

Montana Organic Certification Advisory Council (MOCAC)

February 22, 2006

Helena, Montana

Conference Call Minutes

MOCAC MEMBERS:

1. Steve Baril
2. Laura Garber
3. Mikel Lund
4. Mark Bruckner
5. Nancy Matheson
6. John Hoffland – present in person
7. Andre Giles

DEPARTMENT STAFF:

1. Gregory H. Ames
2. Doug Crabtree
3. Donna Rise
4. Connie Smith

ABSENT:

1. Nancy K. Peterson

Summary of Council Meeting Motions:

Motion to Approve Minutes of last Council Meeting, December 5-6, 2005:

Laura Garber made a motion to approve the minutes, seconded by Andre Giles.

Motion to approve the minutes carried unanimously.

Motion to submit a proposal to the Montana Wheat & Barley Committee (MWBC) for a grant to provide funding for the ISO 65 accreditation project.

Andre Giles made a motion to submit a proposal to the Montana Wheat & Barley Committee for a grant to provide funding for the ISO 65 accreditation project. Motion seconded by Laura Garber. **Motion carried unanimously.**

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Welcome and Opening Remarks – Greg Ames

Greg Ames opened the meeting with a warm welcome to those present. John Hoffland arrived a few minutes after the meeting began.

Nancy Matheson asked if she was facilitating the meeting. Greg Ames said that since Director Nancy K. Peterson was not present at the meeting that Nancy would chair the meeting.

Review of Previous Meeting Minutes

Nancy Matheson asked if there were any amendments to the minutes from the December 5-6, 2005 MOCAC meeting. No amendments were brought forward. Nancy Matheson called for a motion to approve the minutes. Laura Garber so moved and Andre Giles seconded the motion. The motion was carried unanimously.

Annual Program Review

Nancy Matheson asked John Hoffland if he was prepared to lead the discussion of the program review. John agreed to do so. Doug mentioned that he had added some comments (in italics) to the version of the report that was emailed to all MOCAC members during the first few minutes of the call. The comments are (some of) his initial responses to the review findings.

John Hoffland began the review by mentioning that Steve Baril had provided a recommendation to the review committee to structure the review of files around issues of concern rather than non-compliances. John indicated that Steve's suggested approach really worked well and got them into some of the pertinent issues that needed to be looked at. This was brought to the forefront under the heading **Method of Review**. The review committee consisted of Nancy Matheson, Mark Bruckner, and John Hoffland.

Specific Observations and Concerns of One Reviewer

John Hoffland asked Nancy Matheson if she had any particular items to discuss before going on to **General Observations, Concerns and Recommendations**, which included John Hoffland and Mark Bruckner's comments. They reviewed 10 sets of files from the 2005 certification year, and a couple of files from a previous year to see if previous recommendations had been acted upon. Based on the 10 files reviewed the review committee had the following observations, concerns, and recommendations:

Budget and Staff

The committee feels that the Department can best address the program's budget challenges through the recruitment of larger producers and handlers. Assessment fees from larger producers would help stabilize program funding. Increasing the number of larger certified operations is preferable to raising fees, which would be particularly difficult for small operators to meet.

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Workload within the program is another area of concern. The committee is concerned about the (potential) affect of staff “burnout” on the program. It was noted that Doug Crabtree and Connie Smith spend a large amount of time working with new applicants. The committee suggested that new applicants be given access to tools and resources to help them through the application process. The use of a “gatekeeper” to help new applicants, could reduce the demand on Connie’s and Doug’s time.

Timeliness of Review and Certification Process

John Hoffland discussed the timeliness of certification. The committee felt that, while timeliness was better than in previous years, certification is still taking too long. They recommended that the process should take no longer than 90 days from submission of applications to issuance of certification. Doug Crabtree stated that such a timeline is not possible. Most operations are not inspected within 90 days, nor is it practically feasible to expect them to be. The program’s goal is to complete the certification process within 90 days *from the date of inspection*.

Forms

The Committee expressed concern about the lack of dates on some forms. They also noted that some certification flow charts had not been completely filled out.

Inspectors

The clear and concise inspection reports by Keith Kadrmas were appreciated very much by the reviewers. Although Margaret Scoles is a very competent and thorough inspector, her lengthy reports made it somewhat difficult to discern issues of concern. Doug said that Keith would not be returning as an inspector this year and the void would, hopefully, be filled by a staff person.

New Applicants

John stated that many new applicants that had incomplete system plans were passed on for an inspection when, in fact, the applicants may need to have some support in filling out their paperwork. Mikel Lund asked if there could be someone to help new applicants with their process. A mentoring program was suggested. Referring new applicants to free help through the Alternative Technology Transfer for Rural Areas (ATTRA) program is an option. ATTRA is an excellent source for both general information and for record-keeping forms. Nancy Matheson suggested that a set of ATTRA information forms be provided to all new applicants. Donna Rise asked if the forms were available electronically. Nancy Matheson stated that all ATTRA forms are available on line at <http://attra.ncat.org>. Greater use of these services would ensure that our applicants receive the help they need, while reducing program expenditures and time.

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Doug Crabtree agreed with the reviewer's observations. He explained that staff turnover contributed to incomplete review of system plans prior to inspections. He stated that this year, a much more rigorous procedure is in place and the process should improve.

Nancy Matheson expressed concern in that sending this report to USDA (as part of the annual report) might put the program in a bad light. Doug Crabtree assured Nancy that it was all right to have critical observations in the report, as it would also include corrective actions planned to correct deficiencies identified.

Certification Letter

The committee observed that "issues of concern," in the past, were separate and now they are imbedded in the certification letter. Doug Crabtree responded that, in the past, not many issues of concern were addressed. Such issues were either cited as non-compliances or not addressed in any way. Steve Baril said that, as a reviewer, he addresses issues of concern in the letter to help the operation to be aware of the issues before they become non-compliances. John Hoffland and Nancy Matheson, who have received both issues of concern and non-compliances, have appreciated having them clearly enumerated. Doug Crabtree agreed that any issues of concern should be clearly defined in the letter of certification.

Crop Rotation Standard

John Hofland expressed concern regarding crop rotations. Nancy Matheson also expressed this same concern and questioned what the committee characterized as "an unwritten policy" of the Department to accept Organic System Plans that include crop rotations of limited diversity. She mentioned that in one of the files that she reviewed, "it stated 35 years of wheat and fallow," which is clearly not following a crop rotation. On this issue, she wants there to be a consensus of the council and not three different reviewers opinions. Mikel Lund interjected that he would have to see the files himself in order to agree or disagree and the council would need to have some time to digest what constitutes a adequate crop rotation plan. Nancy Matheson asked, what the department can defend and what they can't defend as a policy regarding this issue of crop rotation?

Doug Crabtree responded that the USDA has made it very clear to certifiers that they consider this to be a functional standard and it is not possible to find someone non-compliant with the crop rotation standard unless there is actual evidence that one of those four functions [see 7 CFR 205.205] are not being met. Nancy Matheson asked if this was the policy of USDA, NOP, or NOSB?

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Doug Crabtree assured the council that he supports diversity in crop rotations and that we need to do everything we can to encourage growers in that direction, but that he does not believe it is legally defensible to deny someone certification based on inadequate crop rotation if we don't have evidence that their rotation has not functioned in those four areas that the standard identifies. When we issue a Notice of Non-compliance, it is a legal proceeding and we have to have evidence that we can cite and defend in court. There should be a notation in the certification letter that addresses crop rotation diversity, as an "issue of concern." Doug Crabtree went on to state that he has issued a number of issues of concern in the certification letters encouraging growers to diversify their crop rotations. Nancy Matheson hopes that the Department will continue to elevate this issue when noted in applications as a concern.

Program Review Summary

John Hoffland commended the staff for their communication with the review committee.

Discussion continued regarding the review and the consensus of the council on the final report. Doug Crabtree indicated that the review would be submitted to the USDA as part of the annual report, which is due April 29, 2006. Steve Baril asked if council members could still submit comments to John? John asked that comments be submitted to by Monday, February 27, 2006. The final report, with changes, will be submitted to the full council by March 1, 2006. The MOCAC will vote to approve and submit the report no later than the 3rd of March. The Final report will be submitted to the Department by Monday, March 6, 2006. Mikel Lund commended the reviewers for their good work. A special thank you goes to Steve Baril for suggesting a streamlined approach for the review processes.

ISO 65 Accreditation Funding Proposals

Andre Giles wanted to know where we are with ISO 65 Accreditation? Doug Crabtree stated that we are in the middle of an internal audit and we should have the audit report by March 24, 2006. We will then need to address audit concerns and begin the application process to USDA. The USDA is on a 3 - 4 week turnaround for the USDA audits.

\$7,000 of the 2005 MWBC grant is being held for ISO charges that have yet to be billed. A good deal of money has already been allocated for the preparation leading up to ISO accreditation. Doug felt that the ISO Audit cost would be around \$14,000, rather than \$9,860.00. The cost of the internal audit will be \$5,925.00 and our consultant costs have increased from \$35,500.00 to \$51,000.00. Nancy Matheson interjected that she had spoken to Director Nancy K. Peterson and her understanding was that we should not be coming back to the Wheat & Barley Committee for on-going ISO 65 accreditation funding, however, because we have additional start up costs, we should approach them for funding for some of these costs. Steve Baril suggested that someone should work with Doug on a proposal. Andre Giles volunteered to write up the

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justification and also suggested that, since Nancy Matheson had spoken with Director Peterson, she should be involved in the process also. Doug, Andre and Nancy agreed to work on this together. Steve Baril felt that it would be good to have a draft of this proposal for the council to review, and we should look at the tone of the proposal. The deadline on this should be March 1, 2006. Doug Crabtree said \$3,000, from the 2005 MWBC grant is already obligated for the audit.

Andre Giles made a motion to submit a proposal to the Montana Wheat & Barley Committee for a grant to provide funding for the ISO 65 accreditation project. Laura Garber seconded the motion and the consensus carried unanimously.

Nancy Matheson asked Laura Garber about the Specialty Crop Block Grant. Doug Crabtree and Greg Ames indicated that the requirements for this grant have changed and it has placed limitations on applicants like the Organic program. Nancy Matheson stated that she had spoken with Director Peterson regarding this and it is her understanding that the Department is not accepting proposals now, as the Specialty Crop Block grant is not out of Congress yet. Steve Baril suggested that someone keep the council up to date on the status of the specialty crop funding to be able to address it in a timely manner. He also advised the Department that the MOCAC is requesting this to benefit the program.

Next Meeting

The council decided that another conference call was needed to address the agenda items that were not covered. Greg Ames suggested that he could get a date from Director Peterson to continue the agenda items, as she felt badly that she was not able to participate in this meeting. After consulting Lesa Evers, he suggested March 17, 2006 for continuation of the agenda items. There was general agreement regarding this date.

In the last few minutes of the call Laura expressed concern regarding complaints from Western Montana's small vegetable growers that are leaving the program. She is not sure why they are dissatisfied. Some thoughts are the loss of the cost share program, high fees and non-compliances. She would like to brainstorm and find out why they are leaving. Doug Crabtree said that we only have 12 small vegetable growers certified. Laura Garber indicated that more of the small growers are planning on leaving.

The conference call was cut off, promptly, at 5:00 PM.

Action Items

- 1) **MOCAC Final Program Review Report**, to be submitted by John Hoffland, March 6, 2006.
- 2) **Wheat and Barley Committee Grant Proposal**, to be submitted by Andre Giles, March 1, 2006.