



**Livestock and Seed Program
Audit, Review, and Compliance Branch
Quality System Audit Report**

AUDIT INFORMATION

Applicant Name:	California Crop Improvement Association (CCIA)
Est. Number:	N/A
Physical Address:	One Shields Ave., Davis, CA 95616
Mailing Address:	One Shields Ave., Davis, CA 95616
Contact & Title:	Robert Stewart, Executive Director
E-mail Address:	rfstewart@ucdavis.edu
Phone Number:	530-752-9826
Auditor(s):	Vickie Robertson
Program:	USDA National Organic Program (NOP)
Audit Date(s):	March 5 - June 8, 2007
Audit Identifier:	NP7064GGA
Action Required:	Yes
Audit Type:	Surveillance - Accreditation Renewal Audit
Audit Objective:	To verify continuing compliance to the audit criteria; and to verify the implementation and effectiveness of corrective actions in addressing the previous non-compliances.
Audit Criteria:	7 CFR Part 205.510, National Organic Program (NOP) Final Rule, dated December 21, 2000, Updated September 11, 2006.
Audit Scope:	The CCIA quality manual dated February 6, 2007, including personnel, processes, procedures, facilities, and related records.
Location(s) Audited:	The CCIA office in Davis, CA; Jim's Produce in Wheatland, CA; Lion's Gate Farms in Chico, CA; and Progeny Advanced Genetics in Salinas, CA.

The 5 Year Accreditation Audit process started on March 5, 2007, with a review of the documents submitted by CCIA and concluded with the on-site surveillance audit which was conducted on June 4-8, 2007.

CCIA is a certifying agent that is affiliated with the University of California to provide multiple certifications for the agricultural community and became a certifying agent for USDA as a natural offshoot of those services. CCIA was accredited as a certifying agent on August 7, 2002, to the USDA National Organic Program for crop and handling. CCIA currently certifies 60 clients with 35 crop, 1 livestock, 1 wild crop, and 23 handling operations. CCIA certifies primarily in the state of California, but also has clients in Arizona and Oregon. Additionally the company certifies internationally in Mexico and Thailand.



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The initial review of the application and organic system plans is performed by the Manager of the Organic Certification Program who assigns the inspection to one of three in house inspectors. The final review of the inspection report and final decision for certification is also made by the Manager of the Organic Certification Program. The procedure is the same for initial as well as continuing certifications.

CCIA has completed the annual reports and annual update reports required by the regulation; however, the timeliness of these submissions could not be verified due to a lack of records. The organizational structure of CCIA consists of a Board of Directors that has general oversight of the organization, an Executive Director, Manager of the Organic Certification Program, and three staff inspectors. One of the members of the Board of Directors has a financial interest in an operation that is certified by another accredited certifying agent. The certification personnel were adequately trained and knowledgeable concerning their respective certification duties with the exception of livestock. Adequate documentation for the inspectors and the Manager of the Organic Certification Program were not available to verify training and/or experience for livestock certification. CCIA does not currently certify a viable livestock operation as one had not submitted the updated information and fees required to continue; one had sold its herd of dairy animals and is no longer operating; and the third does not certify its beef animals; therefore, a witness inspection could not be performed to evaluate the inspector's competence during a livestock inspection.

The audit included witness inspections of a crop, wild crop, and a processing operation. The inspector had partially completed his checklist to verify the organic system plan prior to the inspection. The inspector collected information, but did not review input labels, seed packet labels or search documentation, or final product labels during the inspections. No non-compliances were identified as all decisions were left for the certification manager.

CCIA has not issued any notice of denial or non-compliance to date. The company operates via email and telephone conversations with clients to obtain information to avoid non-compliance and/or denial notices. Operators are informed if their operation does not meet the NOP requirements, but not through the denial process. Fees charged to clients are according to the fee schedule provided to the Administrator; except for 2006 when several clients were not charged for service due to a large turnover in office personnel and inadequate record keeping. A matrix has been developed to track payment of fees to preclude this situation from re-occurring.

FINDINGS

Observations made, interviews conducted, and procedures and records reviewed verified that CCIA is currently operating in compliance to the requirements of the audit criteria except as noted in the non-compliances below. The corrective actions for the non-compliances identified during previous annual updates were reviewed for implementation and effectiveness resulting in the clearance of four non-compliances and the partial clearance of one non-compliance. One non-compliance and one partial non-compliance remain outstanding. There were eight (8) non-compliances identified during the audit. One non-compliance (*NP7064GGA.NC6*) was partially withdrawn.



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NP5332DDA.NC1 – Major – Cleared - Section 205.510(a)(1) requires, “An accredited certifying agent must submit annually to the Administrator...A complete and accurate update of information submitted pursuant to §§205.503 and 205.504.”

- d) *An organic system plan for Pacific Coast Producers was not submitted as part of the handling file. Corrective Action:* CCIA submitted the Pacific Coast Producers “Organic System Plan” for review. However, during the review of the organic system plan only the 1st page of the organic system plan was submitted. The organic system plan showed that there should be 9 pages. **Corrective Action (June 5, 2007):** The files reviewed contained completed organic system plans (OSP).

NP5332DDA.NC2 – Minor – Cleared - NOP §205.404(b)(2) & (3) states, “The certifying agent must issue a certificate of organic operation which specifies the: Effective date of certification; and Categories of organic operation.” *A review of the certificates issued by CCIA shows that*

- a) *The categories for the organic crops are listed as farms; and*
b) *The certificates issued for continuing certification only have the new certification date and do not contain the effective date of certification. This non-conformance was addressed in 2004 as implemented to correct this but the 2005 certificates are not correct.*

Corrective Action: CCIA did not submit any certificates to show that changes to the certificates were made. CCIA submitted a statement that stated, “We are in the process of reviewing our current certificates and in the future we will be printing new certificates to denote the different categories; Crops or Processed products and will also include the “Effective date of Certification”. **Corrective Action (June 5, 2007):** The certificate templates as well as the certificates issued for the files reviewed for the 2006 cycle indicated the certificates contained an effective date and that the category of certification was listed correctly.

NP5332DDA.NC4 – Minor – Cleared - 205.201(a)(5) requires, “A description of the management practices and physical barriers established to prevent commingling of organic and nonorganic products on a split operation and to prevent contact of organic production and handling operations and products with prohibited substances.” *A review of the Staunton Farms file showed that the client was raising both organic and nonorganic wheat of the same variety on the farm. No management practices were established and the inspector did not verify how the wheat crops were not commingled. Corrective Action:* CCIA submitted corrective actions that showed during the inspection it was observed by the inspector that some management practices are being followed to prevent commingling. The organic field is isolated and identified in the Organic farm plan. The harvesting, transportation and storage equipment used in both organic and non-organic is cleaned before organic use with wash, vacuum or compressed air. Some of the storage equipment will request further verification of the management practices regarding separation/isolation, including transportation and storage identification and numbering. **Corrective Action (June 5, 2007):** During the on-site inspections and file reviews adequate documentation and verification activities were observed to determine that commingling of conventional and Organic crops was avoided by the producer/handler.

NP6296FFA.NC2 – Minor – Cleared - NOP §205.404(b)(2) states, “The certifying agent must issue a certificate of organic operation which specifies the: Effective date of certification; *A review of the*



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*certificates issued by CCIA shows that the certificate issued for Pacific Coast Producers shows that the client has only been certified since 02/27/06. A review of the Organic process/Handling Plan shows the client stated first year certified was 2005. The year on the certificate and Organic Plan that shows when the client was first certified does not match. **Corrective Action:** CCIA has two Pacific Coast Producer entities (PCP/Woodland and PCP/Lodi) and during the issuance of the certificate CCIA inadvertently printed the incorrect date on the certificate for other entity. This will be corrected on the new certificate for 2007. A revised certificate with the correct date should be submitted to the client. **Corrective Action (June 5, 2007):** The certificate templates as well as the certificates issued for the files reviewed for the 2006 cycle indicated the certificates contained an effective date and that the category of certification was listed. Corrected certificates have been issued to the companies concerned.*

NP6296FFA.NC1 – Major – Outstanding - NOP § 205.510(a) (1) requires, “An accredited certifying agent must submit annually to the Administrator...A complete and accurate update of information submitted pursuant to §§205.503 and 205.504.”

c) 205.504(a)(2) - Cleared

d) 205.504(a)(3)(ii) - Cleared

g) Outstanding - 205.504(d)(2) states, “An applicant who currently certifies production or handling operations must submit: Copies of at least 3 different inspection reports and certification evaluation documents for production or handling operations certified by the applicant during the previous year for each area of operation for which accreditation is requested. *CCIA submitted three (3) crop operation files and three (3) Handling files. The files included the inspection reports and certificates. The producer files (Lyons Gate Farm, Jims Produce, & Roots Ranch) and the handling files (Pacific Coast Producers, Winema Elevator, Inc., & Harris Morgan) had a letter to the client containing the certification decision. The producer and handling files did not have certification evaluation documents in the files to show how the final decision was made to certify the clients.*

Corrective Action: CCIA stated that the forms and copies for each operation are the certification evaluation documents. These documents provide the information needed to make a final decision to certify the clients. Robert Simas (Manager of the Organic Certification Program) evaluates each operation according to necessary rule and requirements of the NOP. **Corrective Action (June 5, 2007):** The files reviewed provide a letter indicating a final review of the inspection report and the organic system plan; however, the files do not provide evidence that all applicable areas of the NOP are reviewed for compliance. CCIA provided a form to be used in the certification cycle for the Accreditation renewal (*Decision on Certification*) OCP-231 February 7, 2007, that clearly shows the review of documents, estimate of costs, review of inspection, review of non-compliances, when the copy of the inspection report was sent to the client, and the final decision completed by whom and dated; however, this document is not currently being used. There is no evidence that an initial review of documents is completed prior to the inspection being scheduled, although the files reviewed did indicate a completed OSP. Some files indicated materials had been sent to CCIA, but they did not contain a request for further information or a notice of non-compliance. The only indication of who made the final decision is the letter to the client by the Manager of the Organic Certification Program. It cannot be determined by the files if the information is reviewed for all applicable portions of the NOP.



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NP5332DDA.NC3 – Minor – Outstanding - NOP §205.272(b)(1) states, “The following are prohibited for use in the handling of any organically produced agricultural products... Packaging materials, and storage containers, or bins that contain a synthetic fungicide...” *A review of the Harris Moran file organic system plan showed that the company used Thiram 50WP, Rovral 4 Flowable, and Allegiance FL to control soil borne fungus on pelleting pans. Neither the inspector nor program manager investigated to determine if this was acceptable under the NOP Rule. Corrective Action:* CCIA submitted corrective actions that stated, “The fungicides used in the pelleting pans are not used in the Organic Process/handling Plan. Section 8-C make note of these as previously used materials, but the Organic Processor Inspection Plan B Evaluation #23, 60 and 61 and the Organic Process/Handling Plan Section 7 Sanitation show cleaning of production equipment. For the future, the inspector has stated better documentation of all documentation of all cleaning should be used during the process and available for review.” CCIA did not submit Section 8-C, Organic Processor Inspection Plan B Evaluation #23, 60, 61 and Organic Process/Handling Plan Section 7 for review to verify. **Corrective Action (June 5, 2007):** The inspectors’ checklists currently in use are in a Yes/No format that does not provide adequate information concerning the compliance of the cleaning of equipment and machinery.

NP7064GGA.NC1 - NOP §205.401(a) & (d) states, “A person seeking certification of a production or handling operation under this subpart must submit an application for certification to a certifying agent. The application must include the following information: (a) An organic production or handling system plan, as required in §205.200; and (d) Other information necessary to determine compliance with the Act and the regulations in this part.” *The application/organic system plans do not reference the applicable sections of the regulation and do not contain the information to verify compliance to all applicable sections of the regulation including sections §205.203, §205.204, and all of the livestock provisions.*

NP7064GGA.NC2 – NOP §205.402(a)(1) & (2) states, “Upon acceptance of an application for certification, a certifying agent must: (1) Review the application to ensure completeness pursuant to §205.401; and (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 review of files did not provide objective evidence that the required material reviews are completed to ensure completeness or ability to comply with the regulations.*

NP7064GGA.NC3 – NOP §205.403(c) states, “The on-site inspection of an operation must verify: (1) The operator’s compliance or capability to comply with the Act and the regulations in this part; (2) That the information, including the organic production or handling system plan, provided with §§205.401, 205.406, and 205.200, accurately reflects the practices used or to be used by the applicant for certification or by the certified operation; (3) That prohibited substances have not been and are not being applied to the operation... (d) The inspector must conduct an exit interview with an authorized representative of the operation who is knowledgeable about the inspected operation to confirm the accuracy and completeness of the inspection observations and information gathered during the inspection. The inspector must also address the need for any additional information as well as any issues of concern.” *The files reviewed and the inspections observed revealed that the inspector does not verify the information required. Records were not reviewed for inputs, seed search, labeling requirements, and the use of prohibited substances. The inspector did not perform an exit interview with the operators.*



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NP7064GGA.NC4 – NOP §205.404(a) states, “Within a reasonable time after completion of the initial on-site inspection, a certifying agent must review the on-site inspection report, the results of any analyses for substances conducted, and any additional information requested from or supplied by the applicant.” *The files reviewed did not provide objective evidence of the final review of the inspection report and application materials to ensure compliance with the regulation for initial or continuing clients.*

NP7064GGA.NC5 – NOP §205.406(a)(1) states, “To continue certification, a certified operation must annually pay the certification fees and submit the following information, as applicable to the certifying agent: (1) An updated organic production or handling system plan.” *A review of four of five files did not contain an updated organic system plan or a letter indicating that there were no changes to the existing plan.*

NP7064GGA.NC6 – NOP §205.501(a) states, “A private or governmental entity accredited as a certifying agent under this subpart must:”

(4) “Use a sufficient number of adequately trained personnel, including inspectors and certification review personnel, to comply with and implement the organic certification program established under the Act and the regulations in subpart E of this part.” *The personnel files reviewed revealed that neither the inspectors nor the Certification Manager possess expertise for the certification of livestock operations.*

(9) “Maintain all records pursuant to §205.510(b) and make all such records available for inspection and copying during normal business hours....” *Client files reviewed indicated incomplete record retention of the required materials. The certifying agent did not have records available to verify the submission of required documents to the USDA. Timeliness of submissions per §205.510(a) could not be verified.*

(11)(vi) - **Withdrawn** - “Ensuring that the decision to certify an operation is made by a person different from those who conducted the review of documents and on-site inspection.” *Files reviewed and interviews conducted revealed that the same individual performs the initial document review, the final document review, and the certification decision. Reason for Withdrawal:* According to the NOP, the initial and final reviewer who makes the final decision can be the same person.

NP7064GGA.NC7 – NOP §205.510(a)(4) requires submission of the results of the most recent performance evaluations and annual program review and a description of adjustments to the certifying agent's operation and procedures implemented or to be implemented in response to the performance evaluations and program review. *The performance evaluation for the Manager of the Organic Certification Program for 2006 was not available. The annual program review was not available nor was there evidence of improvements or changes as a result of the program review or evaluations.*

NP7064GGA.NC8 – NOP §205.670(b) states, “...Such tests must be conducted by applicable State organic program's governing State official or the certifying agent at the official's or certifying agent's own expense.” *The requirement for the payment of lab fees is not addressed in the CCIA Quality Manual, Policies, or Procedures.*