QAI

Program Policies for Organic System Plan Certification

QAI PROGRAM POLICIES FOR ORGANIC SYSTEM PLAN CERTIFICATION

OVERVIEW

Quality Assurance International's (QAI's) certification program has been developed with the objective of verifying that systems are in place to ensure that each product Certified by QAI has been grown, processed and/or handled in accordance with the requisite Standards and QAI's certification program. All clients seeking organic certification who plan to label their agricultural products as "100% Organic", "Organic" or "Made with Organic…" and sell them in the United States must be certified as being in Compliance with the National Organic Program (OFPA/7CFR Part 205). All clients seeking organic certification who plan to label organic or made with 70% - 95% organic ingredients, and sell them in Canada must be certified as being in Compliance with the Canadian Organic Regime (COR). Clients requesting certification for products which are outside the scope of the NOP or COR standard will be certified to an applicable alternative standards (QAI, AOS, JAS, EC 834/2007, CARTV, NSF/ANSI 305, etc.). Clients requesting to other regulatory authorities/standards will be provided with the appropriate plan format and any additional program requirements. Unless otherwise stated in the specific program requirements, these plans are based on a gap analysis between the NOP or COR and the Standard involved and verify only the additional requirements. They must be completed in addition to the relevant NOP or COR application documents.

QAI will not engage in the marketing of Certified Products or the promotion of individual products.

QAI does not give advice or provide consultancy services to certification applicants or Certified Operations, which may be used for overcoming barriers to certification.

QAI will not exclude from participation in or deny benefits of its certification Program to any person due to discrimination because of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status.

QAI, Inc. offers organic system plan certification to any organization, subject to the requirements of these program policies.

The policies apply to an organization's management system being certified against the selected Standard(s) within the scope of QAI's certification program. Please see the QAI Website www.qai-inc.com for a current list of QAI certification programs. Additional policies may apply subject to the requirements of a specific program. The policies shall be considered in their entirety, and shall be applied within the context of the selected Standard(s) and the contract (organic certification contract) between the organization and QAI. Where there is a conflict between a policy and the organic

certification contract the organic certification contract shall take precedence over the policy. For clarity and ease of reference, these policies are presented as individual items.

DEFINITIONS

Certificate of Compliance:	A certificate recognizing that the organic system plan operated at a site owned by the organization has been assessed by QAI and is in compliance with the selected standard(s), within the scope of QAI's certification program, and these policies.
Certification/Certified:	QAI attestation that a site of an organization meets all of QAI's requirements for its certification and it is authorized to use the QAI mark.
Certified Entity (CE):	Any public or private organization, group, or other entity contracting with QAI for certification services.
Additional Participant (AP):	Any public or private organization, group, individual or other entity not owned by the certified entity that obtains certification services as part of a contract between QAI and the certified entity. The AP's certification is only valid for the transfer of product to the CE. The certified entity is responsible for all aspects of the additional participant's certification. If this is not sufficient for the AP's needs, they may apply for certification in their own right.
CE Additional Location:	Any public or private organization, group, individual or other entity owned by the certified entity that obtains certification services as part of a contract between QAI and the certified entity. The certified entity is responsible for all aspects of the additional location's certification.
Certified Organization:	An organization that has a written agreement with QAI for organic system plan certification and has at least one certified site.
Certified Products:	Products, produced or handled at a certified organic site, that meet the requirements of QAI and the applicable standard.
Compliance:	Fulfillment of specified standard, regulation and law requirements, requirements of an organization's organic system plan, and QAI's program policies.
Contract:	Any authorized written agreement between the organization and QAI.
COR:	Canadian Organic Regime

Customer Service Advisements: Requirements of regulatory authorities other than the National Organic Program and the Canadian Organic Regime. These are provided for customer service only and will not affect NOP or COR certification.

Facility Compliance Plan Summary: A document provided to the certified entity for any certified location which is not yet producing products. The summary lists the process which was certified. Once products and labels have been reviewed for compliance this facility summary will be exchanged for either an organic system plan summary or limited compliance plan summary.

Finding: Use of objective evidence to formalize a conclusion.

Good Standing: An organization that has responded to all non-compliances and requests for information within the prescribed timeline and paid any outstanding invoices will be classified as "in good standing" with QAI. Only operations that are in good standing may make updates to their certification, such as adding product listings.

Inspection: Systematic, documented verification process of objectively obtaining and evaluating findings to determine whether specified activities, events, conditions, organic system plan, or information about these matters comply with applicable standards and policies, and communicating the results of this process to the client.

Limited Compliance Plan Summary: A document provided to the certified entity at certification for additional participants not owned by the CE which summarizes the limited scope of certification for the AP. The summary lists products, Id marks (product labels), organic claims and standards for certification.

Listing Of Certified Sites: Tabulation of sites owned by the certified entity that have been certified that is made available on the QAI website at the sole discretion of QAI.

Major Noncompliance: Absence or complete breakdown of a required program element.

- One or more requirements of the applicable standard(s) have not been adequately addressed.
- One or more requirements of the applicable standard(s) have not been implemented.
- Several requirements of the applicable standard(s) show similar minor deficiencies in documentation and/or implementation indicating a breakdown of the organization's organic system plan.
- An action that compromises the integrity of an organization's organic system plan or certified products.

Minor Noncompliance:	Isolated incidents, inadvertent actions or misapplications of program requirements that do not immediately affect the integrity of the organization's organic system plan or certified products.
NOP:	The National Organic Program Regulation 7CFR Part 205.
NSF/ANSI 305:	The NSF/American National Standards Institute "Made with Organic" Personal Care Products International Standard
OFPA:	The Organic Food Production Act
Organic System Plan:	A management plan for an organic production or handling operation that has been agreed to by the producer or handler and QAI and that includes written plans concerning all aspects of agriculture production or handling.
Organic System Plan Summary:	A document provided to the certified entity and locations owned by the CE at certification which summarizes the scope of certification for the organization's site. The summary lists products, Id marks (product labels), organic claims and standards for certification.
Organization:	A legal entity - company, corporation, firm, enterprise, municipality, authority or institution, group or combination thereof, whether incorporated or not, public or private, that has its own function.
Public Information:	Information required by the NOP or other regulatory authority to be made available to any member of the pubic upon request. Information required by the NOP includes: certification certificates issued during the current and three preceding years; a list of producers and handlers certified by QAI during the current and three preceding years; the results of laboratory analyses for residues of prohibited substances conducted during the current and three preceding years, if any.
QAI:	QAI, Inc. dba QAI, Quality Assurance International, its staff or other authorized representatives.
QAI Requirements:	Requirements of the selected standard, policies, and any agreements or contracts upon which QAI certification is based.
Regulation:	A governmental order having the force of law. The National Organic Program (7 CFR Part 205) is a regulation published in the United States Federal Register Vol.65 No.246. The Canadian Organic Regime is a regulation published in the Canada Gazette, Part II: Official Regulations Vol. 143, No. 13

Review:	The process of compiling and evaluating applications and Inspection results to determine the compliance of an organic system plan to all applicable requirements.
Revocation:	Under the National Organic Program, the act of decertifying a site for a period of 5 years unless the time frame is reduced by the Secretary.
Secretary:	Secretary of the United States Department of Agriculture (USDA)
SOP:	State Organic Program
Site:	The inspected location as defined by the client's organic system plan.
Standard:	The recognized organic standard that is the basis for certification.
Suspension:	The act of rendering certification of a site no longer valid for a defined period of time.

CERTIFICATION

1. Eligibility

An organization with an organic system plan within the scope of a recognized organic Standard for which QAI offers certification, may apply for certification by QAI.

2. Application for QAI Certification

An application, provided by QAI, shall be completed and submitted by the Certified Entity to QAI for each Site seeking certification.

3. Contract for QAI Certification

An organic certification contract provided by QAI shall be executed by the Certified Entity. A separate contract may be required for additional programs or certification to different Standards.

4. Contractors

QAI may contract with qualified administrative or technical consultants, inspectors, reviewers or laboratories to provide services as needed. In order to ensure impartiality and protect the sensitive information of QAI and its clients, all sub-contractors are required to sign conflict of interest statements and confidentiality agreements prior to obtaining any information.

5. Application Review

The organization shall submit to QAI documentation including its organic system plan. The organic system plan documentation shall include, as a minimum, the application materials provided by QAI to the organization. The designated reviewer shall Review the organization's application materials to verify the documentation is complete; determine if the organization appears to comply or may be able to comply with the applicable Standard; and assess the fees for the certification services.

6. Request for Additional Information

The organization will be notified if QAI determines it is unable to comply or if additional information is needed to complete the application. Requests for additional information must be answered within 30 days or QAI may move to deny or suspend certification.

7. Designation of the Inspector

Upon acceptance of an application and payment for services, QAI shall designate the inspector and shall inform the organization in writing of the inspector's name. Inspectors sign conflict of interest statements that are checked by QAI prior to their assignment, however, the organization will be notified of the assigned and may object to the chosen inspector if they feel a conflict of interest exits between the inspector and the operation to be inspected.

8. Coordination of Services for Inspections

QAI may coordinate services with other organizations that provide certification services to an organization to reduce costs for overlapping services.

9. Inspection

The designated inspector shall schedule an on-site visit at a mutually convenient time when the land, facility, and activities that demonstrate Compliance or the capacity of the organization to comply can be observed. The inspector will verify that the organic system plan has been sufficiently implemented at the Site and that the organization's organic system plan complies with the requirements of the Standard. During the on-site Inspection, any potential noncompliance shall be promptly documented as a Finding.

10. Exit Interview

The inspector shall conduct an exit interview with an authorized representative of the organization to confirm the accuracy of the information collected. At this time the need for additional information and any issues of concern will be addressed.

11. Independent Review and Certification Decision

QAI shall designate qualified individuals, not directly involved in the Inspection of the organization's Site to Review the Inspection report.

The reviewers shall make one of three recommendations which will be validated by the certification department:

- Recommendation for certification with no non-compliances.
- Recommendation for certification with minor non-compliances (conditions for continued certification). All minor non-compliances must be addressed within 90 days, or as indicated in the accompanying letter, whichever occurs first.
- Recommendation for new certification or annual updates to certification to be withheld until major non-compliances have been mitigated or Requests for Additional Information (conditions for continued certification) have been submitted. major non-compliances and requests for information must be mitigated in 30 days, or as indicated in the notice of noncompliance, or the process to deny, suspend or revoke certification will begin.

12. Certification Documentation

QAI shall provide to the organization a copy of the inspection report and either: a certificate of compliance with or without a letter noting conditions for continued certification and/or a notice of non-compliance detailing issues that must be resolved prior to certification being granted or continued.

13. Notification of Certification

The Certified Entity shall be advised in writing of the certification, and the certification shall be made public by QAI. A certificate of compliance and an organic system plan Summary shall be issued by QAI for each Certified Site owned by the Certified Entity.

The Certified Entity will not receive a certificate of compliance for Additional Participants (APs). Instead the CE will receive a Limited System Plan Summary for Certified Additional Participants to be used as internal audit trail documentation for the overall certification of the Certified Entity.

14. Official Listing of Certified Sites

QAI shall maintain a public Listing of Certified Sites including Sites owned by the Certified Entity. The Listing shall include the following:

- Certified Entity's name;
- Site location (city, state);
- Description of activity;
- Date of initial certification;

This information is available on the QAI website.

15. Responsibility of the organization

The organization shall represent as Certified, by use of the QAI Mark or otherwise, only a Site and/or a product which is in full Compliance with all applicable QAI Requirements and only after the Site/product has been officially Certified by QAI.

16. Use of the QAI Name on Products Produced or Handled at a Certified Site and Sold in the:

United States

Certified Products in retail packaging that meets the 100% Organic, Organic or Made with Organic claim requirements and identifies the products as such must display the phrase "Certified Organic by QAI" on the information panel adjacent to the information identifying the handler or distributor of the product.

Certified Products in non-retail packaging that meets the 100% Organic, Organic or Made with Organic claim requirements may display the phrase "Certified Organic by QAI" on the information panel adjacent to the information identifying the handler or distributor of the product.

Canada

Certified Products in retail packaging that meets the Organic or Made with 70% - 95% Organic claim requirements and identifies the product as such must display the phrase "Certified Organic by QAI" or similar statement.

Alternate names for QAI, Inc. that can be used include QAI, Quality Assurance International or the QAI Mark.

NSF/ANSI 305
Certified Products in non-retail packaging that meets the "Contains Organic Ingredients" claim requirements may display the phrase "Certified by QAI, Inc." on the information panel adjacent to the information identifying the handler or distributor of the product.

17. Authorization for Use of the QAI Mark

QAI and its Mark(s) are registered trademarks of QAI. No organization or person shall apply or use a Mark in connection with a product or Site, or represent in any way that the product or Site is certified, until receipt of certificate of compliance and/or organic system plan Summary listing the product.

The Mark for the NOP & COR Programs shall be displayed as:

The mark for NSF/ANSI 305 Program shall be displayed as:

The use of the Mark is voluntary. If used, it must be used in its entirety. Color is not a defining characteristic.

18. Use of the QAI Mark

The QAI Mark may be used on NOP Certified Products meeting the 100% Organic, Organic or Made with Organic claim requirements and on COR certified products meeting the Organic and Made with 70% - 95% Organic claim requirements, and NSF/ANSI 305 products meeting the "Contains Organic Ingredients" claim requirements.

19. Use of the QAI Mark - Advertising and Literature

Use of the QAI Mark on sales literature, technical publications, promotions, materials, catalogs and in advertising of certification is acceptable, provided the organization complies with the following:

- The organization shall not directly or indirectly represent, advertise, imply or claim that a non-certified product or Site is Certified by QAI.

- The organization shall cease the use of the Mark on any products produced or handled at a Site whose certification has been suspended or revoked or that voluntarily withdrew from certification after the effective date of such Suspension, Revocation or voluntary withdrawal of certification.

20. Use of the USDA Seal

The USDA Seal may be used on Certified Products meeting the 100% Organic or Organic claim requirements in conjunction with the QAI Mark, as follows:

- The QAI Mark is not displayed more prominently that the USDA Seal. This includes both size and color characteristics.

- The USDA seal must be displayed exactly as described in the NOP 7 CFR 205.311(b).

21. Use of the Canada Logo

The Canada Logo may be used on Certified Products that meet the production requirements and contain at least 95% organic content may be labeled as "organic".

22. Use of the NSF/ANSI 305 Seal

The NSF/ANSI 305 seal may be used on product packaging following review and conformity to Standard 305 sections 5.3 and 6.2.

ANNUAL MONITORING AND CONTINUED CERTIFICATION

23. Modifications to an Organization's Organic System Plan

The Certified Entity shall promptly notify QAI, in writing, of any intended modifications to its organizational structure, products, manufacturing process or quality system, at any Certified Site(s) which may affect its ability to comply with certification requirements. QAI shall assess the proposed modifications and promptly notify the organization, in writing, if the modifications may adversely affect the organization's certification or require a re-inspection of the Site.

24. Transfer of Authorization for Certification and Use of the QAI Mark

Upon request, and with documentation of continued Compliance with all applicable QAI Requirements and after the new organization's execution of the contract (Organic certification contract) along with payment of any outstanding fees, QAI will transfer authorization for continued certification of a specific Site to another organization for the purpose of a name change,

change of ownership, or change of a production and/or service location. An additional Inspection may be required.

Transfer of certification for an organization certified by another accredited certification agency to an organization certified by QAI is not allowed. The QAI certified organization must apply for new certification of the Site they are acquiring.

25. Extending the Scope of Certification

Organizations wishing to extend the scope of an existing certification mid-year must submit a written request detailing the modifications they would like to make. An existing certification will not be modified unless the organization is in Good Standing. Requests for adding products during the annual monitoring Review process may be delayed if there are mitigating circumstances. Mitigating circumstances include but are not limited to outstanding requests for information or payment of fees.

Producers requesting that additional crops be added to their program must complete and submit an Individual Field Profile (IFP) verifying that the crops are grown on land that was part of the original Inspection/certification using similar cultivation methods and practices and that acceptable transplants/seedlings are used.

Processors requesting that additional product be added to their program must verify that product is being processed at the same location and with the same equipment as originally inspected/Certified and submit an Individual Product Profile (IPP) and label along with the required supporting documentation.

Traders/Distributors/etc. must submit product profile information with required supporting documentation as applicable to their certification.

Upon receipt, QAI will determine if additional information or an Inspection is required prior to the product being Certified.

The organic status of specific product(s) will not be changed while a USDA, CFIA, State Organic Program or other relevant government agency complaint investigation is in progress; except as a means to resolve the issues involved.

26. Annual Monitoring and Surveillance

Unless otherwise specified in writing by QAI, QAI shall conduct one (1) Inspection each year as part of the annual monitoring process. QAI may conduct additional Inspections, announced or unannounced, as needed to ensure continued Compliance with certification requirements.

The organization will be notified and provided with an Application for Annual Monitoring three to six months prior to the date that the monitoring is due. The application must be returned within thirty (30) days of receipt. The organization is notified if additional information is required. Fees must be paid and the Inspection scheduled prior to the organization's annual monitoring date.

Failure to submit complete renewal application documentation and fees within the required timeframe is considered a non-compliance and appropriate compliance action will be taken by QAI. An additional late fee may be imposed if the organization does not submit renewal documentation in the time frame required. Applications are reviewed sequentially by their annual monitoring date.

Surveillance is accomplished by:

- Annual inspections;
- Noncompliance follow up;
- Unannounced or spot inspections;
- Sampling for residue testing
- Following up on complaints;
- Following up on reports of noncompliance;
- Active solicitation of information regarding clients' activities (e.g. attending industry functions, seminars, trade shows, involvement in the Organic Trade Association or the Organic Certifiers Council);
- Contacting clients/review of products, labels and promotional materials at trade shows by Certification Project Managers;
- Review of labels obtained during Market Retail Study

27. Access for Inspections

Complete access for QAI Inspections shall be granted promptly by the organization upon QAI's request. QAI shall make every attempt to schedule Inspections during normal business hours and to accommodate vacations, inventory shutdowns and other non-productive periods or Site closings where QAI has been notified in advance. QAI shall be granted access to the Site(s) of the organization, except where precluded from doing so by restrictions included in agreements between the organization and QAI or by government requirements (includes Regulations and security agreements), and where QAI has been notified in advance and is satisfied as to the validity of these restrictions. Refused or delayed access may result in withdrawal or suspension of certification. Organizations certified by QAI may not reject a request by an authorized regulatory authority to witness an inspection.

28. Cooperation with QAI

It is assumed and expected that the organization and QAI conduct business in accordance with all applicable laws and Regulations, and without unlawful discrimination and harassment. Inspections by QAI are for the benefit of the organization as well as the public interest. While engaged in the performance of these Inspections, QAI shall be given every assistance necessary, and shall have the right to examine all records bearing upon the duties and responsibilities of QAI or the organization with respect to Compliance with QAI Requirements. No QAI representative shall be required to make any agreements, waive any rights or privileges or enter into any compromises as a condition of Inspection. While on the organization's site QAI's representative(s) shall comply with the applicable health and safety rules of the organization and be accompanied by authorized organization personnel.

QAI inspectors may discontinue an Inspection at a Site where their health and safety may be at risk, if they are subjected to sexual harassment, discrimination, or the conduct of organization staff hampers the completion of a valid Inspection. The organization may, at any time and for any reason, require that an inspector of QAI leave the facilities of the organization. The inspector shall immediately notify executive management of the organization and QAI if an Inspection is to be discontinued. The organization is responsible for any fees that have occurred to that point and for contacting QAI to resolve any issues and reschedule the Inspection.

CONFIDENTIALITY

29. Confidentiality

QAI shall not disclose without the organization's prior written consent and shall keep confidential any information supplied to it by the organization about the organization and its product(s), its organic system plan, formulations, components, processes, ingredients or the identity of its suppliers, vendors, or customers except or unless such information is required to be disclosed to the Secretary of Agriculture or his representatives as part of the certification process. QAI shall keep confidential all information regarding procedures, equipment and products gained during Inspection. QAI shall release information required by law to be disclosed. QAI shall release the information only to those persons or agencies authorized or required by law to receive such information. Confidentiality does not apply to any information known to QAI independently, generally available to the public, or obtained by QAI from a third-party under no obligation to the organization not to disclose said information.

30. Separate Confidentiality Disclosure Agreement

Upon request by the organization, QAI may execute a separate, uniform, and standard written confidentiality agreement with the organization or with the organization's supplier(s).

31. Procedures upon Receipt of Subpoena for Confidential Business Information

Unless prohibited by law, QAI shall notify the organization promptly of a subpoena or a request for production of the organization's confidential business information. If the organization does not assert a proprietary interest within a reasonable time after QAI inquiry, QAI shall release the information to parties requesting the information.

If the Court orders release of the information covered by the subpoena or production request, QAI shall release the information only to parties entitled by the Court's order to receive such information.

INVESTIGATION OF COMPLAINTS

32. Complaints

QAI shall investigate complaints related to certified companies compliance, misuse of the QAI mark by a certified organization, or use/misuse of the QAI Mark by a non-certified organization. Complaints are classified as formal or informal.

A formal complaint is one that is in writing and signed by the complainant. Complaints may be sent to QAI, the National Organic Program or the governing State Organic Program. QAI will acknowledge receipt of the complaint, promptly investigate, and take appropriate action. QAI may advise the subject of the complaint of the allegation. QAI shall not identify the complainant except as required by law.

QAI shall investigate an informal complaint on or before the next regular Site Inspection, but has no obligation to acknowledge informal complaints, identify the complaining party, or to notify the complaining party of the results of any investigation that may be conducted.

CORRECTIVE ACTION AND ENFORCEMENT

33. Withdrawal or Surrender of Certification

At any time prior to QAI issuing a Notice of Noncompliance to the organization, the organization may withdraw a new application or surrender an existing certification without prejudice. Once a Notice of Noncompliance has been issued the organization may withdraw or surrender certification but must demonstrate resolution of such noncompliance prior to completing certification with QAI or seeking certification with another certifier.

34. Corrective Action for Conditions for Continued Certification

The organization shall be advised in writing of all items of Minor deficiencies. The organization is issued a certificate along with a letter detailing the deficiencies. The notice details the procedures for rebutting or correcting the deficiencies and gives the timeframe by which they must be addressed.

When subsequent Inspections indicate that corrective actions have not been effective, or for repeated recurrence of an item of minor deficiency, the deficiency shall be classified as a Noncompliance.

35. Non-Compliance Procedures for Certified Operations

Notification. When an inspection, review, or investigation of a certified operation by QAI reveals any noncompliance with a relevant standard a written notification of noncompliance shall be sent to the certified operation via a delivery service which provides return receipts.
The notification shall provide:
(1) A description of each noncompliance;
(2) The facts upon which the notification of noncompliance is based; and
(3) 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.

Resolution. When a certified operation demonstrates that each noncompliance has been resolved, QAI shall send the certified operation a written notification of noncompliance resolution via delivery service which provides return receipts.

Proposed suspension or revocation. When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, QAI shall send the certified operation a written notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance.

When correction of a noncompliance is not possible, the notification of noncompliance and the proposed suspension or revocation of certification may be combined in one notification.

The notification of proposed suspension or revocation of certification shall state:
(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:
(4) The right to request mediation or appeal

36. Certification In Good Standing

An organization that has responded to all non-compliances and requests for information within the prescribed timeline and paid any outstanding invoices will be classified as "In Good Standing" with QAI. Only Operations that are in Good Standing may make updates to their certification, such as adding product listings.

37. Enforcement Action for Use of the QAI Mark by Certified Organization at a Non Certified Site or Without Prior Authorization

Organizations wishing to use the QAI Mark must apply either through the annual certification process or via a mid-year addition request. Approval must be given prior to using the mark. Failure to obtain approval prior to marketing the product may result in suspension or revocation of the certification. Other appropriate action may be taken by QAI, including, but not limited to, issuing a public notice.

38. Enforcement Action for Unauthorized Change to a Certified Organic System Plan

If QAI determines that an organization has made changes to a certified site's organic system, without notifying QAI, and that the changes impacted the integrity of the organic product appropriate action will be taken. Such action may include suspension or revocation of the certification and, as appropriate, issuing a public notice.

39. Enforcement Action for Bribes Offered to QAI

Any attempt by an organization or its employees or agents to offer inducement or bribes to QAI will result in immediate denial or revocation of certification and/or other action deemed appropriate by QAI.

ENFORCEMENT ACTION UNDER THE NOP AND COR

Under the National Organic Program and the Canadian Organic Regime once certification is granted it continues in effect unless voluntarily surrendered, withdrawn, suspended or revoked. Clients who are no longer in Compliance with the National Organic Program or the Canadian Organic Regime, who no

longer produce or handle organic products or who no longer wish the services of QAI must officially withdraw from the certification Program. Clients who are no longer compliant and who have not officially withdrawn will be suspended until such time as they comply.

40. Denial of Certification for New Applicants Only

QAI may deny initial certification at any Site, at any time, for failure to comply with any QAI Requirements.

QAI shall promptly notify the organization, in writing, of denial of certification with citation of the violated section of the regulation.
For clients applying for NOP certification: The organization has the right to (a) request mediation within 30 days pursuant to 205.663; or (b) file an appeal within 30 days pursuant to 205.681.

An organization whose certification has been denied is not permitted to sell organic product and may be subject to penalties outlined in section 7CFR 205.100(c)(1). The organization shall not be permitted to use the QAI Mark.

To reapply for certification with QAI, the organization must re-initiate the application process, pay all applicable fees, provide evidence demonstrating correction of each non-compliance and corrective action taken to comply with, and remain in Compliance with the Act and the Regulation.

For clients applying for COR certification, the organization has the right to (a) file an appeal of the denial; and can reapply for certification to any accredited certification Body, including QAI.

To apply to another certifying agent, the organization must submit a copy of the Notice of Noncompliance and a written description of the actions taken, with supporting documentation, to correct all non-compliances.

41. Suspension of Certification

QAI may propose to the NOP and other applicable authority that certification should be suspended, at any time, for failure to comply with the requirements of the relevant organic regulation or standard.

QAI shall notify the organization, in writing, of the proposed suspension with citation of the violated section of the regulations. Suspensions may become effective in thirty (30) days of the receipt of the notification unless the organization (a) resolves all outstanding issues within the given timeframe; (b) request mediation pursuant to 7CFR 205.663; or (c) files an appeal pursuant to 7CFR 205.681.

Immediately following the thirty (30) day period following proposed suspension, and if the operation failed to resolve the non-compliance or exercise their rights detailed within the relevant standard, the certification is suspended. The timeframe for the suspension is determined with guidance from the NOP Penalty Matrix published in the NOP Program Handbook for NOP certified operations.

COR operators have 30 days following receipt of suspension notice to request an extension, file an appeal, or correct the non-compliance. If these steps are not taken, the operation will receive a notice of cancellation of certification to COR.

The organization shall immediately stop the use of the QAI Mark at that Site. A suspended organization is not permitted to produce or handle products at the suspended location and reference them as certified organic by QAI after the effective date of Suspension and NOP certified operations may be subject to penalties outlined in section 7CFR 205.100(c)(1).

42. Reinstatement of Certification

NOP Reinstatement

If suspended, the organization may submit a signed, written request for reinstatement of the certification. Requests for reinstatement to NOP, addressed to the Secretary of Agriculture, may be sent to the NOP Associate Deputy Administrator or directly to QAI to be submitted on the operation's behalf. The request must be accompanied by evidence demonstrating correction of each non-compliance and corrective action taken to comply with, and remain in Compliance with the Act and the Regulation.

Prior to re-instatement being granted, the organization will be required to repeat certain steps of certification process in order to bring the certification up to date and into full Compliance. There may be fees assessed in order for QAI to repeat any of the certification steps required.

COR Reinstatement

QAI will submit the request for reinstatement to CFIA when corrective actions have been verified in the case of suspensions. Cancelled operations must re-apply for certification and complete the entire certification process, be verified as compliant by QAI, at which time QAI will request reinstatement to CFIA. QAI will notify the client of the effective reinstatement date when confirmed by CFIA.

Revocation of Certification

QAI may propose to a relevant authority that certification should be revoked, at any time, for failure to comply with the requirements of the relevant regulation or standard.

QAI shall notify the organization, in writing, of the proposed revocation with citation of the violated section of the regulation or standard. Revocations become effective in thirty (30) days of the receipt of the notification unless the organization (a) resolves all outstanding issues within the given timeframe; (b) request mediation pursuant to 7CFR 205.663; or (c) files an appeal pursuant to 7CFR 205.681.

Immediately following the thirty (30) day proposed revocation period, and if the operation failed to resolve the non-compliance or exercise their rights detailed within the relevant standard, the certification is revoked. The organization shall immediately stop the use of the QAI Mark at that Site.

An organization whose certification has been revoked is not permitted to produce or handle products produced at the revoked location after the effective date of Revocation and may be subject to penalties outlined in section 7CFR 205.100(c)(1). Additionally, an organization or

person responsibly connected with an organization whose certification has been revoked will be ineligible to receive certification from any certifier for a period of 5 years.

MEDIATION

43. Mediation for Operations Certified to the NOP

QAI will make every attempt to work cooperatively with certified organic operations or applicants for certification to identify problem areas and resolve issues of alleged noncompliance long before a decision to revoke, suspend, or deny certification is made. However, if these efforts fail, and an operation is notified of an adverse action decision the operation maintains the right to mediate and/or appeal that decision.

Mediation shall be requested in writing to QAI. QAI has the option to accept or reject mediation. If QAI rejects the request for mediation, the organization will be notified in writing. If mediation is accepted by QAI, such mediation shall follow the procedure under the NOP 7CFR 205.663 and be conducted by a qualified mediator mutually agreed upon by the parties to the mediation. If a State Organic Program (SOP) is in effect, the mediation procedures established in the SOP, 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.

APPEALS

44. Appeals for Operations Certified to the NOP

QAI follows the procedures of appeals as defined by the NOP 7CFR 205.681 and outlined below.

Appeals will not be reviewed, heard, or decided by anyone involved in making the decision being appealed. USDA or the State Organic Program (SOP) will send all communications involved in the appeals process to organization’s place of business, using a delivery service that provides dated return receipts. Organizations must also use a delivery service that provides dated return receipts.

Organization must appeal within 30 days of receiving the decision letter, or within the time frame specified in that letter—whichever is later. Unless organization’s appeal on time, the decision to deny, revoke, or suspend your certification will become final.

Organization must include the following information in their appeal: a copy of the decision they are appealing; and a statement of reasons for believing that the decision was not proper or did not follow National Organic Program Regulations, policies, or procedures.

Organization must send their appeal to applicable SOP if there is one. The notification letter will provide exact instructions. If there is no SOP then send your appeal to the USDA at:

Administrator, USDA, AMS

c/o NOP Appeals Staff
Stop 0203, Room 2095-S
1400 Independence Ave., SW
Washington, DC 20250

If the Administrator of the USDA AMS or the State Organic Program sustains the appeal, the organization will be granted certification, or if the decision was for Revocation or Suspension, organization will be notified that the certification will continue.

If the Administrator denies the appeal, the organization will be notified that a formal proceeding to deny, suspend, or revoke the certification is being initiated. An Administrative Law Judge will handle this proceeding. The notification letter from the Administrator will contain instructions on what to do next, if the organization is not satisfied with the decision.

If the State Organic Program denies the appeal, the organization will be notified of the next step they may take in the State appeals process.

45. Appeals for Operations Certified to COR

1. An appeal may be initiated if you receive a notice of noncompliance with the applicable standards, and receive a notice of proposed suspension, revocation or termination of certification status.
2. Must be filed within the time frame provided for addressing the noncompliance and delineated on the notice of suspension, revocation or termination.
3. The Appeal will be assigned to a Reviewer that was not involved in the original decision. The Reviewer's recommendations are reviewed and assessed by appropriate members of Senior Management that were not involved in the original decision. Review and adjustment, if any, must be completed within 30 days. Notification of review results will be delivered to you by a service that provides return receipt.
4. Adverse decisions may be further appealed to the QAI Policy Committee, if such appeal is requested within 30 days of the issuing of the decision by the Senior Management members.
5. The QAI Policy Committee will be provided with QAI review documentation and notices, and any client rebuttal information, to prepare for a teleconference called to review the appeal. Their determination will be sent by return receipt service, and will be final.
6. The cost of the appeal will be borne by the appellant if the decision is upheld. QAI will bear the cost if the appeals decision is reversed.

46. Appeals for Operations Certified to CARTV

QAI follows the appeals procedure for CARTV certification as detailed with CAEQ policy ACA2PL7921a Policy on Appeals lodged by Companies concerning adverse decisions by accredited certifying bodies.