



Pennsylvania Certified Organic Certification Manual

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PART 1. OVERVIEW OF ORGANIC CERTIFICATION AND PCO

Section 1.01 What does “certified organic” mean?

Organic farming is nothing new. Farmers have been using compost to improve soil fertility, rotating crops, combating pests naturally, and grazing animals on pasture for about as long as there have been farmers. What’s new is USDA organic certification.

Responding to the public’s cry for a uniform definition of “organic,” Congress passed in 1990 the U.S. Organic Foods Production Act (OFPA), which ordered the U.S. Department of Agriculture (USDA) to set certification standards. The USDA has laid out its organic requirements in the National Organic Program regulations (7 CFR Part 205), which also provide some exceptions and exemptions. These standards, which were fully implemented in October 2002, require that any operation that produces, processes or handles organic agricultural product be certified in order to market its products as “organic.” Certification must be obtained through a USDA-accredited certifying body (like PCO).

To become certified, an organic producer, processor or handler must develop, implement and maintain an Organic System Plan. That’s where PCO comes in. We provide the information and forms that help guide producers, processors or handlers in developing an Organic System Plan.

Once PCO approves an organic system plan, PCO will send a qualified organic inspector to perform an onsite evaluation of the organic operation. Then, based on our review of the Organic System Plan, inspection report and related documents, PCO determines whether the operation meets the requirements of organic certification. Once certified, an Organic System Plan update and inspection is required annually to continue certification.

Organic certification is not a guarantee of quality or purity of the product. Rather, it is evidence of the operation’s adherence to a prescribed system of agriculture and food production that involves the building and enhancing of the soil naturally, protection of the environment, humane treatment of animals, and avoidance of toxic synthetic substances.

Section 1.02 About Pennsylvania Certified Organic

PCO is a USDA-accredited organic certifying agency that educates and certifies growers, processors and handlers of organic crops, wild crops, livestock and livestock products.

PCO’s Mission, Vision, and Values:

Our vision, mission, and values serve as a guide for what and how PCO works and makes decisions every day. Through our vision we strive for a world where agriculture systems prioritize health, ecological balance, fairness and care. We are on a mission to uphold and advance organic principles and practices through certification, advocacy, and technical support.

Our Values recognize the interdependent relationships between all of our stakeholders: Certified Clients & Members, Employees & Contractors, Partner Organizations, and the Community and Environment.

PCO Core Values:

1. Keep people at the center of every action, interaction, and decision.
2. Promote restorative practices that improve the world for future generations.
3. Embrace transparency and integrity in all our work.

(a) History of PCO Certification Program

In 1985, a group of organic farmers in the Lancaster County area formed a Pennsylvania chapter of the Organic Crop Improvement Association (OCIA). The Pennsylvania chapter performed certification services for its members for about 15 years. In 1997, believing that a Pennsylvania-based organization would better serve the needs of our state's organic community, some chapter members incorporated as a non-profit organization named Pennsylvania Certified Organic. PCO started out with 27 members and by the end of that first year had certified 54 crops and livestock farms. In 1998 the organization expanded to include dairy. Over the years, PCO has added certification services for processing, handling, distribution, brokering, mushrooms, maple products, poultry and more. In 2004, PCO certified about 315 operations based in Pennsylvania. That same year it decided to offer certification services to operations in approved states, including Ohio, New York, New Jersey, Maryland, Delaware, and West Virginia. PCO later added North Carolina, Virginia and Washington D.C to this list of regions served. In 2007, PCO's office relocated into the Old Gregg School in Spring Mills. By the end of 2009, PCO certified over 500 operations. PCO has since expanded its certification services to meet the needs of members in all regions and currently certifies over 1200 operations.

(b) National Organic Program regulations and PCO Policies

PCO certifies operations in accordance with the USDA National Organic Program (NOP) regulations¹, a set of rules for the production, handling, and labeling of organic agricultural products in the United States. The NOP also maintains a handbook of additional guidance and instructions for those who own, manage, or certify organic operations to assist in complying with the regulations. In cases where the organic regulations are not straightforward or could be applied differently by individual certifiers, PCO develops policies to implement the regulations.

(c) Finances

The financial affairs of the organization are managed by the executive director in consultation with the treasurer, finance committee and advisory board.

¹ 7 CFR Part 205

Section 1.03 Services we do not provide

- We do not provide consultation on overcoming identified barriers to certification as prohibited by 7 CFR §205.501(a)(11)iv.
- We do not provide individual counseling or consultation on organic production.
- We do not provide referrals to commercial providers of products or services.
- We do not engage in buying, selling, brokering or marketing of products.
- We do not release confidential information as described in §205.501(a)(10).

Section 1.04 PCO Fees

PCO's certification fees are structured to reflect the **size and complexity of your operation**. Fees are assessed annually and include the following four components:

Basic Certification

This fee covers your basic certification services for the upcoming certification season, including review of your certification documents for compliance with the regulations. It includes the PCO certification manual, material list, newsletter, and educational events & materials at no additional charge. You also have access to the expertise of certification specialists via phone, mail, or email.

Type of Operation

Additional fees will be assessed for the type of operation (e.g. Livestock, Processor/Handler) if requesting certification in other scopes. These fees cover the additional time, paperwork, complexity, inspector assignment, and reviewer expertise required to certify operations that are more complex than those within the crops scope of certification.

Sales Assessment

The sales assessment fee is calculated on your annual gross organic sales for farming, handling and processing operations in the previous year. You will receive an invoice for these fees after we receive your application or annual update.

Inspection

The inspection fee includes the inspector's time spent in preparation for, execution of, and final production of the inspection report. In addition, travel expenses including time, transportation costs, lodging, meals, etc. will be assessed. PCO works hard to coordinate inspections in geographic regions to minimize travel time. You can lower your costs by having records and materials close at hand and well-organized when the inspector arrives.

In addition to the above four fees incurred by every operation who certifies with PCO, additional fees may be incurred related and not limited to the following areas:

Product Review

The fee will be charged for each new product review requested after the annual update submission.

Material Review

Materials not already approved for use in organic production by Material Review Organizations recognized by PCO must be reviewed for each certified operation, affiliate poultry farm group, or applicant. A fee for this review is assessed based on the number of sub-ingredients requiring individual review.

Residue Sampling

Typically, no fees are assessed for unannounced inspections and/or residue testing. However, unannounced inspection and/or residue testing fees may be charged to the client as a part of additional required oversight such as: terms of a Settlement Agreement, investigations, noncompliances or adverse actions.

Adverse Action and Compliance Oversight

Applicants and clients are responsible for reimbursing PCO for all costs incurred by PCO as a result of adverse actions, investigations, and legal issues involving the applicant or client. Adverse actions may include but are not limited to actions described in the Certification Policies and Procedures Section, including sanctions, complaints, appeals, mediation, litigation, or enforcement actions.

When PCO performs an investigation, which may or may not include inspection(s), and identifies noncompliance(s), the applicant or client may be responsible for the associated costs of the investigation. Those costs can include, but are not limited to: the costs of conducting mediation, additional inspections, or discovery, additional monitoring and oversight in the context of a settlement agreement, and responding to subpoenas or other discovery requests. The associated costs may be billed either when PCO closes the investigation or when a proposed adverse action(s) is issued. The costs recovered are based on the amount of time it took to conduct the investigation, and may include review of investigation related evidence, inspection reports, and meetings.

Operations that require additional administrative capacity, monitoring, inspections, or oversight in the context of a Settlement Agreement or other compliance related process may be charged an initial oversight surcharge and annual charges based on the complexity and duration of the additional monitoring and administrative requirements. These charges include costs associated with scheduling, management and oversight of ongoing settlement agreements or other compliance efforts

If a client has progressed toward a proposed suspension, proposed revocation, or denial of their certificate, a mediation is formally offered to the client. If the client would like to participate in the mediation process to work towards resolution of the adverse action, they will be obligated to pay all costs associated with the mediation, including payment of a formal mediator, if applicable.

Additional fees for adverse action or compliance oversight may be incurred depending on unique circumstances experienced by each operation.

All fees are non-refundable once invoiced.

For additional information on PCO fees, including a copy of our most recent fee schedule and detailed policies, please refer to our [fee webpage](#). If our webpage is not available to you, please contact the PCO team to mail a copy of our fee schedule.

Section 1.05 Contacting PCO

PCO invites comments and questions on organic topics from consumers, growers and anyone interested in organic agriculture.

All inquiries should be directed to the PCO office:

Pennsylvania Certified Organic
106 School Street, Suite 201
Spring Mills, PA 16875

Phone: (814) 422-0251

Fax: (814) 422-0255

Email: pco@paorganic.org

Website: www.paorganic.org

PART 2. DONATIONS

PCO is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Donations made to PCO are tax exempt for the person or organization making the donation. Be sure to ask for a receipt if you plan to claim your donation as tax-exempt. PCO employees, inspectors, contractors and volunteers are not allowed to accept payments, gifts or favors of any kind from inspected parties. PCO may accept voluntary labor. This prohibition is required by 7 CFR §205.501(11) and is in effect for the period extending 12 months before and after the date of application for certification. Therefore, if you plan to apply for certification within a year, you should refrain from making any donation of goods or money to PCO. In the event a donation is made in violation of this policy, PCO should return the donated funds, item or its equivalent; or refer the applicant to another certifier; or use other corrective action as may be permitted by the USDA.²

² 7 CFR §205.501(a)(11)(iii) Accreditation of certifying agents; General requirements for accreditation

PART 3. APPLICATION DUE DATES

Section 3.01 New and continuing applications

New applications for certification are accepted at any time and will be processed immediately. However, the length of time between application and certification depends on several factors, including the time of year, the completeness of the application, and the inspector's schedule in the producer's area. All on-site inspections must take place when the operation's production practices and compliance with the regulations can be observed (for instance, a crops applicant cannot be inspected when land is covered in snow). For these reasons, **first-time applicants should plan to submit applications at least 6 months prior to the date they hope to sell organic product.**

For new applicants or certified clients seeking certification of a new field, site, or facility on a compressed timeline, PCO offers the option for expedited certification services. Payment for expedited services (see PCO's Certification Fee Schedule) is expected at the time of a new application submission or added certification request.

Applications or updates received less than 45 business days prior to the requested approval date must be expedited. The extent to which your service may be expedited lies in your ability to comply with the National Organic Program and your timely responses to requests for information. Clients are expected to complete an Expedited Request Form and submit any items specified on this form, submit a complete application, submit payment (as noted above), and respond promptly to additional requests for information from PCO.

PCO's expedited certification service does not guarantee certification by a certain date. PCO will prioritize the review of your application and inspection. The inspection report is submitted and reviewed by PCO on an expedited timeline compared to PCO's regular inspection and review timelines. PCO reserves the right to refuse Expedited services based on administrative capacity. PCO will provide timely communication about our ability to deliver expedited services.

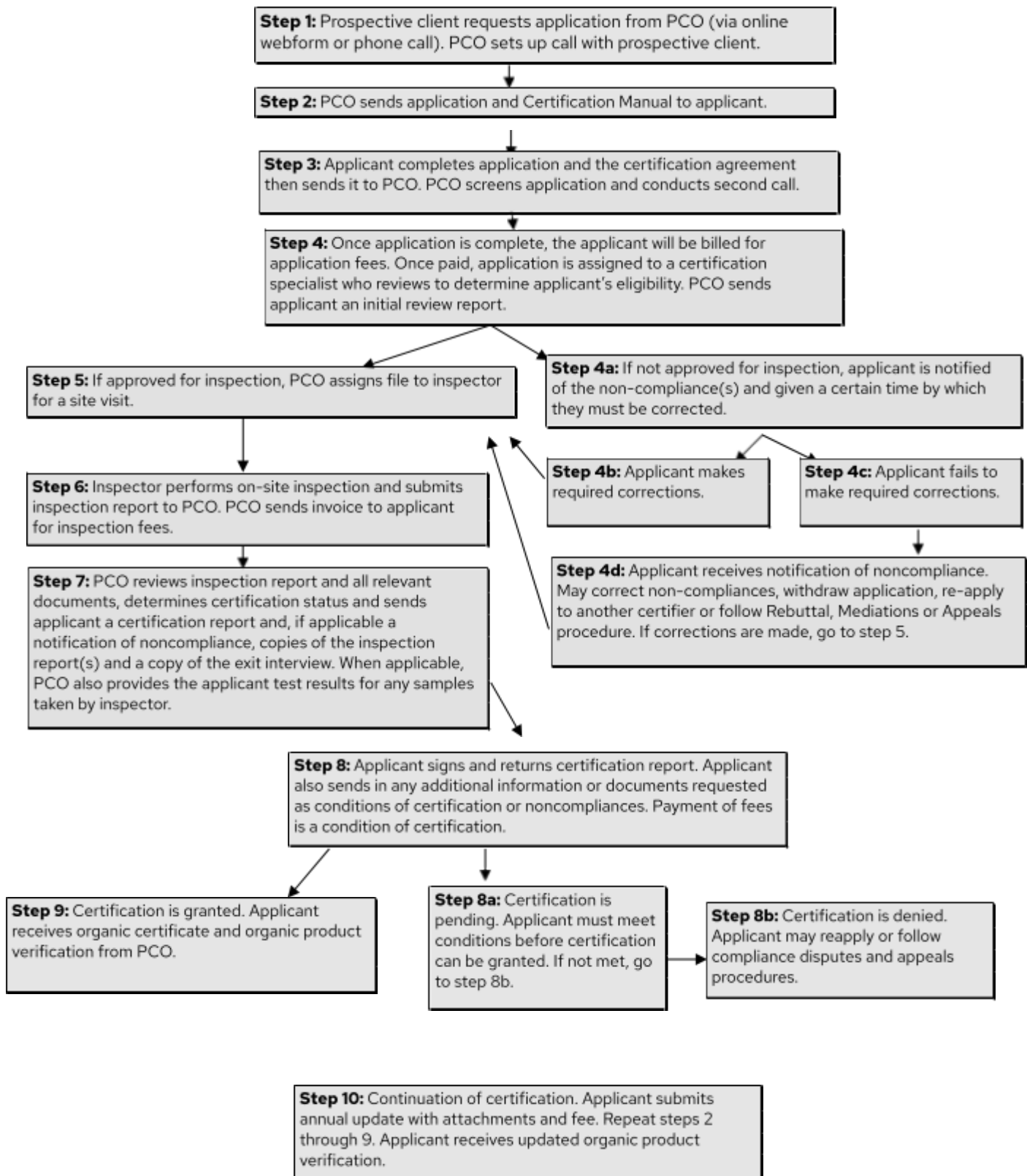
For continuation of certification, the certified operation must submit an annual update and fee each year **by the due date** in order to prevent a lapse in certification. PCO will send a notification and annual update forms to clients prior to the annual due date.

Section 3.02 Late annual updates

When annual updates arrive late, it is often difficult to schedule the inspections once the inspectors have started their rounds. Late annual update cause unnecessary work for staff and inspectors and greatly decrease the efficiency of the certification process, as well as increase the cost to clients. **WE ENCOURAGE YOU TO MAKE EVERY EFFORT TO SUBMIT YOUR ANNUAL UPDATE MATERIALS ON TIME!**

Annual updates for continued certification submitted after the due date are subject to late fees and well as will result in a notice of noncompliance.

PART 4. STEPS TO ORGANIC CERTIFICATION



PART 5. CERTIFICATION POLICIES & PROCEDURES

Section 5.01 General conditions for certification

In order to be certified by PCO, an applicant shall meet all applicable requirements of the USDA's National Organic Program regulations as set forth in 7 CFR Part 205. A person seeking to receive or maintain organic certification must agree to the terms as outlined in the Affirmation included on the OSP General Information form or the Annual Update form.³

(a) Fees

Operators must pay applicable certification fees annually as outlined on PCO's Certification Fees, which is available by contacting the PCO office or on our website, www.paorganic.org/certification/get-started/fees/

Section 5.02 Initial certification application process

First-time applicants shall request application materials from the PCO office. Application packets include: the PCO Certification Manual containing certification policies and procedures, the NOP Standards Manual, and the appropriate Organic System Plan for the type of certification applied for. The applicant must return the completed Organic System Plan and supporting documents to the PCO office.

(a) Application for initial certification

A person seeking certification of a production or handling operation must submit an application for certification to PCO. The application must include the following information:⁴

1. An organic production or handling system plan, as required in § 205.201;
2. The name of the person completing the application; the applicant's business name, address, and telephone number; and, when the applicant is a corporation, the name, address, and telephone number of the person(s) authorized to act on the applicant's behalf;
3. The name(s) of any organic certifying agent(s) to which application has previously been made; the year(s) of application; the outcome of the application(s) submission, including, when available, a copy of any notification of noncompliance or denial of certification issued to the applicant for certification; and a description of the actions taken by the applicant to correct the noncompliances noted in the notification of noncompliance, including evidence of such correction; and
4. Other information necessary to determine compliance with the Act and the National Organic Program regulations.

³ 7 CFR § 205.400 General requirements for certification

⁴ 7 CFR § 205.401 Application for certification

(b) Review of application for initial certification

Applications received in the PCO office are reviewed by the certification staff for completeness and proper enclosures. Incomplete applications will either be returned or the applicant will be notified with a request to submit the additional information. Once a complete application is received, the applicant will be billed. PCO certification staff reads each application and makes a preliminary evaluation of the producer's compliance with or ability to comply with organic standards. The applicant is notified in writing of the results of the initial review. An application may be rejected. If so, the applicant will be notified in writing of the reasons.

Upon acceptance of an application for initial certification, PCO must:⁵

1. Review the application to ensure completeness pursuant to § 205.401;
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 7 CFR Part 205, subpart C;
3. Verify that an applicant who previously applied to another certifying agent and received a notification of noncompliance or denial of certification has submitted documentation to support the correction of any noncompliances identified in the notification of noncompliance or denial of certification as required in § 205.405(e); and
4. Schedule an on-site inspection of the operation to determine whether the applicant qualifies for certification if the review of application materials reveals that the production or handling operation may be in compliance with the applicable requirements of 7 CFR Part 205, subpart C;
5. Notify the applicant of the results of the initial review, an estimate of the total cost of certification and name of the inspector assigned.

Following the on-site inspection, PCO shall within a reasonable time:

1. Provide the applicant with a copy of the on-site inspection report, as approved by PCO, for any on-site inspection performed; and
2. Provide the applicant with a copy of the test results for any samples taken by an inspector.

(c) Granting initial certification⁶

Within a reasonable time after completion of the initial on-site inspection, PCO will 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. If PCO determines that the Organic System Plan and all procedures and activities of the applicant's operation are in compliance with PCO policies and procedures and that the applicant is able to conduct operations in accordance with the plan, PCO shall grant certification. The certification may include requirements for the correction of conditions and/or minor noncompliances within a specified time period as conditions of certification.

⁵ 7 CFR § 205.402 Review of application

⁶ 7 CFR § 205.404 Granting certification

1. PCO will issue a certification report to the applicant that contains the notification of certification status, conditions (if any), and dates by which corrective actions must be made.
2. PCO may also issue a notification of noncompliance when the applicant is not in compliance with the National Organic Program regulations, if applicable. The notification of noncompliance shall provide⁷:
 - A description of each noncompliance;
 - The facts upon which the notification of noncompliance is based; and
 - The date by which the applicant must rebut or correct each noncompliance and submit supporting documentation of each correction when correction is possible.
3. PCO will issue a certificate of organic operation generated from the Organic Integrity Database.
4. In addition to the certificate of organic operation PCO will issue an addenda to the certificate of organic operation that includes:
 - Name, address and contact information of the certified operation;
 - The certified operation's File Number (NOP ID);
 - A link to the Organic Integrity Database with the statement "You may verify the certification of this operation at the Organic Integrity Database";
 - Addendum issue date;
 - PCO's name, address, and telephone number.
5. Once certified, a production or handling operation's organic certification continues in effect until surrendered by the organic operation or suspended or revoked by the certifying agent, the State organic program's governing State official, or the Administrator.

(d) Denial of certification for initial application⁸

When PCO has reason to believe, based on a review of the information specified in §205.402 or §205.404, that an applicant for certification is not able to comply or is not in compliance with the National Organic Program regulations, PCO must provide a written notification of noncompliance to the applicant. When correction of a noncompliance is not possible, a notification of noncompliance and a notification of denial of certification may be combined in one notification.

The notification of noncompliance 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 applicant must rebut or correct each noncompliance and submit supporting documentation of each correction when correction is possible.

⁷ 7 CFR § 205.662 Noncompliance procedure for certified operations

⁸ 7 CFR § 205.405 Denial of certification

Upon receipt of such notification of noncompliance, the applicant may:

1. Correct noncompliances and submit a description of the corrective actions taken with supporting documentation to PCO;
2. Correct noncompliances and submit a new application to another certifying agent: *Provided*, That, the applicant includes a complete application, the notification of noncompliance received from PCO, and a description of the corrective actions taken with supporting documentation; or
3. Submit written information to PCO to rebut the noncompliance described in the notification of noncompliance.

After issuance of a notification of noncompliance, PCO must:

1. Evaluate the applicant's corrective actions taken and supporting documentation submitted or the written rebuttal, conduct an on-site inspection if necessary, and
 - a) When the corrective action or rebuttal is sufficient for the applicant to qualify for certification, issue the applicant an approval of certification pursuant to §205.404; or
 - b) When the corrective action or rebuttal is not sufficient for the applicant to qualify for certification, issue the applicant a written notice of denial of certification.
2. Issue a written notice of denial of certification to an applicant who fails to respond to the notification of noncompliance.

A notice of denial of certification shall state the reason(s) for denial and the applicant's right to:

1. Reapply for certification, pursuant to §205.401 and §205.405(e);
2. Request mediation pursuant to §205.663 or, if applicable, pursuant to a State organic program; or
3. File an appeal of the denial of certification pursuant to §205.681 or, if applicable, to a State organic program.

An applicant for certification who has received a written notification of noncompliance or a written notice of denial of certification may apply for certification again at any time with any certifying agent in accordance with §§ 205.401 and 205.405(e). When such applicant submits a new application to a certifying agent other than PCO, the applicant for certification must include a copy of the notification of noncompliance or notice of denial of certification and a description of the actions taken, with supporting documentation, to correct the noncompliances noted in the notification of noncompliance.

When PCO receives a new application for certification, which includes a notification of noncompliance or a notice of denial of certification, PCO must treat the application as a new application and begin a new application process pursuant to §205.402.

Notwithstanding §205.405(a), if PCO has reason to believe that an applicant for certification has willfully made a false statement or otherwise purposefully misrepresented the applicant's operation or its compliance with the certification requirements pursuant to 7 CFR Part 205, PCO may deny certification pursuant to §205.405(c)(1)(ii) without first issuing a notification of noncompliance.

(e) **Withdrawal of application for initial certification⁹**

The initial applicant may withdraw its application at any time by notifying PCO in writing. An initial applicant who withdraws its application shall be liable for the costs of services provided up to the time of withdrawal of its application. An applicant that voluntarily withdraws its application prior to the issuance of a notice of noncompliance will not be issued a notice of noncompliance. Similarly, an applicant that voluntarily withdraws its application prior to the issuance of a notice of certification denial will not be issued a notice of certification denial.

⁹ 7 CFR § 205.402(c)

Section 5.03 Continuation of certification

(a) Continuation of certification procedure

To continue certification, a certified operation must annually pay the certification fees and submit the following information, as applicable, to PCO:¹⁰

1. A summary statement, supported by documentation, detailing any deviations from, changes to, modifications to, or other amendments made to the organic system plan submitted during the previous year;
2. Any additions to or deletions to the previous year's organic system plan, intended to be undertaken in the coming year, detailed pursuant to §205.201;
3. Any additions or deletions from the information required pursuant to §205.401(b)
4. Other information as deemed necessary by PCO to determine compliance with the Act and the National Organic Program regulations.

Following receipt of the information required by §205.406(a), PCO shall notify the applicant of the results of the initial review (as applicable). PCO will arrange and conduct an on-site inspection pursuant to §205.403 of the certified operation at least once per calendar year.

(b) Granting continued certification

If PCO determines that the certified operation is complying with the Act and the National Organic Program regulations, PCO informs the producer of the continued certification by issuing a certification report. If any of the information specified on the certificate of organic operation has changed (for instance, categories in which producer is certified), PCO must issue an updated certificate of organic operation pursuant to §205.404(b). Continued certification may be granted with conditions and/or minor noncompliances, in which case the certification report specifies these conditions to be corrected and gives a date by which they must be corrected. If the conditions are not met by deadlines, noncompliance proceedings may be initiated.

(c) Notification of noncompliance

If PCO has reason to believe, based on the on-site inspection and a review of the information specified in §205.404, that a certified operation is not complying with the requirements of the Act and the National Organic Program regulations, PCO shall provide a written notification of noncompliance to the operation in accordance with §205.662.

Such notification shall provide:¹¹

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.

¹⁰ 7 CFR § 205.406 Continuation of certification

(d)Resolution¹²

When a certified operation demonstrates that each noncompliance has been resolved, PCO shall send the certified operation a written notification of noncompliance resolution. Continued certification is granted and if necessary, an updated certificate is issued.

(e)Proposed suspension or revocation¹³

When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, PCO 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; and
4. The right to request mediation pursuant to §205.663 or to file an appeal pursuant to §205.681.

¹¹ 7 CFR § 205.662(a) Noncompliance procedure for certified operations; Notification.

¹² 7 CFR § 205.662(b) Noncompliance procedure for certified operations; Resolution.

¹³ 7 CFR § 205.662(c) Noncompliance procedure for certified operations; Proposed suspension or revocation

(f) Willful violations¹⁴

Notwithstanding §205.662(a), if PCO has reason to believe that a certified operation has willfully violated the Act or National Organic Program regulations, PCO shall send the certified operation a notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance.

(g) Suspension or revocation¹⁵

If the certified operation fails to correct the noncompliance, to resolve the issue through rebuttal or mediation, or to file an appeal of the proposed suspension or revocation of certification, PCO shall send the certified operation a written notification of suspension or revocation. PCO will not send a notification of suspension or revocation to a certified operation that has requested mediation pursuant to §205.663 or filed an appeal pursuant to §205.681, while final resolution of either is pending. A certified operation whose certification is suspended or revoked must not sell, label or represent product as “organic” or “organically produced” and must discontinue use of the PCO logo and/or the USDA seal during the period of suspension or revocation.

Within 3 business days of issuing the notification of suspension or revocation, PCO will update the operation’s status in the Organic Integrity Database.

(h) Eligibility for certification after suspension or revocation¹⁶

1. A certified operation or a person responsibly connected with an operation whose certification has been suspended may at any time, unless otherwise stated in the notification of suspension, submit a request to the Secretary for reinstatement of its certification, or submit a request for eligibility to be certified. The request must be accompanied by evidence demonstrating correction of each noncompliance and corrective actions taken to comply with and remain in compliance with the Act and the regulations in this part.
2. A certified operation or a person responsibly connected with an operation whose certification has been revoked will be ineligible to receive certification for a period of 5 years following the date of such revocation, *Except*, that, the Secretary may, when in the best interest of the certification program, reduce or eliminate the period of ineligibility.

(i) Violations of the Act¹⁷

In addition to suspension or revocation, any certified operation that:

1. Knowingly sells or labels a product as organic, except in accordance with the Act, shall be subject to a civil penalty of not more than the amount specified at 7 CFR 3.91(b)(1)(xxxvi) per violation.
2. Makes a false statement under the Act to the Secretary or PCO shall be subject to the provisions of Section 1001 of Title 18, United States Code.

¹⁴ 7 CFR § 205.662(d) Noncompliance procedure for certified operations; Willful violations.

¹⁵ 7 CFR § 205.662(e) Noncompliance procedure for certified operations; Suspension or revocation.

¹⁶ 7 CFR § 205.662(f) Noncompliance procedure for certified operations; Eligibility.

¹⁷ 7 CFR § 205.662(g) Noncompliance procedure for certified operations; Violations of the Act.

Section 5.04 Categorization of Violations

Conditions of certification are requirements with which an operation must comply in order to maintain organic certification and to resolve minor non-violative issues. A condition of certification can become a noncompliance if not corrected in a timely fashion.

Minor noncompliances are those violations of the National Organic Program regulations that are correctable, do not affect the integrity of the organic system or the organic product and do not preclude the certification or continued certification of an otherwise qualified organic producer or handler. Timely correction of noncompliances is a condition of continued certification. Minor noncompliances can become major if not corrected in a timely fashion.

Major noncompliances are those which compromise the integrity of the organic system or the organic product and precludes the certification or continued certification of a producer or handler.

Section 5.05 Proposed Suspension or Revocation of certification

(a) Notice of proposed suspension or revocation

When the client has failed to respond to or satisfactorily correct noncompliances, and all notices and reminders have been sent, PCO will make a determination of proposed suspension or revocation. A proposed suspension will be issued for systemic failure of an operation's design or implementation of their organic system plan that demonstrates the operation's inability to comply with the regulations, or the accidental or unwillful application of a prohibited substance to land. Whereas, a proposed revocation will be issued for willful violations of the regulations or fraudulent activities.

A notification of proposed suspension or revocation will be sent via certified mail. If a notification of proposed suspension is used, the period of time for the suspension and the requirements for reinstatement will be included.

The client will have 30 days to respond in writing in one of the following ways:

1. Request mediation to PCO; or
2. File an appeal to the NOP Administrator.

If there is no response after 30 days, a notice of suspension or revocation will be sent to the client via certified mail.

Section 5.06 Surrender of organic certification

Once an operation is certified, its certification continues until surrendered by the organic operation or suspended or revoked by the certifying agent, or the Administrator (§205.405).

An operation may voluntarily surrender from the certification program by notifying PCO in writing at any time. A surrender of certification form is available from PCO. After voluntary surrender from the certification program, the operation is no longer authorized to sell certified organic products or

use the PCO logo and/or USDA seal after the expiration date of its current organic product verification or the date it ceases to use organic practices, whichever is earliest. The operation may re-apply for certification at any time, by following the procedures for new applicants.

Section 5.07 Communications with National Organic Program regarding Change of Organic Status of an Operation

Within 3 business days of issuing a notification of suspension or revocation, or the effective date of an operation's surrender, PCO must update the operation's status in the Organic Integrity Database.

Section 5.08 Revisions to certification

If the client wishes to certify additional crops, livestock, products, facilities or acreage after the operation has had its annual inspection, additional information must be submitted to PCO along with the appropriate fee. PCO will notify the client of the status of the requested revision. The producer must not sell, label or represent any product as "organic" or "made with organic" until approved by PCO.

Additional information required varies by type of operation as follows:

(a) New Processed products

Notify PCO of the change, along with an explanation of the manufacturing process, the revised Master Product List, revised Master Ingredient List and Product Formulation Sheet (if applicable), copies of organic certificates and GMO status for ingredients, and a sample of label/packaging.

(b) New Crops

Submit updated Field and Crop form with new crop information.

(c) New Livestock Species

Submit or update the OSP for the new type of livestock being requested for certification, including purchase information (e.g. organic certificate – if applicable, invoice, herd list for ruminants).

(d) New acreage or location

Notify PCO of the change including a description and directions, map of acreage or facility, product flow map (if applicable), updated Field and Crop form (if applicable), adjoining land-use information (if applicable), and prior land-use information (if applicable). An additional inspection is required prior to harvest or use as pasture for organic livestock.

(e) Deleting acreage or type of certification

Submit a request in writing to delete acreage, location, products or livestock from your certification, as well as your reason for the request. PCO will make changes needed to your certificate and/or organic certificate addendum.

Section 5.09 Rebuttals, Mediation and Appeals

If you disagree with a certification decision, you have several options for expressing your disagreement and seeking a reconsideration of PCO's decision as it applies to your operation, depending on your stage in the certification process. The procedures for these options—(a) rebuttal, (b) request for mediation, or (c) appeal to the NOP—are detailed in this section.

PCO Document Received	Procedure to Use
If you have received this type of PCO document...	You may request reconsideration of certification decisions in the document through...
Notification of Noncompliance	Rebuttal
Denial of Certification	Mediation or Appeal
Notice of Proposed Suspension of Certification	Mediation or Appeal
Notice of Proposed Revocation of Certification	Mediation or Appeal

(a) Rebuttal Procedures

If you disagree with a certification decision communicated in a notification of noncompliance, you may write to us and let us know why. This is called a "rebuttal." The National Organic Program regulations require that applicants for certification and certified clients who are issued notifications of noncompliance have the opportunity to rebut the decision. (7 CFR §205.405(b)(3) and §205.662(a) and (b)).

When PCO notifies a certified client or applicant of a noncompliance, the written notification establishes a date by which the certified operation must correct each noncompliance or rebut the noncompliance.

If the client disagrees with PCO's decision, the rebuttal must be submitted in writing to PCO within the specified timeframe and must provide reasoning for why the applicant or client believes the noncompliance to be invalid. Written rebuttals may be submitted by mail, fax, or email. Include any supporting documents or relevant information.

PCO will reply to the client in writing confirming receipt of the rebuttal. After receipt of the rebuttal, PCO will consider the rebuttal and reply to the client or applicant in writing.

If the PCO staff uphold the original decision on certification, the client will receive a written notice in response to the rebuttal that will give a deadline by which they may respond with corrective actions. If a corrective action is not received, PCO will proceed to the next level of compliance (e.g. Denial or Notice of Proposed Suspension or Revocation).

If the PCO staff agree that the client successfully rebutted the noncompliance, the client will receive a letter informing him or her that the issue is considered resolved and that PCO may proceed with the certification process. (When a rebuttal is successful only in part, the client will also receive a notice as described in the previous paragraph for the part with which PCO disagrees.)

PCO is not permitted to issue a Notification of Proposed Suspension or Revocation if the rebuttal is pending (in other words, if the time periods allowed for response have not passed).

(b) Mediation Procedures

When an applicant is denied certification or a certified client is sent a proposed suspension or revocation of certification, the applicant or certified client may request mediation (pursuant to §205.663). The request for mediation must be made in writing to PCO. Such a request (along with any supporting documents or relevant information) must be received by PCO office within 30 calendar days of receipt of the Notice of Proposed Suspension or Revocation or Denial of Certification.

PCO may accept or reject the request for mediation. PCO will consider the applicant/client's reasoning when determining whether to accept mediation, as well as other factors including but not limited to whether the noncompliance was a noncorrectable noncompliance, a willful violation of the rule, a recurrent compliance issue, or past refusal to provide required records. PCO will notify the client of its decision within 30 calendar days of receiving the request.

If PCO rejects the request for mediation, it will provide written notification that also advises the applicant or certified operation of its right to request an appeal with the State organic program (if applicable) or NOP (pursuant to §205.681) within 30 calendar days of the date of the written notification of rejection of request for mediation.

The decision to accept or reject a request for mediation is final.

If PCO accepts the request for mediation, the mediation will be conducted by a qualified mediator, mutually agreed upon by PCO and the applicant or certified operation, which may be a PCO staff person. If PCO is requiring a third-party mediator and the operation doesn't agree, this is considered a failed/unsuccessful mediation. The applicant or certified operation will assume all costs incurred by the mediation procedures.

The parties to the mediation have a maximum of 30 calendar days from the start of mediation (e.g. the first mediation call or meeting) to reach an agreement. If mediation is unsuccessful, the applicant for certification or certified operation shall have 30 calendar days from termination of mediation to appeal the certifying agent's decision pursuant to §205.681.

Any agreement reached during or as a result of the mediation process must be in compliance with the Act and these regulations. The Secretary may review any mediated agreement for conformity to the Act and these regulations and may reject any agreement or provision not in conformance with the Act or these regulations (§205.663).

(c) 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, *Except*, That, when the applicant or certified operation is subject to an approved State organic program the appeal must be made to the State organic program which will carry out the appeal pursuant to the State organic program's appeal procedures approved by the Secretary.¹⁸

1. If the Administrator or State organic program sustains a certification applicant's or certified operation's appeal of a certifying agent's decision, the applicant will be issued organic certification, or a certified operation will continue its certification, as applicable to the operation. The act of sustaining the appeal shall not be an adverse action subject to appeal by the affected certifying agent.
2. If the Administrator or State organic program denies an appeal, a formal administrative proceeding will be initiated to deny, suspend, or revoke the certification unless the parties resolve the issues through settlement, or the appellant waives or does not timely request a hearing. Such proceeding shall be conducted pursuant to the U.S. Department of Agriculture's Uniform Rules of Practice, 7 CFR part 1, subpart H, or the State organic program's rules of procedure.

Filing period. An appeal must be filed in writing within the time period provided in the letter of notification or within 30 days from receipt of the notification, whichever occurs later. The appeal will be considered "filed" on the date received by the Administrator or by the State organic program. An adverse action (e.g. decision to deny, suspend, or revoke certification) will become final and non-appealable unless an appeal is timely filed.

Where and what to file.

1. Appeals to the Administrator must be filed in writing and addressed to Administrator: 1400 Independence Ave. SW. Room 2642, Stop 0268, Washington, DC 20250, or electronic transmission, NOPAppeals@usda.gov.
2. Appeals to the State organic program must be filed in writing to the address and person identified in the letter of notification.
3. All appeals must include a copy of the adverse action and a statement of the appellant's reasons for believing that the action was not proper or made in accordance with applicable program regulations.

For information on resolving disputes that do not involve certification status, see Part 16: Complaints and Disputes.

¹⁸ 7 CFR § 205.681(a) Appeals

PART 6. INSPECTION AND TESTING

Section 6.01 On-site inspections

1. PCO must conduct an initial on-site inspection of each production unit, facility, and site that produces or handles organic products and that is included in an operation for which certification is requested. An on-site inspection shall be conducted annually thereafter for each certified operation that produces or handles organic products for the purpose of determining whether the certification of the operation should continue.¹⁸
2. PCO may conduct additional on-site inspections of applicants for certification and certified operations as required to determine compliance with the Act and 7 CFR Part 205.
3. The Administrator or State organic program's governing State official may require that additional inspections be performed by PCO for the purpose of determining compliance with the Act and 7 CFR Part 205.
4. Additional inspections may be announced or unannounced at the discretion of PCO or as required by the Administrator or State organic program's governing State official.

Section 6.02 Scheduling inspections

The initial on-site inspection must be conducted within a reasonable time following a determination that the applicant appears to comply or may be able to comply with the requirements of 7 CFR Part 205, subpart C: Except, That, the initial inspection may be delayed for up to 6 months to comply with the requirement that the inspection be conducted when the land, facilities, and activities that demonstrate compliance or capacity to comply can be observed.¹⁹

All on-site inspection must be conducted when an authorized representative of the operation who is knowledgeable about the operation is present and at a time when land, facilities, and activities that demonstrate the operation's compliance with or capability to comply with the applicable provisions of 7 CR Part 205, subpart C can be observed, except that is requirement does not apply to unannounced on-site inspections.

Section 6.03 Verification of information during inspection

The purpose of the on-site inspection of an operation is to verify:

1. The operation's compliance or capability to comply with the Act and the regulations in 7 CFR Part 205;
2. That the information, including the organic production or handling system plan, provided in accordance with §205.401, §205.406 and §205.201, 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 through means which, at the discretion of PCO, may include the collection and testing of soil; water; waste; seeds; plant tissue; and plant, animal, and processed products samples.

¹⁹ 7 CFR § 205.403(c) On-site inspections; Scheduling

4. Mass balances, in that quantities of organic product and ingredients produced or purchased account for organic product and ingredients used, stored, sold, or transported (that is inputs account for outputs); and
5. That organic products and ingredients are traceable by the operation from the time of purchase or acquisition through production to sale or transport; and that PCO can verify compliance back to the last certified operation.

Section 6.04 Exit interview

The inspector will 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 on-site inspection. The inspector will also address the need for any additional information as well as any issues of concern.²⁰

Section 6.05 Documents provided to the inspected operation

At the time of inspection, the inspector shall provide the operation's authorized representative with a receipt for any samples taken by the inspector. There shall be no charge to the inspector for the samples taken. A copy of the on-site inspection report and any test results will be sent to the inspected operation by PCO.²¹

Section 6.06 Inspection report

After the applicant's operation is inspected, the inspector forwards an inspection report to the PCO office for review. The inspector's job is to report on compliance with organic standards based on the application and his or her examination of the farm or processing facility and record-keeping system. The inspector does not make the decision on whether the applicant will be certified by PCO.

Section 6.07 Confidentiality during inspections

Inspectors must abide by the confidentiality policies and procedures described in Part 14: Confidentiality.

²⁰ 7 CFR § 205.403(d) On-site inspections; Exit interview

²¹ 7 CFR § 205.403(e) On-site inspections; Documents to the inspected operation

Section 6.08 Unannounced Inspections

PCO may conduct an unannounced inspection of an operation in the following situations which include but are not limited to:

- To investigate a complaint
- To investigate an identified risk to organic integrity (may include previous non-compliance issues, organic and non-organic handling, risk of contamination from adjoining land use, or complexity of operation)
- Random selection
- When directed to do so by the Administrator
- Any other situation deemed necessary to determine compliance

PCO will annually conduct unannounced inspections of at least 5 percent of the total operations that PCO certifies calculated during the unannounced inspection assignment process and rounded up to the nearest whole number. The 5 percent of operations selected for unannounced inspections each year may be distributed across all scopes. The 5 percent of operations selected for unannounced inspections each year will include both random and risk-based inspections. PCO will ensure that the selected operation is informed of the criteria used by PCO to select operations for unannounced inspections.

Unannounced inspection may be limited in scope, depth, and breadth, and may cover only certain aspects of the operation, such as specific fields, facilities, or products. Unannounced inspections may take place at any time of year, including when land, and facilities, or other activities that demonstrate the operation's compliance to the regulation cannot be observed in production. PCO will provide instructions to the inspector regarding which portion(s) of the operation must be inspected when applicable during an unannounced inspection and inspector will complete the inspection report based on instructions from PCO.

Unannounced inspections may be conducted when an authorized representative is not present. If an authorized representative is present, an Exit Interview must be conducted.

Residue testing may occur during an unannounced inspection and may count toward PCO's required number of samples, but for the unannounced inspection to count towards the 5 percent unannounced requirement, the inspector must review some aspect of the operation in addition to collecting a sample.

Unannounced inspections may fulfill the requirement for annual on-site inspections required by section 205.403 only if the inspector is able to conduct a full inspection of the operation, and an authorized representative must be present and attend the Exit Interview.

Advanced notice must not be given to the operation, except if there are extenuating circumstances, the inspector may notify the operation up to 4 hours prior to arriving on-site to ensure that appropriate representatives are present.

Inspectors may enter the operation's property with explicit permission from an authorized representative for the operation. Inspectors must not trespass or break any laws.

Operators will not be assessed costs associated with unannounced inspections that were performed by PCO to meet 5% annual requirements, except when specified as a term of a Settlement Agreement, and did not qualify as the annual on-site inspection.

Section 6.09 Investigation of certified operations²²

PCO has the right and duty to investigate complaints of PCO-certified operations' noncompliance with the Act or regulations of 7 CFR Part 205. Likewise, a State official may investigate such complaints. Investigation may include unannounced inspections or testing.

Section 6.10 Inspection and testing of agricultural product

Certified organic production or handling operations must make accessible for examination by the Administrator, the applicable State organic program's governing State official, or the certifying agent all agricultural products that are to be sold, labeled or represented as "100 percent organic," "organic," or "made with organic (specified ingredients or food group(s))."²³

PCO shall conduct periodic residue testing of agricultural products on an annual basis from a minimum of five percent of the operations it certifies. PCO may require pre-harvest or post-harvest sampling to test for the presence of prohibited substance or use of excluded methods including but not limited to contamination by heavy metals, herbicides, pesticides, hydrocarbons, genetically modified organisms, hormones, and antibiotics. Samples may include the collection and testing of soil; water; waste; seeds; plant tissue; and processed product samples.

PCO may conduct sample collection and residue testing on an operation in the following situations, which include but are not limited to:

- Random selection
- When directed to do so by the Administrator
- When it is suspected that a prohibited substance has been applied or has been produced using excluded methods
- To investigate a complaint, the practices of a certified operation or an applicant for certification
- To investigate an identified risk to organic integrity
- Any other situation deemed necessary to determine compliance

²² 7 CFR § 205.661(a) and (b) Investigation of certified operations

²³ 7 CFR § 205.670 Inspection and testing of agricultural products to be sold or labeled as "organic"

Certification staff will determine if and when residue testing is required and arrangements will be made for a qualified inspector to obtain a sample of materials in question and forward to a qualified laboratory. Chemical analysis must be made in accordance with the methods described in the most current edition of the Official Methods of Analysis of the AOAC International or other current applicable validated methodology determining the presence of contaminants in agricultural products.

Results of all analyses and tests performed under this section:

- Must be promptly provided to the Administrator; Except, That, where a State organic program exists, all test results and analyses shall be provided to the State organic program's governing State official by the applicable certifying party that requested testing; and
- Will be available for public access, unless the testing is part of an ongoing compliance investigation; and
- Will be provided to the certified operation.

If the test results indicate a specific agricultural product contains pesticide residues or environmental contaminants that exceed the Food and Drug Administration's or the Environmental Protection Agency's regulatory tolerances, PCO must promptly report such data to the Federal health agency whose regulatory tolerance or action level has been exceeded.

Typically, no fees are assessed for unannounced inspections and/or residue testing. However, unannounced inspection and/or residue testing fees may be charged to the client during advanced compliance or oversight. See the Fees section or current [PCO Fee Schedule](#) for more information.

Section 6.11 Exclusion from organic sale

When residue testing detects prohibited substances at levels that are greater than 5 percent of the Environmental Protection Agency's tolerance for the specific residue detected or unavoidable residual environmental contamination, the agricultural product must not be sold, labeled, or represented as organically produced. The Administrator, the applicable State organic program's governing State official, or the certifying agent may conduct an investigation of the certified operation to determine the cause of the prohibited substance.²⁴

When a prohibited substance is applied to a certified operation due to a Federal or State emergency pest or disease treatment program, and the certified operation otherwise meets the certification requirements, the certification status of the operation is not affected by the application of the prohibited substance, but organic product that has had contact with the prohibited substance cannot be sold, labeled, or represented as organically produced. This applies to any harvested crop or plant part, as well as any livestock treated with a prohibited substance or product derived from such livestock.

²⁴ 7 CFR § 205.671 Exclusion from organic sale

Exceptions to this prohibition include: 1) milk or milk products may be sold, labeled or represented as organically produced beginning 12 months following the last date that the dairy animal was treated with the prohibited substance and 2) the offspring of gestating mammalian breeder stock treated with a prohibited substance may be considered organic, provided that the breeder stock was not in the last third of gestation on the date that the breeder stock was treated with the prohibited substance.²⁵

PART 7. LABELING

Section 7.01 General requirements

Products labeled as “100 percent organic,” “organic” or “made with organic . . .” must identify the certifying agent on the label, preceded by the words “Certified organic by,” or similar phrase. For additional information regarding the labeling of organic products, please see National Organic Program regulations, subpart D.²⁶

Section 7.02 Use of PCO name and logo

All operations certified by PCO may use the PCO name and logo in advertising/marketing information and on packaging, with prior approval from the PCO office. Copies of labels must be included with the application and must be approved by PCO prior to use. Operations must discontinue the use of the PCO name and logo upon suspension, revocation or surrendering of certification.

Section 7.03 PCO private labeling policy

In general, all companies using the Pennsylvania Certified Organic (PCO) name or logo must be PCO-certified.

However, in certain limited situations PCO may authorize a PCO-certified operation to provide a private label service to a non-PCO certified operation. A private label agreement should be used when the handler/distributor statement lists an entity not certified by PCO but identifies PCO as the certifier. Specifically:

- An exempt private label company using a PCO-certified co-packer (the handler/distributor statement on the label lists the exempt operation and PCO is identified as the certifier in the “certified organic by...” statement)
- A private label company certified by another certifier using a PCO-certified co-packer (the handler/distributor statement on the label lists the private label company and PCO is identified as the certifier in the “certified organic by...” statement).

²⁵ 7 CFR § 205.672 Emergency pest or disease treatment

²⁶ §205.303(b)(2); 205.304(b)(2)

A private label company is exempt from certification if:

- They do not do any other handling as defined at 205.2 or qualify for another exemption, and
- They do not purchase ingredients for their co-packer, and
- The finished product with their brand name is labeled for retail sale and is on their co-packer's certificate (e.g. must be listed with the specific brand name); and
- The finished product is in sealed, tamper evident retail packaging while in their control; and
- The retail labeled product remains in the same sealed, tamper evident packaging while in their control.

A private label company that does not meet all of the above criteria must be certified and then this policy is not applicable.

A PCO-certified operation seeking to enter into such an arrangement must initiate and be responsible for all aspects of the private label relationship and will be held legally responsible for the private label company and product of the private label company, in matters regarding organic certification. The PCO-certified operation is responsible for all fees associated with private label agreements as indicated on PCO's current fee schedule.

The PCO-certified operation must submit a private label agreement to PCO in writing that includes all of the information listed below. The PCO "Private Label Agreement" form must be used. The private label agreement must be reviewed and approved by PCO prior to any products being sold as organic under the private label. The private label agreement must be signed by both parties (PCO-certified operation and private label company).

Cost of private label arrangement

The PCO-certified processor will pay the usual certification fee and inspection costs for certification of their operation, plus an additional administrative fee for each private label arrangement request submitted to PCO.

Section 7.04 Use of all other certification logos, seals and marks

PCO operations may use the logo, seals and/or marks of the certification program they are certified to in accordance with the applicable standard.

PART 8. CERTIFYING AGENTS

Section 8.01 Certifying agents accredited by the National Organic Program

PCO-certified producers may purchase certified organic agricultural products for use in their organic systems from producers who are certified either by PCO or another certifier that is accredited by the USDA. The list of NOP accredited certifiers is available at <https://organic.ams.usda.gov/integrity/Certifiers/CertifiersLocationsSearchPage>. You can also search the Organic Integrity Database for farms or businesses and verify their organic status: <https://organic.ams.usda.gov/integrity/Default>.

PART 9. EXPORT & IMPORT REQUIREMENTS

Additional requirements need to be considered if you are exporting or importing NOP-certified products from/to the United States.

Section 9.01 International Trade Arrangements

The United States facilitates trade with many other trading partners. This opens new markets and provides diversity for consumers.

The National Organic Program works with the Foreign Agricultural Service and Office of the United States Trade Representative to establish international trade arrangements for organic products. The most common type of organic trade arrangement is an organic equivalency arrangement.

Trade opportunities for USDA organic operations vary by an operation's physical location.

Prior to exporting your organic product to a country outside of the United States, please refer to the [USDA International Trade Partners](#) web page. This page holds the most up-to-date information on organic trade arrangements such as organic equivalence arrangements. Organic equivalence arrangements eliminate the need for separate organic certification to the country's standards.

Certified operations must complete the OSP International Trade Supplement and comply with the critical variances, labeling and documentation requirements specified by each equivalency arrangement.

If you are unable to access the USDA International Trade Partners web page and need to investigate organic export requirements, please contact PCO for assistance.

Section 9.02 Transaction Certificates for Export to Foreign Countries

If required by a foreign country a client may request a transaction certificate from PCO.

Upon request PCO will issue a transaction certificate to our certified operators for product intended for shipment to foreign countries.

Section 9.03 Imports and NOP Import Certificates

Shipments of organic products into the United States are required to have an electronic NOP Import Certificate (NOPIC). The NOPICs are used by importers to complete their filing into the U.S. Customs and Border Protection import system (ACE), and they also create a robust audit trail traceable at the port of entry.

Find more information on General Import requirements on the [USDA International Trade Partners](#) web page. If you are unable to access the USDA International Trade Partners web page, please contact PCO for assistance.

PART 10. NON-DISCRIMINATION POLICY

PCO shall act effectively to assure it will:

- Provide services without bias toward race, creed, color, national origin, age, religion, ancestry, political beliefs, disability, veteran status, lifestyle, sex or sexual orientation, or marital or familial status. Services are provided without regard to membership in any organization, and are not contingent upon the number of certificates issued.
- Recruit, hire, and promote for all job classifications based only on the individual's qualifications for and interest in the position being filled without regard to race, creed, color, national origin, age, religion, ancestry, political beliefs, union membership, disability (in accordance with the American With Disabilities Act of 1990), veteran status, lifestyle, sex or sexual orientation, or marital or familial status.

PART 11. PROFESSIONAL CONDUCT, ANTI BRIBERY, CORRUPTION POLICY

PCO is committed to the highest standards of professional conduct. The manner in which we interact with each other is critical to cultivating and maintaining a meaningful, safe, and effective working relationship. This Professional Conduct Policy applies to all PCO clients, employees, Board representatives, consultants, contractors, and agents doing business with PCO. All named individuals are to conduct themselves in an appropriate and professional manner at all times when performing duties and in all communications regarding the organization. Professional behavior includes respecting PCO employees, contract inspectors, fellow clients and members, board representatives, and affiliates doing business with PCO; taking responsibility for one's choices and actions; accepting the consequences of one's inappropriate choices and actions; and communicating in a professional and courteous manner at all times, whether verbal, non-verbal or written.

The following are examples of conduct that may be considered a violation of this policy:

- Incivility: Behavior that is rude, condescending, or otherwise socially unacceptable is prohibited. This includes name-calling, intimidation, raised voices and petty meanness, use of threatening, harassing, vulgar or abusive language and/or inappropriate advances of a sexual or other nature directed to any representative of PCO or a client of PCO.
- Defamation or Misrepresentation: Misrepresenting the company's products or services or its employees, making derogatory comments, whether written or oral, regarding PCO, is prohibited, dishonesty or falsification of any records supplied by or to PCO.

- Direct or indirect threat of violence or mention of weapons
- Violation of any other PCO policy.

PCO does not intend this list to be comprehensive or to limit PCO's right to take action deemed appropriate by PCO in response to any other conduct it deems inappropriate.

In the event of any violation of the Professional Conduct Policy, PCO will take appropriate steps as outlined in the Client Agreement or other action PCO deems appropriate under the circumstances.

Nothing contained in this policy shall be interpreted, implied or is otherwise intended to interfere with employee rights to engage in protected concerted activity under Section 7 of the National Labor Relations Act, or prevent employee communications regarding wages, hours, or other terms and conditions of employment.

Bribery is prohibited at PCO. Bribery is the offering, giving or receiving anything of value with the intention of inducing a person to act or reward a person for having acted. Corruption is dishonest or fraudulent conduct, typically involving bribery. A corrupt act can occur even if a bribe does not succeed, or if the bribe suggested but not ultimately offered or paid.

PCO employees, Board representatives, consultants, contractors, and agents are prohibited from directly or indirectly, offering, paying, requesting, or receiving bribes or kickbacks, or anything of value for the purpose of obtaining or receiving any advantage. Accordingly, no PCO employees, Board representatives, consultants, contractors, or agents shall solicit or accept favors, gifts, gratuities, cash, awards, free trips, honoraria, personal property, or any other item of value from any person or entity with the understanding that such is given to influence any vote, action or judgment of the PCO employee, Board representative, consultant, contractor, or agent on behalf of PCO.

Anything of value includes, but is not limited to:

- Cash, cash equivalents (gift certificates/cards), stock, property, debt forgiveness or donations
- Gifts, meals, entertainment, and travel
- Political or charitable contributions
- Job offers or internship awards

In keeping with the above policy, employees and representatives should seek clarification on any questions or concerns regarding anti bribery and corruption. If you are offered a bribe or something of value, consult with the Executive Director immediately. Violations of this policy must be reported immediately to the employee supervisor or Executive Director as soon as possible.

As the inspection and certification environment constitute a workplace, safe workplace guidelines and statutes apply to all involved.

PART 12. CONFIDENTIALITY

PCO safeguards the confidentiality of any business-related information concerning any client, products, or suppliers obtained during the course of certification, including all organic production and sales information. PCO does not disclose any proprietary information to third parties without the client's written consent prior to release, except to the authorized representatives of the Secretary, the applicable State Organic Program's Governing State Official, or other authorized representatives of accreditation agencies where necessary to implement the NOP, the State Organic Program, or PCO's certification program. PCO may disclose proprietary information as required by other laws of the United States or other countries in which it performs certification activities, State law or other laws of local governments.

In accordance with §205.504(b), PCO also makes public upon request all certificates and addendums (unless specifically noted as "confidential") and any results of laboratory analyses for residues of pesticide and other prohibited substances conducted during the current and 3 preceding calendar years, unless the testing is part of an on-going compliance investigation. If residue test results for a specific operation(s) is requested, PCO will provide the lab reports for requested operation(s) and indicate the operation the report corresponds to. If the request is a broad request (e.g. all operations), PCO will provide a summary of information that includes: operation name, product sampled, detect/non-detect, and substance and amount detected (if applicable).

Public information about each certified operation PCO certifies is available in the Organic Integrity Database. This includes the operation's name, scope(s) of certification, whether the operation is a grower group, the name, address and telephone number (if applicable) of the contact person for the operation, the operation's email address (if applicable) and a list of products produced.

If public information requests are made to PCO (e.g. bulk certificate requests, residue test results), PCO will charge "PCO's Hourly Rate" as noted on our Certification Fee Schedule.

PART 13. CONFLICT OF INTEREST

All PCO staff are required to complete an annual conflict of interest disclosure report¹²⁸. This includes but is not limited to persons who review applications for certification, perform onsite inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions, as well as all parties responsibly connected to PCO.

Reviewer and inspector conflict of interest disclosures are evaluated during the assignment process to ensure persons with an identified conflict are excluded from the review and inspection process. A PCO staff person (at any level) or contractor cannot work, discuss, or engage in decisions related to the certification of an operation where they (or a family member) had a

¹²⁸ 7 CFR §205.501(a)(11)(v) General requirements for accreditation

commercial interest in that operation in the last 12 months (i.e. PCO may certify the operation of a staff person or contractor or the family member of a staff person or inspector, however, the staff or inspector with the COI will be excluded from all work, discussions and decisions related to said operation). PCO staff members and contract inspectors must identify their own operation and operations of their family members on their conflict of interest forms to ensure their exclusion from the review and inspection process.

PCO must not certify an operation of a responsibly connected party (i.e. partner, officer, director, holder, manager, or owner of 10 percent or more of the voting stock of PCO) or their immediate family members if those persons currently have or had within the past 12 months a commercial interest in or if they have consulted for an operation seeking to obtain or maintain certification with PCO.

PART 14. INVESTIGATIONS, COMPLAINTS AND DISPUTES

PCO may conduct an investigation in the following situations that include, but are not limited to:

- Receipt of a complaint of noncompliance (may be verbal or written), which must provide the following information*:
 - Details and explanation of the complaint or alleged offense, including dates and names of those involved;
 - Supporting documentation (if any); and
 - Name and contact information of the complainant
- Identified risk to organic integrity as determined by PCO
- Report of drift contamination
- Residue testing detection of a prohibited substance at levels that are greater than 5% of the EPA's tolerance for specific residue detected or unavoidable residual environmental contamination
- Directed to do so by the Administrator
- Any other situation deemed necessary to determine compliance or protect organic integrity

*Investigation of complaints or alleged offenses received by PCO that lack any of the specified information is at the discretion of PCO.

Investigations that are not initiated by the Administrator must be initiated by the Quality Deputy Director. The Quality Deputy Director may work with the NOP to determine the appropriate course of the investigation. PCO can only conduct investigations of operations that are certified by PCO or have applied for certification with PCO.

The goal of an investigation is to determine if the operation is in compliance with NOP regulations and PCO policy (e.g. has a prohibited substance been applied?) and/or to determine the cause of a non-compliance (e.g. why was the prohibited substance applied?).

Investigation activities may include, but are not limited to:

- On-site inspection which may be unannounced

- Residue testing (if part of an ongoing compliance investigation, test results are not required to be made available to the public)
- Gathering information, including records from the operation
- Supply Chain Traceability Audits
- Other action as directed by the Administrator or deemed necessary to determine compliance

Investigation activities and results must be documented. PCO will respond to noncompliances uncovered as a result of the investigation according to current non-compliance procedures. PCO will also report credible evidence of fraud to the NOP pursuant to §205.504(b)(7).

A written resolution of the complaint may be provided to accredited certification agencies or the NOP for the purpose of verifying organic integrity in the supply chain. If the complainant requests knowledge of the outcome of the complaint, PCO may only disclose whether or not the claims have been investigated. No details regarding the investigation or results of the investigation may be shared with the complainant in order to maintain confidentiality in accordance with §205.501(a)(10) unless written authorization from the client that was investigated is provided to PCO.