

Montana Organic Commodity Advisory Council (MOCAC)
Montana Department of Agriculture
Conference Room #225
November 29, 2012

Council Members Present: Ty O'Connor, Producer Representative; Kiki Hubbard, Consumer Representative; Matt Johnson, Producer Representative; Greg Thayer, Handler Representative; Catherine Odden, At Large Representative; Mark Smith, Producer Representative

Council Members Not Present: Lise Rousseau, Producer Representative

Staff Members: Ron de Yong, Director; Greg Ames, ASD Administrator; Andy Gray, CSB Bureau Chief; Georgana Webster, Organic Program Manager; Doug Crabtree, Inspector; Bree Caldwell, Administrative Assistant

The meeting began at 8:05 AM. Introductions were made. The agenda's from the previous two meetings were reviewed since meeting minutes were not available. Greg moved to approve the previous agendas, Kiki seconded. The motion unanimously passed.

The organization of the council, council rules, terms, and duties were reviewed. Future meetings will be scheduled to coincide with the Montana Organic Association's state wide conference. There is the possibility of a second meeting scheduled to coincide with a field tour this summer, but this has yet to be determined.

The annual program review requirements were discussed. The council is required to elect a committee with at least three members to review the program. Suggestions for the review topic were the pasture rule, organic seed use, and marketing. Greg Thayer, Kiki Hubbard, and Cathy Odden volunteered to serve as the review committee and meet immediately after the council meeting concluded. Georgana summarized MOCAC's previous review findings, which were: forms and applications needed examples imbedded in them, OSPs weren't complete before inspection, need for crop rotation guidance, and education in regard to the program's process, and forms.

Georgana explained that the website will be updated and a guidance document will be made to help improve education in crop rotation. Kiki volunteered to assist with reviewing the website. The council suggested making current certificates available on the website.

Georgana reviewed the current program numbers and explained that her goal is to make sure quality service is offered. She plans to create as much efficiency through the paperwork and inspections as possible. She also hopes to increase the number of producers and handlers certifying with our program.

History of Forms: Doug explained that in 2002 to 2005 complaints were collected in an attempt to improve the forms. Then electronic friendly forms were formatted. An education day used to be available before the MOA conference, but Doug stated it had been fairly unpopular.

Georgana explained that the forms will be changed for VERSA applicability, application packets for producer and handlers will be mailed, the time frame for inspections will shift to help certification be timelier, and inspectors will be sent to geographically close areas whenever possible. The goal for inspections will be certification within 60 days of inspection. Inspection reports to be due in 14 days.

Georgana reviewed the USDA Audit findings, with approximately 11 NONC's. Items of concern were: incomplete performance evaluations, initial reviews and inspections being conducted by the same person, OSP updates being submitted at inspection rather than prior to inspection, 8 of 10 files with incomplete OSP's, information was verified as potentially noncompliant and no noncompliance letters were issued, inadequate label review process, test results not distributed to producers, lack of procedures for public requests of result information, deletion of emails, and the use of incorrect labels for wild crop products.

Random sampling was reviewed. This was the Department's second year of random sampling. 5% of our producers were tested. Next year's samples will be targeted based on complaints received at the Department.

Unannounced inspections are now required by the NOP. Department inspectors will be doing a call the night before and inform producers or handlers of an inspection the next day.

Georgana reviewed the Korean delegation visit. She also reviewed the NOP Sunset rule for methionine. Aquatic Plant Organic certification will be available soon with the NOP.

Andy reviewed the new VERSA system. The original system in place had been used for 12 years. The goal is to have a more efficient and user friendly system. The initial release in May 2013 will have a front face module for our customers with online renewals and credit card payments (check being the only option in the past). The second release in May 2014 will allow inspectors to use ipads or tablets to fill out reports in the field.

Andy reviewed the budget and current fiscal analysis and handed out copies of his presentation. Funds received for the program are dedicated to the program. The FTEs paid out of the program increased from 3.5 to 4.2. Fee amendments were a policy and program change in regards to how billing was handled. The program is supposed to be self-sufficient and the goal of hiring Doug as a part time inspector was to prevent the need for contract inspectors. The current expenditure of funds was also reviewed. Currently the program is almost \$30,000 in the red.

Having producers pay fees on the non-organic sales of organic certified items was discussed. The proposed fee change was reviewed and it was explained that current governor administration was against approving fees without a lot of industry support.

Ron explained that he spoke with the marketing staff in regards to Organic Marketing and that they didn't have time to spare in regards to marketing. Ty suggested having an organic hotline similar to the hay hotline as a way to start connecting buyers and sellers. Ty said that marketing and gaining more customers to make the program viable were very important. Georgana explained that as a certifier we cannot market products but the Agriculture Department could address that.

Mark asked if there were any farmer's market regulations in regards to organics. Georgana explained that there was the ability to monitor organic certification activity and then report submit entity names to the NOP.

Mark suggested an assessment adjusted for the middle group to help supplement the cash flow. He said that finding a middle ground where the majority of the sellers are would be the most important thing. A fee increase was discussed but no motions were brought forward.

There were no public comments.

Meeting adjourned at 2:45.

The review committee met after the council meeting and decided to review 10 files each comprised of 5 handlers and 5 producers. They are going to look at inspection reports and how consistent (or not) the reports are in comparison with what is found in the OSP.