

**USDA**

# United States Department of Agriculture

Agricultural Marketing Service

National Organic Program

CERTIFICATE OF ACCREDITATION

***Eco-Logica S.A.***

**San Jose, Costa Rica**

meets all the requirements prescribed in the National Organic Program Regulations

**7 CFR Part 205**

(Updated October 3, 2013)

**as an Accredited Certifying Agent**

for the scope(s) of

**Crops and Handling**

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

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

Certificate No: NP2177ACA

Effective Date: July 8, 2012

Expiration Date: July 8, 2017



**Miles V. McEvoy**

**Deputy Administrator**

**National Organic Program**



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## NATIONAL ORGANIC PROGRAM: CORRECTIVE ACTION REPORT

### AUDIT AND REVIEW PROCESS

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

### GENERAL INFORMATION

<b>Applicant Name</b>	Eco-LOGICA S.A. (LOGI)
<b>Physical Address</b>	De la Bomba Shell, 400 m. Norte, 150 Este y 200 Nor Oeste Montelimar, Goicoechea, San Jose, Costa Rica
<b>Mailing Address</b>	P.O. Box 132-2020, San Jose, Costa Rica
<b>Contact &amp; Title</b>	Phillippe Descamps
<b>E-mail Address</b>	<a href="mailto:pdescamps@eco-logica.com">pdescamps@eco-logica.com</a>
<b>Phone Number</b>	506 2 297 6676
<b>Reviewer(s) &amp; Auditor(s)</b>	Jason Lopez, NOP Reviewer Rick Skinner and Janna Howley, On-site Auditors
<b>Program</b>	USDA National Organic Program (NOP)
<b>Review &amp; Audit Date(s)</b>	NOP assessment review: November 23, 2015 Onsite audit: May 25-30, 2015
<b>Audit Identifier</b>	NP514EEA
<b>Action Required</b>	None
<b>Audit &amp; Review Type</b>	Mid-Term Assessment
<b>Audit Objective</b>	To evaluate the conformance to the audit criteria; and to verify the implementation and effectiveness of Eco-LOGICA's certification
<b>Audit &amp; Determination Criteria</b>	<i>7 CFR Part 205, National Organic Program as amended</i>
<b>Audit &amp; Review Scope</b>	Eco-LOGICA's certification services in carrying out the audit criteria during the period: June 2012 through May 2015.

Eco-LOGICA is a private entity accredited as a certifier on July 9, 2002, to the USDA National Organic Program (NOP) for crops and handling operations. Eco-LOGICA certifies 41 operations in Costa Rica and Panama to the USDA organic certification scopes: 10 crops, 15 handlers and 16 crop /handler operations. Eco-LOGICA certifies 12 grower groups located in Costa Rica. Eco-LOGICA has one office in San Jose, Costa Rica.

## **NOP DETERMINATION:**

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

### **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.

**NP029800A.NC3 – Cleared**

**NP2177ACA.NC1 – Cleared**

**NP2177ACA.NC3 – Cleared**

**NP2177ACA.NC6 – Cleared**

**NP2177ACA.NC7 - Cleared**

**NP2177ACA.NC2 – 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."

**2012 Comments:** *The following three issues constitute the noncompliance:*

- 1. Three certification files referenced the use of labels, but did not include a copy of the label used by the operation. The Eco-LOGICA staff stated that, occasionally, labels are not received prior to inspection. If the operator does not provide a label as a part of the Organic System Plan or does not respond to Eco-LOGICA's request for a proposed label, then Eco-LOGICA asks the inspector to review the label as a part of the on-site inspection. In these cases, a copy of the label is often not included in the final inspection report. If the inspection report states that the label complies, Eco-LOGICA accepts the decision of the inspector regarding the compliance of the label without doing a final review.*
- 2. Eco-LOGICA's organic system plan templates do not request information on monitoring practices regarding soil fertility or pest management. Therefore, this information is often not available during the initial review.*
- 3. Many OSPs contain primarily ticks on a checklist with little narrative information, leaving insufficient information to determine whether the operation can comply with the Act. The initial reviewers consistently requested additional information from the client via email; however, staff stated that the inspection would proceed regardless of whether the client responded by sending the necessary information. Inspectors are often tasked*

*with gathering additional information during the on-site inspection.*

**2012 Corrective Action:** Eco-LOGICA modified its OSP template to include sections requesting information on monitoring of fertility practices and pest control practices. Eco-LOGICA's OSP template has also been modified to request more specific information on practices utilized for organic production. Eco-LOGICA provided a copy of its amended OSP template. To improve label review, Eco-LOGICA amended its program inspection checklist to instruct the inspector to attach product labels to the checklist if the labels were not provided in the operation's OSP. In addition, Eco-LOGICA issued instruction on label reviews to its reviewers and inspectors indicating that label reviews are performed by the certification department and not by the inspector. The instruction also stated labels, or copies of labels are to be inserted into the operation's file. Inspectors can collect OSP information during the inspection for operations continuing with NOP certification.

### **2015 Verification of Corrective Action:**

#### **Outstanding**

1. Eco-LOGICA's previous corrective actions indicated that labels would be approved prior to being given to the inspector. Interviews with staff confirmed Eco-LOGICA does not have an instruction document for label review. The OSP and inspection checklist have been updated. However, the certification review process procedure does not reflect the label review requirements referenced in the corrective action. An instruction was not issued and no related training was conducted. This portion of the finding remains outstanding.

#### **Cleared**

2. Eco-LOGICA's OSP template and the OSP update forms are currently in use and contain the requirements for all operations to report on monitoring of fertility practices and pest control practices.
3. The auditors confirmed Eco-LOGICA's initial and renewal process requires operations to submit adequate information prior to an onsite inspection. For renewals, operations must complete an OSP update form. Certification file reviewers gather OSP information, and inspectors gather any remaining information on-site. A certification decision is made after the additional information is reviewed and any noncompliances are cleared. New applicants must provide as much information as possible before the inspection is scheduled. Inspectors may only gather minor information while on-site.

**2016 Corrective Action:** Eco-LOGICA provided NOP a label review instruction document and amended the certification process procedure to specify label review to be conducted during the initial review prior to inspection. Eco-LOGICA will conduct label review training for certification staff during July 2016.

**NP2177ACA.NC4 – Accepted** – NOP §205.662(a)(2) states, “When an inspection, review, or investigation of a certified operation by a certifying agent or a State organic program's governing State official reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation. Such notification shall

provide: The facts upon which the notification of noncompliance is based.”

**2012 Comments:** *Noncompliance notifications that were reviewed contained incorrect information. One notification of noncompliance required information which goes beyond the USDA organic regulations and cited incorrect parts of the regulations. Another notification of noncompliance for a coffee processing operation cited a noncompliance for §205.671 for failure to have water tests available. Water tests are not a requirement of the USDA organic regulations, and the citation relates to EPA tolerance levels for pesticide residues.*

**2015 Corrective Action:** Eco-LOGICA held staff training in July 2013, on policy and procedures for issuing NOP noncompliances. To prevent re-occurrences, Eco-LOGICA quality management system has been amended to require Eco-LOGICA’s Executive Director to randomly review NOP noncompliance notices for errors and to request correction when errors are identified.

**2015 Verification of Corrective Action:** This assessment confirmed there is no system in place to allow the Executive Director to conduct a random review of Eco-LOGICA’s issued Notices of Non-compliance for errors. The related Quality Management System documents have not been amended to require Eco-LOGICA’s Executive Director to randomly review NOP noncompliance notices for errors.

**2016 Corrective Action:** Eco-LOGICA has amended its Quality System management certification procedure to require the Executive Director randomly review approximately 10% of the NOP noncompliance notices issued annually. The Executive Director has implemented the review practice to include recording comments and revisions.

**NP2177ACA.NC5 - Accepted** – NOP §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.”

**2012 Comments:** *The review of two grower group files showed multiple recurring noncompliances related to poor recordkeeping, lack of training, lack of traceability, and potential commingling. The internal control systems of both groups were issued Notices of Noncompliance for failure to keep sufficient records of production and harvesting activities, field maps, and harvest quantities; however, Eco- LOGICA did not propose suspension. One grower group was in its tenth year of certification, and the other was in its ninth.*

**2012 Corrective Action:** In July 2013, Eco-LOGICA issued instruction to staff on implementing Eco-LOGICA’s procedures for issuing notice of noncompliance to operations and, if an operation fails to respond, issuing notices of proposed suspension. The instruction also stipulated staff send a notice of noncompliance to the grower groups, and if inadequate corrective actions are submitted, to issue a notice of proposed suspension.

**2015 Verification of Corrective Action:** The auditors verified Eco-LOGICA issues procedural document “CER\_ORG\_PRO\_04 Procedimiento de Falta de Cumplimiento para Operaciones Certificadas NOP” to all certified operations, including grower groups. This procedure states Eco-LOGICA will issue a Notice of Proposed Suspension if an operation does not respond to a notice of noncompliance or the reviewed corrective actions are insufficient. The auditor’s review of one operation revealed the operation received a noncompliance for failing to follow the

certification renewal process. The operation submitted a “letter of surrender” to Eco-LOGICA and left the noncompliance unresolved. Two months later, the same operation requested new certification and was inspected. Following inspection, the operation responded to one noncompliance leaving the remaining noncompliances outstanding. Eco-LOGICA took no action between August 2014 and March 3, 2015 and received no additional noncompliance response from the operation. After March 3, 2015, Eco-LOGICA issued this operation a letter indicating they were no longer certified.

**2016 Corrective Action:** Eco-LOGICA updated its certification procedure to correctly define the process of issuing noncompliance and adverse action notifications. The procedure defines the various resolutions available to the operations and the corresponding certifier response. Certification staff were notified of the new procedure.

### **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.

**NP5144EEA.NC1 – Accepted** - 7 C.F.R. §205.670(d) states, “A certifying agent must, on an annual basis, sample and test from a minimum of five percent of the operations it certifies, rounded to the nearest whole number. A certifying agent that certifies fewer than thirty operations on an annual basis must sample and test from at least one operation annually. Tests conducted under paragraphs (b) and (c) of this section will apply to the minimum percentage of operations.”

**Comments:** *In 2014, Eco-LOGICA’s sampling rate was 2.7% (1 sample divided by 37 operations) and did not meet the required 5% sampling rate. Eco-LOGICA has not initiated its written sampling protocol. Interviews with Eco-LOGICA confirmed that the Costa Rica Ministry of Agriculture (CRMA) requires annual sampling for all organic operations registered in the country. Eco-LOGICA accepts the CRMA test results in lieu of performing independent testing.*

**Corrective Action:** Eco-LOGICA inspectors collect all residue samples. Eco-LOGICA maintains a spreadsheet of operations sampled and the corresponding analysis reports are retained. The 2015 sampling rate was 7.3% and Eco-Logica will continue to maintain at least the minimum 5% rate of residue sampling.

**NP5144EEA.NC2 - Accepted** - 7 C.F.R. §205.501(a)(21) that 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.”

- a. NOP 2603, Instruction Organic Certificates, Section 3.1 states, “Organic certificates should be issued in English and include the following...”
- b. NOP 2603, Instruction Organic Certificates, Section 3.1.6 states, “Categories of organic operation (crops, wild crops, livestock, and handling/processing)\*;”
- c. NOP 2603, Instruction Organic Certificates, Section 3.1.10 states, “The statement, “Once certified, a production or handling operation’s organic certification continues in effect

until surrendered, suspended or revoked.”

**Comments:** *Eco-LOGICA organic certificates are not all issued in English and identify undefined categories of operation (marketing). The certificates do not contain the required statement “Once certified, a production or handling operation’s organic certification continues in effect until surrendered, suspended or revoked.”*

**Corrective Actions:** Eco-LOGICA submitted a compliant organic certificate template for NOP review.

**NP5144EEA.NC3 – Accepted** - 7 C.F.R. §205.501(a)(15)(i) states, ” (15) Submit to the Administrator a copy of: Any notice of denial of certification issued pursuant to §205.405, notification of noncompliance, notification of noncompliance correction, notification of proposed suspension or revocation, and notification of suspension or revocation sent pursuant to §205.662 simultaneously with its issuance;”

**Comments:** *Eco-LOGICA did not send the NOP a copy of a Notice of Noncompliance issued to an operation on March 4, 2015. Interviews with Eco-LOGICA staff indicated the letter is not sent to the NOP if an English version is not available in the file.*

**Corrective Actions:** Eco-LOGICA Executive Director sent reminder to the certification staff describing the notification of noncompliance process. The letter correctly advises the staff that a copy of all issued notices of noncompliance must be sent to NOPAdverseActions@ams.usda.gov. The implementation of this corrective action will be verified during Eco-LOGICA’s August 2016 internal audit.

**NP5144EEA.NC4 – Accepted** - 7 C.F.R. §205.405(c)(2) states, “After issuance of a notification of noncompliance, the certifying agent must: Issue a written notice of denial of certification to an applicant who fails to respond to the notification of noncompliance.

**Comments:** *The auditor’s review of an operation revealed the operation received a noncompliance for failing to follow the certification renewal process. The operation responded to the noncompliance by submitting a “letter of surrender” to Eco-LOGICA without resolving the noncompliance. Two months later, this same operation requested new certification and was inspected. Following inspection, the operation responded to one noncompliance leaving the remaining noncompliances outstanding. Eco-LOGICA took no action between August 2014 and March 3, 2015 and received no additional noncompliance response from the operation. After March 3, 2015, Eco-LOGICA issued this same operation a letter indicating they were no longer certified. According to 205.405(c)(2) Eco-LOGICA should have issued a notice of denial of certification upon the operation’s request for certification for failing to respond to the previously issued notice of noncompliance.*

**Corrective Actions:** The Eco-LOGICA Executive Director notified certification staff of the notification of noncompliance process. Eco-LOGICA updated the process in the certification review procedure. Eco-LOGICA will verify that certification staff has implemented the corrective action during the August 2016 internal audit.

**NP5144EEA.NC 5– Accepted** - 7 C.F.R. §205.501(a)(21) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Comply with, implement, and carry out any other terms and conditions determined by the Administrator to be necessary.” The

2002 NOSB recommendation, Criteria for Certification of Grower Groups and 2008 NOSB recommendation, Certification of Operations with Multiple Production Units, Sites and Facilities state, "...participation in the group is limited to producers who sell all of their organic production through the group;" and, "...Participation in the group operations is limited to those group members who market their organic production only through the group..."

**Comments:** *A review of Eco-LOGICA's grower group files and interviews with several growers confirmed some group members are becoming members of several grower groups under different certifiers. All the groups are certified to the USDA organic standard. Interviews with growers of several groups clarified this practice allowing the grower a broader set of marketing options. The multiple group growers sell one organic crop through one group and another organic crop through another group determined by which group provides the highest value for the crop.*

**Corrective Actions:** Eco-LOGICA issued a letter on July, 25, 2016 informing certified operations that grower group members cannot participate in more than one grower group per product. Eco-LOGICA will verify during the next onsite inspection that no members belong to more than one grower group for the same product. Grower groups are instructed to clearly document each member's grower group affiliations and the products produced for each group.

## ASSESSMENT INFORMATION

<b>Certifier Name:</b>	Eco-LOGICA, S.A.
<b>Est. Number:</b>	N/A
<b>Physical Address:</b>	De la Bomba Shell, 400 m. Norte, 150 Este y 200 Nor Oeste, Montelimar, Goicoechea, San José, Costa Rica
<b>Mailing Address:</b>	Same as above
<b>Contact &amp; Title:</b>	Nadia Polanco, Program Coordinator
<b>E-mail Address:</b>	<a href="mailto:Npolonco@eco-logica.com">Npolonco@eco-logica.com</a>
<b>Phone Number:</b>	506-2-297-6676
<b>Auditor(s):</b>	Robert L. Pooler, Accreditation Manager
<b>Program:</b>	USDA National Organic Program (NOP)
<b>Audit Date(s):</b>	February 4 – May 28, 2013, June 26 – August 13, 2013
<b>Audit Identifier:</b>	NP2177ACA
<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>	<i>7 CFR Part 205, National Organic Program; Final Rule</i> , dated December 21, 2000; as amended November 9, 2012.
<b>Audit Scope:</b>	Eco-Logica's quality manual including personnel, processes, procedures, facilities and, related records and documents.
<b>Location(s) Audited:</b>	Desk

### GENERAL INFORMATION

Eco-LOGICA is a private entity that was accredited as a certifying agent on July 9, 2002, to the USDA National Organic Program (NOP) for crops and handling operations. Eco-LOGICA's organic program currently includes 45 operations certified to the NOP, consisting of 28 crops and 5 handlers (all processors). There were also 17 grower groups included in the certified operations. The certified operations are located in Costa Rica and Panama.

The Eco-LOGICA office is located in San Jose, Costa Rica and there are no other offices. Eco-LOGICA provides certification to the Costa Rican National Organic Standards which have been in place since 1997. Clients can also be certified to the European Union Regulation if it is requested. However, in most cases only the Costa Rican National Organic Standards are applied

since they are considered equivalent to the EU Requirements. In addition, Eco-Logica applies the NOP Regulations, and is also recognized by Switzerland.

Eco-LOGICA's Accreditation Renewal Assessment was completed on June 29, 2012 by NOP accreditation auditors. The final report on this assessment cited seven noncompliances. On February 11, 2013, the NOP issued a Notice of Noncompliance to Eco-LOGICA. On March 11, 2013, Eco-LOGICA submitted corrective actions for the noncompliances cited in report NP2177ACA. In response to NOP requests for additional information, Eco-LOGICA submitted final corrective actions on August 8, 2013.

## FINDINGS

Documents and records reviewed determined that the Eco-LOGICA S.A. has adequately addressed noncompliances NP2177ACA.NC1 – 7 identified during the 2012 accreditation renewal assessment. In addition, Eco-LOGICA's corrective actions adequately addressed one outstanding noncompliance, NP029800A.NC3 remaining from Eco-LOGICA's 2010 mid-tem assessment. Verification of Eco-LOGICA's corrective actions will be determined at the next on-site audit.

**NP029800A.NC3 – Accepted** - NOP § 205.402(a)(2) states, “Upon acceptance of an application for certification, a certifying agent must: (2) 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 following 2 issues were found in 1 of 6 case file reviews:*

- *The organic management plan (farm) review indicated the application was incomplete for fertility management and requested this information; however, it was not received prior to inspection.*
- *The organic management plan (processor) indicated use of ethanol as a processing aid for “100% organic” aloe products processed. The organic management plan review pre-inspection did not cite the issues below as non-compliant.*
  - *Products seeking “100% organic” for certification/labeling claims must be produced using organically produced processing aids; ethanol was conventional and is out of compliance with §205.301(f)(4).*
  - *Non-organic ethanol is prohibited for use in “organic” production, as it does not appear on §205.605, as required per §205.105(c).*

**Corrective Actions (2010):** The corrective actions adequately address the noncompliance. Eco-Logica modified its certification procedures to ensure that the certification department will conduct a comprehensive review of organic management plans, including review of all ingredients and processing aids used by organic handlers. Eco-Logica provided instruction to its certification reviewers to not schedule inspections until management plans are complete, and are compliant with the NOP regulations. Operations submitting incomplete management plans will receive a notice of noncompliance according to NOP noncompliance procedures. Staff performance in reviewing organic management plans will be monitored through performance evaluations. To address the processor's noncompliance for using non-organic ethanol as a processing aid that was identified during the audit, Eco-Logica sent a notice to the processor indicating that the non-organic ethanol is not allowed for use in the production of agricultural

product extracts. As a result, the operation discontinued certifying the product under the NOP regulations. **Verification of Corrective Actions (2012 renewal audit):** *One inspection report noted a finding that the OSP did not describe the activities carried out by the farm or a list of inputs to be used. Therefore, the certifying agent could not have determined whether the applicant was able to comply with the USDA organic regulations prior to scheduling an inspection. Interviews with staff indicated that a lack of information in the application or OSP would not prevent the scheduling of an inspection.* **Corrective Action (2012):** Ecologica amended its certification procedures to indicate inspections will not be scheduled until OSP information is complete. Ecologica began implementing the amended procedures on March 8, 2013. For new applications, in March 2013, Eco-LOGICA conducted training for staff on reviewing OSP's for completeness and compliance with the regulations before scheduling inspections.

**NP2177ACA.NC1 – Accepted** - NOP §205.501 (a)(6) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Conduct an annual performance evaluation of all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions and implement measures to correct any deficiencies in certification services.” *No annual performance evaluations have been conducted in the last year for any members of the Eco-LOGICA staff or the contract inspectors.*

**Corrective Action:** On March 20, 2013, Eco-LOGICA began scheduling annual performance evaluations for all staff conducting certification activities in 2013. Staff conducting OSP reviews, NOP certification decisions or inspections will receive performance evaluations. Part of the inspector evaluation will include field evaluations. To prevent future noncompliances, Eco-LOGICA began implementing amended procedures for performance evaluations in March 2013.

**NP2177ACA.NC2 – 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.”

- *Three certification files referenced the use of labels, but did not include a copy of the label used by the operation. The Eco-LOGICA staff stated that, occasionally, labels are not received prior to inspection. If the operator does not provide a label as a part of the Organic System Plan or does not respond to Eco- LOGICA's request for a proposed label, then Eco- LOGICA asks the inspector to review the label as a part of the on-site inspection. In these cases, a copy of the label is often not included in the final inspection report. If the inspection report states that the label complies, Eco- LOGICA accepts the decision of the inspector regarding the compliance of the label without doing a final review.*
- *Eco- LOGICA's organic system plan templates do not request information on monitoring practices regarding soil fertility or pest management. Therefore, this information is often not available during the initial review.*
- *Many OSPs contain primarily ticks on a checklist with little narrative information, leaving insufficient information to determine whether the operation can comply with the Act. The initial reviewers consistently requested additional information from the client via email; however, staff stated that the inspection would proceed regardless of whether*

*the client responded by sending the necessary information. Inspectors are often tasked with gathering additional information during the on-site inspection.*

**Corrective Action:** Eco-LOGICA modified its OSP template to include sections requesting information on monitoring of fertility practices and pest control practices. Eco-LOGICA's OSP template has also been modified to request more specific information on practices utilized for organic production. Eco-LOGICA provided a copy of its amended OSP template. To improve label review, Eco-LOGICA amended its program inspection checklist to instruct the inspector to attach product labels to the checklist if the labels were not provided in the operation's OSP. In addition, Eco-LOGICA issued instruction on label reviews to its reviewers and inspectors indicating that label reviews are performed by the certification department and not by the inspector. The instruction also stated labels, or copies of labels are to be inserted into the operation's file. Inspectors can collect OSP information during the inspection for operations continuing with NOP certification.

**NP2177ACA.NC3 – Accepted - NOP** §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Carry out the provisions of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670.”

- *A certification file review showed that Eco- LOGICA certifies guácimo (West Indian elm) as a wild crop. However, the guácimo appears on the organic certificate. It is not destined for human or animal consumption but rather is used as a processing aid. In addition, interviews with staff revealed that Eco- LOGICA listed guácimo on the operation's organic certificate with the understanding that the product would not be considered organic, but only “wild.” Eco- LOGICA is not accredited by the USDA for the wild crop scope.*
- *Eco- LOGICA's initial review on another OSP stated that the use of the USDA seal was mandatory when the certifier's seal was used.*

**Corrective Action:** Eco-LOGICA will certify guácimo as an agricultural product since the trees are mostly grown on the edge of organic sugarcane fields. Eco-LOGICA issued a notice to staff stating that guácimo can only be certified under crops and not wild crops since Eco-LOGICA is not accredited for wild crop production. In February 2013, Eco-LOGICA instructed its certification department to no longer require mandatory use of the USDA seal.

**NP2177ACA.NC4 – Accepted - NOP** §205.662(a)(2) states, “When an inspection, review, or investigation of a certified operation by a certifying agent or a State organic program's governing State official reveals any noncompliance with the Act or regulations in this part, a written notification of noncompliance shall be sent to the certified operation. Such notification shall provide: The facts upon which the notification of noncompliance is based.” *Noncompliance notifications that were reviewed contained incorrect information. One notification of noncompliance required information which goes beyond the USDA organic regulations and cited incorrect parts of the regulations. Another notification of noncompliance for a coffee processing operation cited a noncompliance for §205.671 for failure to have water tests available. Water tests are not a requirement of the USDA organic regulations, and the citation relates to EPA tolerance levels for pesticide residues.* **Corrective Action:** Eco-LOGICA held staff training in July, 2013, on policy and procedures for issuing NOP noncompliances. To prevent re-occurrences, Eco-LOGICA quality management system has been amended to require

Eco-LOGICA's Executive Director to randomly review NOP noncompliance notices for errors and to request correction when errors are identified.

**NP2177ACA.NC5 – Accepted** - NOP §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.” *The review of two grower group files showed multiple recurring noncompliances related to poor recordkeeping, lack of training, lack of traceability, and potential commingling. The internal control systems of both groups were issued Notices of Noncompliance for failure to keep sufficient records of production and harvesting activities, field maps, and harvest quantities; however, Eco- LOGICA did not propose suspension. One grower group was in its tenth year of certification, and the other was in its ninth.* **Corrective Action:** In July, 2013, Eco-LOGICA issued instruction to staff on implementing Eco-LOGICA' procedures for issuing notice of noncompliance to operations and, if an operation fails to respond, issuing notices of proposed suspension. The instruction also stipulated staff send a notice of noncompliance to the grower groups, and if inadequate corrective actions are submitted, to issue a notice of proposed suspension.

**NP2177ACA.NC6 – Accepted** - NOP §205.404(b)(4) states, “The certifying agent must issue a certificate of organic operation which specifies the: Name, address, and telephone number of the certifying agent.” *A review of certificates showed that the street address for Eco- LOGICA is not printed on the certificates. The certificates only specify the city and country (San José, Costa Rica).* **Corrective Action:** In March 2013, Eco-LOGICA submitted an amended ~~its~~ organic certificate template to include the agency address.

**NP2177ACA.NC7 – Accepted** - NOP §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 incorporates the NOSB recommendation on grower groups from November 19, 2008, which states the following:

1. Participation in the producer group operation is limited to those group members who market their organic production only through the group, unless the member is individually certified. Producer group operations must utilize centralized processing, distribution, marketing facilities and systems.
2. All new entrants to a Production Unit must be inspected in their first year with the group.
3. The certifying agent must also have policies and procedures for determining which subunits present the greatest risks of non-compliance.

Once the annual sampling percentage rate is determined by the ACA, the highest risk subunits are identified and inspected. Of the remaining sample to be inspected annually, at least 25% of these the subunits should be selected at random.”

*Eco- LOGICA's grower group policy does not reference the 2008 NOSB recommendation or the NOP Policy Memo 11-10. Eco- LOGICA's grower group policy only requires centralized marketing facilities and systems when the product is destined for export, which does not comply with point 1 above. The policy does not include requirements to implement points 2-4 for the 100% external inspection of new entrants, the identification of high-risk growers, and the*

*random selection of the remaining sample. The standard sampling rate is 20% of the grower group members, and the identification of risks only exists at the group level, not at the sub-unit level.* **Corrective action:** Eco-LOGICA incorporated NOP grower group policy described in NOP Policy memo 11 – 10 into its policy on grower group certification. Eco-LOGICA established and issued guide criteria and requirements for grower group certification to staff. Eco-LOGICA also amended its organic inspection checklist to include the changes in grower group certification. To prevent re-occurrence, Eco-LOGICA developed a checklist for use during NOP grower group certification and conducted staff training on NOP grower group certification in March and April 2013. Eco-LOGICA provided a copy of the checklist and the training program.

### AUDIT INFORMATION

<b>Applicant Name:</b>	Eco-Logica S.A. (Eco-Logica)
<b>Est. Number:</b>	N/A
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<b>Phone Number:</b>	(506) 2-297-6676
<b>Auditor(s):</b>	Robert Pooler, Regional Accreditation Manager
<b>Program:</b>	USDA National Organic Program (NOP)
<b>Audit Date(s):</b>	NOP Review: April 18 - 21, 2011 & May 9 – 10, 2011.
<b>Audit Identifier:</b>	NP0298OOA
<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; as amended March 14, 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

Eco-logica’s Mid Term Audit was conducted October 25 – 28, 2010.

On December 21, 2010, the NOP issued a Notice of Noncompliance to Eco-logica for noncompliances NP0298OOA.NC1 – 12, identified during the Mid Term Audit.

On January 26, 2011, Eco-Logica submitted proposed corrective actions for noncompliances NP0298OOA.NC1 – 12, identified during the Mid-Term Audit. Eco-Logica submitted the following proposed corrective actions:

- Letter containing proposed corrective actions for noncompliances NP0298OOA.NC1 - 12.
- Eco-Logica notice seeking updated organic management plan from clients.
- Eco-Logica organic management plan templates – individual farm & grower group.
- Eco-Logica quality system amendment indicating OSP review according to 205.402.
- Eco-Logica notice on the status of non-organic Ethanol for use in organic handling.
- Eco-Logica certificates for aloe vera, citrus products, fruit puree, coffee and, grower groups.
- Eco-Logica notice to organic handlers on the NOP regulations, section 205.105.
- Eco-Logica NOP training agenda - labels, labeling and market information.
- Eco-Logica confidentiality agreement form.



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- Eco-Logica certification procedures, quality manual.
- Eco-Logica NOP Noncompliance procedures.
- Eco-logica fee schedule.

On April 18 – 21, 2011, the NOP reviewer requested additional proposed corrective actions from Eco-Logica for NP0298OOA.NC1, NC5, NC8, NC10 and NC12. On May 04, 2011, Eco-Logica submitted the following additional corrective actions:

- Letter containing additional proposed corrective actions for NP0298OOA.NC1, NC5, NC8, NC10 and NC12.
- Copy of client ash management system and updated organic system plan
- Eco-Logica amended noncompliance procedures for NOP certified operations.
- Eco-Logica training records.
- Eco-Logica amended Appeals procedures for NOP certified operations.
- Client letter voluntarily surrendering NOP certification
- Eco-Logica Notice of Suspension
- Eco-Logica client statements on citric acid manufacturing process.

## FINDINGS

Documents and records reviewed determined that Eco-Logica has adequately addressed the twelve noncompliances identified during the Mid-Term audit (NP0298OOA).

**NP0298OOA.NC1 – Adequately addressed** - NOP §205.201 (a) states, “The producer or handler of a production or handling operation, except as exempt or excluded under §205.101, intending to sell, label, or represent agricultural products as “100 percent organic,” “organic,” or “made with organic (specified ingredients or food group(s))” must develop an organic production or handling system plan that is agreed to by the producer or handler and an accredited certifying agent. An organic system plan must meet the requirements set forth in this section for organic production or handling. An organic production or handling system plan must include: (2) 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, as applicable.” *During the crop/processor inspection it was realized that residue ash from wood burned to run the ovens in the processing operation was being applied to the soil of the farming operation, and dolomite lime were not listed as inputs on the organic system plan.*

**Corrective Actions:** The corrective actions adequately address the noncompliance. Eco-Logica requested and received additional information from the crop operation on the inputs not listed on the organic system plan, ash and dolomite lime. Eco-Logica determined that these inputs met NOP regulation requirements and were allowed for use in organic production under the NOP. To prevent this noncompliance from re-occurring, Eco-Logica modified its quality system by amending the OSP templates, for individual farm and grower groups, sections 5 – 8, to require a complete listing of inputs and how the inputs will be used in crop production.

**NP029800A.NC2 – Adequately Addressed** - NOP §205.402(a)(1) states, “Upon acceptance of an application for certification, a certifying agent must: (1) Review the application to ensure completeness pursuant to §205.401.” *In 1 of 6 case file reviews, the organic management plan (farm) did not include details in reference to providing a plan for measures to avoid contamination. The organic management plan review did not cite this as an incomplete point.*

**Corrective Actions:** The corrective actions adequately address the noncompliance. Eco-Logica directed its certification department, when reviewing organic management plans, to review an operation’s procedures to prevent contamination. Eco-Logica’s quality system has been modified by incorporating this direction into the certification procedures used by certification reviewers, inspectors, and managers. During internal audits, Eco-Logica will monitor staff performance to ensure an operation’s procedures for preventing contamination are reviewed.

**NP029800A.NC3 – Adequately addressed** - NOP §205.402(a)(2) states, “Upon acceptance of an application for certification, a certifying agent must: (2) 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 following 2 issues were found in 1 of 6 case file reviews:*

- *The organic management plan (farm) review indicated the application was incomplete for fertility management and requested this information; however, it was not received prior to inspection.*
- *The organic management plan (processor) indicated use of ethanol as a processing aid for “100% organic” aloe products processed. The organic management plan review pre-inspection did not cite the issues below as non-compliant.*
- *Products seeking “100% organic” for certification/labeling claims must be produced using organically produced processing aids; ethanol was conventional and is out of compliance with §205.301(f)(4).*
- *Non-organic ethanol is prohibited for use in “organic” production, as it does not appear on §205.605, as required per §205.105(c). Policy decision from NOP Standards Division on this issue confirms this NC (evidence: conventional ethanol is considered a non-agricultural synthetic substance, per listing of such on §205.601 and §205.603; as there is no corresponding list of ethanol on §205.605(b) for processed products, it cannot be used in handling operations as an ingredient OR processing aid).*

**Corrective Actions:** The corrective actions adequately address the noncompliance. Eco-Logica modified its certification procedures to ensure that the certification department will conduct a comprehensive review of organic management plans, including review of all ingredients and processing aids used by organic handlers. Eco-Logica also provided instruction to its certification reviewers to not schedule inspections until management plans are complete, and are compliant with the NOP regulations. Operations submitting incomplete management plans will receive a notice of noncompliance according to NOP noncompliance procedures. Staff performance in reviewing organic management plans will be monitored through performance evaluations.

To address the processor's noncompliance for using non-organic ethanol as a processing aid that was identified during the audit, Eco-Logica sent a notice to the processor indicating that the non-organic ethanol is not allowed for use in the production of agricultural product extracts. As a result, the operation discontinued certifying the product under the NOP regulations.

**NP029800A.NC4 – Adequately Addressed** - NOP §205.404(b)(3) states, “The certifying agent must issue a certificate of organic operation which specifies the: (3) Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation.” *Review of organic certificates showed that the categories of organic operation are not represented. Specifically for crops, “production method” is listed as the category of organic operation. (For handlers, “processing method” is listed.) NOTE: products certified are consistently represented, regardless of (crop) production or processing methods.*

**Corrective Actions:** The corrective actions adequately address the noncompliance. Eco-Logica modified its certificate template to include categories of organic operations for crops, wild crops, and processed products. Livestock operations are not included since Eco-Logica's areas of NOP accreditation do not include organic livestock certification. To prevent this noncompliance from re-occurring, Eco-Logica's added the modified certificate template to its quality system. Several NOP certificates, based upon the modified template, have been recently issued to qualified organic producers and handlers.

**NP029800A.NC5 – Adequately Addressed** - NOP §205.501(a)(3) states, “A private or governmental entity accredited as a certifying agent under this subpart must: (3) Carry out the provision of the Act and the regulations in this part, including the provisions of §§205.402 through 205.406 and §205.670.” *The following issues were found during the case file reviews.*

*2 of 6 files were found to be not in compliant with §205.301(f)(4.):*

- *Banana products are ripened with ethylene gas; however finished products with banana as an ingredient are certified at “100% organic” claim.*
- *Use of ethanol as a processing aid in aloe products certified as “100% organic”. The product was listed on the certificate as “100% organic” and labeled as “100% organic”.*

*1 of 6 files reviewed and one witness inspection were found to be not in compliant with §205.301(a):*

- *a certified operation sourced pineapple products from a handler that were certified only to the “organic” claim; finished products with this pineapple used as an ingredient were certified by Eco-Logica as “100% organic”.*
- *One witness inspection observed found that Nomi juices being produced contain non organic fructose and are being certified as “100% organic” and is also stated on the NOP organic certificate. The formulas for the juices also contained “organic” flavors.*

*1 of 6 files was found to be not in non-compliant with §205.105(c):*

- *use of ethanol as a processing aid is prohibited in “organic” products, as it is not listed on §205.605(b). One witness inspection observed found that Nomi juices being produced contained non organic fructose. There was no indication that a search for commercial availability of organic fructose was conducted. This finding is not non-compliant with §205.301 (b).*

**Corrective Actions:** The corrective actions adequately address the noncompliance. Eco-Logica’s corrective actions included providing notice to its handler clients on NOP regulation requirements for product composition as described in § 205.301. Eco-Logica also provided instruction to its certification reviewers and inspectors on assessing product labels for compliance with the NOP regulations. Eco-Logica is planning additional staff training on NOP labeling requirements to be held after June 2011. This training will be verified at the next on-site inspection.

**NP029800A.NC6 – Adequately address** - NOP §205.501(a)(10) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Maintain strict confidentiality with respect to its clients under the applicable organic certification program and not disclose to third parties (with the exception of the Secretary or the applicable State organic program's governing State official or their authorized representatives) any business-related information concerning any client obtained while implementing the regulations in this part, except as provided for in §205.504(b)(5).” *It was observed during the review of personnel files that two members of the inputs and materials committee and one member of the appeals committee do not have signed confidentiality statements.*

**Corrective Actions:** The corrective actions adequately address the noncompliance. Eco-Logica obtained signed confidentiality statements from all staff and placed the signed statements into the personnel files. Eco-logica has changed its quality system to update personnel information in January of each year. Ecologica’s confidentiality statement form has also been standardized to make it easier for personnel to complete the statement.

**NP029800A.NC7 – Adequately addressed** - NOP §205.501(a)(11)(v) states, “A private or governmental entity accredited as a certifying agent under this subpart must: Prevent conflicts of interest by: Requiring all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions and all parties responsibly connected to the certifying agent to complete an annual conflict of interest disclosure report.” *It was observed during the review of personnel files that two members of the inputs and materials committee and one member of the appeals committee do not have signed conflict of interest disclosure reports.*

**Corrective Actions:** The corrective actions adequately address the noncompliance. Eco-Logica incorporated conflict of interest statements into its personnel confidentiality statement agreements. Eco-logica obtained signed confidentiality statements, with the conflict of interest declarations, from all staff and placed the signed statements into the respective staff personnel files. To prevent this non-compliance from re-occurring, Eco-Logica will update personnel information in January of each year.

**NP029800A.NC8 – Adequately Addressed** - NOP §205.501(a)(15)(i) states, “A private or governmental entity accredited as a certifying agent under this subpart must: submit to the Administrator a copy of: any...notification of noncompliance, notification of noncompliance correction...” *Verbal interviews with the certification directors found that only notices of adverse action are submitted to the Administrator. Notices of noncompliance and noncompliance correction are not submitted.*

**Corrective Actions:** The corrective actions adequately addressed the noncompliance. Eco-Logica revised its procedures for reporting and monitoring NOP noncompliances. Eco-Logica’s procedures clarify when notices of noncompliance notices must be sent to operations seeking NOP certification or continuing with NOP certification. Included in these revised procedures is instruction to submit a copy of notices of noncompliance or noncompliance corrections, notice of proposed suspensions or revocations, and notices of suspension or revocation to the NOP. Eco-Logica has recently issued NOP Notices of Noncompliance according to the revised procedures.

**NP029800A.NC9 – Adequately Addressed** - NOP §205.501(a)(16) states, “A private or governmental entity accredited as a certifying agent under this subpart must: 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.” *The flat-rate of US\$275.00 for USDA/NOP certification is not listed on the fee schedule.*

**Corrective Actions:** The corrective actions adequately address the noncompliance. Eco-Logica incorporated all fees in its fee schedule and submitted a revised fee schedule for organic certification as part of the corrective actions. The revised fee schedule has been incorporated into Eco-Logica’s quality system.

**NP029800A.NC10 – Adequately Addressed** - NOP §205.662(a) states, “Notification. When an inspection, review... 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.” *The following issues were found in the review of 2 of 6 case files:*

- *Inspector noted that the list of inputs was incomplete in the organic management plan (OMP); however, there was no corresponding non-compliance issued to the client requiring the OMP to be updated to reflect the accurate information.*
- *Inspector noted that 3 sections of the OMP were incomplete (fertility management, measures to avoid contamination, and list of records); however, there was no corresponding non-compliance issued to the client requiring the OMP to be updated to reflect the accurate information.*

*An additional file was pulled for review of a multi-ingredient product. Review of this file found: A new product, banana puree with citric acid, was submitted for certification during the 2010 cycle. The OMP review did not obtain confirmation that the citric acid was produced in compliance with §205.605a; this information was not obtained at inspection and provided to the ACA for review. The*

*certification decision did not identify this material issue as a non-compliance.*

**Corrective Actions:** The corrective actions adequately address the noncompliance. Eco-Logica issued a Proposed Notice of Suspension and Notice of Suspension to the client with the incomplete organic management plan, and accepted the voluntary surrender of certification from the second client with incomplete plan information. Eco-Logica updated its quality system by modifying procedures to conduct more extensive reviews of OSP's before inspections can be scheduled. This review includes substances to be used in the system plan. Eco-Logica changed its quality system to ensure that clients submitting incomplete OSP's will be issued a notice of noncompliance. Eco-Logica will monitor staff review of OSP's as a component of performance evaluations.

To resolve the noncompliance associated with the citric acid review, Eco-Logica contacted the organic handler and determined that citric acid being used by the handler is compliant with the NOP regulations. To prevent noncompliances on reviewing ingredients described in organic system plans, Eco-Logica modified its certification procedures to ensure that its certification department will conduct comprehensive reviews of organic management plans, including review of all ingredients and processing aids used by organic handlers.

**NP029800A.NC11 – Adequately addressed** - NOP §205.670(b) states, “The certifying agent may require preharvest or postharvest testing of any agricultural input used or agricultural product to be sold, labeled, or represented as “100% organic,” “organic,” or “made with organic (specified ingredients or food group(s))” when there is reason to believe that the agricultural input or product has come into contact with a prohibited substance or has been produced using excluded methods. Such tests must be conducted by the applicable... certifying agent at the... certifying agent’s own expense.” *The fee schedule states that the “original requestor” of sample tests is responsible for costs. In the event an inspector determines at the time of audit that samples are required the cost would be forwarded to the certified operation. Verbal interviews with certification directors verified that this cost would be forwarded to the certified operation.*

**Corrective Actions:** The corrective actions adequately address the noncompliance. Eco-Logica removed the charge for sample tests from its fee schedule and modified its quality system to indicate that costs for sample testing will be the responsibility of Eco-Logica.

**NP029800A.NC12 – Adequately addressed** - NOP §205.681(a) states “Certification appeals. An applicant for certification may appeal a certifying agent’s notice of denial of certification, and a certified operation may appeal a certifying agent’s notification of proposed suspension or revocation of certification to the Administrator...” *In the case of 1 of 3 suspended operations, a combined notice of noncompliance and proposed suspension was issued. This notice adequately identified the requirements in §205.662(c)(4); however, the operation appealed directly to Ecologica. Ecologica, rather than directing this appeal to the NOP Administrator, accepted the appeal and reviewed it according to their Appeals Committee procedures, which are set up as a requirement of the Costa Rican national law for organic production. Though this appeal could have been accepted and reviewed for the certification to*



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*the national law; appeals of this type – directed to the certifying agent – cannot be handled, reviewed, or decided upon by the certifying agent, only the NOP Administrator.*

**Corrective Actions:** The corrective actions adequately address the noncompliance. Eco-Logica's procedures for Appeal have been modified to indicate appeals on adverse NOP certification decisions will be sent to the NOP Administrator. Eco-Logica's quality system has been modified to indicate that appeals on adverse NOP certification decisions will be sent to the Administrator. On February 1, 2011, Eco-Logica conducted training for staff on NOP Notice of Noncompliance procedures and NOP appeals process.