613 “Responding to Results from Pesticide Residue Testing.” Operations are notified of test result availability in the CUC online portal account only when detections are identified. Furthermore, a determination statement of product compliance is not included in the notification (e.g. your product may be sold or not). Investigation of the cause/source of contamination is inconsequential as the operation is suspended within three days without assessment and solely based on test results.*
- 5. A witness audit of a certified “Wild Crops” operation revealed that the operation should be certified to the “Crops” scope. The operation employs tillage to promote the*



*plant growth.*

6. *CUC inspectors do not provide the operation with a sample receipt at the time of sample collection. The receipt is uploaded to the operation's online portal for review and no notification of its availability is provided to the operation (§205.402(e)(1)).*

**2020 Corrective Action:** CUC is now able to print original documents for noncompliance and adverse action notices through the CUSI software system. CUC created detailed instructions on this process in their organic program manual. CUC revised their offer letter to a detailed cost estimate. CUC has amended the procedures on responding to results of residual testing. The procedure now states if no residuals are detected, clients are notified of the results in the "Inspection and Certification Report" and are informed that their products may be sold as 'Organic'. If residuals are detected, clients are immediately notified of the detection and whether or not their product(s) can be sold as 'Organic'. All CUC employees have been (re)trained on these procedures and have been notified of these changes via CUSI News. CUC's NOP Wild Crop Guidance has been updated to include a definition of wild crop, examples of where wild crop harvesting do not apply, what an inspector is to look for in a Wild Crop Organic Compliance Plan, and a link to the USDA NOP Program Handbook for Wild Crop Guidance. CUC personnel have been (re)trained on Wild Crop procedures and have been notified of these changes to CUC's guidance via CUSI News. CUC's pesticide residue sampling procedure now requires inspectors to provide a receipt for the sample. CUC has amended its procedures on responding to results of residual testing and it is compliant with NOP2613. CUC employees have been informed of these changes via CUSI News. CUC hired consultants with extensive knowledge of the USDA organic regulations to provide training to all their staff members. Initial training for CUC's staff took place at CUC's Netherlands office on April 29th - May 3rd. Training by the consultants began in June 2019 at CUC's satellite office in Peru. Certification staff attended the trainings that lasted for 5 days and covered adverse actions, audit trail verification, mass balance audits and residual sample testing protocol and procedures. These sessions include Q&A sessions to cover several aspects of organic certification. Additional on-line and on-site training has been scheduled for CUC's staff throughout 2020.

**Verification of Corrective Action:** CUC Indonesia has implemented subpoints 1-3 and 5-6. CUC Indonesia has not implemented subpoint 4. CUC-Indonesia staff did not demonstrate a complete understanding of NOP 2613. During staff interviews, CUC Indonesia staff explained that they correctly followed NOP 2613 when a soil test came back with no detection of pesticide residues, and they notified the operation that their products may be sold as organic. However, NOP 2613 instructs certifiers on responding to pesticide residue test results from organically produced agricultural products. The auditors reviewed the new form "Inspection and Certification Report," which does record the residue test result and provide a notification to operations about whether they can sell their product as organic. This new "Inspection and Certification Report" form was implemented by CUC Indonesia just a week prior to the NOP audit; this corrective action will be verified at a future audit. Training for certification personnel occurred as planned according to files reviewed and interviews with CUC Indonesia certification personnel.

**2021 Corrective Action:** CUC developed a new procedure, USDA NOP Procedure on Evaluation of Laboratory Test Results, which instructs reviewers on how to accurately evaluate laboratory test results and how to communicate the test results to the operations. This procedure is in line with NOP 2613. The procedure also addresses the evaluation of results for non-

agricultural products such as soil and instructs staff on the language to use when notifying operations of the results. CUC submitted the new procedure, which was effective September 2, 2021. CUC carried out a training for all CUC offices on August 9 -12, 2021, on the topics of risk assessment, sampling, lab selection, and evaluation of laboratory test results. A list of training attendees was submitted to the NOP, along with the resume of the organic consultant who carried out the training. CUC submitted compliant templates to NOP for the various notices that are sent to operations following a residue test. The evaluation of laboratory test results will be monitored by the scheme coordinator during CUC's periodic monitoring of reviewers and internal audits. CUC provided an example of the spreadsheet used to record the details of the internal audits to NOP. This spreadsheet records files review, personnel interviewed, noncompliances, and corrective actions.

### **Non-compliances Identified during the Current Assessment and Corrective Actions**

**AIA-6298-21 - Accepted.** C.F.R. §205.404(b)(1-4) states, "The certifying agent must issue a certificate of organic operation which specifies the: (1) Name and address of the certified operation; (2) Effective date of certification; (3) Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation; and (4) Name, address, and telephone number of the certifying agent.;"

**Comments:** *CUC Indonesia's organic certificates do not fully comply with the requirements of the USDA organic regulations and NOP 2603 Organic Certificates, section 3.5, which states that certifying agents cannot issue organic certificates to cover operations or land that is under transition to organic production. The auditors' review of certification files identified the following:*

1. *CUC Indonesia includes "ICS-NOP" as one of the categories of organic operation for Grower Group operations.*
2. *CUC Indonesia's NOP certificate includes a place to list land that is "in conversion." Although CUC's procedure states that land that does not yet qualify as organic must not be listed on the NOP certificates, the auditor found one instance where the "in conversion" acreage was listed on the NOP certificate.*

**Corrective Action:** CUC amended the certificate template in their electronic system by removing the word "ICS" and the "In Conversion" language. This corrected certificate template has been in use since September 2021. A compliant certificate will be issued to each operation by the end of 2022 following their next inspection cycle. CUC submitted to the NOP a screenshot of an updated certificate template and the amended certificates for operations that had been issued noncompliant certificates.

**AIA-6299-21 - Accepted.** 7 C.F.R. §205.501(a)(3) states, "A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;"

**Comments:** *CUC Indonesia is not consistently carrying out the provisions of the Act and regulations. The auditors identified the following:*

1. *CUC Indonesia is not carrying out the provisions of §205.100(a) and listed multiple*

*entities on a single organic certificate. These entities are distinct processing operations, owned and managed by different entities, and must be certified separately.*

2. *CUC Indonesia has allowed the use of seeds treated with a prohibited substance to be used on an organic operation. The operator's OSP states that they wash the seed prior to planting, however the use of treated seed is prohibited under the USDA organic regulations.*

**Corrective Action:**

1. Regarding multiple entities on one organic certificate, CUC analyzed all NOP-certified operations and determined that 74 certificates contain more than one legal entity. CUC took the following actions:
  - a. CUC informed the relevant operations by phone and registered email about the issue. The information letter template and a list of relevant operations were submitted to NOP. The operations have been given time to make changes to their lease agreements and subcontractor contracts. All relevant operations will be brought into compliance by September 2023.
  - b. CUC updated the Contracting Instruction and OSP Review Instruction in order to clarify the requirements for the use of leased or rented facilities for organic production.
  - c. CUC amended its Certification Application form, which now requests more information about the applicant's units.
  - d. CUC added additional questions to its Application Assessment and OSP Assessment forms so that reviewers are prompted to identify leased production or processing units, which have to be certified individually.
  - e. CUC submitted the following updated documents to NOP: Instruction for contracting CONTR.ORG.W01(24), Application form ORGAPPL.F01(21), Instruction OSP review and approval OSPREV.ORG.W01, and OSP Review Assessment Form OSPREVAS F02(02) AUG 2021.
  - f. During the 2022 certification cycle, CUC will verify through inspection and review that the operations in question have required the other legal entities to apply for certification in their own right. If CUC's inspection and review finds that operations have not come into compliance, CUC plans to issue a notice of noncompliance to the operations and follow the NOP adverse action process, if necessary.
2. Regarding the use of "washed" treated seed by operations, CUC's investigation into the root cause of this case found that the treated seeds were incorrectly evaluated by CUC Indonesia as complying to §205.204(5). CUC informed its colleagues through CUSI news (CUC's internal communication system), that §205.204(5) does not apply to the use of treated seeds outside of the US when the treatment is required by the authority of the given country. A copy of the CUSI correspondence was submitted to NOP. CUC conducted staff training in October 2021 for all CUC offices regarding NOP requirements for Seeds, Annual Seedlings, and Planting Stock in Organic Crop Production. A copy of the training agenda and attendance list was provided to the NOP. CUC informed the operation that the treated seeds were incorrectly approved by CUC. The operator provided their corrective action to CUC that confirmed that the remaining seeds in stock

were removed from the company and there is no remaining product from treated seed in inventory to be sold.

CUC plans to use their annual internal program review of all offices to assess the adequate implementation of these corrective actions. CUC provided an example of the internal audit monitoring sheet that is used to document the internal audit, the findings, personnel interviewed, and the corrective actions.

**AIA-6300-21 - Accepted.** 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

**Comments:** *CUC Indonesia does not fully implement the criteria for grower group certification, as required by NOP Policy Memo 11-10 Grower Group Certification. The auditors' review of grower group certification files found that CUC Indonesia has approved the following practices:*

- 1. The members do not operate under a single Organic System Plan (OSP), and have different practices regarding inputs used, fertility management and pest control practices, and record-keeping systems.*
- 2. The members within a production unit do not share a common input supply.*
- 3. All members are not always located within geographic proximity, as defined by access to the same collection or post-harvest handling facility, and/or common soils, water source, slope, topography, or other physical features.*
- 4. The organic certificate covers products not grown by the grower group, but also crops purchased by the processing facility from other certified entities.*
- 5. An Internal Control System (ICS) that does not include many of the required elements, such as defined risk criteria to identify high-risk members, a description of sanctions, a provision for inclusion and exclusion of members or sub-units, how conflicts of interest are mitigated, details on the training requirements, a description of shared production practices and inputs, and clear policies or procedures to verify the group's compliance to the USDA organic regulations.*

**Corrective Action:** CUC amended the Inspection Instruction in their Organic Program Manual (INSP.ORG.W01, Edition 34; 2021JUL) to include a detailed description of how to evaluate the ICS according to NOP requirements. All CUC offices were trained on the Small Farmer Group (SFG) and Internal Control System (ICS) evaluation procedure and OSP review procedure in October/November 2021 and again in June/July of 2022, as described in their submitted Training Plan. The OSP's were reviewed and updated in December 2021, as a part of the OSP Review and Approval Process (OSPREV.ORG.W01). The updated OSP templates require that the ICS fill out one OSP for the entire group. This OSP includes an individual excel sheet for every production unit. During the OSP review, the OSP reviewer checks that the OSP describes the uniform practices of the group. If there are slight deviations because of localized cultural practices, it is identified in the OSP and noted as an area for inspection by the reviewer in the audit assessment forms. The OSP review procedure and evaluation of SFG and ICS will be monitored during the internal audits and the periodic monitoring of the reviewers (referred to as “certifiers”). In addition, CUC informed the grower group operation about the noncompliances, and the operator is required to complete and submitted the updated OSP by their next

anniversary date (October 2022). The updated versions of the OSP templates were provided to the NOP: ORGPLSS.F01(8)\_Organic\_System\_Plant\_Production\_2021DEC; USDAPRSS.F01(9)\_Organic\_System\_Plan\_Processing\_2021DEC; and ORGANSS.F01(9)\_Organic\_System\_Plan\_Livestock\_2021DEC

**AIA-6301-21 - Accepted.** 7 C.F.R. §205.403(c)(1) states, “The onsite inspection of an operation must verify: The operation's compliance or capability to comply with the Act and the regulations in this part;”

**Comments:** *CUC Indonesia’s inspectors do not fully verify an operation’s compliance with the USDA organic regulations. The auditor’s review of several certification files found that CUC Indonesia inspectors are not verifying an operation’s compliance with the USDA organic regulations as follows:*

- 1. For three inspection reports reviewed, the inspector failed to include evidence verifying the OSP. In each case, the inspector restated the operator’s OSP instead of providing evidence on how they verified the implementation of the plan. The auditor’s review found that verification evidence was missing for pest control practices, compost production records, input material use, documentation for seeds purchased, practices regarding international trade arrangements, and whether the operation immediately informs CUC of any concerns that may affect its compliance with the USDA organic regulations.*
- 2. For another inspection report reviewed, the inspector did not verify the operator’s use of a purge prior to processing organic product. The inspector did not adequately complete the sections of the checklist, which would have provided verification of whether the operation was complying with their cleaning procedure.*

**Corrective Action:** CUC submitted their plan for trainings scheduled through July 2022. According to the training plan, auditors (inspectors), certifiers (reviewers), and OSP reviewers will be trained on effective writing and reporting by July 2022. This training will emphasize how to provide adequate evidence in inspection reports. In addition, CUC trained certifiers in December 2021 on how to give instructive feedback to the auditors. OSP and OSP review assessment forms were reviewed and updated in December 2021 as described in the Organic Program Updates implementation plan submitted to NOP. The quality of the audit reporting will continue to be monitored by the certifiers and during the internal audits. CUC submitted their monitoring sheet as an example of how they will monitor the implementation of corrective actions. The internal auditor will provide their observations in the monitoring sheet and the certification staff will provide comment/feedback in response. If issues are discussed by phone, that conversation will be recorded in the monitoring sheet. Monitoring results will be shared with the Quality Team and L1 and L2 managers so that they can take further action if necessary.

**AIA-6302-21 - Accepted.** 7 C.F.R. §205.403(e)(2) states, “A copy of the on-site inspection report and any test results will be sent to the inspected operation by the certifying agent.”

**Comments:** *CUC Indonesia does not send operations a copy of their on-site inspection report. The auditors' review of certification files and interviews with staff found that operations are only sent a summary of the inspection, titled “Inspection and Certification Report,” which is completed by both the inspector and reviewer, and not the complete on-site inspection report.*

**Corrective Action:** CUC amended the Instruction for Certification (CERT.ORG.W01(36) 2021AUG) to require CUC personnel to send all relevant sections of the inspection report (referred to as assessment form) to the certified operation by registered mail. The updated instruction was submitted to NOP. CUC staff were informed about the requirements of §205.403(e)(2) and the updated instruction by CUSI news. The process of sending the on-site inspection report to operations following their inspection will be monitored by the scheme coordinator during CUC's periodic assessment of satellite offices and during internal audits.

**AIA-6303-21 - Accepted.** 7 C.F.R. §205.501(a)(2) states, "A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart."

**Comments:** *CUC Indonesia does not fully implement the NOP's international organic trade arrangement policies and procedures, which are outlined in the NOP's International Trade Policies resources. The auditors found the following:*

1. *For products exported under the US-Canada Organic Equivalency Arrangement, CUC Indonesia could not demonstrate that they are reviewing and approving all labels for products being exported to Canada.*
2. *CUC Indonesia has US - Canada equivalency verification procedures and verification prompts on the inspection report and OSP templates; however, information is not consistently recorded by operators on their OSP and verification by inspectors on inspection reports.*

**Corrective Action:** CUC updated their Handling OSP template and OSP Review and Approval Process documents that now ask questions related to compliance with the USCOEA agreement, including labelling requirements. Additionally, CUC updated Annex 8 of their instruction for certification (CERT.ORG.W01(39) 2022JAN), which explains how certifiers are to evaluate and certify products (including multi-ingredient products) under the USCOEA agreement. This instruction and the new OSP templates were submitted to the NOP. Certified handling operations will be using the new OSP templates by April 2023. All CUC offices were trained on the new OSP review procedure in December 2021. CUC sent all offices, via CUSI news, a reminder to check international compliance during OSP review and during the inspection. Evidence of the training and the CUSI news notification was provided to the NOP. Compliance with the OSP review procedure will be monitored during the internal audits and CUC's periodic monitoring of the reviewers. The operators who were reviewed during the last NOP Audit were issued a Notices of Noncompliance, which was provided to NOP.

**AIA-6305-21 - Accepted.** 7 C.F.R. §205.662(e)(1) states, "If the certified operation fails to correct the noncompliance, to resolve the issue through rebuttal or mediation, or to file an appeal of the proposed suspension or revocation of certification, the certifying agent or State organic program's governing State official shall send the certified operation a written notification of suspension or revocation."

**Comments:** *CUC Indonesia does not issue a written notification of suspension after an operation receives a proposed suspension and fails to resolve the issue through rebuttal or mediation, or to file an appeal. The auditors' review of four operations that were suspended from*

*organic certification and interviews with CUC Indonesia staff confirmed that these operations did not receive any written notice of suspension.*

**Corrective Action:** CUC carried out an on-line training in August 2021 for Indonesia, Sri Lanka and India offices regarding the Noncompliance and Adverse action procedure, including the topic of reinstatement of suspended operators. The other offices were re-trained on this topic in May 2022. The attendance list and screen shots of the training were provided to NOP. The Noncompliance and Adverse action procedure will be monitored during the internal audits and CUC's periodic monitoring of the certification processes.

**AIA-6306-21 - Accepted.** 7 C.F.R. §205.405(a)(1) 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. The notification of noncompliance shall provide: a description of each noncompliance."

**Comments:** *CUC Indonesia issued a Notice of Denial to an applicant without first issuing a Notice of Noncompliance, or a combined Notice of Noncompliance and Notice of Denial.*

**Corrective Action:** CUC carried out an on-line training on August 23, 2021 for Indonesia, Sri Lanka, and India offices regarding the Noncompliance and Adverse action procedure, including the topic of certification denials. The other offices were re-trained on this topic in December 2021. The attendance list and screen shots of the training were provided to NOP. The Noncompliance and Adverse action procedure will be monitored during the internal audits and CUC's periodic monitoring of the certification processes.

**AIA-6307-21 - Accepted.** 7 C.F.R. §205.501(a)(5) states "A private or governmental entity accredited as a certifying agent under this subpart must: Ensure that its responsibly connected persons, employees, and contractors with inspection, analysis, and decision-making responsibilities have sufficient expertise in organic production or handling techniques to successfully perform the duties assigned."

**Comments:** *CUC Indonesia does not consistently ensure that its inspectors and reviewers have sufficient expertise in organic production or handling techniques prior to performing the following activities:*

1. *Mass balance and traceability exercises. The mass balance and traceability exercises carried out by inspectors for 5 of 6 files reviewed were not adequate. The auditors identified the following issues:*
  - a. *For the mass balance exercises, it was not clear which records the inspector reviewed to determine the quantities of organic products received, used in processing, and sold and stored.*
  - b. *The audit trail template is not instructive enough for the inspector to demonstrate an adequate mass balance exercise for certified organic multi-ingredient products. The auditors reviewed inspection reports for one handler operation producing multi-ingredient products and determined that inspectors are not*

*calculating the quantities of organic products manufactured and sold, only the ingredients received, sold, and in inventory. Therefore, there is no verification that the quantities of processed products produced and sold are supported by the quantities of organic ingredients received and used in manufacturing.*

- c. For the traceability exercises, inspectors are only tracing ingredients back to the supplier, not finished product that has been sold or shipped back to the supplier of ingredients. In addition, the form used by inspectors to record their audit trail exercises does not provide sufficient instruction to the inspectors on how to carry out these exercises.*
- 2. Non-organic ingredient review. For two operations, there was no evidence that CUC Indonesia verified whether non-organic ingredients used in certified products comply with the National List annotation. In addition, there was no evidence that CUC Indonesia collects documentation, reviews it, and verifies that non-organic ingredients are not produced with genetically modified organisms, irradiation, and sewage sludge.*
- 3. Inspection report review. The auditor reviewed inspection reports for four operations and found these reports were incomplete, provided insufficient evidence, and/or did not align with the operation's OSP. CUC Indonesia's review of the inspection reports did not identify these discrepancies and so did not request additional information from the inspector or the operation to correct them.*
- 4. Issuing adverse action notices. In one proposed suspension file reviewed, CUC Indonesia issued a notice of proposed suspension on a notice of "combined noncompliance and proposed suspension" template.*
- 5. Label and product formula review. The auditors found the following issues regarding the review of labels and product formulas for multi-ingredient products:*
  - a. For one product, an ingredient on the product formulation was not listed on the label.*
  - b. For another product, an ingredient on the label was not listed on the product formulation.*
  - c. For one certified handler, there were no approved labels on file for the organic products listed on the organic certificate.*
  - d. For one certified handler, products are listed on the organic certificate as "Organic" but the non-organic ingredient in the product is used at greater than 5% and is not on the National List, 205.606.*

#### **Corrective Action:**

- 1. CUC reviewed their mass balance and traceability templates and updated them to include adequate instructions to inspectors. The new excel templates were submitted to the NOP with the corrective action. The certifiers and auditors were trained on mass balance calculations in October 2021 and the mass balance and audit trail course on the Organic Integrity Learning Center (OILC) was completed by most staff by October 2021. The remaining staff will take the OILC mass balance trainings by June 2022. CUC will monitor the performance of the auditor carrying out the mass balance calculations during periodic shadow audits.*
- 2. CUC updated the OSP template for handlers to ask for more detailed information*



regarding the use of ingredients and processing aids. The OSP now requests information on nonorganic ingredients and processing aids, including verification that the ingredients are produced without excluded methods, that they meet the specific annotation on the National List, if applicable, and the prompt for the operation to complete an application for the assessment and approval of the use of nonorganic ingredients. The new OSP also asks questions about the use of natural flavors and if they are used, a natural flavor questionnaire is required to be completed and submitted by the operation. The updated handler OSP template, the Vendor Declaration form (excluded method verification – (USDAVENDEC.F01(01)\_2021DEC), the natural flavor questionnaire (NAFLQU.USDA.F01(01) 2021MAR), and the nonorganic ingredient/processing aid application form (USDAAPPDER.205.606.F01(02)) were provided to the NOP.

3. CUC will train auditors in July 2022 on how to fill out assessment forms (inspection report templates) properly and how to provide detailed evidence. Certifiers were trained during December 2021 on how to give instructive feedback to the auditors.
4. CUC gave an on-line training on August 23, 2021 for Indonesia, Sri Lanka, and India offices regarding the Noncompliance and Adverse action procedure, including the topic of reinstatement of suspended operators. The other offices were re-trained on this topic May 2022. The attendee list was provided to NOP.
5. CUC updated the OSP templates and product specification templates to ask for clear and detailed information regarding the used ingredients and labels. CUC issued a Notice of Noncompliance to the operations in question and updated labels were obtained, reviewed, and approved by CUC personnel. CUC submitted the OSP templates, product specification templates, the notices of noncompliance, the updated labels and label approval forms to NOP.

CUC will be monitoring these issues and corrective action implementation during their internal audits.

## NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

### AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted an audit as part of the NOP's assessment of the Control Union Certifications' (CUC) organic program. The National Organic Program (NOP) reviewed the auditor's report to assess Control Union Peru S.A.C. (CUC PE)'s compliance to the USDA organic regulations. This report provides the results of NOP's assessment.

### GENERAL INFORMATION

<b>Name</b>	Control Union Peru S.A.C. (CUC PE)
<b>Physical Address</b>	Av. Petit Thouars 4653, Piso 06 Miraflores, Lima, PERU
<b>Mailing Address</b>	Av. Petit Thouars 4653, Piso 06 Miraflores, Lima, PERU
<b>Contact &amp; Title</b>	Mr. Alvaro Martinez, Director of Operations
<b>E-mail Address</b>	amartinez@controlunion.com
<b>Phone Number</b>	+51 1 7190400
<b>Reviewers &amp; Auditor</b>	Graham Davis, Callie Herron, NOP Reviewers; Lars Crail, On-site Auditor
<b>Program</b>	USDA National Organic Program (NOP)
<b>Review &amp; Audit Dates</b>	Corrective Action review: February 18, 2021 to March 16, 2021 NOP assessment review: July 2, 2020 Desk audit: April 28 – 30, 2020
<b>Audit Identifier</b>	NOP-11-20
<b>Action Required</b>	No
<b>Audit &amp; Review Type</b>	Satellite Office Audit (Desk Audit)
<b>Audit Objective</b>	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of CUC's certification system.
<b>Audit &amp; Determination Criteria</b>	<i>7 CFR Part 205, National Organic Program as amended</i>
<b>Audit &amp; Review Scope</b>	CUC PE's certification services in carrying out the audit criteria.

### CERTIFIER OVERVIEW:

The National Organic Program (NOP) conducted a desk audit of the Control Union Certifications (CUC) satellite office in Peru, Control Union Peru S.A.C. (CUC PE) on April 28 - 30, 2020.

CUC is a limited liability company with its main certification office in Zwolle, Netherlands, including nine satellite offices around the world. CUC was initially accredited for Crops, Livestock, Wild Crops, and Handling/Processing on October 18, 2002. CUC PE conducts key certification activities in Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador,

Mexico, Paraguay, Peru, Spain, Uruguay, and the United States. The CUC PE office is responsible for the certification of 749 operations. Certification services are performed by 9 Certification Officers and 48 staff inspectors.

## **NOP DETERMINATION**

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

Any noncompliance labeled as "**Cleared**," indicates that the corrective actions for the noncompliance are determined to be implemented and working effectively. Any noncompliance labeled as "**Accepted**" indicates acceptance of the corrective actions and verification of corrective action implementation will be conducted during the next audit.

### **Noncompliances from Prior Assessments**

#### **AIA-1168-20 (NOP-26-18.NC4) – Cleared**

**AIA-1165-20– Accepted.** (NOP-26-18.NC1) §205.662(a)(1)&(3) state, "... a written notification of noncompliance shall be sent to the certified operation. Such notification shall provide: A description of each noncompliance;...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:** *Notices of Noncompliance generated from the CUC automated database system do not consistently cite the USDA organic regulations and do not inform operators of their right to rebut a noncompliance. Response dates on some reviewed notices of noncompliances are the issue date of the notice. As a result, the operator is unable to respond to the noncompliance(s) with a rebuttal or corrective actions. CUC should be issuing a combined notice of noncompliance and proposed adverse action when correction is not possible.*

**Corrective Actions:** CUC submitted a notice of noncompliance template that includes a date by which an operation must respond to the notice with either corrective actions or a rebuttal. The template also includes the USDA organic regulation citation for the noncompliance. Since their audit, CUC has issued all notices manually. CUC will continue to do so until they have updated their internal software system (CUSI) to issue notices of noncompliance and adverse actions documents. CUC provided in-house training to their staff in Peru, United States, Europe, Africa, and Asia in the Fall of 2019. The training included a session on the issuance of notices of noncompliance and the adverse actions process. In addition, CUSI contains a feature called CUSI News which allows CUC to notify all their certification staff with instructions, updates, explanations, or changes to their certification documents. The system is designed to prevent staff from logging into the system until they have read CUSI News information. CUC is also developing a new e-learning software system and will include a module regarding issuing notices of noncompliance and adverse actions.

**Verification of Corrective Actions:** The auditor reviewed several issued noncompliances and found corrective actions implemented adequately. The current noncompliance template was implemented in January 2020. Training records show sessions occurred as planned in the Fall 2019. Verification of corrective action implementation at additional CUC offices is needed.

**AIA-1166-20 – Accepted.** (NOP-26-18.NC2) §205.662(c)(1) and (3) states, “The notification of proposed suspension or revocation of certification shall state: (1) The reasons for the proposed suspension or revocation; (3) The impact of a suspension or revocation on future eligibility for certification;”

**Comments:** *Notices of proposed suspension do not consistently state the reason for suspension or the impact of suspension. The applicable noncompliance is not referenced in the notice of suspension. The notice of proposed suspension has no statement informing the operation of a suspension’s impact on current or future certification.*

**Corrective Actions:** CUC’s revised their notice of proposed suspension template and their combined notice of noncompliance and proposed suspension. Both templates state the reason for suspension, the applicable noncompliance, and the impact of suspension on current and future certification. CUC provided in-house training to their staff in Peru, United States, Europe, Africa, and Asia in the Fall of 2019. The training included a session on the issuance of notices of noncompliance and the adverse actions process. In addition, CUSI contains a feature called CUSI News which allows CUC to notify all their certification staff with instructions, updates, explanations, or changes to their certification documents. The system is designed to prevent staff from logging into the system until they have read CUSI News information. CUC is also developing a new e-learning software system and will include a module regarding issuing notices of noncompliance and adverse actions.

**Verification of Corrective Actions.** The auditor reviewed proposed suspensions and found corrective actions implemented adequately. The current noncompliance template was implemented in November 2019. Training records show sessions occurred as planned in the Fall 2019. Verification of corrective action implementation at additional CUC offices is needed.

**AIA-1167-20 – Accepted.** (NOP-26-18.NC3) 7 C.F.R. §205.504(b)(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; its ability to fully comply with and implement the organic certification program established in §§205.100 and 205.101, §§205.201 through 205.203, §§205.300 through 205.303, §§205.400 through 205.406, and §§205.661 and 205.662; and its ability to comply with the requirements for accreditation set forth in §205.501: ...A copy of the procedures to be used to evaluate certification applicants, make certification decisions, and issue certification certificates.”

**Comments:** *The following issues were identified by a review of CUC’s policies and procedures:*

- 1. The CUC NOP Procedure Manual incorrectly states the process for suspending certified operations.*
- 2. The CUC NOP Procedure Manual incompletely states the re-instatement process for suspended operations.*

3. *Organic System Plan templates lack information for operations to comply with §205.201(a)(3), a plan of monitoring practices and procedures to verify that their plans are effectively implemented.*
4. *Inspection Report templates lack information for inspectors to record verification of an operation's compliance to §205.201(a)(3).*
5. *Verification of the corrective actions for prior issued noncompliances are not consistently recorded by inspectors due to the inspection checklist/report template lacking instructions and/or a section for them to do so.*

**Corrective Actions:** CUC has revised its organic program manual. CUC's program manual correctly states the process for suspending certified operations and the re-instatement process for suspended operations. CUC revised its OSP templates to include information regarding an operation's monitoring practices. CUC revised its auditor worksheet templates to include a section that requires inspectors to verify an operation's monitoring plan as well as corrective actions for any prior issued noncompliances. An Administrator from CUC's Peru office will review a percentage of records from each of CUC satellite offices monthly to ensure new templates are consistently being used. CUC provided in-house training to their staff in Peru, United States, Europe, Africa, and Asia in the Fall of 2019. The training included a session OSP review instructions, inspection instructions, and the adverse actions process. In addition, CUSI contains a feature called CUSI News which allows CUC to notify all their certification staff with instructions, updates, explanations, or changes to their certification documents. The system is designed to prevent staff from logging into the system until they have read CUSI News information.

**Verification of Corrective Actions:** The auditor reviewed current procedures and completed inspection reports and found corrective actions implemented adequately. Training records show sessions occurred as planned in the Fall 2019. Verification of corrective action implementation at additional CUC offices is needed.

**AIA-1169-20 – Accepted.** (NOP-26-18.NC5) 7 C.F.R. § 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."

**Comments:** *CUC was unable to demonstrate that notifications are sent via a delivery service which provides dated return receipts.*

**Corrective Actions:** CUC started using a delivery receipt service (RMail) when sending out email notifications to operations. CUC informed all its satellite offices a delivery service is required when issuing noncompliances and adverse actions notifications. CUC has revised its procedure with respect to client communication. It now requires each CUC office to use RMail when issuing notices. CUC's office in Peru is monitoring all satellite offices to ensure each one is issuing notices using RMail.

**Verification of Corrective Actions:** The auditor reviewed several notifications subject to the requirements of §205.660(d) and found no issues. Verification of corrective action implementation at additional CUC offices is needed.

**AIA-1170-20 – Accepted.** (NOP-26-18.NC6) 7 C.F.R. § 205.501(a)(7) states, “A private or governmental entity accredited as a certifying agent under this subpart must: have an annual program review of its certification activities conducted by the certifying agent's staff, an outside auditor, or a consultant who has expertise to conduct such reviews...”

**Comments:** *CUC is not conducting an annual program review that assess whether their NOP certification program and activities are compliant with the USDA organic regulations and NOP policies.*

**Corrective Actions:** CUC hired a consulting company to conduct an internal program review of CUC's NOP Accreditation Program. Moving forward, all of CUC's satellite offices will receive an annual program review by the end of 2020. CUC submitted a spreadsheet that lists each of its satellite offices and which month in 2020 and internal program review will occur there. CUC has revised its policy to ensure that each satellite office has a program review every year.

**Verification of Corrective Actions:** The auditor reviewed CUC PE's last annual program review which was conducted by a consultant in June 2019 which demonstrated an adequate internal review of CUC PE's certification program. Verification of corrective action implementation at additional CUC offices is needed.

**AIA-1171-20 – Accepted.** (NOP-26-18.NC7) 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: ... Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670.” §205.406(a)(3) states, “To continue certification, a certified operation must annually pay the certification fees and submit the following information, as applicable, to the certifying agent: An update on the correction of minor noncompliances previously identified by the certifying agent as requiring correction for continued certification...”

**Comments:** *CUC is not requesting that certified operations provide the status of accepted, but unverified corrective actions, when submitting annual updates.*

**Corrective Actions:** CUC revised its OSP templates to include a section for renewal clients to address the status of corrective actions for previous noncompliances. CUC's OSP templates now require operations to have all corrective actions available at inspections to verify compliance and to submit responses to any unresolved issues for review prior to their upcoming inspection. An Administrator from CUC's Peru office will review a percentage of records from each of CUC satellite offices monthly to ensure new templates are consistently being used.

**Verification of Corrective Actions:** Updated annual templates for clients are implemented for the 2020 certification cycle. Verification of corrective action implementation at additional CUC offices is needed.

**AIA-1172-20 – Accepted.** (NOP-26-18.NC8) 7 CFR § 205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must....Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart:”

**Comments:** *Interviews with CUC certification staff, certification record reviews, and multiple on-site findings identified by the auditor, demonstrate that certification staff lack knowledge to adequately implement the certification program according to USDA organic regulations and NOP policies. The following is a list of issues identified:*



1. *Inconsistent use of citing the USDA organic regulations and NOP policies when identifying issues of concern and issued noncompliances.*
2. *Many noncompliance and adverse action records were not available or could not be obtained. The CUC database could generate a draft copy for review, but not the original documents. CUC could not demonstrate that all copies sent to the NOP were in English.*
3. *Certification fee estimates sent to operations do not include inspector expenses such as lodging and meals. These expenses are later recovered by CUC in the final invoice sent to operators. CUC does not provide operations with a cost estimate (offer letter) for the total cost of annual certification each year. CUC provides a cost estimate when an operation applies for certification and in subsequent years if the updated OSP does not change significantly, no cost estimate is sent (§205.642).*
4. *CUC did not demonstrate a complete understanding of NOP 2613 “Responding to Results from Pesticide Residue Testing.” Operations are notified of test result availability in the CUC online portal account only when detections are identified. Furthermore, a determination statement of product compliance is not included in the notification (e.g. your product may be sold or not). Investigation of the cause/source of contamination is inconsequential as the operation is suspended within three days without assessment and solely based on test results.*
5. *A witness audit of a certified “Wild Crops” operation revealed that the operation should be certified to the “Crops” scope. The operation employs tillage to promote the plant growth.*
6. *CUC inspectors do not provide the operation with a sample receipt at the time of sample collection. The receipt is uploaded to the operation’s online portal for review and no notification of its availability is provided to the operation (§205.402(e)(1)).*

**Corrective Actions:** CUC is now able to print original documents for noncompliance and adverse action notices through the CUSI software system. CUC created detailed instructions on this process in their organic program manual. CUC revised their offer letter to a detailed cost estimate. CUC has amended the procedures on responding to results of residual testing. The procedure now states if no residuals are detected, clients are notified of the results in the “Inspection and Certification Report” and are informed that their products may be sold as ‘Organic’. If residuals are detected, clients are immediately notified of the detection and whether or not their product(s) can be sold as ‘Organic’. All CUC employees have been (re)trained on these procedures and have been notified of these changes via CUSI News. CUC’s NOP Wild Crop Guidance has been updated to include a definition of wild crop, examples of where wild crop harvesting do not apply, what an inspector is to look for in a Wild Crop Organic Compliance Plan, and a link to the USDA NOP Program Handbook for Wild Crop Guidance. CUC personnel have been (re)trained on Wild Crop procedures and have been notified of these changes to CUC’s guidance via CUSI News. CUC’s pesticide residue sampling procedure now requires inspectors to provide a receipt for the sample. CUC has amended its procedures on responding to results of residual testing and it is compliant with NOP2613. CUC employees have

been informed of these changes via CUSI News. CUC hired consultants with extensive knowledge of the USDA organic regulations to provide training to all their staff members. Initial training for CUC's staff took place at CUC's Netherlands office on April 29th - May 3rd. Training by the consultants began in June 2019 at CUC's satellite office in Peru. Certification staff attended the trainings that lasted for 5 days and covered adverse actions, audit trail verification, mass balance audits and residual sample testing protocol and procedures. These sessions include Q&A sessions to cover several aspects of organic certification. Additional on-line and on-site training has been scheduled for CUC's staff throughout 2020.

**Verification of Corrective Actions:** CUC has implemented all corrective actions and no issues were identified by the auditor. Training for certification personnel occurred as planned according to auditor requested records and interviews with CUC certification personnel. Verification of corrective action implementation at additional CUC offices is needed.

**AIA-1173-20 – Accepted.** (NOP-26-18.NC9) 7 C.F.R. §205.501(a)(3) states, “A private or government entity accredited as a certifying agent under this subpart must:...Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;...”

**Comments:** *As part of CUC's 2018 renewal audit, a witness audit was conducted at a livestock operation in Bulgaria on October 17, 2018. A review of the livestock operation's records revealed that it was certified without a crops scope, which does not comply with the USDA organic regulations. The organic system plan does not include required elements for the pasture and hay listed on the organic certificate.*

**Corrective Actions:** CUC is reviewing all livestock clients to determine which ones are not certified to the Crops scope. Those clients will be forwarded the crop production OSP with their livestock packet for their next inspection. Certifiers, certifier assistants, and auditors are going through training to ensure that livestock applicants receive both the livestock and crop production applications on an annual basis. CUC's instructions now read: When applying for certification to the livestock scope, the applicant must also be certified to the crops scope. Procedures for this dual application have been written into CUC's contracting instruction as well as their OSP review instructions. CUC revised their Livestock Application (Organic System Plan template) and inspector checklist. Their Livestock OSP now includes instructions for their clients to complete a Crops (OSP). CUC's inspector checklist has been revised to require the inspector to verify that livestock clients have completed both applications when applying or renewing their certification. CUC hired a consulting company to provide training to all their staff members. CUC provided the schedule for the upcoming training sessions in 2020 for both administration and staff members at all their satellite offices.

**Verification of Corrective Actions:** The auditor reviewed several ruminant livestock operation certificates and found them to be certified to the Crops scope. The auditor reviewed one livestock operation and found the OSP to contain ruminant livestock requirements. CUC certification personnel training on this topic was conducted in October 2019. Verification of corrective action implementation at additional CUC offices is needed.

**AIA-1174-20 – Accepted.** (NOP-26-18.NC10) 7 C.F.R. §205.662(c) states, “When rebuttal is unsuccessful, or correction of the noncompliance is not completed within the prescribed time period, the certifying agent or State organic program's governing State official shall send the



certified operation a written notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance...”

**Comments:** *In August and November of 2018, the NOP received appeals from two operations certified by CUC. In both appeals, the NOP Appeals Division determined that CUC issued notices of proposed suspension without first issuing notices of noncompliance and did not provide sufficient evidence to illustrate the basis for the proposed suspension.*

**Corrective Actions:** CUC rescinded both notices of proposed suspension and issued each operation a notice of noncompliance. CUC submitted a revised notice of proposed suspension template that requires CUC staff to indicate when the notice of noncompliance was sent to the operation. CUC Peru staff has been through training regarding the requirement to issue a notice of noncompliance prior to issuing a notice of proposed suspension or notice of proposed revocation. CUC has developed training materials for their satellite offices so that they follow the same process. CUC submitted a training schedule for its satellite offices that occurred in 2019. CUC also submitted the schedule for upcoming training sessions in 2020 for both administration and staff members at all their satellite offices that didn't receive training in 2019.

**Verification of Corrective Actions:** Training on this topic occurred according to Auditor interviews with CUC personnel and review of training records. A review of several proposed suspensions revealed that CUC properly issued a noncompliance with each one. Verification of corrective action implementation at additional CUC offices is needed.

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

**AIA-1403-20 - Accepted.** 7 C.F.R. §205.501(a)(4) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Use a sufficient number of adequately trained personnel, including inspectors and certification review personnel, to comply with and implement the organic certification program established under the Act and the regulations in subpart E of this part;”

**Comments:** *CUC PE does not consistently use adequately trained personnel to comply with and implement its USDA organic certification program. The auditor's interview with a certification officer and review of CUC's label assessment form found that staff lack knowledge of the labeling requirements of §205.300.*

**Corrective Action:** CUC updated the following documents and submitted the documents to the NOP:

- *Annex 2: Procedure for approval of Labels of Products* in the CU Organic Program Manual (Edition 2) includes detailed information on labeling requirements of §205.300.
- *USDA-NOP Label Assessment Form* (Edition 5) includes a product information section and an assessment section that indicates which elements of the label are mandatory and which are optional.

On October 7, 2020, CUC PE trained staff on labeling requirements and labeling assessments. CUC will hold similar trainings at satellite offices worldwide during the last quarter of 2020. CUC submitted the training record and presentation to the NOP. On October 9, 2020, CUC notified all staff working with the USDA-NOP program via CUSI NEWS of the updated documents. Staff were instructed to use the updated documents immediately.

**AIA-1404-20 - Accepted.** 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;”

**Comments:** *CUC PE is not carrying out the provisions of the Act and regulations in the following manner:*

- *CUC’s Label Approval/Compliance Checklist does not adequately capture labeling requirements to assess label compliance.*
- *Notice of Noncompliance issued to certification applicants incorrectly indicates that noncompliances are “Conditions for Continued Certification.”*
- *In one Crops Organic System Plan (OSP) of a livestock operation, the operation did not adequately describe its compliance to the natural resources and biodiversity requirement in sufficient detail to be measurable and verified. CUC failed to review the operation’s application, including OSP, to ensure completeness pursuant to §205.401.*
- *Notices of Proposed Suspension and Combined Notices of Noncompliance and Proposed Suspension do not include a proposed effective date of suspension.*

**Corrective Action:** CUC updated the following documents and submitted the documents to the NOP:

- *USDA-NOP Label Assessment Form* (Edition 5) includes information on labeling requirements and prompts staff to refer to *Annex 2: Procedure for approval of Labels of Products*. The updated form includes a product information section and an assessment section that indicates which elements of the label are mandatory and which are optional.
- *Notice of Noncompliance* template (Edition 02.1) does not include the statement “Conditions for Continued Certification.”
- *Crops OSP* (Edition 06.2) and *Livestock OSP* (07.3) forms include a specific section on monitoring practices for natural resources and biodiversity. During an October 7, 2020 training, CUC PE trained staff to ensure that a description of practices is included in submitted OSPs. CUC also revised the *Organic Plant Production Unit Inspector Assessment Form* by adding Item U1.1f, which prompts inspectors to assess procedures and monitoring practices for natural resources and biodiversity. CUC submitted the updated form (Version 7.2) to the NOP.
- *Notice of Proposed Suspension* (Edition 01.1) and *Combined Notice of Noncompliance and Proposed Suspension* (Edition 01.1) templates include a proposed effective date of suspension.

On October 7, 2020 CUC PE trained staff on the above changes. CUC will hold similar trainings at satellite offices worldwide during the last quarter of 2020. On October 9, 2020, CUC notified all staff working with the USDA-NOP program via CUSI NEWS of the updated documents. Staff were instructed to use the updated documents immediately. CUC submitted the staff notification and CUC PE training record and presentation to the NOP.

**AIA-1405-20 - Accepted.** 7 C.F.R. §205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart.”

**Comments:** *CUC's organic system plan forms do not demonstrate that CUC fully complies with the requirements of §205.201(a)(3). CUC's Livestock and Crops OSP templates do not prompt or request the operation to describe monitoring practices for natural resources and biodiversity.*

**Corrective Action:** CUC added Chapter 8 *Natural Resources and Biodiversity Conservation* to their Crops OSP form (Edition 06.2) and their Livestock OSP form (07.3) and submitted the updated forms to the NOP. The updated forms prompt operations to provide information on their monitoring practices for natural resources and biodiversity.

## NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

### AUDIT AND REVIEW PROCESS

An onsite renewal assessment of Control Union Certifications (CUC) organic program was conducted on October 26 – November 2, 2018. The National Organic Program (NOP) reviewed the auditor's report to assess CUC's compliance to the USDA organic regulations. This report provides the results of NOP's assessment.

### GENERAL INFORMATION

<b>Applicant Name</b>	Control Union Certifications (CUC)
<b>Physical Address</b>	Meeuwenlaan 4-6, 8011 BZ, Zwolle, Ad Zwolle 8000 Netherlands
<b>Mailing Address</b>	Meeuwenlaan 4-6, 8011 BZ, Zwolle, Ad Zwolle 8000 Netherlands
<b>Contact &amp; Title</b>	Alvaro Martinez, Director of Operations (Acting NOP Scheme Manager)
<b>E-mail Address</b>	amartinez@controlunion.com
<b>Phone Number</b>	+511 7190400
<b>Reviewer(s) &amp; Auditor(s)</b>	Graham Davis, NOP Reviewer Lars Crail & Jason Lopez, On-site Auditors
<b>Program</b>	USDA National Organic Program (NOP)
<b>Review &amp; Audit Date(s)</b>	NOP Corrective Action review: May 28, 2019 NOP assessment review: March 14, 2019 Onsite audit: October 26 – November 2, 2018
<b>Audit Identifier</b>	NOP-26-18
<b>Action Required</b>	Yes
<b>Audit &amp; Review Type</b>	Renewal Assessment
<b>Audit Objective</b>	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of [ACA acronym]'s certification system.
<b>Audit &amp; Determination Criteria</b>	7 CFR Part 205, National Organic Program as amended
<b>Audit &amp; Review Scope</b>	CUC's certification services in carrying out the audit criteria during the period: September 2015 through October 2018

The National Organic Program (NOP) conducted an onsite renewal assessment of Control Union Certifications (CUC) on October 29 through November 1, 2018 at CUC's main office in Zwolle, Netherlands.

CUC is a limited liability company with its main certification office in Zwolle, Netherlands. CUC satellite offices are established in Peru, Korea, Turkey, Indonesia, South Korea, Ethiopia, Israel, Sri Lanka, and India.

CUC was accredited for all scopes as a certifying agent on October 18, 2002. CUC's current

accreditation cycle ended October 18, 2017 and its continued accreditation has been pending with the completion of the renewal assessment. At the time of the onsite renewal assessment, CUC certifies worldwide 1764 operations: Crops (1071), Wild Crops (11), Livestock (38) and Handler/Processor/Exporters (1673). CUC certifies 504 grower groups.

The onsite midterm accreditation assessment occurred September 21-25, 2015 and was followed by a compliance assessment on February 13-14, 2017. Corrective Actions for prior issued noncompliances were verified during the compliance assessment.

Witness audits conducted during the renewal assessment: Crops and Handling operation in the Dominican Republic on February 21, 2018; Wilds Crops operation in Spain on October 15, 2018; and, a Livestock operation in Bulgaria on October 17, 2018.

## **NOP DETERMINATION:**

NOP reviewed the onsite audit results to determine whether CUC'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 Identified during the Current Assessment and Corrective Actions**

**NOP-26-18.NC1 – Accepted.** §205.662(a)(1)&(3) state, "... a written notification of noncompliance shall be sent to the certified operation. Such notification shall provide: A description of each noncompliance;...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:** *Notices of Noncompliance generated from the CUC automated database system do not consistently cite the USDA organic regulations and do not inform operators of their right to rebut a noncompliance. Response dates on some reviewed notices of noncompliances are the issue date of the notice. As a result, the operator is unable to respond to the noncompliance(s) with a rebuttal or corrective actions. CUC should be issuing a combined notice of noncompliance and proposed adverse action when correction is not possible.*

**Corrective Actions:** CUC submitted a notice of noncompliance template that includes a date by which an operation must respond to the notice with either corrective actions or a rebuttal. The template also includes the USDA organic regulation citation for the noncompliance. Since their audit, CUC has issued all notices manually. CUC will continue to do so until they have updated their internal software system (CUSI) to issue notices of noncompliance and adverse actions documents. CUC provided in-house training to their staff in Peru, United States, Europe, Africa, and Asia in the Fall of 2019. The training included a session on the issuance of notices of noncompliance and the adverse actions process. In addition, CUSI contains a feature called CUSI News which allows CUC to notify all their certification staff with instructions, updates, explanations, or changes to their certification documents. The system is designed to prevent staff from logging into the system until they have read CUSI News information. CUC is also

developing a new e-learning software system and will include a module regarding issuing notices of noncompliance and adverse actions.

**NOP-26-18.NC2 – Accepted.** §205.662(c)(1) and (3) states, “The notification of proposed suspension or revocation of certification shall state: (1) The reasons for the proposed suspension or revocation; (3) The impact of a suspension or revocation on future eligibility for certification;”

**Comments:** *Notices of proposed suspension do not consistently state the reason for suspension or the impact of suspension. The applicable noncompliance is not referenced in the notice of suspension. The notice of proposed suspension has no statement informing the operation of a suspension’s impact on current or future certification.*

**Corrective Actions:** CUC’s revised their notice of proposed suspension template and their combined notice of noncompliance and proposed suspension. Both templates state the reason for suspension, the applicable noncompliance, and the impact of suspension on current and future certification. CUC provided in-house training to their staff in Peru, United States, Europe, Africa, and Asia in the Fall of 2019. The training included a session on the issuance of notices of noncompliance and the adverse actions process. In addition, CUSI contains a feature called CUSI News which allows CUC to notify all their certification staff with instructions, updates, explanations, or changes to their certification documents. The system is designed to prevent staff from logging into the system until they have read CUSI News information. CUC is also developing a new e-learning software system and will include a module regarding issuing notices of noncompliance and adverse actions.

**NOP-26-18.NC3 – Accepted.** 7 C.F.R. §205.504(b)(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; its ability to fully comply with and implement the organic certification program established in §§205.100 and 205.101, §§205.201 through 205.203, §§205.300 through 205.303, §§205.400 through 205.406, and §§205.661 and 205.662; and its ability to comply with the requirements for accreditation set forth in §205.501: ...A copy of the procedures to be used to evaluate certification applicants, make certification decisions, and issue certification certificates.”

**Comments:** *The following issues were identified by a review of CUC’s policies and procedures:*

- 1. The CUC NOP Procedure Manual incorrectly states the process for suspending certified operations.*
- 2. The CUC NOP Procedure Manual incompletely states the re-instatement process for suspended operations.*
- 3. Organic System Plan templates lack information for operations to comply with §205.201(a)(3), a plan of monitoring practices and procedures to verify that their plans are effectively implemented.*
- 4. Inspection Report templates lack information for inspectors to record verification of an operation’s compliance to §205.201(a)(3).*

5. *Verification of the corrective actions for prior issued noncompliances are not consistently recorded by inspectors due to the inspection checklist/report template lacking instructions and/or a section for them to do so.*

**Corrective Actions:** CUC has revised its organic program manual. CUC's program manual correctly states the process for suspending certified operations and the re-instatement process for suspended operations. CUC revised its OSP templates to include information regarding an operation's monitoring practices. CUC revised its auditor worksheet templates to include a section that requires inspectors to verify an operation's monitoring plan as well as corrective actions for any prior issued noncompliances. An Administrator from CUC's Peru office will review a percentage of records from each of CUC satellite offices monthly to ensure new templates are consistently being used. CUC provided in-house training to their staff in Peru, United States, Europe, Africa, and Asia in the Fall of 2019. The training included a session OSP review instructions, inspection instructions, and the adverse actions process. In addition, CUSI contains a feature called CUSI News which allows CUC to notify all their certification staff with instructions, updates, explanations, or changes to their certification documents. The system is designed to prevent staff from logging into the system until they have read CUSI News information.

**NOP-26-18.NC4 – Accepted.** 7 C.F.R. §205.501(a)(16) states, "Charge applicants for certification and certified production and handling operations only those fees and charges for certification activities that it has filed with the Administrator;"

**Comments:** *CUC was unable to demonstrate that the current certification fee schedule was provided to the NOP.*

**Corrective Actions:** CUC has created a policy to explain certification costs at each satellite office. CUC now requires each of its satellite offices to submit any changes to its fee schedule to CUC's NOP Scheme Coordinator by August 15<sup>th</sup>. CUC will submit all changes to each satellite office's fee schedule with its annual report to the NOP (due in October every year). CUC's internal audit will verify if CUC submitted an update fee schedule to the NOP and that each satellite office submitted its fee schedule to CUC's Scheme Coordinator.

**NOP-26-18.NC5 – Accepted.** 7 C.F.R. § 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."

**Comments:** *CUC was unable demonstrate that notifications are sent via a delivery service which provides dated return receipts.*

**Corrective Actions:** CUC started using a delivery receipt service (RMail) when sending out email notifications to operations. CUC informed all its satellite offices a delivery service is required when issuing noncompliances and adverse actions notifications. CUC has revised its

procedure with respect to client communication. It now requires each CUC office to use RMail when issuing notices. CUC's office in Peru is monitoring all satellite offices to ensure each one is issuing notices using RMail.

**NOP-26-18.NC6 – Accepted.** 7 C.F.R. § 205.501(a)(7) states, “A private or governmental entity accredited as a certifying agent under this subpart must: have an annual program review of its certification activities conducted by the certifying agent's staff, an outside auditor, or a consultant who has expertise to conduct such reviews...”

**Comments:** *CUC is not conducting an annual program review that assess whether their NOP certification program and activities are compliant with the USDA organic regulations and NOP policies.*

**Corrective Actions:** CUC hired a consulting company to conduct an internal program review of CUC's NOP Accreditation Program. Moving forward, all of CUC's satellite offices will receive an annual program review by the end of 2020. CUC submitted a spreadsheet that lists each of its satellite offices and which month in 2020 and internal program review will occur there. CUC has revised its policy to ensure that each satellite office has a program review every year.

**NOP-26-18.NC7 – Accepted.** 7 C.F.R. §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: ... Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670.” §205.406(a)(3) states, “To continue certification, a certified operation must annually pay the certification fees and submit the following information, as applicable, to the certifying agent: An update on the correction of minor noncompliances previously identified by the certifying agent as requiring correction for continued certification...”

**Comments:** *CUC is not requesting that certified operations provide the status of accepted, but unverified corrective actions, when submitting annual updates.*

**Corrective Actions:** CUC revised its OSP templates to include a section for renewal clients to address the status of corrective actions for previous noncompliances. CUC's OSP templates now require operations to have all corrective actions available at inspections to verify compliance and to submit responses to any unresolved issues for review prior to their upcoming inspection. An Administrator from CUC's Peru office will review a percentage of records from each of CUC satellite offices monthly to ensure new templates are consistently being used.

**NOP-26-18.NC8 – Accepted.** 7 CFR § 205.501(a)(2) states, “A private or governmental entity accredited as a certifying agent under this subpart must....Demonstrate the ability to fully comply with the requirements for accreditation set forth in this subpart:”

**Comments:** *Interviews with CUC certification staff, certification record reviews, and multiple on-site findings identified by the auditor, demonstrate that certification staff lack knowledge to adequately implement the certification program according to USDA organic regulations and NOP policies. The following is a list of issues identified:*



1. *Inconsistent use of citing the USDA organic regulations and NOP policies when identifying issues of concern and issued noncompliances.*
2. *Many noncompliance and adverse action records were not available or could not be obtained. The CUC database could generate a draft copy for review, but not the original documents. CUC could not demonstrate that all copies sent to the NOP were in English.*
3. *Certification fee estimates sent to operations do not include inspector expenses such as lodging and meals. These expenses are later recovered by CUC in the final invoice sent to operators. CUC does not provide operations with a cost estimate (offer letter) for the total cost of annual certification each year. CUC provides a cost estimate when an operation applies for certification and in subsequent years if the updated OSP does not change significantly, no cost estimate is sent (§205.642).*
4. *CUC did not demonstrate a complete understanding of NOP 2613 “Responding to Results from Pesticide Residue Testing.” Operations are notified of test result availability in the CUC online portal account only when detections are identified. Furthermore, a determination statement of product compliance is not included in the notification (e.g. your product may be sold or not). Investigation of the cause/source of contamination is inconsequential as the operation is suspended within three days without assessment and solely based on test results.*
5. *A witness audit of a certified “Wild Crops” operation revealed that the operation should be certified to the “Crops” scope. The operation employs tillage to promote the plant growth.*
6. *CUC inspectors do not provide the operation with a sample receipt at the time of sample collection. The receipt is uploaded to the operation’s online portal for review and no notification of its availability is provided to the operation (§205.402(e)(1)).*

**Corrective Actions:** CUC is now able to print original documents for noncompliance and adverse action notices through the CUSI software system. CUC created detailed instructions on this process in their organic program manual. CUC revised their offer letter to a detailed cost estimate. CUC has amended the procedures on responding to results of residual testing. The procedure now states if no residuals are detected, clients are notified of the results in the “Inspection and Certification Report” and are informed that their products may be sold as ‘Organic’. If residuals are detected, clients are immediately notified of the detection and whether or not their product(s) can be sold as ‘Organic’. All CUC employees have been (re)trained on these procedures and have been notified of these changes via CUSI News. CUC’s NOP Wild Crop Guidance has been updated to include a definition of wild crop, examples of where wild crop harvesting do not apply, what an inspector is to look for in a Wild Crop Organic Compliance Plan, and a link to the USDA NOP Program Handbook for Wild Crop Guidance. CUC personnel have been (re)trained on Wild Crop procedures and have been notified of these changes to CUC’s guidance via CUSI News. CUC’s pesticide residue sampling procedure now requires inspectors to provide a receipt for the sample. CUC has amended its procedures on responding to results of residual testing and it is compliant with NOP2613. CUC employees have

been informed of these changes via CUSI News. CUC hired consultants with extensive knowledge of the USDA organic regulations to provide training to all their staff members. Initial training for CUC's staff took place at CUC's Netherlands office on April 29th - May 3rd. Training by the consultants began in June 2019 at CUC's satellite office in Peru. Certification staff attended the trainings that lasted for 5 days and covered adverse actions, audit trail verification, mass balance audits and residual sample testing protocol and procedures. These sessions include Q&A sessions to cover several aspects of organic certification. Additional on-line and on-site training has been scheduled for CUC's staff throughout 2020.

**NOP-26-18.NC9** - 7 C.F.R. §205.501(a)(3) states, "A private or government entity accredited as a certifying agent under this subpart must:...Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670;..."

**Comments:** *As part of CUC's 2018 renewal audit, a witness audit was conducted at a livestock operation in Bulgaria on October 17, 2018. A review of the livestock operation's records revealed that it was certified without a crops scope, which does not comply with the USDA organic regulations. The organic system plan does not include required elements for the pasture and hay listed on the organic certificate.*

**Corrective Actions:** CUC is reviewing all livestock clients to determine which ones are not certified to the Crops scope. Those clients will be forwarded the crop production OSP with their livestock packet for their next inspection. Certifiers, certifier assistants, and auditors are going through training to ensure that livestock applicants receive both the livestock and crop production applications on an annual basis. CUC's instructions now read: When applying for certification to the livestock scope, the applicant must also be certified to the crops scope. Procedures for this dual application have been written into CUC's contracting instruction as well as their OSP review instructions. CUC revised their Livestock Application (Organic System Plan template) and inspector checklist. Their Livestock OSP now includes instructions for their clients to complete a Crops (OSP). CUC's inspector checklist has been revised to require the inspector to verify that livestock clients have completed both applications when applying or renewing their certification. CUC hired a consulting company to provide training to all their staff members. CUC provided the schedule for the upcoming training sessions in 2020 for both administration and staff members at all their satellite offices.

**NOP-26-18.NC10 – Accepted.** 7 C.F.R. 205.662(c) states, "When rebuttal is unsuccessful, or correction of the noncompliance is not completed within the prescribed time period, the certifying agent or State organic program's governing State official shall send the certified operation a written notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance..."

**Comments:** *In August and November of 2018, the NOP received appeals from two operations certified by CUC. In both appeals, the NOP Appeals Division determined that CUC issued notices of proposed suspension without first issuing notices of noncompliance and did not provide sufficient evidence to illustrate the basis for the proposed suspension.*

**Corrective Actions:** CUC rescinded both notices of proposed suspension and issued each operation a notice of noncompliance. CUC submitted a revised notice of proposed suspension template that requires CUC staff to indicate when the notice of noncompliance was sent to the operation. CUC Peru staff has been through training regarding the requirement to issue a notice of noncompliance prior to issuing a notice of proposed suspension or notice of proposed revocation. CUC has developed training materials for their satellite offices so that they follow the same process. CUC submitted a training schedule for its satellite offices that occurred in 2019. CUC also submitted the schedule for upcoming training sessions in 2020 for both administration and staff members at all their satellite offices that didn't receive training in 2019.

394 crop, and 197 processing/handling certifications. CUC certifies 226 grower groups, mostly for crops and a few wild crops.

CUC is also accredited for the EU for the EC 834/2007 and 889/2008 Standards, Bio-Suisse for Switzerland organic certification standards, JAS for the Japanese organic standards, Organic Korea FIPA Food Industry Promotion Act, and Global Gap.

CUC's Accreditation Renewal Assessment was completed on October 26, 2012 by NOP accreditation auditors. The final report on this assessment cited eight new noncompliances and five outstanding noncompliances from CUC's 2010 Mid-Term Assessment. On February 11, 2013, the NOP issued a Notice of Noncompliance to CUC. On March 18, 2013, CUC submitted corrective actions for noncompliances cited in report NP2353AKA. In response to NOP requests for additional information, CUC submitted final corrective actions on November 8, 2013.

## FINDINGS

Documents and records reviewed determined that the CUC has adequately addressed noncompliances NP2177ACA.NC1 – 8 identified during the 2012 accreditation renewal assessment. In addition, CUC corrective actions adequately addressed 5 outstanding noncompliances, NP0099ACA.NC1 – 5, remaining from CUC's 2010 mid-term assessment. Verification of CUC's corrective actions will be determined at the next on-site audit.

**NP0099ACA.NC1 – Accepted** – NOP §205.401 states, “A person seeking certification of a production or handling operation under this subpart must submit an application for certification to a certifying agent. The application must include the following information: (a) an organic production or handling plan, as required in §205.200.” and NOP 205.402 (a) states, “Upon acceptance of an application for certification, a certifying agent must: (1) Review the application to ensure completeness pursuant to §205.401.”

- *A review of a Thailand file found that on page 7 of the OSP identified use of Pyrethrum insect killer to treat for Aphids and Thrips on seed plants and it described that “since we produce seed as organic product, the application of those materials are conducted directly to other plant parts and only a very small amount might be remained on the fruit skin. Seed after removed from fruit must be clean thoroughly during processing.” OSP's for the farms did not include records.*
- *One farm in Thailand added two new processing units and the only information in the file beyond the original OSP for the client was when new units were added the only information in the file is the processing unit floor plan and a very generic “Process specification of organic processing unit” which identifies the name and location of the processing unit, briefly describes the process (generic), and references various records. The inspection report did not indicate that the two added processing units were inspected or if they were just added to the certificate.*

**Corrective Actions (2010):** CUC has implemented additional OSP review procedures to clarify that OSP's must be reviewed and approved by a certifier prior to scheduling inspections. To assist OSP review and inspections, CUC developed a certification checklist to monitor certification activities, including review of recordkeeping. With regard to the insecticide identified in the OSP, CUC determined that the Pyrethrum used on the seed plants is a

nonsynthetic substance that is allowed for use on organic crops according to NOP regulation requirements in § 205.206(e). CUC has provided the OSP and inspection reports on the added Thailand farm processing units. The 10/08/10 inspection verified that the Thailand farm is operating in compliance with the NOP regulations. CUC also provided instruction to their Thailand inspectors on the requirement for comprehensive annual inspections of all facilities and fields described in OSP. CUC has updated their quality manual to include the OSP review procedures and certification checklist. **Renewal Assessment Finding (October 2012):** There is no clear procedure for the initial review of OSPs and their subsequent approval prior to the onsite inspection. Although it is known that it is the responsibility of the inspector to approve OSPs prior to inspection, there is no objective evidence that this is being done and on what date. The OSP has a section in which the date received, date reviewed, assessment decision, and reviewer are to be documented, but only five of the fifteen files reviewed had this section completed and scanned and uploaded into the CUSI system. Additionally, there was no objective evidence documenting when the inspector who reviewed an OSP asked the client for additional information because an OSP was not complete or if a portion was not compliant to the rule. **Corrective Action (2012):** For new applicants, CUC reviews and approves OSPs before scheduling inspections. By December 1, 2013, CUC will complete implementation of its amended quality manual procedures on reviewing OSP's to record review dates, staff responsible and OSP approval in the CUC database. Staff certifiers (reviewers) will be trained on the amended procedures prior to implementation. After implementation, to prevent noncompliances CUC will assess staff performance to verify whether the amended procedures are effective. Staff will also record reviewer requests for additional information from applicants / certified operations on incomplete OSP's into the CUC database. A copy of the database tracking system was provided.

**NP0099ACA.NC2 – Accepted** - NOP §205.402(c) states, “The applicant may withdraw its application at any time...” *CUC does not have a procedure for withdrawal of an application by a client nor does the fee schedule reference any liability by the client for costs of services provided up to the time of withdrawal of its application.* **Corrective Actions (2010):** CUC developed procedures for application withdrawals, including providing instruction on not issuing Notice of Noncompliance or Denial of Certification when clients withdraw applications. CUC also updated its fee schedule to include fees for recovering certification costs when clients withdraw applications. CUC has updated their quality manual to include the application withdrawal procedures and updated fee schedule. **Renewal Assessment Finding (October 2012):** The fee schedule was updated with the statement “Applicants who withdraw their application prior to certification will be responsible for all charges incurred to the point of withdrawal.” However, since CUC charges all fees in one lump sum prior to inspection, the issue of what portion of those fees will be refunded to the applicant is not addressed. **Corrective Action (2012):** In November 2013, CUC began implementing its amended fee schedule which stated fee liability at the time of withdrawal. The amended fee schedule indicates that if an application is withdrawn before fees are due, CUC will not access fees. CUC requires applicants to submit annual inspection and certification fees prior to the inspection. The amended fee schedule also indicates that if an application is withdrawn after the inspection, CUC will not refund fees. To prevent noncompliances, CUC will verify the effectiveness of the amended procedures through frequent monitoring and program reviews.

**NP0099ACA.NC3 – Accepted** – NOP §205.501(a)(9) states, “Maintain all records pursuant to §205.510(b) and make all such records available for inspection and copying during normal business hours by authorized representatives of the Secretary...” *Complete files for several clients were not available on CUC’s CUSI database and could not be obtained during the time-frame of the on-site office audit.* **Corrective Actions (2010):** CUC implemented procedures to update and complete client certification record files. The status of client certification record files will be monitored with the CUC certification checklist. CUC has updated their quality manual to include the recordkeeping procedures and changed their internal audit procedures to monitor the maintenance of client files. **Renewal Assessment Finding (October 2012):** The CUC certification checklist is specific to the CUC certifier’s “review” of the inspection report, and does not provide assurance of a complete file in the CUSI system. At the time of this assessment, CUC could not consistently demonstrate that the CUSI system contained all documents for a complete certification cycle – from OSP receipt with attachments, OSP review, inspection report and attachments, material review and approval, label review and approval, noncompliance proceedings (including CUC staff review of the inspection report for confirmation of “potential” non-compliances identified by the inspector and subsequent corrective actions from the client, to final certification decision. **Corrective Action (2012):** On November 3, 2013, CUC initiated implementation of its translation process to ensure all file contents are translated and available for audit review. CUC also amended its database record system to include staff recording of OSP reviews, inspections, certification decisions, and noncompliance actions. CUC provided a copy of its database model. To prevent this noncompliance, CUC will use an “external assessment USDA” checklist item within the CUC database system where the program manager will determine if the reviewers have completed updating an operation’s records into the CUC database. The program manager will also ensure files are translated to facilitate file availability.

**NP0099ACA.NC4 – Accepted** – NOP §205.403(d) states, “The inspector must also address the need for any additional information as well as any issues of concern.” and NOP §205.662(a) states, “When an inspection, review, or investigation of a certified operation by a certifying agent 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...” *Inspectors in countries outside of Holland are issuing non-compliances to the clients with a date to be corrected. Then, the certifying officer in that country is issuing a notice of non-compliance, corrective action notice, and the letter of resolution at the same time.* **Corrective Actions (2010):** CUC has amended their inspection procedures to indicate inspectors can propose noncompliances to be either confirmed or denied by the CUC certifier. When confirmed, the CUC certifier issues the NOP Notice of Noncompliance to the client. CUC has updated their quality manual to include the amended inspection procedures and Notice of Noncompliance procedures. **Renewal Assessment Finding (October 2012):** Review of noncompliance letters clearly demonstrates that CUC is not complying with §205.662(a)(1), “Such notification shall provide: (1) a description of each noncompliance....” CUC non-compliance letters provide the facts upon which a non-compliance is based, but does not provide a description of the non-compliance (including NOP citation of violation). **Corrective Action (2012):** In November 2013, CUC updated its notice of noncompliance template to include the specific NOP regulation citation for each noncompliance listed in a CUC Notice of Noncompliance. To prevent this noncompliance, CUC will add NOP regulation citations to the appropriate sections of its

database so that the NOP regulation citations will be included in notices of noncompliance generated by CUC's database system.

**NP0099ACA.NC5 – Accepted** – NOP §205.662 (c) states, "...The notification of proposed suspension or revocation of certification shall state: (1) The reasons for the proposed suspension or revocation; (2) The proposed effective date of such suspension or revocation; (3) The impact of a suspension or revocation on future eligibility for certification; and (4) The right to request mediation pursuant to §205.663 or to file an appeal pursuant to §205.681." *CUC has sent certified operations a letter stating they have been suspended and it did not contain all the elements for proposed suspension required by §205.662(c)(1)-(4).* **Corrective Actions (2010):** CUC developed a Notice of Proposed Suspension template which meets information requirements described in § 205.662(c). The CUC quality manual has been updated to include instruction on using the template and issuing NOP Notices of Proposed Suspension. **Renewal Assessment Finding (October 2012):** Only one proposed suspension letter was provided for review during the audit. This letter, issued from the CUC/Peru office, states, "Control Union Certifications wants to call your attention to the fact that to date we have received no evidence of corrective action on nonconformities (see attached), or, documentation or evidence received is insufficient to resolve nonconformities. As a result, we are required by our accreditation to propose a suspension of your certification." First, the nonconformities attachment, if even applicable for this notice, was not provided for review. Second, the date of this letter was Oct 11, 2012 and the previous information in the file showed that the inspection cycle occurred mid-2012 with all nonconformities identified as "settled" in June 2012. It is unclear for what reason the proposed suspension was issued, if all previous nonconformities were cleared. The NC remains outstanding, as Control Union was unable to demonstrate effective implementation of corrective action. **Corrective Action (2012):** On November 1, 2013, CUC began implementing its amended procedures to issue Notice of Proposed Suspension to operations when corrective actions for noncompliances are insufficient or inadequate. To prevent this noncompliance, CUC will use its data base to automate its process to reduce staff error. The template of the proposed suspension letter that will be generated by the CUC database system includes information required by the NOP regulations.

**NP2253AKA.NC1 – Accepted** - NOP §205.402(a)(2) states, "Upon acceptance of an application for certification, a certifying agent must: Determine by a review of the application materials whether the applicant appears to comply or may be able to comply with the applicable requirements of subpart C of this part." *The Ugandan government has issued a phytosanitary requirement mandating that all cotton seeds planted must be treated with Bronopol, a prohibited substance. A certified operation in this country that is planting cotton treated with Bronopol is representing that product as organic to NOP standards by providing a copy of the NOP certificate with product. The ACA approved the use of these treated seeds based on the interpretation of §205.204(a)(5) allowing seeds treated with a prohibited substance to be used for organic production if required by Federal or State phytosanitary regulations. However, this exception only applies to the United States, therefore, the product produced by these seeds is not eligible to be represented as organic according to the NOP standard.* **Corrective Action:** CUC issued a notice of noncompliance and accepted the operations corrective action to withdraw the fields receiving treated seed from certification. CUC provided a copy of its October 21, 2013, amended procedures which indicated that phytosanitary regulations under section 205.204(a)(5)

applies only to the US Federal government or to US State government. In October 2013, CUC distributed its amended procedures and instruction to staff on not allowing treated seed to be used for organic crop production. CUC will report on the effectiveness and implementation in its annual program report.

**NP2253AKA.NC2 – Accepted** - NOP §205.403(c)(1, 2, 3) states, “Verification of Information. The on-site inspection must verify: (1) The operation’s compliance or capability to comply with the Act and the regulations in this part; (2) 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; (3) That prohibited substances have not been and are not being applied to the operation....”

- *At 2 witness inspections, inspectors did not have a copy in the OSP of the label used in order to verify the CUC-approved label against the label used on-site.*
- *At 1 witness inspection, the inspector did not review labels on-site (bulk pepper boxes), which displayed a non-compliant USDA seal. The inspector included this as a “finding” on the non-compliance summary report given to the client at the end of the inspection; however, was aware of the issue only after the NOP auditor brought it to his attention.*
- *At 2 witness inspections, the inspector did not properly verify materials used; specifically, active ingredients of fertilization and insecticide materials were not reviewed. In two cases, the NOP auditor questioned active ingredients in materials the inspector thought to be approved; the inspector did not have an issue with the ingredients and also did not refer to the NOP materials list before making such decision (though he had a copy of the materials list with him on-site). So that the client was aware, as well as the inspector and the CUC-staff member in attendance, the NOP auditor discussed the materials on-site with prohibited active ingredients. The inspector then listed these materials in the non-compliance summary after the inspection.*
- *At 1 witness inspection, the certified operation did not have an implemented measure to prevent commingling of organic oil with conventional oil during the receiving stage of the process; the tanks were allowed to drain completely, but this could leave approximately 2% of conventional oil in the tank (residue along the insides). This issue was not identified by the inspector as a concern during the on-site inspection.*
- *At 2 witness inspections, covering 3 different areas of production, there were no audit trail exercises conducted to verify traceability is in place and/or that organic outgoing product does not exceed incoming.*

**Corrective Action:** In November 2013, CUC amended its OSP template to request more detailed information on labels and materials used by operations to improve its label review and material review procedures. CUC also provided additional instruction for its reviewers to ensure label reviews are included in the OSP review. CUC also amended its OSP review checklist for verifying labels, and audit trail documentation. In November 2013, CUC conducted training for inspectors on label review, material review, audit trail analysis, and commingling assessments.



**NP2253AKA.NC3 – Accepted** - NOP§205.404 (b)(1),(3) states, “The certifying agent must issue a certificate of organic operation which specifies the: (1) Name and address of the certified operation; ...(3) Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation...” *Certificates do not bear the full address of the certified operation, only the city and state. The full address is included on the annex which lists certified products, but not on the certificate proper. The scope of the certified operation (Crop, Wild Crop, Livestock, Handling) is not present on the certificate.* **Corrective Action:** In November 2013, CUC began issuing certificates that indicated the appropriate certification scope (crops, wild crops, livestock, handling) on all NOP certificate issued to operations. The amended certificate also includes the complete address of the operation. CUC provided a copy of the amended NOP certificate issued to a client on October 11, 2013. To prevent this noncompliance, CUC will modify its database programming used to generate the certificates to include the appropriate scope on the issued certificate. A copy of the certificate template was provided.

**NP2252AKA.NC4 – Accepted** – NOP §205.404(c) states, “Once certified a production or handling operation’s organic certification continues in effect until surrendered by the organic operation or suspended or revoked by the certifying agent, the State organic program’s governing State official, or the Administrator.” *The organic certificate includes the following statement, “This certificate is in force until further notice, provided that the above-mentioned client continues meeting the conditions as laid down in the client contract with Control Union Certifications.” A client receives up to 3 different documents that make up the Terms of Contract; specifically: Procedure Manual Annex A3 Terms of Contract, Annex 16 CU Inspection Regulation, and Chapter 3 – Additional rules for the certification program: Organic Production Methods (USDA NOP). Review of the multiple conditions provided in the Terms of Contract demonstrate there are a number of contract requirements that go above and beyond the NOP regulations; for example, Annex A3 section 12.3 states, “The Agreement can be terminated by the Company (CUC) with immediate effect by written notice to the Principal (operation) without having to take a notification period into account in any case if: (i) the Principal has acted contrary to terms of the Agreement and/or the terms of the Documents; ... (iii) the Principal is entered into bankruptcy or if a filing for its bankruptcy has been requested or if it has been granted a suspension of payments; (iv) the Principal fails to pay any amount it owes to the Company within one month after the expiration of the payment deadline...” So, based on this contract, if a certified operation declares bankruptcy or if the operation does not pay their fee, they have broken their contract; per the statement on the certificate, if the client breaks the contract then they are no longer certified. This is not a compliant practice for NOP certification. Below are additional examples of contract requirements that would invalidate the organic certificate if the client does not “continue meeting the conditions...”:*

- *Annex 16 CU Inspection Regulation:*
  - *Article 7 – Register complaints and remedial actions: The client shall safeguard that all complaints received...are centrally registered.*
  - *Annex 2 Conditions for publication and use of the Certification Logo, article 12 – “When the Certificate-holder does not respect these conditions for use of certification logos... CU can take the following measurements (actions): suspension or withdrawal of the Certificate.”*
- *Procedure Manual Annex A3*

- *Section 3.1 – Obligations and restrictions of the Principal: The Principal must report any change or discontinuation in a production method or unit which is included in the certification program immediately to the Company.*
- *Section 13 – Appeals: this section (13.1-4) details requirements that the Principal must follow if an appeal is desired. There is no information in the contract for NOP clients regarding appeal process, or indication that the appeals requirements in the contract do not apply to NOP clients.*

**Corrective Action:** On November 8, 2013, CUC provided copies of its database assessment system model showing how only NOP regulation requirements will be applied to NOP certification. The system is designed to ensure staff will not implement additional requirements beyond NOP regulation requirements. CUC will review its quality management system to identify additional program requirements applicable to other standards to ensure that these standards will not be applied to NOP certification. CUC also amended its certificate template to add the statement “once certified, a production or handling operation's organic certification continues in effect until surrendered, suspended or revoked.” CUC’s Notice of Proposed Suspension / Revocation template states information on the right to appeal.

**NP2253AKA.NC5 – Accepted** – NOP §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: (3) 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.” *All certificates reviewed verified CUC allows certification of multiple distinct and separate operations under the scope of one certificate. Further, the “certified entity” represented is a project owner or manager that oversees the individual production and processing units listed – together – on one overall certificate; however, this project owner/manager does not have an OSP, is not inspected, and is only – as noted – the overseer of the whole certification project.* **Corrective Action:** CUC provided a copy of its October 19, 2013 amended certification procedures and contract process to ensure that non-grower group individual production and processing operations are certified according to NOP regulation requirements. The procedures stipulate that all units, including project owners, must provide an OSP and be inspected annually. CUC is provided instruction for staff during implementation of the amended procedures. To prevent this noncompliance, CUC will continually monitor the effectiveness of these procedures through program review and internal audits.

**NP2253AKA.NC6 – Accepted** - NOP §205.501(a)(11)(v) states, “Prevent conflicts of interest by: Requiring all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions and all parties responsibly connected to the certifying agent to complete an annual conflict of interest disclosure report.” *The Director and Deputy Director do not have a Conflict of Interest Disclosure reports on file. They are not involved in the certification process, however they perform performance evaluations and management reviews and are therefore responsibly connected parties. Additionally, one inspector did not have a current Conflict of Interest Disclosure report on file. The most current was dated in 2011.* **Corrective Action:** CUC provided copies of the signed conflict of interest forms that were not available during the 2012 audit. On November 18, 2013, CUC provided evidence of the amendment of its quality system procedures ensuring that all personnel

associated with NOP certification will sign annual conflict of interest forms, including the CUC Director, Deputy Director and local managers.

**NP2253AKA.NC7 – Accepted** – NOP §205.501(a)(11)(vi) states, “A private or governmental entity as a certifying agent under this subpart must: (11) Prevent conflicts of interest by: (vi) Ensuring that the decision to certify an operation is made by a person different from those who conducted the review of documents and on-site inspection.” *Interviews with inspectors and certifier(s), as well as review of the Procedure Manual 4 – Inspections, demonstrated that CUC has a system in place that allows for the inspector to be involved in the certification process once the inspection is completed. To clarify: the inspector conducts the OSP review prior to inspection; the inspector inspects the operation; then after the inspection, Procedure Manual 4 states: Non-conformities are registered in the database by the inspector or certifier to monitor timely follow-up by the client; the Certifier or Inspector monitors pending non-conformities, using a reminder system. Based on interviews, review of procedures, and reviewing the CUSI system, it is clear the inspectors are involved in citing non-compliances to the operations and also responsible for reviewing and approving the corrective actions. The certifier plays a minimal role in “checking” the inspector’s work; but this is not an in-depth review of the report, clients’ labels or material review, and/or evaluation of non-compliances against the inspector’s observations. Ultimately, the inspector plays a major role in every step of the certification process, except the signing of the certificate. Corrective Action:* CUC provided a copy of its amended quality manual procedure on NOP certification, completed October 19, 2013, indicating CUC reviewers will evaluate the inspection report and certification documents when determining certification decisions. The amended procedures also indicated inspectors will not determine NOP certification decisions. During review of the inspection report, the certifier will evaluate the inspection findings for noncompliances. When noncompliances are identified, the certifier will issue a notice of noncompliance to the operation. During the exit interview, at the conclusion of the inspection, the inspector will provide the operation with the inspection findings, including any potential noncompliance. The completed procedures will also state that CUC certifiers will review and approve noncompliance corrective actions.

**NP2253AKA.NC8 – Accepted** - NOP §205.504(b)(6) states, “A private or governmental entity seeking accreditation as a certifying agent must submit the following documents...A copy of the procedures to be used for sampling and residue testing pursuant to §205.670.” *There is no clear procedure for sampling and residue testing pursuant to 205.670. The document “Evaluation of Inspection Results & Certification,” an instruction for certifiers, outlines NOP requirements for exclusion from organic sale (labeling of organic products) when prohibited substances are detected at greater than 5% of EPA’s tolerance for the specific residue, but does not indicate that EPA is to be informed if levels exceed the 5% tolerance. The same procedures described above are mentioned in the document “Inspection Regulations Chapter 3- Additional USDA/NOP” but the same deficiencies apply. Corrective Action:* CUC provided a copy of its October 19, 2013 amended NOP certification instruction on NOP regulation requirements in sampling and residue testing. The amended instruction indicates CUC staff will annually sample at least five percent of NOP certified operations, and costs for testing to be paid by CUC. The instruction also states that CUC will conduct an investigation when residue testing indicates the presence of a prohibited substance(s).

## NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

### AUDIT AND REVIEW PROCESS

An onsite audit of Control Union Certification's satellite office in Turkey was conducted on July 17, 2017. The National Organic Program (NOP) reviewed the auditor's report to assess Control Union Certifications' compliance to the USDA organic regulations. This report provides the results of NOP's assessment.

### GENERAL INFORMATION

<b>Applicant Name</b>	Control Union Gözetim Ve Belgelendirme Ltd. Şti.
<b>Physical Address</b>	Kazımdirik Mah. 372/20 Sk. No:19 Bornova, İzmir, Turkey
<b>Mailing Address</b>	Kazımdirik Mah. 372/20 Sk. No:19 Bornova, İzmir, Turkey
<b>Contact &amp; Title</b>	Ms. Tugce Cerci, Certification Manager
<b>E-mail Address</b>	tcerci@controlunion.com
<b>Phone Number</b>	+90 533 044 7038
<b>Reviewer(s) &amp; Auditor(s)</b>	Graham Davis, NOP Reviewer; Lars Crail and Mark Bradley, Onsite Auditors
<b>Program</b>	USDA National Organic Program (NOP)
<b>Review &amp; Audit Date(s)</b>	Corrective actions review: January 30, 2018 NOP assessment review: August 24, 2017 Onsite audit: July 17, 2017
<b>Audit Identifier</b>	NP7198LCA
<b>Action Required</b>	None
<b>Audit &amp; Review Type</b>	Satellite Office Assessment
<b>Audit Objective</b>	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of CUC's certification system.
<b>Audit &amp; Determination Criteria</b>	7 CFR Part 205, National Organic Program as amended
<b>Audit &amp; Review Scope</b>	CUC's certification services in carrying out the audit criteria.

Control Union Certifications' satellite office (CUC Turkey) is located in Izmir, Turkey. CUC Turkey conducts all key activities with oversight from CUC's main office in the Netherlands.

CUC Turkey manages certification activities in the following countries: Turkey, Bulgaria, Greece, Republic of Moldova, Russian Federation, and United Arab Emirates. CUC Turkey manages 81 certified operation with the following scopes: Crops (4), Wild Crops (5), Livestock (1), and Handlers (77). CUC Turkey certifies 40 grower groups.

Fifteen individuals work at or from the CUC Turkey office. There is one Certification Manager/Certifier, one additional Certifier (i.e. reviewer/decision maker), five Certifier Assistants, and eight staff inspectors. CUC Turkey offers certification services for the European Union and Turkey organic regulations; and several food safety certifications.

## **NOP DETERMINATION**

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

**NP7198LCA.NC1 – Accepted.** 7 C.F.R. §205.501(a)(4) states, "A private or governmental entity accredited as a certifying agent under this subpart must: Use a sufficient number of adequately trained personnel, including inspectors and certification review personnel, to comply with and implement the organic certification program established under the Act and the regulations in subpart E of this part; ...."

**Comments:** *The auditors observed the following situations that indicated CUC Turkey staff did not have sufficient knowledge and understanding of the USDA organic regulations and NOP policies:*

- *One retail label reviewed by the auditor was noncompliant, and the certifier identified the label as compliant.*
- *Certifiers had difficulty identifying the restrictions for using citric acid in processed products (i.e. produced by microbial fermentation of carbohydrate substances).*
- *Certifiers had difficulty identifying whether the salt used in a processed product was compliant and did not include prohibited flow agents.*

**2017 Corrective Actions:** CUC reassessed the noncompliant label, and issued a notice of noncompliance to the operation. CUC updated their instructions for planning and carrying out inspections (INSP.ORG.W01). Section 4 contains instructions for reviewing product ingredients and processing aids. CUC revised their product specification form (ORGPRSS.F02) in order to verify that non-agricultural ingredients and processing aids are in compliance with the restrictions. CUC conducted an internal training on label and product composition requirements for CUC staff on September 20, 2017.

## NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

### AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted a witness audit of a Control Union Certifications (CUC) certified operation. An onsite witness audit was conducted, and the audit report reviewed to determine CUC's capability to continue operating as a USDA accredited certifier.

### GENERAL INFORMATION

<b>Applicant Name</b>	Control Union Certifications (CUC)
<b>Physical Address</b>	Meeuwenlaan 4-6, 8011 BZ ZWOLLE, P.O. Box 161, Dr. Klinkertweg 28A, Ad Zwolle, 8000, Netherlands
<b>Mailing Address</b>	Meeuwenlaan 4-6, 8011 BZ ZWOLLE, P.O. Box 161, Dr. Klinkertweg 28A, Ad Zwolle, 8000, Netherlands
<b>Contact &amp; Title</b>	Daniel Szalai, Program Manager
<b>E-mail Address</b>	<a href="mailto:dszalai@controlunion.com">dszalai@controlunion.com</a>
<b>Phone Number</b>	31 038 426 01 00
<b>Reviewer Auditor</b>	Jason Lopez, NOP Reviewer Lars Crail, Onsite Auditor.
<b>Program</b>	USDA National Organic Program (NOP)
<b>Review Date</b>	NOP assessment review: February 9, 2017
<b>Audit Date</b>	Onsite audit: October 5, 2016
<b>Audit Identifier</b>	NP6278LCA
<b>Action Required</b>	None
<b>Audit &amp; Review Type</b>	Witness Audit Assessment
<b>Audit Objective</b>	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of CUC's certification.
<b>Audit &amp; Determination Criteria</b>	7 CFR Part 205, National Organic Program as amended
<b>Audit &amp; Review Scope</b>	CUC's certification services in carrying out the audit criteria.

### ORGANIZATIONAL STRUCTURE:

CUC is a limited liability company with a main certification office located in Zwolle, Netherlands. CUC sub-offices are located in Peru, Korea, Turkey, Indonesia, South Korea, Ethiopia, Israel, Sri Lanka, and India. The Indian sub-office maintains its own accreditation with the Indian government under the US/India recognition agreement. CUC was accredited as a certifying agent to perform certification activities on behalf of the USDA under the National Organic Program (NOP) on October 18, 2002 for the scopes of crops, livestock, wild crops, and handling.

#### **SUMMARY OF WITNESS AND REVIEW AUDITS CONDUCTED:**

The NOP auditor conducted a one day witness audit of an annual announced inspection of a CUC honey processor/handler in Izyaslav, Ukraine. This operation is also certified to the Livestock scope for the beekeeping. This witness audit was conducted on the handling certification scope. The honey operation was first certified in September 2014. The operation is only NOP certified and a very small percentage of honey products processed are organic. All product, both organic and nonorganic is exported. Organic products are sold in consumer containers with retail labels, but the majority of organic product is sold as bulk in 50 gallon drums. The inspection was completed in one day, and the inspection was conducted in Russian with an English translator.

#### **NOP DETERMINATION:**

NOP also reviewed the corrective actions submitted as a result of noncompliances issued from Findings identified during the onsite audit.

#### **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.

**NP6278LCA.NC1** – 7 C.F.R. §205.501(a)(21) states, “Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” NOP 2603, Organic Certificates, Section 3.1, indicates the elements of an organic certificate.

**Comments:** *The following Control Union Certification organic certificate elements are incorrect or missing on the certificates issued to operations:*

1. *The certificate does not list an anniversary date.*
2. *“Effective Date” is not used, instead the date is listed as “Date of certification.”*
3. *Specific product and/or brand name(s) are not listed.*

**Corrective Action:** CUC amended its NOP organic certificate template to include dates properly identified as an “Effective Date” and “Anniversary Date.” CUC also amended its organic certification instruction document to clearly state that all products must be individually listed on the certificate and grouping was not allowed. CUC notified and trained its staff on these changes on February 27, 2017. On December 16, 2016, CUC archived the noncompliant organic certificate template in its centralized system.

## NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

### AUDIT AND REVIEW PROCESS

The National Organic Program (NOP) conducted a mid-term assessment of Control Union Certifications (CUC). An onsite audit was conducted, and the audit report reviewed to determine CUC's capability to continue operating as a USDA accredited certifying agent. This report provides the results of the mid-term assessment and review of CUC's corrective actions.

### GENERAL INFORMATION

<b>Applicant Name</b>	Control Union Certifications (CUC)
<b>Physical Address</b>	Meeuwenlaan 4-6, 8011 BZ Zwolle, Netherlands
<b>Mailing Address</b>	P. O. Box 161, 8000 AD, Zwolle, Netherlands
<b>Contact &amp; Title</b>	Daniel Szalai, Program Manager
<b>E-mail Address</b>	dszalai@controlunion.com
<b>Phone Number</b>	0031 38 426 0115
<b>Reviewer</b>	Jason Lopez, NOP Reviewer
<b>Auditors</b>	Penny Zuck and Lars Crail, On-site Auditors.
<b>Program</b>	USDA National Organic Program (NOP)
<b>Review</b>	NOP assessment review: October 17, 2016
<b>Audit Dates</b>	Onsite audit: September 21 - 25, 2015
<b>Audit Identifier</b>	NP5264PZA
<b>Action Required</b>	No
<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 CUC's certification system.
<b>Audit &amp; Determination Criteria</b>	7 CFR Part 205, National Organic Program as amended
<b>Audit &amp; Review Scope</b>	CUC's certification services in carrying out the audit criteria during the period: September, 2012 through September, 2015

### ORGANIZATIONAL STRUCTURE:

Control Union Certifications (CUC) is a limited liability company with a main certification office located in Zwolle, Netherlands. CUC's Indian sub-office maintains its own accreditation with the Indian government under the US/India recognition agreement. CUC became an accredited certifying agent of the National Organic Program (NOP) on October 18, 2002 for the scopes of crops, livestock, wild crops, and handling. CUC certifies 1055 operations consisting of 7 livestock, 15 wild crop, 677 crop, 1021 processing/handling, and 345 grower group certifications. This mid-term assessment included a review audit of a Broker/Trader/Handler, a witness inspection of a crop operation, and a witness inspection of a processing operation.



## **NOP DETERMINATION:**

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

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

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

**NP0099ACA.NC1 – Cleared**  
**NP0099ACA.NC2 – Cleared**  
**NP0099ACA.NC3 – Cleared**  
**NP0099ACA.NC4 – Cleared**  
**NP0099ACA.NC5 –Cleared**  
**NP2253AKA.NC1 – Cleared**  
**NP2253AKA.NC3 – Cleared**  
**NP2253AKA.NC5 - Cleared**  
**NP2253AKA.NC6 – Cleared**  
**NP2253AKA.NC7 – Cleared**  
**NP2253AKA.NC8 – Cleared**  
**AIA14279RK.NC1 – Cleared**

**NP2253AKA.NC2 – Accepted** - NOP §205.403(c)(1, 2, 3) states, “Verification of Information. The on-site inspection must verify: (1) The operation’s compliance or capability to comply with the Act and the regulations in this part; (2) 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; (3) That prohibited substances have not been and are not being applied to the operation....”

#### **2012 Comments:**

- *At 2 witness inspections, inspectors did not have a copy, in the OSP, of the labels used in order to verify the CUC-approved label against the label used on-site.*
- *At 1 witness inspection, the inspector did not review labels on-site (bulk pepper boxes), which displayed a non-compliant USDA seal. The inspector included this as a “finding” on the non-compliance summary report given to the client at the end of the inspection; however, was aware of the issue only after the NOP auditor brought it to his attention.*
- *At 2 witness inspections, the inspector did not properly verify materials used; specifically, active ingredients of fertilization and insecticide materials were not*

*reviewed. In two cases, the NOP auditor questioned active ingredients in materials the inspector thought to be approved; the inspector did not have an issue with the ingredients and also did not refer to the NOP materials list before making such decision (though he had a copy of the materials list with him on-site). So that the client was aware, as well as the inspector and the CUC-staff member in attendance, the NOP auditor discussed the materials on-site with prohibited active ingredients. The inspector then listed these materials in the non-compliance summary after the inspection.*

- At 1 witness inspection, the certified operation did not have an implemented measure to prevent commingling of organic oil with conventional oil during the receiving stage of the process; the tanks were allowed to drain completely, but this could leave approximately 2% of conventional oil in the tank (residue along the inside). The inspector did not identify this issue as a concern during the on-site inspection.*
- At 2 witness inspections, covering 3 different production areas, there were no audit trail exercises conducted to verify traceability or that organic outgoing product did not exceed incoming product.*

**2013 Corrective Action:** In November 2013, CUC amended its OSP template to request more detailed information on labels and materials used by the operation to improve its label review and material review procedures. CUC also provided additional instruction for its reviewers to ensure label reviews are included in the OSP review. CUC also amended its OSP review checklist for verifying labels, and audit trail documentation. In November 2013, CUC conducted training for inspectors on label review, material review, audit trail analysis, and commingling assessments.

**2015 Corrective Action Verification:** This noncompliance is partially addressed. CUC's OSP templates have been revised, and include sections for applicants to provide a list of materials being used and product labels. A label review checklist has been developed and is being used to review product labels. Material verification is part of the Inspection Instruction and was verified by the auditors during the witness inspections. The CUC inspection report checklist reviews measures taken to prevent commingling and contamination and the auditors confirmed the inspectors verify these measures at the witness inspections. The final bulleted item in the noncompliance above has not been addressed because CUC is not conducting audit trail exercises. Audit trail exercises (in/out balance and traceback audit) were not performed by inspectors during the witness inspection. Audit trail exercises are not included as part of the inspection checklists.

**2016 Corrective Actions:** CUC has defined what is expected of audit trail exercises during inspections and witness audits and is requiring auditors to provide more information when reporting the mass (in/out) balance exercise. Specifically, auditors are to completely verify and trace incoming product ingredients back to organic certification. CUC's amended Inspection Instruction (INSP.ORG.w01) requires CUC auditors to complete and attach the "Audit trail and mass balance report" for all USDA NOP inspections. CUC will notify staff of the change in procedures via the CUC IT certification system and the topic will be included in the CUC annual training expected to be held no later than January 2017.

**NP2253AKA.NC4 – Accepted** – NOP §205.404(c) states, "Once certified a production or handling operation's organic certification continues in effect until surrendered by the organic

operation or suspended or revoked by the certifying agent, the State organic program's governing State official, or the Administrator."

**2012 Comments:** *The organic certificate includes the following statement, "This certificate is in force until further notice, provided that the above-mentioned client continues meeting the conditions as laid down in the client contract with Control Union Certifications." A client receives up to 3 different documents that make up the Terms of Contract; specifically: Procedure Manual Annex A3 Terms of Contract, Annex 16 CU Inspection Regulation, and Chapter 3 – Additional rules for the certification program: Organic Production Methods (USDA NOP). Review of the multiple conditions provided in the Terms of Contract demonstrate there are a number of contract requirements that go above and beyond the NOP regulations; for example, Annex A3 section 12.3 states, "The Agreement can be terminated by the Company (CUC) with immediate effect by written notice to the Principal (operation) without having to take a notification period into account in any case if: (i) the Principal has acted contrary to terms of the Agreement and/or the terms of the Documents; ... (iii) the Principal is entered into bankruptcy or if a filing for its bankruptcy has been requested or if it has been granted a suspension of payments; (iv) the Principal fails to pay any amount it owes to the Company within one month after the expiration of the payment deadline..." So, based on this contract, if a certified operation declares bankruptcy or if the operation does not pay their fee, they have broken their contract; per the statement on the certificate, if the client breaks the contract then they are no longer certified. This is not a compliant practice for NOP certification. Below are additional examples of contract requirements that would invalidate the organic certificate if the client does not "continue meeting the conditions..."*

- *Annex 16 CU Inspection Regulation:*
  - *Article 7 – Register complaints and remedial actions: The client shall safeguard that all complaints received...are centrally registered.*
  - *Annex 2 Conditions for publication and use of the Certification Logo, article 12 – "When the Certificate-holder does not respect these conditions for use of certification logos... CU can take the following measurements (actions): suspension or withdrawal of the Certificate."*
- *Procedure Manual Annex A3*
  - *Section 3.1 – Obligations and restrictions of the Principal: The Principal must report any change or discontinuation in a production method or unit which is included in the certification program immediately to the Company.*
  - *Section 13 – Appeals: this section (13.1-4) details requirements that the Principal must follow if an appeal is desired. There is no information in the contract for NOP clients regarding appeal process, or indication that the appeals requirements in the contract do not apply to NOP clients.*

**2013 Corrective Action:** On November 8, 2013, CUC provided copies of its database assessment system model showing how only NOP regulation requirements will be applied to NOP certification. The system is designed to ensure staff will not implement requirements beyond the NOP regulations. CUC will review its quality management system to identify program requirements applicable to other standards will not be applied to NOP certification. CUC also amended its certificate template to add the statement "once certified, a production or handling operation's organic certification continues in effect until surrendered, suspended or revoked." CUC's Notice of Proposed Suspension/Revocation template states information on the right to appeal.

**2015 Corrective Action Verification:** Auditors verified CUC's system continues to apply requirements beyond the NOP regulations in the "Terms of Contract" issued to NOP certified operations. Auditors certificate reviews found CUC added the following compliant language: *"Once certified, a production or handling operation's organic certification continues in effect until surrendered, suspended, or revoked."*

**2016 Corrective Actions:** CUC specifically states in the organic offer letter following parts of the terms of contract are not applicable for those clients who are contracted only for USDA NOP: Annex A3 section 3.1, 12.3, 13; Annex16 CU Inspection regulation: Article 7, Annex2. CUC will inform all staff of the change to template contract document via the CUC centralized certification system. The revised contract documents will be the only documents available in the CUC quality system.

### **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.

**NP5264PZA.NC1 – Accepted** - 7 CFR §205.403 (c)(3) states that "The on-site inspection of an operation must verify: That prohibited substances have not been and are not being applied to the operation..." Additionally, 7CFR §205.301(b) Products sold, labeled, or represented as "organic" States, "A raw or processed agricultural product sold, labeled, or represented as "organic" must contain (by weight or fluid volume, excluding water and salt) not less than 95 percent organically produced raw or processed agricultural products. Any remaining product ingredients must be organically produced, unless not commercially available in organic form, or must be nonagricultural substances or nonorganically produced agricultural products produced consistent with the National List in subpart G of this part."

**2015 Comments:** *Documentation of non-organic ingredients to verify compliance with the National List is not verified at the inspection or reviewed by the CUC office staff. CUC office staff informed the auditor that the inspector is instructed to verify this information during the on-site inspection. The auditor interviewed the inspector who was under the assumption that no verification of input annotation onsite was necessary since the product specification is reviewed and approved by the staff in the CUC office.*

**2016 Corrective Actions:** CUC updated the "planning chapter" of the inspection instruction to specify an operation's OSP and all substances/materials (inputs) must be reviewed by a qualified CUC staff member prior to the inspection. The CUC material/input review will require documentation of a product's ingredients and determine its compliance with all NOP regulations and material annotations or conditions. CUC will inform all staff through the CUC certification system of the change to the procedure. CUC has added material review verification to the certification decision checklist.

**NP5264PZA.NC2 – Accepted** - 7 CFR §205.403 (a)(2)(ii – iii) states, "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... Additional inspections may be announced or unannounced...as required by the Administrator..."

Furthermore, NOP 2609 - *Unannounced Inspections*, Sections 4.1.1 and 4.1.9, state, “We [NOP] 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... An unannounced inspection should not include prior notification of the inspector’s arrival. However, there may be special cases where extenuating circumstances make it impossible to conduct an unannounced inspection of the operation without prior notification (e.g. biosecurity issues). In such cases, the certifying agent may notify the operation up to four (4) hours prior to the inspector arriving on-site to ensure that appropriate representatives are present.”

**2015 Comments:** *CUC is conducting additional inspections, but these cannot be considered unannounced because the operations are notified more than four hours prior to the inspection.*

**2016 Corrective Actions:** CUC has amended its Program Manual and contract template for organic production to specify clients of unannounced inspections may be notified a maximum of four hours prior to the audit and refers readers to NOP 2609 for additional information. CUC will notify staff of instructional changes via the CUSI news document and the scheme coordinator will randomly check the implementation of this change during the annual internal audit.

**NP5264PZA.NC3 – Accepted** - 7 CFR §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.”

**2015 Comments:** *CUC does not issue Notices of Noncompliance to clients when annual updates are not received by the due date.*

**2016 Corrective Actions:** CUC has changed its Program Manual procedure for inspection and inspection planning to state if an annual update is not received timely the certification office must issue a noncompliance before the audit. CUC will notify staff of instructional changes via the CUSI news document and the scheme coordinator will randomly check the implementation of this change during the annual internal audit.

**NP5264PZA.NC4 – 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, NOP 4009 - *Who Needs to Be Certified* clarifies that any producer or handler of a production or handling operation, except as exempt or excluded, intending to sell, label, or represent agricultural products as organic must be certified.

**2015 Comments:** *CUC allows for the certification of “projects” which are certified operations that include uncertified subcontracted entities that produce and/or handle organic products. These subcontracted operations are listed in the certified operations organic system plans; however, these operations are not exempt or excluded and must be separately and individually certified.*

**2016 Corrective Action:** CUC has amended its instruction on contracting units to state all units must be registered/application review/certified as individual “projects.” CUC staff is to register/application review/certify each subunit (related to the USDA NOP certified project) to separate scope certificate resulting in the subunits own certification to the USDA NOP. CUC

has notified all staff of this change through the CUC newsletter and the Scheme coordinator will randomly monitor the implementation of this change during the annual internal audit.

**NP5264PZA.NC5 – Accepted** - 7CFR §205.501 (a)(8) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Provide sufficient information to persons seeking certification to enable them to comply with the applicable requirements of the Act and the regulations in this part”; and §205.501(a)(3) “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.”

**2015 Comments:** *The following deficiencies in CUC’s OSP and inspection report templates were identified:*

- 7 CFR §205.201 (a)(3) states, “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.”

**2015 Comments:** *CUC’s OSP template does not require applicants to provide clearly defined monitoring practices and procedures. CUC’s inspection report templates do not require inspectors to review and record verification of monitoring practices and procedures.*

- 7 CFR §205.200 states, “The producer or handler of a production or handling operation intending to sell, label, or represent agricultural products as “100 percent organic,” “organic,” or “made with organic (specified ingredients or food group(s))” must comply with the applicable provisions of this subpart. Production practices implemented in accordance with this subpart must maintain or improve the natural resources of the operation, including soil and water quality.” Furthermore, as defined in 7CFR §205.2 “organic production” is “A production system that is managed in accordance with the Act and regulations in this part to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.”

**2015 Comments:** *CUC’s OSP template does not require applicants to provide clearly defined practices to maintain or improve natural resources and conserve biodiversity. CUC’s inspection report templates do not require inspectors to review and record verification of the applicant’s natural resources maintenance/improvement and biodiversity conservation practices.*

- 7 CFR §205.501(a)(21) states, “Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” The NOP requires certifiers to monitor and ensure compliance of products shipped via trade agreements.

**2015 Comments:** *CUC’s OSP template does not require applicants to provide a description of their international activities. CUC’s inspection report templates do not require inspectors to review and record compliance of the applicant’s international activities to the applicable International Agreement.*

**2016 Corrective Actions:** CUC amended its crop/wild crop, livestock and handling OSP templates requiring operations provide information and descriptions of monitoring practices, monitoring frequency, international agreements, and practices to maintain or improve natural

resources and conserve biodiversity. CUC's inspection report templates for crop/wild crop and processing were updated to require inspectors to annotate verification of the operation's international agreement activities and practices to maintain or improve natural resources and conserve biodiversity. CUC will inform its staff through its automated certification system of the changes to templates and will only make the revised templates available for use. The scheme coordinator will check the implementation of this corrective action during the annual internal audit.

**NP5264PZA.NC6 – Accepted** - 7 CFR §205.501 (a)(21) states that a certifier must “Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” Certifier and operator requirements concerning international arrangements are located on NOP's website. Certifiers are required to monitor and ensure compliance of products shipped via trade agreements.

**2015 Comments:** *Auditors identified two incidents where shipped products were not compliant to the US/COR equivalency arrangement terms:*

- *CUC issued a verification statement to an operation exporting product to Canada under the terms of the US/COR equivalency arrangement that inaccurately stated the terms. The document issued to the operation confirming the status of the products stated: “Contain no products derived from animals.” A correct attestation must state: “Agricultural products derived from animals (with the exception of ruminants) must be produced according to livestock stocking rates as set out in CAN /CGSB32.310-2006.”*
- *CUC issued a transaction certificate for an organic product shipped from China to Canada without an attestation statement. No attestation statement was contained on any of the shipping documents.*

**2016 Corrective Actions:** CUC updated the export affidavit using the correct livestock language. Additionally, CUC has amended its Import and Transaction certification instruction to include the correct and appropriate information for the US/Canadian agreement and other agreements and equivalencies. The CUC staff will be notified via the CUCI Newsletter and the Scheme manager will check implementation during the annual internal audit.

**NP5264PZA.NC7 – Accepted** - 7 CFR §205.504 (b)(5)(i – iv) states “A private or governmental entity...(b) *Administrative policies and procedures.* (5) A copy of the procedures to be used, including any fees to be assessed, for making the following information available to any member of the public upon request: (i) Certification certificates issued during the current and 3 preceding calendar years; (ii) A list of producers and handlers whose operations it has certified, including for each the name of the operation, type(s) of operation, products produced, and the effective date of the certification, during the current and 3 preceding calendar years; (iii) The results of laboratory analyses for residues of pesticides and other prohibited substances conducted during the current and 3 preceding calendar years; and (iv) Other business information as permitted in writing by the producer or handler; and.”

**2015 Comments:** *CUC does not have complete procedures or instructions in place to provide the required information, defined above, to the public upon request.*

**2016 Corrective Actions:** CUC has updated its organic production instruction to state points i-iv above will be made available to any member of the public upon request. The CUC staff will

be notified via the CUCI Newsletter and the Scheme manager will check implementation during the annual internal audit.

**NP5264PZA.NC8 – Accepted** - 7 CFR 205.501 (a)(4) states, “A private or governmental entity accredited as a certifying agent under this subpart must: use a sufficient number of adequately trained personnel, including inspectors and certification review personnel, to comply with and implement the organic certification program established under the Act and the regulations in subpart E of this part.”

**2015 Comments:** *The following facts demonstrate that CUC staff are not be adequately trained or sufficiently knowledgeable of the USDA organic regulations:*

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

**2015 Comments:** *CUC issued a Notice of Revocation after issuing a Notice of Suspension to an operation for a willful violation.*

- 7 CFR §205.311 (b)(1) states, “The USDA seal must replicate the form and design of the example in figure 1 and must be printed legibly and conspicuously: On a white background with a brown outer circle and with the term, “USDA,” in green overlaying a white upper semicircle and with the term, “organic,” in white overlaying the green lower half circle...”

**2015 Comments:** *During a review of labels, there are several organic chocolate bar labels that were approved by CUC with the USDA seal in white with a transparent background.*

- 7 CFR §205.303 (b)(2) states, “Agricultural products in packages described in §205.301(a) and (b) must: (2) On the information panel, below the information identifying the handler or distributor of the product and preceded by the statement, “Certified organic by \* \* \*,” or similar phrase, identify the name of the certifying agent that certified the handler of the finished product and may display the business address, Internet address, or telephone number of the certifying agent in such label.

**2015 Comments:** *During the review of organic product labels, the auditor found the “Certified organic by\*\*\*” statement was missing on an organic ghee label.*

- 7 CFR §205.303 (b)(1) states, “For products labeled “organic,” identify each organic ingredient in the ingredient statement with the word, “organic,” or with an asterisk or other reference mark which is defined below the ingredient statement to indicate the ingredient is organically produced. Water or salt included as ingredients cannot be identified as organic.”

**2015 Comments:** *During the review of organic product labels, the auditor found that sea salt is listed along with organic ingredients in the ingredient panel with the title “all*



*organic ingredients:...” This appears to be identifying the sea salt as organic on various chocolate bars containing sea salt.*

- 7 CFR §205.303 states, “Packaged products labeled “100 percent organic” or “organic.” §205.307 Labeling of nonretail containers used for only shipping or storage of raw or processed agricultural products labeled as “100 percent organic,” “organic,” or “made with organic (specified ingredients or food group(s)).”

**2015 Comments:** *During the witness inspection, the auditor asked the inspector about the requirements for retail and wholesale labels and his response demonstrated a lack of knowledge about labeling requirements.*

- 7 CFR §205.205 (a-d) 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: Maintain or improve soil organic matter content; Provide for pest management in annual and perennial crops; Manage deficient or excess plant nutrients; and Provide erosion control.” Furthermore, 7 CFR §205.2 defines crop rotation as: The practice of alternating the annual crops grown on a specific field in a planned pattern or sequence in successive crop years so that crops of the same species or family are not grown repeatedly without interruption on the same field. Perennial cropping systems employ means such as alley cropping, intercropping, and hedgerows to introduce biological diversity in lieu of crop rotation.”

**2015 Comments:** *During the witness inspection of a perennial crop operation the inspector indicated in the inspection report that the crop rotation practice standard was not applicable.*

**2016 Corrective Actions:** CUC amended its instruction to state a notice of suspension or a revocation can be sent in the adverse action process and additionally clarified uncertified clients will be sent a denial of certification. CUC has amended its inspection instruction procedure explaining the correct use of the “USDA Organic” seal, certifier identification and ingredient labeling. CUC has provided additional information for inspectors to actively verify the crop rotational requirement of perennial crops. CUC will conduct an annual training (tentative date Dec. 2016/Jan 2017) of auditors and CUC staff on the USDA NOP audit findings and the related topics to improve the understanding of the USDA regulations. The CUC staff will be notified via the CUCI Newsletter and the Scheme manager will check implementation during the annual internal audit.

**NP5264PZA.NC9** – Accepted - 7 CFR §205.501 (a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” NOP Policy Memo 11-10, *Certification of Grower Groups states*,” accredited certifying agents should use the National Organic Standards Board (NOSB) recommendations of October 2002 and November 2008 as the current policies. “NOSB Recommendation November 19, 2008 *Certifying Operations with Multiple Production Units, Sites, and Facilities under the National Organic Program states*,” III.D. Inspecting the Producer Group Operation. “Verification of the OSP is largely accomplished by a thorough audit of the functioning of the Internal Control System, accompanied by a physical examination of every Production Unit (generally the headquarters or common regional handling or collection facility) and a meaningful sample of

subunits within any given Production Unit (with one exception – all new entrants to a Production Unit must be inspected in their first year with the group. In subsequent years, all successfully certified operations will be inspected per the sampling method described below) In a producer group operation, the Production Unit is the smallest portion of the operation that must be inspected every year.”

**2015 Comments:** *The auditors found a Grower Group certification file was unclear whether all new entrants to a Production Unit were inspected by CUC during their first year with the group. It appears that new entrants are inspected as part of the Internal Control System (ICS) during the new entrants conversion years. Also, CUC procedures state that each member operation must be inspected by CUC prior to selling organic products through the group, however, when the auditor asked for documentation to verify this procedure, CUC was not able to produce the records. The auditors later obtained the following CUC inspection work procedure:*

(INSP.ORG.W01(22)) 2. Farm visits (re-inspections) and witness audits.

b. Selection of farms for re-inspection states, “*When selecting farmers for re-inspection the following information is relevant to the selection:*

*Total number of farmers at each project site? Any new farmers or even new project sites?*

*→ The basic approach would be to plan the number of re-inspections per project site proportionally to number of farmers at each site; i.e., site with more farmers → more re-inspections.*

*→ Any new projects sites will be particularly interesting to inspect.*

*This CUC policy does not require the inspection of all new entrants to a production unit in their first year with the group.*

**2016 Corrective Actions:** CUC amended its inspection instruction to state all entrants with new organic status to a grower group must be inspected in the first year by the certifier. CUC notified staff about the procedure change via the CUC certification system and the Scheme manager will randomly check the implementation of the change during the annual internal audit.

## AUDIT INFORMATION

<b>Applicant Name:</b>	Control Union Certifications (CUC)
<b>Est. Number:</b>	N/A
<b>Physical Address:</b>	Meeuwenlaan 4-6, 8011 BZ Zwolle, The Netherlands
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<b>Phone Number:</b>	0031-38-426 0115
<b>Auditor(s):</b>	Robert Pooler, Regional Accreditation Manager
<b>Program:</b>	USDA National Organic Program (NOP)
<b>Audit Date(s):</b>	NOP Review: 11/23/10 – 02/25/11, 03/15/11
<b>Audit Identifier:</b>	NP0099ACA
<b>Action Required:</b>	No
<b>Audit Type:</b>	Corrective Action Review
<b>Audit Objective:</b>	To verify continuing compliance to the audit criteria.
<b>Audit Criteria:</b>	7 CFR Part 205, National Organic Program; Final Rule, dated December 21, 2000; amended December 13, 2010. Program handbook: Guidance and Instructions for Accredited Certifying Agents & certified Operations, Winter Edition, January 31, 2011.
<b>Audit Scope:</b>	The company's quality manual including personnel, processes, procedures, facilities, and related records.
<b>Location(s) Audited:</b>	Desk Audit

The Control Union Certifications (CUC) Mid Term Audit started on April 9, 2010 with a review of the documents submitted by CUC and concluded with the on-site audit conducted May 10–14, 2010.

On August 27, 2010, the NOP issued a Notice of Noncompliance to CUC for noncompliances identified during the Mid Term Audit.

On September 30, 2010, CUC submitted proposed corrective actions to the noncompliances NP0099ACA.NC1 – 5 identified during the Mid-Term Audit. On November 09, 2010, CUC submitted additional information on its proposed corrective action on NP0099ACA.NC1, and submitted the OSP and inspection report on the Thailand farm processing units identified in NP0099ACA.NC1. CUC submitted the following proposed corrective actions:

- Letter containing proposed corrective actions for noncompliances NP0099ACA.NC1 - 5.
- Excel spreadsheet of CUC Thailand NOP clients with inspection dates.
- OSP and 10/08/10 inspection report of Thailand farm new processing units cited in NP0099ACA.NC1.
- CUC instructions on inspecting client's OSP's, and facilities, including exporting operations, for CUC inspectors.

On December 02, 2010, the NOP reviewer requested additional proposed corrective actions on NP0099ACA.NC2 – 4 from CUC. On December 09, 2010, CUC submitted the following document:

- Letter containing additional corrective actions on noncompliances NP0099ACA.NC2 – 4.

## FINDINGS

Documents and records reviewed determined that CUC has adequately addressed all five noncompliances identified during the Mid-Term audit (NP0099ACA).

**NP0099ACA.NC1** – NOP §205.401 states, “A person seeking certification of a production or handling operation under this subpart must submit an application for certification to a certifying agent. The application must include the following information: (a) an organic production or handling plan, as required in §205.200.” and NOP 205.402 (a) states, “Upon acceptance of an application for certification, a certifying agent must: (1) Review the application to ensure completeness pursuant to §205.401.”

- *The OSP submitted by a crop client in Holland was not complete; the OSP was completed by the inspector and the client during the renewal inspection.*
- *Also a review of a Thailand file found that on page 7 of the OSP identified use of Pyrethrum insect killer to treat for Aphids and Thrips on seed plants and it described that “since we produce seed as organic product, the application of those materials are conducted directly to other plant parts and only a very small amount might be remained on the fruit skin. Seed after removed from fruit must be clean thoroughly during processing.” OSP’s for the farms did not include records.*
- *One farm in Thailand added two new processing units and the only information in the file beyond the original OSP for the base client was when new units were added the only information in the file is the processing unit floor plan and a very generic “Process specification of organic processing unit” which identifies the name and location of the processing unit, briefly describes the process (generic), and references various records. The inspection report did not indicate that the two added processing units were inspected or if they were just added to the certificate.*

**Corrective Actions:** The corrective actions adequately address the noncompliance. CUC has implemented additional OSP review procedures to clarify that OSP’s must be reviewed and approved by a certifier prior to scheduling inspections. To assist OSP review and inspections, CUC developed a certification checklist to monitor certification activities, including review of recordkeeping. With regard to the insecticide identified in the OSP, CUC determined that the Pyrethrum used on the seed plants is a nonsynthetic substance that is allowed for use on organic crops according to NOP regulation requirements in § 205.206(e). CUC has provided the OSP and inspection reports on the added Thailand farm processing units. The 10/08/10 inspection verified that the Thailand farm is operating in compliance with the NOP regulations. CUC also provided instruction to their Thailand inspectors on the requirement for comprehensive annual inspections of all facilities and fields described in OSP. CUC has updated their quality manual to include the OSP review procedures and certification checklist.

**NP0099ACA.NC2** -NOP §205.402(c) states, “The applicant may withdraw its application at any

time...”

*CUC does not have a procedure for withdrawal of an application by a client nor does the fee schedule reference any liability by the client for costs of services provided up to the time of withdrawal of its application.* **Corrective Actions:** The corrective actions adequately address the noncompliance. CUC developed procedures for application withdrawals, including providing instruction on not issuing Notice of Noncompliance or Denial of Certification when clients withdraw applications. CUC also updated its fee schedule to include fees for recovering certification costs when clients withdraw applications. CUC has updated their quality manual to include the application withdrawal procedures and updated fee schedule.

**NP0099ACA.NC3** – NOP §205.501(a)(9) states, “Maintain all records pursuant to §205.510(b) and make all such records available for inspection and copying during normal business hours by authorized representatives of the Secretary...” *Complete files for several clients were not available on CUC’s CUSI database and could not be obtained during the time-frame of the on-site office audit.* **Corrective Actions:** The corrective actions adequately address the noncompliance. CUC implemented procedures to update and complete client certification record files. The status of client certification record files will be monitored with the CUC certification checklist. CUC has updated their quality manual to include the recordkeeping procedures and changed their internal audit procedures to monitor the maintenance of client files.

**NP0099ACA.NC4** – NOP §205.403(d) states, “The inspector must also address the need for any additional information as well as any issues of concern.” and NOP §205.662(a) states, “When an inspection, review, or investigation of a certified operation by a certifying agent 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...” *Inspectors in countries outside of Holland are issuing non-compliances to the clients with a date to be corrected. Then, the certifying officer in that country is issuing a notice of non-compliance, corrective action notice, and the letter of resolution at the same time.* **Corrective Actions:** The corrective actions adequately address the noncompliance. CUC has amended their inspection procedures to indicate inspectors can propose noncompliances to be either confirmed or denied by the CUC certifier. When confirmed, the CUC certifier issues the NOP Notice of Noncompliance to the client. CUC has updated their quality manual to include the amended inspection procedures and Notice of Noncompliance procedures.

**NP0099ACA.NC5** – NOP §205.662 (c) states, “...The notification of proposed suspension or revocation of certification shall state: (1) The reasons for the proposed suspension or revocation; (2) The proposed effective date of such suspension or revocation; (3) The impact of a suspension or revocation on future eligibility for certification; and (4) The right to request mediation pursuant to §205.663 or to file an appeal pursuant to §205.681.” *CUC has sent certified operations a letter stating they have been suspended and it did not contain all the elements for proposed suspension required by §205.662(c)(1)-(4).* **Corrective Actions:** The corrective actions adequately address the noncompliance. CUC developed a Notice of Proposed Suspension template which meets information requirements described in § 205.662(c). The CUC quality manual has been updated to include instruction on using the template and issuing NOP Notices of Proposed Suspension.