Smallholder Group Certification

Training Curriculum on the Evaluation of Internal Control Systems
A Training Course for Organic Inspectors and Certification Personnel

Compiled by
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Supported by
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The opinions expressed in this document are those of the authors and do not necessarily reflect those of the International Federation of Organic Agriculture Movements (IFOAM).

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Acknowledgements

IFOAM commissioned a group of experts under the coordination of IMO to develop a harmonized inspection protocol for smallholder group certification as well as a training manual for inspectors and certification personnel in evaluation of Internal Control Systems (ICS). The inspection protocol and the training curriculum are based on the new IFOAM ICS Guidance Manual for Producer Groups. This manual is based on the results of the three IFOAM smallholder harmonization workshops (organized by AgroEco), as well as acknowledged basic documents in smallholder group certification, such as the Naturland/IMO Smallholder Manual (2001).

This manual was written by Florentine Lechleitner (IMO) and Ute Eisenlohr (IMO). The author team was strongly supported by Gerald Herrmann (Organic Services), Bo van Elzakker (AgroEco), and Nabs Sama (Twin Trading), whose many years of experience in smallholder group certification contributed substantially to the success of the project.

The ICS inspection protocol was reviewed by a number of certification bodies, whose feedback was an important contribution to the protocol and this training manual. However, the document does not necessarily reflect the views of these partner certification bodies.

Many thanks go to Eva Mattsson (Grolink) and Ulla Johansson (free-lance agricultural teacher) for their comments to various issues.

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IFOAM would also like to thank the large number of people who participated in the harmonization process regarding smallholder group certification, as well as all involved certification bodies and the inspectors who participated in the pilot trainings. You all have helped to make this process a very credible one. Thanks.
Principles of Organic Agriculture

Preamble

These Principles are the roots from which organic agriculture grows and develops. They express the contribution that organic agriculture can make to the world, and a vision to improve all agriculture in a global context.

Agriculture is one of humankind’s most basic activities because all people need to nourish themselves daily. History, culture and community values are embedded in agriculture. The Principles apply to agriculture in the broadest sense, including the way people tend soils, water, plants and animals in order to produce, prepare and distribute food and other goods. They concern the way people interact with living landscapes, relate to one another and shape the legacy of future generations.

The Principles of Organic Agriculture serve to inspire the organic movement in its full diversity. They guide IFOAM’s development of positions, programs and standards. Furthermore, they are presented with a vision of their world-wide adoption.

Organic agriculture is based on:

The principle of health
The principle of ecology
The principle of fairness
The principle of care

Each principle is articulated through a statement followed by an explanation. The principles are to be used as a whole. They are composed as ethical principles to inspire action.

Principle of health

Organic Agriculture should sustain and enhance the health of soil, plant, animal, human and planet as one and indivisible.

This principle points out that the health of individuals and communities cannot be separated from the health of ecosystems - healthy soils produce healthy crops that foster the health of animals and people.

Health is the wholeness and integrity of living systems. It is not simply the absence of illness, but the maintenance of physical, mental, social and ecological well-being. Immunity, resilience and regeneration are key characteristics of health.

The role of organic agriculture, whether in farming, processing, distribution, or consumption, is to sustain and enhance the health of ecosystems and organisms from the smallest in the soil to human beings. In particular, organic agriculture is intended to produce high quality, nutritious food that contributes to preventative health care and well-being. In view of this it should avoid the use of fertilizers, pesticides, animal drugs and food additives that may have adverse health effects.

Principle of ecology

Organic Agriculture should be based on living ecological systems and cycles, work with them, emulate them and help sustain them.

This principle roots organic agriculture within living ecological systems. It states that production is to be based on ecological processes, and recycling. Nourishment and well-being are achieved through the ecology of the specific production environment. For example, in the case of crops this is the living soil; for animals it is the farm ecosystem; for fish and marine organisms, the aquatic environment.

Organic farming, pastoral and wild harvest systems should fit the cycles and ecological balances in nature. These cycles are universal but their operation is site-specific. Organic management must be adapted to local conditions, ecology, culture and scale. Inputs should be reduced by reuse, recycling and efficient management of materials and energy in order to maintain and improve environmental quality and conserve resources.

Organic agriculture should attain ecological balance through the design of farming systems, establishment of habitats and maintenance of genetic and agricultural diversity. Those who produce, process, trade, or consume organic products should protect and benefit the common environment including landscapes, climate, habitats, biodiversity, air and water.
**Principle of fairness**

Organic Agriculture should build on relationships that ensure fairness with regard to the common environment and life opportunities.

Fairness is characterized by equity, respect, justice and stewardship of the shared world, both among people and in their relations to other living beings.

This principle emphasizes that those involved in organic agriculture should conduct human relationships in a manner that ensures fairness at all levels and to all parties – farmers, workers, processors, distributors, traders and consumers. Organic agriculture should provide everyone involved with a good quality of life, and contribute to food sovereignty and reduction of poverty. It aims to produce a sufficient supply of good quality food and other products.

This principle insists that animals should be provided with the conditions and opportunities of life that accord with their physiology, natural behavior and well-being.

Natural and environmental resources that are used for production and consumption should be managed in a way that is socially and ecologically just and should be held in trust for future generations. Fairness requires systems of production, distribution and trade that are open and equitable and account for real environmental and social costs.

**Principle of care**

Organic Agriculture should be managed in a precautionary and responsible manner to protect the health and well-being of current and future generations and the environment.

Organic agriculture is a living and dynamic system that responds to internal and external demands and conditions. Practitioners of organic agriculture can enhance efficiency and increase productivity, but this should not be at the risk of jeopardizing health and well-being. Consequently, new technologies need to be assessed and existing methods reviewed. Given the incomplete understanding of ecosystems and agriculture, care must be taken.

This principle states that precaution and responsibility are the key concerns in management, development and technology choices in organic agriculture. Science is necessary to ensure that organic agriculture is healthy, safe and ecologically sound. However, scientific knowledge alone is not sufficient. Practical experience, accumulated wisdom and traditional and indigenous knowledge offer valid solutions, tested by time. Organic agriculture should prevent significant risks by adopting appropriate technologies and rejecting unpredictable ones, such as genetic engineering. Decisions should reflect the values and needs of all who might be affected, through transparent and participatory processes.
How to use this training manual

This training curriculum is a structured analogue to the IFOAM Training Manual for Organic Agriculture in the Tropics. Trainers are referred to this manual for further information how to organize effective trainings.

The ICS training curriculum consists of two parts:

1) Slides for each chapter of the IFOAM ICS Training Manual.

2) Training Manual:
   - The left side contains information that the trainer could present with the slides.
   - The right side of each page shows the corresponding slides plus discussions/working group exercises for illustration and better understanding of the content.

The complete manual and slides (on the CD) are divided into 8 separate Microsoft Word/PowerPoint files (teaching units). In each Word file, you can open the corresponding and complete PowerPoint file by double-clicking the first slide on the right side.

In addition to this training manual the following documents are an important component of this training course and should be distributed to the participants:

- ICS inspection protocol, consisting of
  - 'ICS Inspection Procedures'
  - 'ICS Inspection Report with Farm Re-Inspection Report'
  - 'ICS Certification Requirements and Compliance Criteria'

- IFOAM ICS Guidance Manual for Producer Organizations (with appendix).

Although the training manual is specifically geared towards smallholder situations, the content is also relevant to a wider audience. The information is useful to any individual or organization interested in developing and maintaining an Internal Control System.

The complete training curriculum can be done in approximately 3 days, depending on how many exercises and discussions are included and the level of experience of the participants. Additionally, a 1-day sample inspection of an ICS operator should be scheduled. Approximate times needed for presentation and the exercises are indicated in the table of contents.

The training course was designed for experienced organic inspectors who need to be trained in the specific tasks of smallholder group certification. It is NOT a training course for completely new organic inspectors.

The inspection protocol and hence also this training course will need to be adapted by different certification bodies according to their own inspection & certification procedures and policies.

Wherever possible, trainers are advised to collect local examples of ICS documents for illustration and a basis for discussion.

However, a couple of case studies and sample are included as appendices to this training manual. Some of them are only available on paper; the full course document can be ordered from IFOAM.
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
<th>No. slides approx. time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>How to use the training manual</strong></td>
<td>1</td>
<td>16 slides approx. 0.75 h</td>
</tr>
<tr>
<td>1. <strong>INTRODUCTION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The IFOAM ICS projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smallholder group certification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overview of ICS certification requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New ICS inspection protocol</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training course: Structure &amp; terms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. <strong>OVERVIEW OF INSPECTION PROCEDURES</strong></td>
<td>12</td>
<td>10 slides approx. 1 h</td>
</tr>
<tr>
<td>The ICS inspection (ICS office &amp; farm re-inspections)</td>
<td></td>
<td></td>
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<tr>
<td>Inspection of buying and handling</td>
<td></td>
<td></td>
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<tr>
<td>Reporting, evaluation of nonconformities &amp; certification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. <strong>INSPECTION SCHEDULE &amp; RISK ASSESSMENT</strong></td>
<td>19</td>
<td>10 slides approx. 2.5 h</td>
</tr>
<tr>
<td>Who is eligible for smallholder group certification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk assessment</td>
<td></td>
<td></td>
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<tr>
<td>Risk categorization and external re-inspection rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1 <strong>INSPECTION OF ICS OFFICE (PART 1)</strong></td>
<td>25</td>
<td>32 slides approx. 4-5 h</td>
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<tr>
<td>Basic description of activities</td>
<td></td>
<td></td>
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<tr>
<td>ICS organization</td>
<td></td>
<td></td>
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<td>The ‘ICS manual’</td>
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<tr>
<td>The Internal Organic Standard</td>
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<td>ICS documentation</td>
<td></td>
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<tr>
<td>4.2 <strong>INSPECTION OF ICS OFFICE (PART 2)</strong></td>
<td>43</td>
<td>18 slides approx. 3.5 h</td>
</tr>
<tr>
<td>Internal inspection</td>
<td></td>
<td></td>
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<tr>
<td>Yield estimates</td>
<td></td>
<td></td>
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<tr>
<td>Approval &amp; sanctions</td>
<td></td>
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<td>ICS staff qualification and conflicts of interest</td>
<td></td>
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<tr>
<td>5. <strong>EXTERNAL FARM RE-INSPECTIONS</strong></td>
<td>55</td>
<td>13 slides approx. 1 h</td>
</tr>
<tr>
<td>Selection of farmers for re-inspection</td>
<td></td>
<td></td>
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<tr>
<td>Re-inspection procedures</td>
<td></td>
<td></td>
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<tr>
<td>Witness audits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. <strong>INSPECTION OF PRODUCT FLOW</strong></td>
<td>63</td>
<td>10 slides approx. 3-4 h</td>
</tr>
<tr>
<td>Buying procedures</td>
<td></td>
<td></td>
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<tr>
<td>Handling requirements for organic produce</td>
<td></td>
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<tr>
<td>Organic processing</td>
<td></td>
<td></td>
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<tr>
<td>7. <strong>REPORTING, EVALUATION, AND CERTIFICATION</strong></td>
<td>70</td>
<td>16 slides approx. 1-1.5 h</td>
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<tr>
<td>Reporting</td>
<td></td>
<td></td>
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<tr>
<td>Relative importance of different compliance criteria</td>
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<tr>
<td>Evaluation for certification</td>
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**TOTAL** | | Approx. 18 h = 3 days plus 1 day field visit |
1. Introduction

The IFOAM ICS Projects

Smallholder groups have been certified on the basis of internal control systems for many years. However, the requirements regarding smallholder group certification and internal control systems have differed considerably over the last years between different certifiers and between different import authorities. Therefore IFOAM started a harmonization process in 2001 with several harmonization workshops.

As an important result of the increasing consensus on smallholder group certification, the formal acceptance of smallholder group certification by European authorities could finally be achieved. In November 2003 the EU Commission published the ‘Guidance document for the evaluation of the equivalence of organic producer group certification schemes applied in developing countries,’ which formally outlines some principles of an internal control system (ICS) and also defines the necessary minimum external control rates.

IFOAM also developed requirements, which are to be followed by certification bodies when carrying out group certification (Chapter 8.3 of the IFOAM Accreditation Criteria for Bodies Certifying Organic Production and Processing [IAC]). Chapter 8.3 of the IAC also defines minimum requirements to be fulfilled by the group seeking certification. It is provided in the background material section of this training manual. Moreover, IFOAM initiated the development of the document ‘IFOAM ICS Guidance Manual for Smallholder Groups’.

The slides give an overview on IFOAM’s activities with regard to harmonization in ICS certification. In addition to organizing the harmonization workshops and lobbying for the EU guidance document to define accepted minimum requirements in the EU, IFOAM initiated also two major ICS projects:

- Project 1: IFOAM developed an ‘IFOAM ICS Guidance Manual for Smallholder Groups’ and elaborated an ‘ICS training manual (complete training course) for producer groups’.
- Project 2: IFOAM initiated the development of harmonized inspection procedures for the ICS evaluation and a common training tool for training inspectors and certification personnel in ICS evaluation. This is the training manual as presented in this document.

All ICS requirements in the IFOAM inspection procedures as presented in this course are based on the IFOAM ICS Guidance Manual, which reflects a wide consensus on smallholder group certification including all relevant aspects of the EU guidance documents.
The inspection procedures have been reviewed by different selected certification bodies, both international certifiers and national certifiers in developing countries. Some of these certifiers were IFOAM accredited, others not.

In spite of all harmonization efforts, certain details are still being handled differently by different certifiers or authorities. Therefore this training manual can only serve as a first guideline; any unclear or critical issues will still have to be decided by each organic certification body.
Smallholder Group Certification

Principles of Smallholder Group Certification
A majority of agriculture practitioners worldwide are smallholders and often are located in remote areas with long travel times from one place to another. Also, the overall revenue from their agricultural production is usually far too small to allow a viable farm inspection by an external inspection body for each farmer.

For these reasons, long before government regulations, about 15 years ago, smallholders in developing countries in cooperation with certification bodies have been developing systems to assure compliance with organic standards for producers as a group. Different forms of quality assurance systems for smallholder groups have developed over time with respect to the nature and size of the operation, ranging from tens to thousands of individual producers.

Smallholder group certification implies that there is:
- A central body being responsible for ensuring the group’s compliance to applicable standards.
  The group can be a self-organized cooperative or a farmers association or simply a buyer or processor who contracts farmers (‘contract production’).
- A formal internal control system (ICS) in place.
- One single certification for all individual production as well as processing and handling activities registered within the group. Individual operators within the group may not use the certification independently.

What is an ICS?
IFOAM Definition of an ICS: see transparency.

This formal role of the ICS as an official ‘control body’ implies that certain basic formalities for organic inspection need to be fulfilled, as organic standards describe not only how organic production needs to be practiced, but also how this can be controlled. These ‘inspection requirements’ include a lot of issues like documentation, inspection procedures, etc., that often ICS operators do not primarily think of when they wish to set up an organic certification project.
Types of Smallholder Groups

There are two typical types of smallholder groups that are eligible for smallholder group certification:

a. A Group of farmers (e.g. a cooperative) sets up an internal control system and also organizes joint buying and marketing for their organic produce from farmers in the organic program. The group owns the organic certificate.

b. A processor and/or exporter (sometimes this can be an NGO) contracts small farmers to produce certain organic crops for the company. The processor or exporter is the ICS operator and organizes all internal control procedures. The company owns the organic certificate.

Discussion: Typical Smallholder Group Structures

Discuss with participants what project type is most common in their specific area of inspection and certification. Are there a lot of self-organized farmers groups? Or have organic projects been initiated by an “outside” group, and, if so, by NGOs or by commercial traders? How sustainable do you estimate the different project types to be?
Overview of ICS Certification Requirements

In this introduction, a brief overview on the ICS certification requirements is presented. All issues will be dealt with in detail in this inspector’s course; these slides give an overview before details are presented.

For better linkage to the IFOAM ICS Guidance Manual, all requirements are listed here as the chapters of that new manual.

Minimum certification requirements are that the ICS:

2. Is aware of risks and critical control points.
3. Has an internal organic standard.
4. Has documented effective procedures for internal farm inspection and internal approval and is dealing with non-compliances.
5. Has qualified personnel and a clear structure.
6. Ensures training of farmers as well as ICS staff.

Each of these points will be briefly presented now, with more details and discussions about all requirements following later in this course.

ICS Manual

The ICS operator has to have policies, written procedures, and standardized forms to ensure an objective and reliable control system. This is similar to a certification body that also has to have some internal quality manual to standardize its activities.

The term 'ICS Manual' is new. So far operators were only required to have certain forms (e.g., inspection report form) and to regulate a few procedures in writing (e.g., in the internal regulation, as the core ICS document was called in the IMO/Naturland Manual for Quality Assurance in Smallholder Organizations).

What is meant with ICS Manual is in principle the sum of all forms and written procedures on its ICS. The term 'manual' implies that all this could be organized in one overall document that contains procedures, policies, and forms and gives ICS personnel as well as certifiers the easiest access to information on how the system is supposed to work. The IFOAM ICS Guidance Manual is an example of how an ICS Manual could look. Another change is that the ICS operator now has to present an overview of his activities.
**Risk Management and Risk Assessment**

It is extremely important that risks that may jeopardize the organic quality (or even simply threaten the organic certification for formal reasons) are taken into account not only by all involved in the ICS but also by the external inspector.

Hence, the ICS operator is required to prepare a detailed risk assessment at the beginning of certification (or with introduction of this new system). Obviously the aim is to take all appropriate countermeasures so that a potential risk will never actually become a problem. It is very helpful and useful for ICS operators to be aware of relevant risks and design their procedures and requirements accordingly.

In addition the external inspector has to do an overall risk assessment. The main aim of this formalized risk assessment is to determine the minimum external control rate, but it is just as important that the inspector follow a risk-based inspection approach and that he/she is always aware of critical control points.

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**The Internal Organic Standard**

This is a newly created term. The ‘internal organic standard’ is the internal production guideline, which outlines all farm production requirements, i.e., everything that an organic farmer will be expected to comply with.

The internal organic standard always has to take into account all applicable organic standard requirements and must therefore cover all important aspects (as far as relevant).

It should be written in clear and simple language.

Example for one chapter in an ‘Internal Organic Standard’: Seedlings in an organic coffee project—“Coffee seedlings have to be obtained from the organization’s own organic nursery in XXX or from own propagation or from fellow organic farmers. Other coffee seedlings may not be used.”

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**Internal Organic Standard**

- outlines the farm production requirements in a way that can be understood by farmers and ICS staff.
- takes account of all applicable standards as far as these requirements are important and relevant for the operation.
Internal Control and Approval Procedures

The actual internal farm control procedures are certainly the core part of an ICS, and internal inspection is often also the only issue that people associate with an internal control system.

In the guidance manual the overall procedure of internal control is split into the following sub-processes:

- Registration of farmers: explanation of requirements, collection of basic data, contracting, mapping
- Internal inspection
- Yield estimates: the ICS must produce yield estimates. Since organizations organize the collection of yield estimates in different ways (and not always during internal inspection) this has been kept as a separate chapter.
- Internal approval and sanctions: after inspection an internal decision on compliance or non-compliance has to be made. Measures to correct non-conformities as well as internal sanctions need to be effectively implemented.
- ICS documentation: a summary of the documents that need to be available for each farmer and what summary documentation (farmers lists) need to be prepared.

Organization and ICS Personnel

The ICS staff is of utter importance for the success and efficiency of the system. It is important that one person has overall responsibility for the ICS. This person is usually called 'ICS Manager', 'ICS Coordinator' or something similar. The different tasks of the ICS need to be delegated to different people like extensionist/internal inspectors, purchasing officers, etc. In the end it is important that somebody is in charge and is qualified to do the work for each procedure of the control system.

For the integrity of an ICS it is also crucial that conflicts of interests are avoided; e.g., an inspector may not inspect his friends or family. The separation between extension and internal inspection, which has so far been considered a conflict of interest, is discussed in detail in a later chapter.

(In the sample organizational chart the green boxes at bottom represent contracted farmers at different project sites.)
Training
Training of both farmers and ICS staff is very important.

Farmers need to receive practical training in organic production as well as clear instructions on certification requirements they have to meet. Some smallholder groups decide to provide training and advice in field visits, some chose training seminars.

ICS personnel also need training to remain up to date with requirements and to optimize and harmonize their inspection and evaluation skills. Depending on the position, regular training in organic production, certification requirements, internal procedures, or inspection skills may be necessary. Training can be done in training workshops or by accompanying experienced colleagues on inspections.
New ICS Inspection Protocol

Based on the IFOAM Guidance Manual for producer organizations, a harmonized inspection protocol has been developed for individual adaptation and use by different certification bodies.

The inspection protocol has been reviewed by a couple of organic certification bodies (IFOAM accredited or not), but still certain aspects will need to be customized for each certifier’s specific procedures & requirements. This course presents the generic IFOAM inspection protocol.

The following documents are available for certification bodies and inspectors. These are the documents that you have received as handouts for this training course.

Inspection procedures
- All steps from application for certification to certification: i.e., application, inspection planning (including how to calculate the minimum external control rate), ICS office inspection, farm re-inspections, risk assessment, reporting, evaluation of non-conformities, and certification.

ICS Inspection report form
- Contains some description of activities of the group.
- In the report all ICS compliance criteria with regard to smallholder group certification are checked in detail. Compliance criteria are numbered according to the chapters of the report.

ICS Compliance Criteria
- All ICS compliance criteria are presented again (with their numbers as in the report). The order follows the actual workflow of inspection (application, preparation, ICS office visit, etc.).
- The compliance criteria are fully described (in the report sometimes shortened).
- For each criterion it is indicated how it will be checked during inspection.
- For many criteria interpretation guidance and additional comments are given to the inspector.
Training Course

Introduction to training course
All numbering of chapters in this introduction has been done with reference to the IFOAM Guidance Manual in order to provide an overview of this manual. The training course from here onwards is based on the mentioned ‘new’ ICS inspection protocol. Thus, all numbers refer to the numbers of the compliance criteria in the ICS inspection report or the ICS compliance criteria document.

The training course contains details that might not be given in the inspection protocol documents. Thus, this training manual might be useful both for holding trainings in ICS inspection & evaluation, but also for inspectors to brush up their understanding of ICS evaluation by reading the training manual as an additional guidance document.

On the slides, symbols are usually added to the criteria to indicate how the respective criteria can be checked:

- Check in ICS documentation (mainly in ICS office)
- Check in interviews with ICS staff (ICS office and during re-inspection tours)
- Check during sample farm inspections with farmers and field officers and/or neighbors

Structure of the Course
The course is presented in 7 chapters (see slide):
1. Introduction
2. Overview of inspection procedures
3. Inspection schedule & risk assessment
4. Inspection of the ICS (office)
5. External re-inspections
6. Inspection of product flow
7. Reporting, evaluation, & certification

Structure of this Training Course
- All numbers of the compliance criteria in this course refer to the numbers of the criteria in the new IFOAMICS inspection report / ICS compliance criteria document and no longer to a chapter of the ICS Guidance Manual!
- How to verify? ICS documents Interviews Field visits

Structure:
1. Introduction
2. Overview of inspection procedures
3. Inspection schedule & risk assessment
4. Inspection of the ICS (office)
5. External re-inspections
6. Inspection of product flow
7. Reporting, evaluation, & certification
Definitions

On this slide a few important terms are defined to ensure that everybody associates the same understanding with the given terms.

Please note also the clear distinction between "APPROVAL" for all internal 'certification' processes and "CERTIFICATION" for the decisions made by the external certification body.

Remark: depending on the country, more definitions may be needed for terms like 'sanction', etc.

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<tr>
<th>Important Terms</th>
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<td>Organic: CERTIFIED according to a certain organic standard</td>
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<td>Conventional ≠ not organic ≠ not certified</td>
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<tr>
<td>ICS Operator: Body that organizes the ICS; this is usually the farmers cooperative or the contracting processor</td>
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<td>ICS Manual: compilation of all documents regulating the ICS: policies, procedures, forms, etc.</td>
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<td>Non-compliance: a standard requirement is not met. A non-compliance always refers to a certain organic standard, e.g. spraying Ambush is a non-compliance because not in standard, but spraying copper is allowed because it is allowed in standard.</td>
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<td>Prohibited: not permitted according to certain standard</td>
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<td>Approval: internal 'certification' by ICS according to the internal organic standard and procedures</td>
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<td>Certification: certification by the (external) organic certifier according to regulations, public or private organic standards</td>
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2. Overview ICS Evaluation Procedures

In principle the procedures for ICS evaluation are very similar to any other type of organic inspection. In the slide all tasks that are typically implemented by the certification office are written in blue, while the tasks of the inspector are written in red.

There is first the application process with collection of data about the activities of the operator. Then, the inspection is planned with some first rough preliminary risk assessment to determine the minimum external re-inspection rate followed by setting the draft inspection schedule.

Preparation: The inspection is prepared and assignment and preparatory documents sent to the inspector. The inspector him/herself has to prepare the inspection, arrange final inspection schedule details, etc. If possible the inspector should read the ICS Manual BEFORE the inspection!

Then, the actual ICS inspection can start. For easier presentation it has been split in 3 sections, but all are integral parts of the actual on-site ICS inspection:

- Inspection Schedule & Risk Assessment: During the inspection, the inspector works out the details of the inspection schedule (which sites to inspect when, etc.) and a complete risk assessment. Usually it is begun at the start of each inspection but since it is an overall evaluation of the operation, normally it can only be finalized mid-inspection (after the first few days). The risk category is determined and the minimum external re-inspection rate is set.
- ICS Inspection: The inspection of the ICS office and the documents is a very important part of the overall ICS evaluation.
- Sample inspections: Sample farm inspections (external farm re-inspections) are an important tool for assessing an ICS.
- In addition to the actual ICS inspection, the product flow is checked: buying, handling (warehouses etc.), and all central processing units, as well as export activities.

At the end of the inspection, the report is completed and the findings discussed with the ICS Coordinator. Non-conformities are listed and appropriate corrective measures agreed upon.

Discussion: Can inspection planning be done by the certifier?
Discuss with participants whether at present the inspection schedule is defined in detail by the certifier or whether a lot of decisions on the external re-inspection rate and the actual inspection schedule need to be made by the inspector DURING the inspection.

Can the risk categorization really be done in the certification office? Is it possible for new projects? What information would you require in order to make a good inspection plan? How can the certification office ensure that enough time is always planned for the inspection without planning for too many buffer days? (⇒ For new inspections a couple of days for ‘risk assessment’ could be included so that sufficient time is available even in case the project is found to be ‘high risk category’).

How problematic is it to finalize the inspection schedule DURING the inspection?
The ICS Inspection

This slide illustrates the three main parts of the on-site ICS inspection:

- Risk assessment and inspection scheduling is started before the inspection, but finalized during the inspection, usually including insights from both office and field visits.
- Inspection of the ICS office (ICS procedures & documentation).
- External farm re-inspections & farm witness audits.

In addition to the actual inspection of the ICS, the product flow of organic produce has to be inspected.

In practice the aforementioned parts of an inspection will not be done in a uniform order. Risk assessment is done during the inspection, and not necessarily first. Farm re-inspections may be done between office inspection days, some aspects of which can be checked in the ICS office could also be checked during field inspections (e.g., checking farm documentation), etc. Additionally there are sections on reporting & evaluation of non-conformities.

In this part of the course, we will initially discuss each part of the inspection only briefly as an overview. Each part is then dealt with in a separate chapter with work group exercises and details on requirements and how to check them.

Inspection Schedule & Risk Assessment

As mentioned, inspection schedule and risk assessment are closely linked. Also the verification of whether the requirements for smallholder group certification are met is important for the final inspection schedule since big farms (not ‘smallholders’) will always need to be externally inspected.

Both checking the requirements for group certification and doing a risk assessment with preliminary determination of the external re-inspection rate are started in the certification office in order to draft the inspection plan. However the risk assessment and detailed inspection schedule usually needs to be finalized by the inspector during the inspection.

The inspector should read the operator’s ICS Manual before the inspection and also do some preliminary risk analysis and collection of critical control points.

The risk assessment is finalized during the inspection, and the inspection schedule might need to be adapted during the inspection.
**Inspection of the ICS Office**

In this part of the ICS inspection, the documentation and procedures of the Internal Control System are checked. Usually the inspection includes a visit to the ICS office, interviews with ICS Staff (in particular the ICS coordinator), and an evaluation of the ICS Manual and ICS farm-files.

- **General overview of activities:** understand present situation, changes since last year.
- **Follow up last year’s conditions:** have the agreed improvement measures been implemented?
- **Check ICS Manual and clarify open questions with ICS Coordinator:** understand how well the ICS Manual is used, how often it is updated, who prepares the documents, how they are distributed. Are all procedures in the manual described in a clear way? If some procedures or parts are missing, ask whether they are available elsewhere.
- **Understand approval and sanction procedures** (particularly if not described in the manual). What happens AFTER the internal inspection? What happens in case of deviations? Check all sanctions since last inspection. What were the main problems, how did the ICS react?
- **Screen farm files:** random files and some “problematic cases”.
- **Check farmers list:** cross-checking with farm files; is the list complete and up to date? Does the list contain all necessary details?
- **Check staff files:** trainings, contract, job descriptions, etc.

**Motivation Exercise:** What to check in the ICS office

Ask participants what requirements could be checked in the ICS office. Did they spend a lot of time (in past ICS inspections) in the office or only concentrate on farm visits?

Let them come up with control points first and then present the following summary.

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**Inspection of ICS Office**

- General overview of activities, changes since last year.
- Follow up last year’s conditions.
- Clarify questions on ICS Manual and procedures.
- Screen sample farm files.
- Approval & sanction procedures, any sanctions?
- Staff files and qualifications, conflicts of interests.
- Farmers list, list updating system.

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2. Overview ICS Evaluation Procedures 4
Re-Inspections (External Farm Inspections)
Re-inspecting a certain number of farmers is an important and integral part of the ICS inspection. Information about production and the ICS can be obtained in the course of days out in the fields.

The most important and obvious aspect is that while re-inspecting the farmer, the inspector gives the confirmation that the farmer actually complies with the organic standards. Apart from this a lot of other very important information about the functioning of the ICS can be obtained during field visits:

- **Cross-check with ICS documentation:** Were the findings of the internal inspection the same as of the external inspection? Are forms filled in correctly and clearly with regard to the actual situation found in the field? Are there inconsistencies among various ICS documents for the same farmer?

- **How qualified was/is the internal inspector?** This can be checked both by accompanying internal inspectors (witness audits) and by taking them along for the field inspections and interviewing them about their work and understanding of organic farming.

- **How is advice given and inspection done?** Procedures on paper are one thing, reality in sometimes remote and inaccessible areas is another thing.

- **Cross-checking with buying:** Farm inspection can provide a good occasion to cross-check on a spot check basis buying figures as presented by the ICS Operator with the information given by farmers.

- **Information from the fields inspection visits is very important for the overall risk assessment.** Usually some neighbors and comparable farmers in the area should also be interviewed to find out about general farming practices in the region.

- **Inspection is a good occasion to check the farmers’ understanding and knowledge of organic farming.** Have they received training? Was the training practical and ‘good’ enough?

**Motivation Exercise:** Information from sample farm inspections
Ask participants what they can find out in farm re-inspections. What is the main purpose of farm re-inspections and what other information needs to be checked during the field visits? How important are field visits, compared to the time spent in an ICS office?

Let them come up with some control points first and then present the following summary.
Inspection of Buying and Handling

An ICS inspection also covers the process of buying the produce from the registered organic farmers. In addition to this, usually some subsequent handling and processing is also subject to inspection: warehousing, processing, packaging, export, etc.

All these steps must be inspected and certified like any other processing or exporting operation. Many certifiers will handle this as a group certification, i.e. consider the different operators involved (e.g., coffee cooperative with 2 contracted processors) all together as a ‘project’.

Reporting

The harmonized IFOAM ICS evaluation protocol also includes a detailed ICS inspection report. During and/or after the inspection, the ICS report is filled in as a checklist.

The findings and necessary corrective measures are then summarized at the end of the report and the results communicated to the ICS coordinator who countersigns the inspection report.

If required by the certification body the same report format can be used during or after the inspection to prepare a more detailed electronic report on the computer (with more comments and descriptions).

The inspector submits the inspection report together with the farmers list and some illustrative documents (appendix) to the certification body.
Evaluation of non-conformities

During the inspection, it will most probably be found that a couple of compliance criteria have not been met by the operator. But how should these non-conformities be dealt with?

How critical is it if, e.g., the internal inspection has not been finalized for all farmers? Or if the farmers list does not contain anything but the farmer’s name and organic status?

Each certification body will still have its own sanction system. However, for harmonization purposes, each compliance criterion in the report is given a certain relative weighing of importance for certification.

A-Criteria are “MAJOR MUSTS”, i.e. they must be fulfilled for certification.

B-Criteria are “MINOR MUSTS”, which must be implemented short term. They are very important, but the operator is given a certain transition time to implement the requirements. A certain % of B-criteria should also be fulfilled before certification can be granted.

C-Criteria are “MINOR MUSTS” which may be implemented medium term. The ICS concept also contains some requirements that are clearly development targets. The organization should work towards compliance with these criteria but is given substantial time for implementation. C-criteria are typically criteria about capacity building, long-term sustainable practices, and well-organized documentation systems (more than absolute minimum).

Also, in this part of the course we will discuss a couple of critical non-compliances and how they could be dealt with. E.g., what if 10% of the farmers were not inspected internally? Of what if we find during the inspection that the cardamom in the organic pepper field on three farms has been treated with chemicals and the ICS has failed to detect this?

Certification

After due evaluation and subject to the fulfillment of the minimum requirements, certification is granted. ONE certification is granted for the whole group.

Usually for groups there are 3 certification documents:

a) The operator certificate for the group 
b) The ‘Certified Farmers List’ (as an appendix to the certificate) 
c) The certification decision, which also lists necessary corrective measures and/or sanctions (if any)
**Introduction of the ‘new inspection protocol’**

So far, there are many different ICS inspection protocols. Also import authorities have not yet been able to agree on uniform requirements for smallholder groups certification and request different re-inspection rates, different information on the functioning of the ICS, etc.

The IFOAM harmonization workshops and the new IFOAM ICS Guidance Manual for Producer Groups have already resulted in some more consensuses of the most important aspects of an internal control system. Also the new EU guidance document on smallholder group certification defines for the first time a uniform approach for all European import authorities.

The ‘new’ IFOAM ICS inspection protocol as presented in this training hopes to further support IFOAM’s and certifiers’ efforts towards harmonization. However, all certifiers wishing to use the harmonized inspection protocol will certainly need to adapt certain parts to their specific procedures and policies. Perhaps some criteria will be considered more or less important then proposed in this inspection protocol, or perhaps some aspects are found missing. This also refers in particular to all aspects of the farm level, where different certifiers tend to have quite different standards and interpretation of standards.

Since all involved (ICS operators, certifiers, and import authorities) will need some time to understand the ‘new’ requirements (depending on the certifiers previous ICS policy, there may be minor or major changes in requirements for the operator), it is suggested that all ICS operators be treated as “new operators” in the first year of introduction of the IFOAM ICS inspection protocol.

Being considered as ‘new operators’ would imply:
- slightly higher external re-inspection rates (more than compulsory minimum numbers for respective risk category).
- lower 5 of B criteria must be fulfilled, time span for implementation of C criteria is longer.

To re-inspect slightly more than the actual minimum number of farmers also ensures secure market access for producer groups, since also the different European (and other) authorities might need time to ‘digest’ the new system (even the EU’s own new ICS approach is not yet fully known to all authorities).

In principle all major European import countries have confirmed that they accept the EU guidance documents (with the minimum requirements as included in the IFOAM inspection protocol); however, the practice of desk officers might still be a bit different in the beginning.

**Introduction of the new harmonized evaluation system**

- Each certifier will probably adapt this standard system to its particular inspection & certification system and may add additional requirements or chose lower standards for some aspects. This applies in particular to all aspects checked on farm level for which each certifier will have its own interpretation of the requirements.
- It is suggested that, in the first year of the introduction of this new inspection system and the harmonized certification requirements, all ICS operators should be handled as “new operators” or “first inspections”. This implies that they are expected to fulfill fewer requirements and that slightly higher re-inspection rates are recommended.
- European import authorities may need time to internally familiarize themselves with the new ICS system and the new minimum control rates. Certifiers need to feel on the safe side that lower control rates will still ensure easy market access for their clients.
3. Inspection Schedule & Risk Assessment

In this section the following aspects will be discussed:

- Who is eligible for smallholder group certification? What is a smallholder? What if it is a group for big farms or in the smallholder group there are a few bigger farms?
- Risk assessment to determine minimum re-inspection rates.
- How do you plan an ICS tour in detail? How to select farmers for re-inspection, etc.
- Focus on critical control points (in addition to formal risk assessment to determine minimum re-inspection rate).

Who is eligible for smallholder group certification?

What is a Smallholder?

In the past different definitions were used to determine whether farmers are smallholders and thus eligible for smallholder group certification. The most common criterion used was size of land holding (e.g., smaller than 15 ha).

However, during all IFOAM workshops participants agreed that size alone was a poor indicator for being a smallholder in local context. Therefore the following more general criteria were agreed upon for rough assessment whether a certain farm can be considered as smallholder farmer or not (see Document on IFOAM Smallholder Group Certification, compilation of results of 3 workshops).

To be considered a ‘smallholder farmer’ the cost of individual certification must be high; as a certain guideline it was stated that more than 2% of sales value would be ‘too high’.

Additionally 3 out of the 5 following criteria must be fulfilled:
- average income lower than $5000
- managed mainly by family labor (not systematically dependent on hired labor)
- low tech production system
- limited capacity of own marketing
- limited capacity of own storage and processing

Obviously these criteria can only serve as rough guidelines. The idea is to assess these criteria for the group and possibly a few farmers that seem to be potentially bigger farms. It is not the idea that a certain farm is a ‘smallholder’ in one year and a ‘farm’ in the next year because he now has one additional field. But, e.g., in a group of farms with 2-3 acres rice each and maximum 15 acres total there are 3 farms with 20-25 acres rice and approximately 80 acres each. In this case above criteria can be used to determine whether they can still be considered smallholders or not (normally the result would be that they are NOT smallholders).
Other requirements for smallholder group certification
In order to be certified according to the principles for smallholder group certification, i.e., with an ICS and with only a small percentage of farmers being re-inspected by the external certification body, two requirements must be fulfilled:

Within the group of smallholder farmers there must be homogeneity of members; i.e. the registered farmers are located in the same area and have similar production systems.

It is also necessary that the group have a common marketing system. The buying of products from the organic farms is the responsibility of the ICS.

Dealing with Bigger Farms

Case A: Group of farmers which all do not qualify as smallholders
How can such a group be certified? Is group certification possible or not?

In most cases it will be possible to certify such farms as a group. However:
- 100% of the farms must be inspected by the external certification body
- farms have to keep (at least simple) documentation on their own

Such a group of farmers can also have an ICS to assist farmers in documentation, to improve quality of production, and provide advice to the farmers and for common marketing.

Attention: there is a certain risk that if farms are actually quite complex and big, certain aspects are neglected if the farms are certified as a group. In principle the inspection time per farm and the expected level of farm documentation should depend on the complexity of the farm. I.e., really big farms within a group will still need more or less the same inspection time and need to keep the same documentation as any individually certified organic farm.

Case B: a couple of bigger farms in a smallholder group

How to deal with such bigger farms (bigger than smallholders) in a smallholder group?
- Need to be inspected externally each year (PLUS internal inspection) → important for inspection schedule
- Need to keep at least some basic farm documentation of their own (not only ICS docs)
- No self-marketing of the produce as organic!

Attention should be paid that problems in complex bigger farms are not overseen because they are part of a smallholder group. Often bigger farms have many more risks and critical control points than smallholder farmers in the same area! If such bigger farms are part of the ICS group, the ICS should also demonstrate competence in effective inspection of such farms. If the farms are too complex for the ICS to handle, they need to be certified separately.
Risk Assessment by ICS Operator

All organic ICS operators have to do an internal risk assessment at the beginning of certification. For existing operators who have not yet done one, demanding such a risk analysis from them is highly recommended. The internal risk assessment also provides deeper insights with regard to the critical points that the ICS is aware of (and what they are not aware of as potentially critical points).

The risk assessment should be the responsibility of the ICS operator, usually farm production as well as buying and handling.

Since many operators may not be experienced in writing a detailed risk assessment, it could be important to check the risk awareness of ICS staff in addition to the written risk assessment. Maybe they have not written down all relevant risks, but all ICS staff is in fact well aware of them. This is obviously a different situation than if nobody is aware of any risks.

A risk assessment checklist is included in the appendix to the IFOAM Guidance Manual for Producer Organizations that can be used as a tool by producer groups to come up with a list of risks for the project. As a second step the ICS then has to evaluate what it can do about these risks in order to minimize them and prevent potential risks from ever becoming actual problems.

The example on the slide shows a risk assessment for smallholder pepper growers in agro-forestry systems, prepared by workshop participants (producer organizations). Potential risks were listed for all different stages of the production process, which helped to collect potentially critical points more systematically, and the final list of identified risks was much longer and more useful than when simply asking the participants to come up with potential problems in general.

This slide shows a sample risk assessment done by the ICS. This example is also included in the appendix to the IFOAM ICS Guidance Manual for Producer Organizations. The table lists the major identified risks and what the ICS can do about them.

For example:

**Identified risk** = some farmers still grow vegetables chemically and all store prohibited inputs for those vegetables on the farm

**What can be done about it?**

- Train farmers well in organic management practices to increase their trust in organic production methods and to introduce conversion of vegetable crops.
- Inform about health hazards of the chemicals used.
- Clearly instruct farmers and check carefully that no vegetables are grown on the organic banana plots.
- Increase inspection/field extension presence on those farms which still have conventional vegetables.

**Sample Risk Assessment by the ICS**

<table>
<thead>
<tr>
<th>Important Risk</th>
<th>What can we do about it?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic production of home consumption crops</td>
<td>Make more frequent advisor visits with focus on cultivation methods for home consumption crops</td>
</tr>
<tr>
<td>Fertilizers on conventional plots</td>
<td>Make more frequent advisor visits with focus on organic fields</td>
</tr>
<tr>
<td>Organic fields adjacent to conventional fields</td>
<td>Inform farmers about danger of agrochemicals for their health and for the environment</td>
</tr>
<tr>
<td>Organic fields adjacent to conventional fields and same time sprayed</td>
<td>Additional (unannounced) inspections in order to guarantee that no prohibited products are used in organic banana fields</td>
</tr>
<tr>
<td>Organic fields adjacent to conventional fields and also sprayed with herbicides</td>
<td>Inform about health hazards of the chemicals used</td>
</tr>
<tr>
<td>Organic fields adjacent to conventional fields and same time sprayed with herbicides</td>
<td>The internal inspectors need to be instructed accordingly and include the information in the internal inspection checklist</td>
</tr>
</tbody>
</table>

**Group Discussion**

Discuss participants’ experience with producer group’s risk awareness.

Is it common in existing ICS projects that they have a risk assessment? How good will a risk assessment be that is done at the beginning of certification? Will organizations already have enough knowledge to do a proper risk analysis?
Risk Assessment by External Certification Body

In the certification office the approximate risk category is determined by the certification body in order to prepare the overall inspection schedule. The minimum number of farm re-inspections is estimated and the inspector instructed how many farm re-inspections need to be done.

Normally the certifier will assume at least a high risk situation when going for first inspections, in order to have sufficient time for risk assessment and also to be on the safe side if it should be found during the inspection that the risk category was higher than foreseen.

The inspector receives the overall inspection schedule and preliminary risk analysis (and maybe a list of critical control points for inspection) from the certification office.

Based on the preliminary assessment and the overall findings of the ICS office visit and field inspection visits, the inspector completes the small chapter risk assessment in the ICS inspection report. In addition, it is recommended that the inspector prepare a complete risk assessment, e.g., by checking the list of potential risks as given in the appendix to IFOAM ICS Guidance Manual for producer groups. The inspector needs to be aware of all critical control points during his/her inspection. This will be usually considerably more than the actual risk assessment table in the inspection report that serves more to determine the formal risk category and hence justify the applicable minimum re-inspection rate.

Risk Categories

The EU guidance document (and the new IFOAM ICS inspection protocol) defines 3 risk categories: normal risk, medium risk, and high risk. The minimum number of farm re-inspections is defined according to the risk category.

The formal risk category can be determined with the help of the risk assessment table in the report. The inspector has to determine whether the listed potential risks are important actual risks for this project and add additional major risks if needed. The risk category is determined based on the number of identified risks:

1-3 risks → normal risk situation
3-5 risks → medium risk situation
more than 5 risks → high risk situation

Please note that if ANY major non-compliances have not been identified by the ICS, the operator is ‘automatically’ categorized as ‘high risk’.
External Farm Re-Inspection Rates

N = total number of farmers (org., conversion, passive)
The following minimum number of farms must be inspected

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rate Formula</th>
<th>Minimum Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORMAL RISK</td>
<td>(\sqrt{n})</td>
<td>10 farms</td>
</tr>
<tr>
<td>MEDIUM RISK</td>
<td>(1.2 \times \sqrt{n})</td>
<td>12 farms</td>
</tr>
<tr>
<td>HIGH RISK</td>
<td>(1.4 \times \sqrt{n})</td>
<td>14 farms</td>
</tr>
</tbody>
</table>

Additional to this very minimum number of farmers to be re-inspected, the following should be considered to calculate the necessary days for farm re-inspections:

- Farm re-inspection must be thorough and inspectors must have sufficient time for the ICS evaluation. Therefore not more than approximately 4-7 farm re-inspections per day should be planned.
- Additional time may be needed for risk assessments.
- If the groups has considerably different project sites (maybe with different critical control points, different intercrops etc.) it should be planned to inspect at least each project site, which also influences the overall inspection time schedule considerably.

For more details on how to choose farmers for re-inspection ⇒ Chapter 5 Re-inspections.

What to do if the Risk Category chosen by the inspector is higher than estimated by the Certification Body?

Problem: Preliminary Planning has been done by the certifier, but the inspector finalizes the risk assessment according to his/her findings and possibly determines a higher risk category than expected (and hence higher minimum number of farm re-inspections).

- Check whether the planned number of re-inspections is still higher than the minimum number of re-inspections for the higher risk category. Normally, a few more farmers than the estimated minimum re-inspection rate should be planned in the first year anyway, so re-inspection numbers should probably be sufficient.
- Otherwise try to cover the necessary additional number of re-inspections. A second inspection may possibly need to be scheduled.

What should be done if risk assessment during inspection results in much higher risk category than anticipated by certification office?

⇒ The inspector should check his/her inspection schedule. In most cases the planned number of re-inspections will be sufficient anyway to cover the minimum number (for high risk situation). This will be the case because certification bodies will be rather planning a bit too many re-inspections in the first year in order to be on the safe side.

⇒ If it is really found that a sufficient farm re-inspection cannot be done, the inspector should contact the certification office and possibly extend the inspection visit or schedule a second visit. It is strongly recommended to do the minimum number of re-inspections, otherwise problems with import authorities may arise.
Work Group Exercise Risk Assessment

Split participants in small groups of 3-4.

Each group is given a certain production situation that is well known to at least 1-2 within the group. The situation should be loosely defined by the trainer to have a diverse range of potential risks coming up in course of the exercise. The trainer should feel familiar with the production system in order to coach the risk assessment process and point out potential missing risks.

E.g., cotton production in rotation with sesame & peas. Project with 1000 farmers, each year approximately 50 farmers have to be excluded for use of prohibited inputs; project is still growing and more farmers will be registered. The ICS has detected all non-conformities, but ICS staff is changing regularly and hence not always well trained.

Or: agro-forestry spice garden with pepper, banana, cardamom, coconut, etc.

Or: rice production.

Each group discusses the actual project system (they can make assumptions if they have to decide on certain project details that are not given in the project description) and completes a detailed risk assessment checklist (appendix to IFOAM ICS Guidance Manual). Afterwards, the risk assessment chapter in the ICS report is completed.

Each group briefly describes the chosen project situation and lists all identified relevant risks (not the irrelevant risks). The chapter risk assessment is completed on the laptop (if available) during the presentation so that all participants can also see how to use the report format.
4. Inspection of ICS Office (Part 1)

The actual inspection of the ICS covers the following aspects, which will be presented in this chapter:

- Description of activities
- ICS structure & responsibilities within the ICS
- ICS Manual (is there a manual? — is it updated? etc.)
- Internal Organic Standard — is there an internal standard? — does it cover all relevant aspects?
- Documented & effective internal control procedures: registration, internal inspection, approval, & sanctions
- Qualification of personnel, are conflicts of interests avoided?
- Training of farmers

All these aspects can be checked in the ‘ICS office’ by document check, interviews with ICS staff, etc. However, many of these issues are checked again during farm re-inspection visits so that the overall impressions from farm re-inspection tours with additional risk assessment investigations and possibly witness audits confirm the ‘first impression’ from the ICS office audit.

It may even be a good idea to do part of the ICS office inspection first, then proceed to some farm re-inspection visits and then add some more time for finalization of the ICS office inspection.

Basic Description of Activities

For a complete assessment of large farmers groups and their ICS in just a few inspection days, it is absolutely necessary that the inspector receives a description of all activities and also specific information about all project sites. Such basic information is important for pre-evaluation of critical control points, for risk assessment, and for selection of potentially critical farmers for re-inspection.

The description also provides evidence that the ICS operator is AWARE of all its activities and specific characteristics of different farmers in the project.

Many organizations choose to give this overview in the ICS Manual itself because this facilitates understanding of the reader of the manual and because the manual then gives a complete impression of the organic project.

The description must also cover an overview of all handling steps from harvest to final sale, including information about who is responsible; e.g., is it the cooperative’s own processing unit or is the product processed by contract processor? The names/addresses of all processors, warehouses, etc. must also be available. The overview must cover not only these steps but up to the sales by the ICS operator, i.e., all steps for which the ICS operator is held responsible.
ICS Organization

Structure and Responsibilities
The ICS is a formal body within the certified operation. The certification body delegates part of its inspection responsibilities of this internal body, thus it is very important that the ICS have a clear structure and that somebody be in charge of each task.

Therefore the ICS has to have either an organizational chart or a table of responsibilities. An example of the table of responsibilities can be seen in the appendix to the IFOAM ICS Guidance Manual (page 24).

Also, one person has to be in charge of the overall internal control system and coordination with the external certification body. This position is called ‘ICS Coordinator’ in the Guidance Manual and this course. Other common names for this position would be ‘Organic Manager’, ‘Organic Coordinator’, ‘ICS Manager’, etc. This position includes more than just being ‘chief internal inspector’, but sometimes there may only be a ‘chief internal inspector’ who in fact has all responsibilities of an ICS coordinator. But it could also be that nobody is really in charge, and this must be corrected immediately.

The ICS coordinator is in charge of the functioning of the ICS but will delegate some tasks to qualified staff. The coordinator is usually in charge of coordinating both the internal and external inspections.

In addition to the coordinator, a person or body has to be responsible for making approval and sanction decisions. Often this is the ICS coordinator, but it could be another person within the organization. It is highly recommended to have some kind of internal approval committee, at least for sanction decisions. Even if there is no formal approval committee, it might be good to discuss sanction decisions in a group (e.g., of internal inspectors) to come up with an appropriate and well-balanced decision. The approval manager should not be involved in marketing & sales since this tends to end in quite a substantial conflict of interest; e.g., if it is the sales manager who has to deliver a certain number of tons by end of the month, he/she would find it difficult to sanction 50 farmers 2 weeks before harvest.

Group Discussion: ICS Organization
Discuss with the participants what ICS structures they have come across. Is it normal that one person is clearly in charge of proceedings? Is it common for there to be clear responsibilities for both approval and sanctions approval?
Internal Inspectors

Another very important aspect to assess is the number of internal inspectors.

Often internal inspectors double as field officers. Inspection and extension should be done preferably for different regions, but not necessarily. This aspect will be discussed later in detail when discussing conflicts of interests.

It must be checked whether there are enough internal inspectors to perform a thorough internal inspection. An assessment of the time needed for internal inspections also provides feedback on the thoroughness of internal inspection and possibly even on the supervision focus of the ICS.

When assessing whether there are enough internal inspectors, the following information is needed:

- How many farmers are usually inspected per day (ask internal inspectors)?
- Cross-check this information with other information, such as how many farmers MUST be inspected in total by each internal inspector, what other duties the internal inspector has apart from inspection, how many internal inspections are to be done (some ICS operators plan for 2 internal inspections). How much time does he/she effectively have for the internal inspection?
- Assess average travel times and distance between farmers. How long will the average internal inspection take?
- Will this average time for inspection be enough for a thorough and complete inspection of that farm, possibly also considering fields far from the homestead?
- If inspectors are also field extensionists, will there be any time left for the actual field extension work?

In some cases, e.g., field officers are sent to farmers monthly and need to cover only 6-7 farmers a day, while for the internal inspection 15–25 farmers need to be done. This also demonstrates some of the importance attributed to the internal inspection as compared to the field extension. Possibly the regular ‘extension visits’ provide a very good continuous supervision of the farmer, but it is important to understand such aspects when assessing the overall ICS. Also the internal inspection HAS to be thorough and complete and cannot be reduced to the absolute minimum.

Motivation exercise: Number of internal inspectors

Ask participants how they would check whether there is sufficient number of internal inspectors for 100% inspection.

What would they consider ‘sufficient’? How much time would have to be available for a thorough internal inspection (might depend on farm complexity, whether there are remote fields, etc.)?

(Some answers are given in the text on the left side, to be presented in case participants do not uncover all aspects by themselves).

Number of Internal Inspectors

5.1.4 There is a sufficient number of inspectors to perform 100% internal inspection each year

- Check how many inspectors, average number of farmers inspected by day.
- Can the internal inspections be thorough? E.g. If doing 20 Inspection per day once a year???
- Don’t forget to also consider time for other duties of inspectors (e.g. extension) when calculating whether capacities are sufficient.
The ICS Manual

The ICS operation has to have at least a simple ICS manual, i.e. a set of documented policies and procedures and forms for the internal control.

In many cases the operator may not have one ‘manual’ but rather a pile of contracts, forms, procedures, etc. It is up to the inspector to determine, in the course of assessing all different parts of the ICS, whether the ‘manual’ is complete or not. But it is important that some basic documents are available, which should include at least the relevant forms (contract, internal checklist, registration form etc.) and a description of procedures in order to be considered a manual.

For further development it is highly recommended that organizations organize all their different procedures and forms in an actual manual because it facilitates access for the inspector and it is much easier to manage (also, for internal staff, it is always clear which versions of documents are valid, etc.).

If there are no written procedures at all, find out whether the organization has standardized procedures, such as when everybody is aware of what is done when and what forms to use, what to keep in mind when doing this or that (i.e., there are procedures, but they are not written down) or whether there are in fact no standardized procedures.

‘The Internal Regulation’

Many ICS operators have an ‘Internal Regulation’. This term was introduced in the IMO/Naturland Manual on Quality Assurance in Smallholder Organizations, the first international manual on smallholder group certification. The ‘Internal Regulation’ normally covers the ‘internal organic standard’ (the organic farm production rules), plus the procedure of internal inspection and buying. I.e. the internal regulation plus related ICS forms can be considered to be the ‘ICS Manual’, even though some specific aspects may still be missing compared to what is demanded in the new IFOAM ICS protocol.

Note: when assigning these compliance criteria, the inspectors do not need to check whether the ICS manual is fully complete in all details; this will be checked in all respective chapters of the ICS inspection. It is only the assessment whether there is a set of documents and procedures available as a basis for the work of the ICS.

The second question is then whether the ICS manual is actually used. Are the forms as included in the ‘ICS Manual’ the forms that are actually used by the ICS staff? Is the ICS staff aware of the procedures written in the ICS manual, or is the ICS manual merely the document the ICS Coordinator presents to the external certification body?

This relates to other compliance criteria: does the ICS Manual in principle reflect the internal procedures? It is quite normal that there are minor differences between implemented procedures and the written procedures in the manual, but the manual should, in principle, reflect the real procedures and vice versa.
Updating the ICS Manual

The ICS Manual needs to be reviewed regularly and updated when necessary.

A good approach is to review the ICS Manual once a year, before the onset of the new internal inspection season. In such a case it would be included in the manual that the ICS manual is, e.g., revised each year in March.

To have a regular schedule for updating (not “continuously”) is particularly important if the farmers group is large. In smaller organizations with only 1-2 internal inspections, changes in ICS Manual (and thus in forms and procedures) are easier to implement, so changes can be introduced right when needed.

For certification bodies it is important to understand that changes in ICS procedures/forms will usually take some time and should not be expected immediately (unless absolutely required because organic integrity is directly threatened); too many uncoordinated changes in the middle of the internal inspection season may only lead to confusion or mistakes, or changes will simply not be implemented and be done only on paper to satisfy the certification body.

Changes are usually required if:

- it is found that the present internal procedure/form is inadequate.
- required by the certification body (certification decisions).
- there are important changes in the applicable organic standards.

If the manual is updated, how is the change documented (e.g., each ICS Manual is dated, or after each update the document receives a new version)? It is necessary that it is evident which version is the current one (which is not possible if there is NO date and NO version number on the documents!)
The ‘Internal Organic Standard’

The organic internal standard describes the relevant organic farm production requirements in simple and practical language. The standard is a local interpretation of the applicable organic standard(s) and usually also includes the specific quality expectations of the ICS Operator.

E.g., the ICS operator decides that only fully converted organic farmers (no conventional crops) may be registered for certification according to Regulation 2092/91, although this regulation would allow part conversion. Hence all respective parts dealing with part conversion, storage of inputs, etc., will be irrelevant and would not need to be included in the ‘internal organic standard’.

The internal organic standard also serves as the reference document for the ICS to assess whether a farmer is working ‘according to the rules’ or not. This aspect may cause a bit of confusion if the ‘internal organic standard’ includes many aspects that the operator wants to improve or introduce in the future, but which are not yet implemented!

The organization HAS TO HAVE an internal organic standard. Often a simple/preliminary version of the internal organic production rules is included in the grower’s contract. It is possible that some components, e.g. the rules for conversion of new farmers, may be included somewhere else, such as the ICS manual or in some ‘technical guidelines for inspectors’. For assessing whether the internal organic standard it is of primary importance that information is given somewhere, but not necessarily in a specific document or chapter.

Many organizations also have the aforementioned ‘internal regulation’, which is the internal organic standard plus some additional procedures.

For first certifications and for simple standards it may be acceptable to use the external standard as basis for the ICS, but in reality very, very few operators (or even inspectors) will understand a complete organic regulation like the EU regulation, so working according to a standard that nobody understands and which is not directly applicable to the situation in developing countries in smallholder context is not really a good long term option. It is much better that the ICS operator writes its rules in its own words and the certifier assesses whether it is appropriate and sufficient for the specific production situation.
Content of the ‘Internal Organic Standard’

The internal organic standard must cover all applicable aspects of all organic standards according to which the ICS Operator wishes to be certified.

This implies that the internal organic standard covers at least the following aspects in sufficient detail (for the specific production situation):

- Organic and non-organic farm unit: all aspects of full farm conversion or permitted part conversion, parallel production, separation of organic and non-organic units, etc.
- Soil management & fertilization (incl. inputs)
- Plant protection (incl. inputs)
- Seeds and planting stock
- Prevention of drift (buffers, etc.) and contamination
- Livestock husbandry
- Post-harvest treatments/processing on the farm
- Handling of conversion period

Organic production rules to be included in internal organic standard

- Prepare compost
- No chemical fertiliser
- No synthetic pesticides
- Control soil erosion

No additional text, since anyway highly dependent on certifier and organic standard.

Attention: certifier’s interpretation may be slightly different for smallholder systems, e.g., some certifiers may simply not permit parallel production on smallholder level because it cannot be controlled well, even if parallel production would be acceptable for farms.
Form of the 'Internal Organic Standard'

Language & Form
The internal organic standard must be written in a form that can be easily understood by all staff, in the appropriate language and according to their level of technical understanding.

Note: whether the ICS staff fully UNDERSTANDS the internal organic standard is a different control point; this compliance criterion concerns assessment of the internal standard (the document).

Standard for the farmer
The standard must be given to the farmers (at least in summary form) and organic farmers should be able to understand it. Some operators choose to prepare a special summary for the farmers (e.g., in the contract) because the complete internal organic standard would be too complex. Some chose to attach the full organic standard to the contract with the farmer. If all farmers are illiterate it may be appropriate to also distribute an illustrated version of the standard or really focus on intense farmers training rather than distributing a long and complicated standard.

Principles of Organic Production to be Included in the Internal Organic Standard (2)

Plant Protection and Weed Management
- Control of pests, diseases, weeds by appropriate cultivation measures (incl. crop rotation), mechanical measures, protection/propagation of natural enemies
- Restricted use of organic pesticides (list standard), no chemical pesticides
- No chemical herbicides, weed control by slashing/hoeing

Organic Seeds or Planting Stock
- Organic seeds/planting stock; conventional material only under certain conditions
- No GMO

Animal husbandry (if livestock not certified)
- Animal welfare
  - Organic fodder where possible, no preventive medication, no contamination of organic fields

Harvest and Post Harvest Procedures
- Separation
  - No contamination

4.1 Inspection of the ICS Office
Understanding the ‘Internal Organic Standard’

Obviously the ICS staff should be familiar with the internal organic standard and internal approval requirements.

It is very important that the ICS staff fully understands the internal organic standard and that everybody agrees what the organic production rules are. It must be completely clear to inspectors which inputs are permitted and which are not and whether full farm conversion is required.

The approval staff should also be aware of the external certification standard requirements, since in case of major deviations it is important to know the actual standard requirements in order to assess the severity of a deviation. Example: the internal organic standard requires full farm conversion, but one farmer is found who has a separate conventional banana plot in addition to his organic coffee plot. The farmer will need to be sanctioned, but according to Regulation 2092/91 this part conversion would be ok, so the sanction will be less severe (e.g., only suspended for 1 year) than if he had grown conventional banana intercropped with the organic coffee (full de-certification of the coffee farmer).

5.3.5 All ICS staff is trained, knowledgeable & competent in implementation of internal standard and internal approval requirements (B)

- Even if no formal internal organic standard yet a suitable one can be checked whether staff is aware of all relevant requirements.

5.3.6 The internal approval staff are familiar with the overall standard requirements of the external certification standard

- Do they have the (external) certification standards available?
- Are they familiar with the most important requirements (even if slightly different to internal organic standard)?

Exercise: Assessment of an Internal Organic Standard (1.5-2 h)

Each participant (or small group) receives a sample internal standard and needs to check all relevant compliance criteria (note whether staff has understood them). If needed, the summary of certification requirements for EU-Regulation, NOP, Naturland, etc., can be used (appendices IV–VI of the IFOAM ICS Guidance Manual).

The participants (or groups) are asked to complete the respective chapter in the ICS report (pages of the report could be copied and distributed to all participants as separate sheets). Discuss the results or complete the report chapter on the computer as a group.

Notes for the trainer:

You can either use a real example of a known ICS operator or use the sample document ‘Case Study I (Arabica Coffee Cooperative)’ in the appendix to this training manual. One possible evaluation of the case standard is included in the example. Alternatively, you can use ‘Case Study II (Spices)’.

If you chose your own example, the exercise is even more interesting if the participants receive a full ICS Manual and have to find out what parts could be considered an internal organic standard.

→ Remember to copy the chapter "Internal Organic Standard" of the report for all participants to fill in during the exercise.
ICS Documentation

Since smallholder farmers can often not be expected to keep their own documentation, as it would be required for certification, the ICS keeps all basic farm documentation for the farmers as well as the documentation of the actual internal control.

Documentation for each farmer
The ICS should have the following documents available, which will be all discussed in more detail later:
- Formal commitment agreement of farmers/Farmers Contract
- Basic Farm Data Form (Farm Entrance Form) with field history and last date of prohibited inputs. Usually filled in during registration of a new farmer.
- Overview maps and farm maps (if required)
- Updated production information (new fields, up to date list of inputs used, etc.) – in low key production systems this is often included in the annual internal inspection report. In some projects, farmers keep simple farm diaries.
- Notes on important advice given to the farmers, notes from field officers (e.g., field officer diaries, field officer weekly reports)
- Annual internal inspection report (inspection checklist)

Farmers Lists: Summary of Internal Control
The results of the internal control need to be summarized in detailed farmers’ lists.

The farmers list has to contain the following details:
- name and code of farmer (and project site/village if not included in farmers code)
- total area under the organic crop (the crops to be certified), in case of mixed cropping number of trees may be more appropriate
- date of registration and date of last use of prohibited inputs
- date of internal inspection, name internal inspector
- result of internal approval process (internal approval status, e.g., "organic/conversion 2nd year")

Also there has to be a list of sanctioned farmers and farmers who have left the group. This list has to contain all details of the non-conformity found, kind of sanction and duration of sanction.

Minimum Farm Documentation

The following documentation is needed for each farmer. The documentation is usually kept in farm files:
- Formal commitment of growers to fulfill the internal standard (written contract)
- ‘Basic Farm Data Form’ / Farm Entrance Form with field history
- Update production information
- Maps (if required for single farmer)
- Notes on important training or advice given to the farmer by field officer / other important notes from field officers
- Annual ‘Farm Inspection Checklist’
Evaluation ICS Documentation

Internal control systems are complex and to some extent each organization is unique. The group has most probably designed the documentation themselves and without special expertise in inspections and with regard to their own system and understanding. Therefore information is not always registered in the same way in various ICSs and not necessarily organized in the different documents as presented in this training course and the inspection protocol.

It is therefore important to first understand the ICS’s own system completely before starting with the evaluation of single documents. E.g., some details may be missing in the registration form, but instead they are described each year in the internal inspection report.

Also the level of detail given and the way of presenting the information may vary quite a bit. As a general rule it can be said that the more ‘low-key’ the production system, the simpler and maybe ‘imperfect’ (according to the opinion of the inspector) the documentation may be. The more complex the situation becomes, the more accurate and well developed the documentation must be.

Example:
If coffee farmers use basically no inputs it may be acceptable to ask only in the annual inspection report about inputs used and only maybe with a question like “any prohibited inputs used?”
On the other hand you would expect more details in an inspection report of an organization where farmers use 5-10 different inputs including microbial preparations and copper and also have a rotation of organic crops while also having non-organic fields. In this last case it will even be required to update farm data for each year and farmers may even have to keep diaries on their input use!

Evaluation of ICS documentation should start already before the inspection. Ideally the ICS forms will already have been available to the inspector before the inspection so preliminary screening of the completeness of the forms can be done during preparation.

During inspection the evaluation can be done in detail and open questions clarified with the ICS Coordinator. Seeing the completed documents in the farm files also provides good feedback on the format of the documentation. Is the form clear enough that everybody fills in the information more or less the same way? Are there any lines on the documents that are never ever filled in because, e.g., the inspector has never understood the question?

Sometimes the forms are prefect (because a well trained consultant has designed them) but too complicated to use for the ICS staff and therefore not completed well at all. In some cases a simpler system that is well understood and completely filled in is much better than the most elaborate but inadequately filled in set of documents.
Exercise: Evaluation of ICS Documents

Instead of presenting all requirements for the various ICS documents in detail, it is recommended to do the following group exercise and let the participants get familiar with the requirements themselves by using the ICS inspection report chapter (Chapter 5.4) and the related parts in the 'ICS Compliance Criteria Document'.

The exercise can be done individually or in small work groups. If inspectors are still quite inexperienced in ICS inspections, it may be more interesting and appropriate to do the work in groups of 2-4 people.

Again, the trainer can prepare his/her own sample documents for this exercise or use ‘Case Study I Coffee Union XXX’. In order to assess the different ICS forms (contract, farm entrance form, internal inspection report, farmers list) it is recommended that participants first read the whole ICS manual in order to understand the organization’s situation before assessing whether the documentation is complete & appropriate.

The participants shall evaluate each of the received ICS documents in detail. Open evaluation: Are all minimum aspects covered? What do you notice about the forms? Are they appropriate and well designed? Are there any apparent problems with this form?
Note: depending on the results of the previous exercise, it may or may not be necessary to go through the following requirements regarding ICS Documentation in detail.

**Commitment Declaration / Farmers Contract**

The farmers contract needs to include the

a) obligation of the farmer to
   • comply with the internal organic standard.
   • give the inspector access to the fields, stores, documents, etc.
   • accept sanctions in case of deviations.

b) organic production rules (at least a summary).

For each farmer, a signed contract must be available before purchasing his/her produce.

In the report, the requirements for the contract are split into 2 compliance criteria because some aspects are A-category (= absolutely necessary) and others are B-category (i.e., contract form can be revised for the coming year to include these components).

Often, the farmers contracts also cover a couple of other issues, which are recommended, but not compulsory for the organic ICS certification.

This could be, for example,
   • a written list of obligations of the ICS operator (provide advice, coordinate inspection)
   • prices & quality requirements
   • rules for leaving the organic projects, etc.
   • a system that farmers have to notify the ICS if they find fellow organic farmers deviating the standards.
**Contract or commitment declaration?**

Some operators chose to sign the complete contract with farmers only shortly before the farmers reach organic status and their produce will be bought. Reason for this could be, for example, that otherwise farmers would have expectations that their product is being bought during the conversion period, which might not be the case.

In such a situation the farmer needs to sign at the beginning of his/her certification (=registration) at minimum a commitment declaration that he/she will adhere to the organic rules.

In this example the farmer signs in the ‘Farm Entrance Form’ that he/she intends to actively participate in the organic project. He/she binds him/herself to work according to the current XXX-organic production standard, not to use any chemical fertilizer or pesticide, and to follow the advice of the field officer.

Just before first harvest, the farmer then signs the complete contract, which gives details on production rules and on prices, obligations of the buyer, etc.

**The ‘Basic Farm Data Form’ (or ‘Farm Entrance Form’)**

The basic farm data form, which is completed for registration of a farmer, needs to include the following:

- Registration of data of the farmer: name, address, code (A)
- Description of all areas under management of the farmer (B):
- Organic crops and their respective area or number of plants (B)
- Number of animals (B)
- The date of the last application of prohibited inputs (A).

To obtain reliable information on the last use of prohibited inputs it is highly recommended to register all crops of previous years (for all plots) and then ask more specifically about inputs used for these previous crops. E.g., if a farmer has grown tomatoes or cabbage (or any local risk crops) between the young coffee plants, the inspector can ask a bit more specifically what was used on these high risk crops rather than just asking farmer “when did you last use chemicals?”

The plot registration especially is critical! The ICS tends to focus on the export crops only, or may only ask about the plots around the homestead and may forget to ask about other plots of the farmer. It is important that all fields (also with non cash crops) are registered and the ICS understands how these other crops are being cultivated.

Also, it is often quite tricky to list all different plots and fields in a systematic way in a plot list, especially when farmers don’t have names for their plots and rotate fields over large land holdings. In some cases it may even be better to have an annual farm maps and indicate all plots with acreage rather in a map than in a plot list.
Maps

Overview maps
The absolute requirement regarding maps is to have a farm overview map on which each organic farm is localized with farmer’s code (or name). In principle the map should allow the inspector to find the farm or to verify during inspection that he/she is actually standing on the registered farm and not somewhere else (in addition to what people may tell the inspector).

Therefore the overview map should indicate roads, landmarks, etc. If organic farmers are directly neighboring each other this should be seen from the map. Single conventional neighbors in between a group of organic farmers should also be indicated. The map must be dated.

Individual Farm Maps
The question of whether detailed farm maps are necessary for smallholder group certification has given rise to many heated discussions. Some certifiers think such farm maps are absolutely necessary, others think they are dispensable. The reality is that mapping is extremely difficult & tedious for smallholder groups, and the results are usually quite lousy and not necessarily very useful for inspection.

IFOAM has therefore taken the clear position that individual farm maps are only compulsory in the following situations:

a) the farm has rotating annual organic crops
b) the farm also has non-organic activities close to the organic plots (e.g., less than 3 km from organic fields)

Farm maps can be combined for neighboring farms if appropriate. They should show landmarks and allow the organic fields to be recognized. Areas with potential risk of drift should be indicated and also all non-organic fields marked clearly as such.

This sample map indicates two neighboring farms with their respective code number 02-05 and 02-06. The non-organic maize fields are indicated in red. Within the homestead plot, smaller fields of annual crops (ginger) are indicated with their respective acreage under that crop. The perennial crops are only mentioned roughly (‘coffee, banana, fruit trees’).
Sample Map 2:
This is the map of an agro-forestry spice farm. Field officers have in fact counted all trees and pepper vines and otherwise only indicated the overall shape of the farm. Also quite useful but all information for locating the farm is missing.

Sample Map 3
Another nice example of a map with plenty of nice pictures. It also gives a nice overall impression of the farm and indicates the road and all landmarks nicely. Map is not dated.
The ‘Internal Farm Inspection Report’

The internal farm inspection report is obviously a very important document. Often it is not evident which information is listed in the basic farm data form and which information in the annual internal inspection report (e.g., some internal inspection report forms always check again the complete field history, etc.).

The internal inspection report must include at least the following:

- **Evaluation of farm production**: fertilization & soil conservation, plant protection measures, seeds/planting stock, all use of inputs, sustainability of production.

- **Evaluation of contamination risks** such as pesticide drift from conventional neighbors or farmer’s own conventional fields or use of sprayers for organic as well as non-organic applications. All special requirements in case of part conversion must be checked if applicable (e.g., separate storage of inputs).

- Checking animal husbandry (if required by standard even if livestock is not certified).

- **Yield estimates**: usually collected during internal inspection, but there could be an alternative system to collect yield estimates, e.g., 2 weeks before harvest by the field officers. Still the internal inspector should do at least some spot check verification of whether, e.g., last year’s delivered quantities are realistic, whether last year’s harvest estimation was more or less accurate, etc.

- The internal inspection report should also cover all harvest & post-harvest handling, e.g., simple processing on the farm (drying of spices, de-pulping of coffee, de-husking of coconuts, etc.) or storage of the products. The critical control points for post harvest handling are possible commingling with non-organic products (uncertified crops, e.g., of brother of organic farmer) and contamination (storage pest control, use of contaminated bags etc.).

The internal inspection report form also needs to include a section with a clear compliance statement. The compliance of the farmer is evaluated, sanctions or conditions are proposed, fulfillment of last year’s conditions is verified, etc.

Sometimes the internal inspection report form already contains a section for the final approval decision to be filled in later by the approval manager.

We have seen an example for such a compliance check in the inspection report of ‘coffee union XXX’
Update Farm Records

Usually farm registration forms are only filled in during registration, i.e., in the first year of certification. In the following years there is in many cases no actual update information on the farming activities if farmers do not keep any kind of farm diary themselves.

Such a situation is in principle acceptable if the annual internal inspection report also gives some update information on the farming activities AND if the production system (and hence also the documentation requirements) are very simple/low-key. If the internal inspection report is the only update on farm information it must cover explicitly:

- any change in area: new fields/fields rented out, etc.
- use of inputs (which inputs, not only whether they are 'OK' or not).
- harvested quantities

In case of complex production systems and in particular if farmers use quite a number of external inputs or if cultivated areas change every year, there needs to be some update information available on:

- cultivation measures
- use of inputs
- harvested quantities
- changes in area

If really substantial quantities of external permitted inputs are used, continuous recording is necessary, e.g., in farm diaries that are kept by the farmer and/or the field officer.

In this case it is also important to consolidate data for the internal inspection report (list all inputs with quantities used per year in the internal inspection report).

Checking farm files in the ICS office

During the ICS office visit it is very important to check all ICS documentation not only as empty forms, but to carefully screen all farm files (ICS documents for each farmer). During this you can:

- assess the used forms (format and the use of the format). Are documents filled in completely and correctly and signed?
- spot-check whether all farmers have really been inspected (have internal inspection report).
- check for suspicious documents (e.g., all documents filled in with the same blue pen and look as though they never left the office for a minute).
- see if all documents are available for each farmer (spot check).
- determine whether all documents for a certain farmer are consistent. E.g., Are last use of prohibited inputs and total area the same on farm registration form, internal inspection report, and farmers list?
- Cross check with list of sanctioned farmers – can you find any information about the non-compliance in the farm file?

Always make sure to check farm files of all different internal inspectors and/or centers of internal inspection.

Records in case of low input use

- Sufficient to register the following information in the annual internal control checklist:
  - Use of inputs (incl. home made preparations)
  - Harvested quantities
  - New fields/changes in area
  - Better; a farm diary kept additionally by the farmers

Records in case of high use of inputs or complex production system

- Annual update information needs to be available:
  - Main cultivation measures
  - Use of inputs (seeds, fertilizers, pesticides)
  - Harvested quantities
  - Changes in area
  - Continuous recording necessary (either farmer or field officer)
  - Information needs to be consolidated (in farm inspection report or annual update questionnaire)

Motivation exercise: Farm files

Checking farm files (ICS documents for each farmer) is an important part of an ICS office inspection. What kind of information can you get from checking farm files?

→ Then present slide

Verification of the Farm Files at the ICS Office

- Do forms correspond to minimum requirements, are all relevant topics addressed?
- Has each farmer received a documented internal inspection visit?
- Are farm files complete and all required documents available for each farmer?
- Are documents filled in completely, signed and dated? Does the ICS seem to know how to use the form?
- Are documents for one farmer consistent with each other and consistent with Farmers List?
- Can sanctions be seen in the farm files?
4. Inspection of the ICS Office (Part 2)

Internal Inspection

Internal inspections are certainly one (if not THE) core element of an ICS. Assessment of internal inspections starts in the ICS office, but obviously more information is obtained during farm re-inspections.

Each registered farmer is inspected by the ICS at least once a year. The inspection is documented.

The actual role of the internal inspection for the overall quality assurance by the ICS depends a bit on the project’s specific situation, but in any case (even with supervision mechanisms that function well), the internal inspection is very important because it replaces the complete formal organic farm inspection by the external certification body.

Difference between an internal inspection and an extension visit

Before we discuss internal inspections any further, it is important to understand what distinguishes an internal inspection from an extension visit. The difference is particularly important when all farmers are visited rather regularly by field officers, so the question may arise, is it only a formality to call one such visit ‘internal inspection’?

Also, field extension visits can have very different focus and content. The focus may be on actual organic farming methods (because farmers need a lot of support) or rather on improvement of product quality. Or sometimes field extension visits are planned not for providing advice to the farmers, but instead because the ICS Operator feels that farmers need constant supervision in order to ‘behave well’.

So what makes the ‘internal inspection’ different from other normal visits to the farmer?

- The internal inspection is a COMPLETE compliance check of all aspects of the internal organic standard; i.e. it covers ALL aspects of the standard while typical field extension visits may focus more on specific current issues. Compliance is also checked for the whole production year, while during extension visits the focus may be, e.g., on the problems/issues of past few days or weeks and not necessarily on the overall picture. Also, normally the fields will be visited much more intensely than during extension visits (which often just include an informal short visit of the farmer in his/her house).
- Since the internal inspection replaces the external inspection, it is a formal, standardized, well documented, neutral verification of compliance against a certain agreed standard.

IFOAM clearly emphasizes the importance of appropriate farm training, which can be achieved by a well organized field extension system. By no means should the focus on field extension be reduced by too much focus on internal inspection, yet internal inspections are one of the areas in which the efficiency and the quality of the ICS needs to be demonstrated to the certification body.
**100% internal inspection**

100% of all farmers must be inspected each year by the ICS. If necessary, an internal control season may be defined with the operator (if calendar year not suitable). This means that ALL registered farmers are inspected. Organic farmers, farmers in conversion, even passive and sanctioned farmers (all farmers from whom no purchase is planned, but who shall remain in the organic certification program). It also includes any bigger farms in the group, even if they are also inspected annually by the external inspector.

In the case of annual crops with more than one production cycle per year, it may be necessary to have one inspection per growing season. Since many tropical plants have a rather long time between planting and harvest and yet are certainly not perennials (e.g. banana), it may be easier to say crops with less than 8 months between planting and harvest fall into this category.

If there are many short cropping seasons, possibly even overlapping for different products, two internal inspections will still be considered sufficient. It is important to keep in mind that even European and American farms are not inspected once per growing cycle for all of their crops!

Most commonly there will be one, maximum two, compulsory internal inspections per year.

In many cases it might not even be recommended to have a second internal inspection visit. This is particularly true if ICS resources are limited (which they normally are) and the second internal inspection is done instead of thorough extension visits. Also, in this case internal inspections tend to be a rushed affair, a compulsory formal exercise rather than a meaningful complete inspection.

**What should be done if the internal inspection is not yet 100% finalized during the external inspection?**

Everybody agrees that it is best to come for external inspection after full finalization of all internal inspections. However there are many aspects to consider when planning the time for the external inspection and it also may be important to come at slightly different times in the production year. 100% inspection may not be meaningful or achievable early in the year. Also the ICS inspections must be done throughout the year and not only towards the end of the year. After all, the external inspection mainly assesses the ICS and this can be checked each year at any time.

As a general rule it is, however, recommended to ensure that 60% of internal inspections are already finalized before the external inspection.

In such a case, it is very important to assess the internal inspection schedule. Are they behind schedule? Were the internal inspections planned to take place in different stages in the production season). It is realistic that the operator will achieve 100% inspection in time (=normally before harvest)? Is the ICS Coordinator capable of ensuring that his inspection plans will be effectively implemented?

If you come 1 month before harvest and they have done only 60% of the inspection this will be a clear non-compliance, but if there are still 4 months before harvest and they have done 60% and Have a well organized schedule for the internal inspection, the compliance criteria would be fulfilled (but comments are needed).

In any case the group needs to submit a complete summary table (farmers list with date internal inspection) by an agreed-upon date.
What does complete internal inspection mean?

A complete internal inspection must always include a physical field visit and an interview with the farmer.

The inspection should cover all of the following aspects:

- **Inspection of organic fields, spot-checking of non-organic fields** run by the same farmer (if any). Not ALL organic plots of a farmer must necessarily be inspected each year, but, if not, the ICS should have a documented system to ensure that each organic plot is inspected at least every other year.
- **Inspection of harvest activities, processing, and handling**: normally the internal inspection is before harvest, but the processing & storage facilities can still be inspected and the farmer interviewed about his/her handling practices.
- **Inspection of livestock** (if required)
- **Boundaries** of the organic fields to check on risk drift problems/risk of contamination from non-organic farm equipment, etc.
- **Input storage**
- **Farmers records** (e.g., farmers diary) if farmers keep documents. During internal inspection the continuous data is consolidated for the internal inspection report.

In principle it is not acceptable that internal inspections are done without field visits (even if organic fields are remote). If there are real problems in reaching the farm, exceptions are always possible, but not as a general rule.

Attention: this can really be a problem. There is a nice inspection report, countersigned by the farmer, all looks perfect and at some stage it is found that the internal inspector has never been out on the farm because farm is a long distance to walk, etc. This is one of the reasons why a fair re-inspection tour should always include some remote/impractical farms!

In some cases the internal inspection checklists are even filled in during a farmers’ group meeting, not even with single interviews. Even in really low-risk situations such an ‘internal inspection’ is not acceptable!

It is also unacceptable that the internal inspector do all his/her inspection alone in the fields without interviewing the farmer. Ideally the inspector should go to the fields together with the farmer. If this is not possible in every single case he/she should both visit the fields and at another time interview the farmer.

Motivation Exercise: Internal inspection

In order to assess whether internal inspections are complete, it is important to first agree what a ‘complete’ internal inspection is. What has to be checked in an internal organic inspection?

But what if the farmers do not live near their organic plots? Would it be acceptable for internal inspections to be done only by interviewing farmers in the village?

Or what if it is evident that inspector has visited the fields, but has not talked to farmers at all?
Internal Inspection of Critical Control Points

One common weakness of internal inspections is that everybody focuses only on the organic cash crop and completely forgets about other crops, EVEN if these other crops are grown on exactly the same land (intercropping or rotation crops). This even includes the use of treated seeds, etc., on the organic plot (for inter-crops).

Another critical aspect is the registration of fields. It is quite common that the ICS only registers the most obvious plot for production of the organic cash crop (e.g., the plot around the homestead with many pepper vines). However it is important that the ICS at least knows all other plots and activities of the registered farmer (incl. which inputs are used for the non-organic crops, which spraying equipment used, etc.).

It must be ensured that there is no parallel production (e.g., farmer might have conventional ‘coconut plot’ 1 km away, and later it is found that there is also some pepper intercropped, which has always been mixed with the bigger quantity of organic pepper from the homestead plot.

The very minimum is registration of the non-organic fields and activities; usually the conventional fields should be spot checked, in particular if there is any risk of parallel production.

Note: this aspect may, strictly spoken, not be a problem for NOP certification, but in reality parallel production on smallholder level is practically impossible to handle, so it should not be permitted.

Effectiveness of the internal Inspection

One of the major aims of an ICS inspection is to evaluate the quality and effectiveness of the internal inspections. If the internal inspections are weak and not compensated by other effective control mechanisms (as discussed, non-compliance may also be discovered during extension visits, by announcement of other farmers), the whole idea of an internal control system instead of effective external control is at risk.

So, the most crucial compliance criteria of all is that internal inspections must be thorough. All non-compliances with the internal (and external) organic standard must have been duly identified. If you find (usually during farm re-inspections), that the ICS has failed to detect minor or major non-conformities on the farms, additional investigation is needed (Æ will be discussed in chapter ‘Evaluation of Non-compliances’).

Results are documented in the inspection report. The form has to be signed by the internal inspector (A) and the farmer (B). Non-conformities must be communicated to the farmer and the ICS’s own conditions followed up on.

If non-conformities are found outside the actual internal inspection visit (e.g., field extensionist visit) this also must be duly documented and the same approval/sanction procedures must be followed. Other control mechanisms may compensate for weak internal inspections at least in the short term, but internal inspections need to be improved immediately.
Yield Estimates

One important tool for quality assurance is to have yield estimates and countercheck them during purchase.

Therefore the ICS has to have a system to estimate the yield of each farmer before harvest. Normally this also includes some reasonable ‘rule of thumb’, i.e., a clear range of normal yield estimates per acre (or plant) which can be counter-checked by an external inspector.

The yield estimates will not be perfect, but they must be reasonably accurate, especially over time (with growing experience). The closer to harvest the estimates are made, the more accurate they tend to be. The higher the risk that farmers really will deliver produce other than their own, the better the yield estimates must be.

If internal inspections are timed at different risk phases within the production system, a very accurate system to estimate yields is to send out field officers right before harvest for a complete round of yield estimates which are consolidated by the ICS Coordinator with the certified farmers list to a final separate ‘buying list’.

Challenges in obtaining good yield estimates are climatic factors, farmers who are not used to accounting and also don’t know how much they produced last year, farmers who are reluctant to disclose yield figures (for fear of tax, or because they also sell to other traders), and internal inspectors who are not well trained in making yield estimates.

Discussion: Yield Estimates

Do you think yield estimates are important? Should yield estimates be compulsory? When and how are yield estimates usually collected?

What is your experience with regard to quality of the yield estimates for smallholder farmers? What might be the challenges in obtaining correct yield estimates?
Approval and Sanction Procedures

Approval Procedures

After the inspection, there has to be a system to approve or sanction farmers. Most ICSs have some kind of experience in sanctioning farmers but APPROVAL procedures are not always also in place.

Approval means that the responsible approval manager briefly assesses the results of the internal inspection (e.g., screens the inspection report) and makes a decision whether the farmer is approved, any conditions must be imposed, or any sanctions are needed.

This approval/sanction decision must be somehow documented. In some cases the 'Approval Manager' writes the approval decision on a special section in the internal inspection report form. Sometimes it can be considered as ‘approval step’ to screen the report and then update the information in the farmers list and document the respective internal approval status (organic, conversion, sanctioned, etc.) there.

It is important that a clear decision is made and that this clear decision is reflected in the final farmers list submitted as results of the internal control.

Thus the ICS Coordinator takes responsibility for the correctness of the information in the farmers list; he/she must at least approve the lists. From second certification onwards the lists MUST reflect the correct internal approval status, at least ‘ok’, ‘sanctioned’, etc., or even better the exact proposed certification status such as ‘conversion 1st year’, ‘organic’, etc.

For first inspections the whole system of inspection is usually so new that the ICS does not want to make any clear decision on the status before the first external inspection and this is acceptable.

In updating years of certification, the certifier should agree with the ICS Operators on clear rules for handling conversion, so that for new farmers the ICS is able to set the correct approval status, which will also be valid for external certification. This is particularly important in case of retrospective approval of conversion period, i.e., if due to non-use of chemicals new farmers are registered straight away as ‘last year conversion’ or similar. IFOAM recommends a MONITORED conversion period of at least 12 months.
Sanction procedures

If minor or major non-conformities are identified during internal inspection or by other control mechanisms, the ICS has taken appropriate measure to correct them and/or sanction the farmer if needed.

During the ICS office audit it is therefore important for the inspector to get an overview of all sanctions imposed by the ICS (list of sanctioned farmers).
Also get an overview of minor non-compliances that sometimes are NOT listed in the summary lists but only in the individual farmers inspection reports. What were the major problems identified?

The inspector has to understand the ICS’s sanction system. What happens in case of non-conformities? What kind of sanction is used? How is it ensured that sanctions are effectively implemented?

How and where are sanctions documented? In the farmers list? In special ‘sanction reports’? Only in sanctioned farmers list? How is it ensured that sanctioned farmers are TAKEN OUT of the approved farmers list and any buying lists?

In case products have already been bought, the farmer needs to be de-certified (e.g., 2 weeks after harvest it is found out that the farmer had used insecticide against ants during harvest), the certification body must be notified, and further measures agreed upon.

What SHOULD be done in case of non-conformities is illustrated in this slide.

If a problem is found, it should be investigated in detail: what happened and why? What areas/lots are concerned? When? Serious problems should be immediately reported to the ICS Coordinator.

Based on this information a decision is made by the approval staff. Especially in case of severe deviations and hence severe sanctions, it is much recommended to discuss the decision in a group (approval committee, but could also be simply the team of internal inspectors) to come up with an appropriate and well balanced decision and to decrease the psychological pressure on the ONE person who has to make the decision.

The decision (sanction and or corrective measures) needs to be documented.
Types of sanctions

This slide shows a sample table of possible internal sanctions. Such a table could be included in the ICS manual as a basis for making sanction decisions.

Please note that the second sanction, ‘financial penalty’, is not very common and it depends on the cultural situation whether it is useful & appropriate.

Examples of non-conformities and their internal sanction

This is another example of an ICS group’s table of sanctions, as it could be included in their ICS manual.

It includes both the actual sanction (e.g., ‘suspension of certification for 1 year’) and other necessary action.

One example:
Under certification according to EU Regulation, a farmer has sprayed his/her home consumption plot, which is well separated from the organic plot, but the internal organic standard demands organic management of all crops.

As punishment the farmer is suspended internally for one year (but remains in the certification program – for the certification body the farmer is not downgraded because there was no violation of external standard). Additionally the sprayed plot is marked as non-organic or ‘sprayed on date XXX’ in the map and the farm file; and the farmer is given extra training and supervision in order to ensure that this problem does not occur again.

As the inspector you need to assess whether the planned and imposed sanctions are appropriate, i.e., at least as strict as the external certification body would impose them.

If the ICS is punishing much more strictly than the certification body would, this could be pointed out to the ICS, but it is the ICS’s own decision how to define their minimum standards (as long as they are higher than external certification standard). If MANY farmers are punished ‘too strictly’ it may be good to explain the external standard requirements to the ICS, because sometimes ICS operators assume organic standards to be even much stricter on certain issues than they actually are.

Examples of really strict punishment include downgrading farmers to first year conversion because they have failed to attend the farmers meeting or expulsion of farmers if, because of a lack of awareness, they have used urea in their clearly separate maize plot (when the certified crop is coffee on clearly separate plot).

In the first example the certifier could, e.g., choose to keep this farmer on the organic farmers list because there was no deviation of standard, and simply indicate – ‘suspended internally 1 year’.

Discussion: Non-compliances and their sanctions

Have you come across cases in which the ICS has been much stricter in punishment than the certification body would have demanded? In the cases shown on this slide (slide 12—show only left side), what would sanction would YOU, as external inspector, propose as an appropriate sanction for the respective problem? And what would be other related actions that the ICS would have to take in this situation?
Consequences if farmers have used prohibited inputs

If you assess the efficiency of the internal sanction procedures it is important that you yourself keep in mind all the actions that the ICS must take if organic farmers are found to have used prohibited inputs in their organic crops (or any other deviation that directly jeopardizes the organic quality of the product of this farmer).

The consequences of this deviation would be as follows:

- All fields of this farmer must undergo full conversion (IF farmer is kept in the project and not expelled). Usually ALL fields will be de-certified since in most cases it is almost impossible to handle different conversion statuses of different fields in a smallholder farm.
- Document the problem and sanction in farmers list (remove farmer from approved farmers list and put him/her with remarks in sanctioned farmers list), change purchase list (farmers list version that purchase officers use for purchase).
- Assure that farmer REMAINS sanctioned for 3 years (and is not accidentally included in the following year in the list of organic farmers).
- Check if production of this farmer has already been bought (since the prohibited application). If yes, notify certification body. Check whether the product has already been commingled with products of other farmers. If the organization has an organized lot number system, it is possible that the product has been commingled with very little other produce and is easily traceable. Without a good lot number system a much bigger lot may be affected because it is not completely clear in which parts of the big lot the de-certified product can be found.
- Explicitly inform field officers and purchase responsible of the sanction.

Motivation Exercise: What needs to be done if farmer is found to have used prohibited inputs?

What needs to be done if it is found at any time that a certain farmer has used prohibited inputs in the organic plot?

What reaction of the ICS would you like to see when assessing the efficiency of their internal sanction system?
Group Work: Assessment of approval & sanction procedures (1.5–2h). This exercise does not exist on CD, but a hard copy is available)

Either chose your own example or use Case Study II (spice project) for this exercise.

Form groups of 2-4 participants. Each group receives one copy of the ICS Manual with related documents about sanctions, etc.

1. Evaluate the ICS manual in general.

2. Evaluate the internal approval and sanction system:
   - Complete chapter 5.7
   - Are the applied sanctions appropriate?
   - Prepare questions for the ICS Coordinators about approval and sanctions.
   - Would the evaluation of sanctions give you any additional focus for the farm-re inspections or other parts of the ICS evaluation?

(no sample solution)
ICS Staff Qualification & Conflicts of Interest

Staff Qualification & Training
As seen, the tasks for an ICS are quite complex and demanding. Therefore the ICS must have qualified personnel. Qualification of the ICS manager and the internal inspectors is particularly critical for the functioning of the system.

The ICS staff must be sufficiently qualified. Internal inspectors have to receive at least 1 training session per year. The training should also contain some practical field inspection days. Good training includes inspectors accompanying each other on inspection and giving each other feedbacks. The training must be documented.

Qualification of inspectors is verified during farm re-inspections. The quality of their inspection is assessed, along with their knowledge of organic production, the internal organic standards, etc. Witness audits are very useful for checking on their inspection techniques.

Also it may be important to check whether the inspectors are in a position to do a thorough and critical inspection; e.g., in many countries very young inspector might find it difficult to ask an older and highly respected farmer any kind of critical questions.

Avoiding conflicts of interest
The objectivity of the ICS inspections and decisions may not be jeopardized by conflicts of interest.

A conflict of interest means that the person (e.g. the internal inspector) is not in the position to make an objective decision because he/she is personally too biased. Example: an inspector inspecting his grandfather or best friend. How will he be able to ask this person critical questions or know how to react if he/she notices anything critical? Another example of conflict of interest could be income; if purchase officers are paid per quantity bought, the risk that he/she might also buy from uncertified farmers (e.g., because the road to certified farmers was so bad that day) is definitely higher.

Therefore all measures must be taken to avoid conflicts of interest.

The ICS has to have conflict of interest declarations for all internal inspectors and approval staff. These declarations shall list all potential conflicts of interest, e.g., lists of all organic farmers in the projects with whom the inspector is related, close friends, which village he/she originated from (if this village is in project area), etc.

The ICS has to take all measures to prevent actual conflicts of interest from arising; i.e., internal inspectors are assigned internal inspections in a DIFFERENT region than their home place. Or a different inspector conducts the inspection of an uncle of the internal inspector.

If the inspector finds that there have been potential conflicts of interest (e.g., internal inspector has inspected his/her uncle), this case has to be investigated in detail and the farmer re-inspected to confirm that the conflict of interest has not resulted in biased treatment.

Conflicts of Interests

5. The objectivity of the decisions made by the ICS may not be jeopardized by conflicts of interest

- ICS needs conflicts of interest declarations for inspectors & approval staff.
- Conflicts of interest must be avoided. A person may not inspect/approve his/her own farm, nor the farm of neighbors, close friends or family
- If there have been potential conflicts of interests – check that it has not resulted in unfair assessment/ neglect of important facts
**Separation of Inspection and Extension (Consultancy)**

One particular aspect that has often been discussed in the context of ‘conflicts of interests’ is the separation of internal inspection and field advice.

It has been widely regarded a conflict of interest if the same person does both internal inspection and consultancy work (for the same farmer). This position mainly originated from the general criteria for certification bodies (separation of advice and inspection), but also from the fact that in many cases the field advisor is very close to the farmer and knows them too well to do a complete and thorough internal inspection at some point, checking all aspects of the internal organic standard. Also having two persons to visit a farm adds to the objectivity of assessment and reduces the risk for problems.

Therefore many projects have started to exchange field officers for their internal inspection work; i.e., field officers inspect the group of farmers of their colleague field officers once a year for the formal internal inspection.

However, the result of this requirement has been that in some cases the field advisory service was neglected for the sake of having a fully separated internal control. Sometimes, internal inspectors are so far from field realities that they also do not make good inspectors. Also, small projects face a real problem in having two different persons for extension and inspection.

Therefore the rule has now been changed that ‘extension and internal inspection does not need to be separated per se’.

The main point is that the internal inspection must be done in an objective way, as a clearly separate event and without conflicts of interest (i.e., the inspector and advisor cannot be too close/familiar with the farmers).

If extension and internal inspection are done by the same person for the same farmers, the external control will focus on the actual quality of the internal inspection and objectivity of the field officer.

In many cases the field extensionist may really be ‘too close’ to the farmer, i.e., too attached because of the regular contact, living in same village, etc. Or he/she might not be capable to ‘take a step back’ for the internal inspection and really do a complete and thorough check (i.e., asking all questions for which he/she presumably already knows the answer).

In other cases it may well be found that the extensionist is not close to the farmers at all and has a sufficiently ‘critical’ character to fully assess the farmer during internal inspection and even to do a much better and more thorough internal inspection than anybody else could do (e.g., because he/she is the ONLY person in the project who is really competent in organic farming and the local production situation).

The result is that there must be a more qualitative assessment of the objectivity of the internal inspection, rather than a simple rule of thumb ‘it must be separated’.

**Group Discussion: Separation of inspection and extension**

*What is your present position on separation of extension and internal inspection? Do you require strict separation, and how? Can field extensionists do internal inspections? Or only in a different region?*

*And why do you think that extension and internal inspection must be separated? What would the problem be if a competent field officer who visits the farm twice a year for ‘extension’ comes once a year to these farms (which he/she knows very well, including all problems) to do a complete internal inspection?*

The following slides summarize IFOAM’s position in this matter. The new inspection protocol is based on this position.
5. External Farm Re-inspections & Witness Audits

Farm inspections are a very important part of the overall ICS evaluation because all aspects that have been seen preliminarily in the ICS office can be confirmed and cross-checked with what is seen in the field.

Farm re-inspections are much more than just FARM INSPECTIONS; their main purpose is to assess the efficiency of the internal inspections and confirm the quality of the ICS documentation and staff qualification.

Farm re-inspection tours also provide important information for the overall risk assessment and allow a cross-check of the information received by the ICS with the farmer and others (e.g., neighbors, other people in the village, etc.).

A lot of information regarding the ICS and the overall project compliance can be collected during re-inspection tours.

Apart from the quite obvious check of whether the farm has effectively complied with the internal and external organic standards, other information can be collected:

- Is there demonstrated evidence that the farmer has ACTUALLY been internally inspected and did not merely fill out the internal checklist in the office (e.g., does farmer know the internal inspector, can farmer remember the inspection, is farmer’s signature identical to that on the ICS documents)?
- Has the farmer received training? Is farmer aware of his obligations as organic farmer?
- Have all critical control points on the farm been thoroughly checked by the ICS (sometimes only the first farm re-inspection shows ALL critical control points on farm level)?
- Are the findings of the internal inspector the same as those of the external inspector? That is, were the same non-conformities identified or were there issues that were detected by the internal inspector that the ICS missed?
- How well have the results of the internal inspection been documented? Maybe the internal inspector is aware of all identified critical aspects, but has somehow not been able to express it adequately in the inspection report form.
- Check the qualifications of internal inspectors and field extensionists (don’t forget to also ask them questions during the farm visits to get some understanding of their qualifications and understanding of the procedures).
- Do the ICS documents reflect reality?
- How are internal control procedures implemented? Similar to written procedures?

Motivation Exercise: What can be found out during farm re-inspections?

What can you find out during farm re-inspections? What kind of information are you looking for when doing farm inspections? (When presenting the following slide in PowerPoint, another sub-point will appear on the screen with each mouse click.)
Selection of Farmers for Re-inspection

Since we only inspect a few farms in the group externally, it is very important that we chose the RIGHT farmers for re-inspection in order to be able to assess the ICS with all potential critical control points.

When selecting farmers for re-inspection the following information is relevant to the selection:

- Total number of farmers at each project site? Any new farmers or even new project sites? → The basic approach would be to plan the number of re-inspections per project site proportionally to number of farmers at each site; i.e., site with more farmers → more re-inspections.
  → Any new projects sites will be particularly interesting to inspect.
- Are there distinctively different project sites, or possible sub-groups within the ONE project site? For example, all farmers are located in the same region with same ICS center and scattered over only a few villages. Maybe there are still sub-groups of these villages, because, for example, all villages in the higher altitude have only one plot and grow different intercrops, while the farmers in lower altitudes tend to have conventional maize fields.
  → Try to cover all potentially different project sites/sub-sites. Not all project villages must necessarily be re-inspected; focus instead on GROUPS of similar villages and ensure that over 2-3 years, all project villages are re-inspected.
- Are there different centers of internal inspections, e.g., 2 field ICS offices with different internal inspectors for the whole group? → Try to cover all centers of internal inspection.
- Are there any new internal inspectors? Any regions where there seem to be too few internal inspectors? → Try to do some re-inspection of those farmers who have been inspected by the new inspector.
- In high-risk regions/villages, more farm re-inspections will give a better picture of potentially problematic/critical cases.
- Check on sanctions. Are there any regions with high numbers of sanctioned farmers? What was the reason for sanctions? Could the problem also be of concern to other regions? → Re-inspect farmers close to sanctioned farmers or similar to the sanctioned farmers (size, intercrops, etc.).
- Try to always select at least some potentially critical farmers (e.g., non-organic fields close by, etc.) at each site. Also include at least 1-2 rather remote farms.
- All big farms must be re-inspected (plan more time, depending on size and complexity).
- Check previous inspection reports and risk assessments on specific problems identified and try to select farmers accordingly to check whether these aspects are still problems. Risk assessment includes the consideration of whether any major external facts might have changed the overall risk situation (e.g., very active new pesticide companies in the area, one intercropped high risk crop suddenly has a very high market price) → farmers might be tempted to use chemicals which they did not in past year → plan inspections accordingly.
- In reality a few farmers will always be chosen randomly and others chosen for practical reasons.

Motivation Exercise: Selection of farmers for re-inspection

Let's say you have determined the minimum number of farms to be re-inspected, seen a project overview, and started your office audit. What factors would you consider in order to select which farms you will re-inspect?

(If presenting in PowerPoint the middle and right box will only appear after clicking with the mouse or RETURN-key.)

How to Select Farmers for Re-inspection?

- N° of farmers at each site, any new farmers?
- How many project sites (different region, different crops)? Any new sites?
- How many centres of internal control?
- How many internal inspectors? New inspectors?
- Risk assessment different sites/crops?
- Sanctioned farmers?
- Critical farmers (big farmers, conventional unit, etc.)?
- Problems identified in previous inspections?

N° of farms to be re-inspected
Important Aspects of Planning Re-Inspections

Since the overall aim of the re-inspection tours is a thorough assessment of the ICS, sufficient time is needed for the inspections and for obtaining information from various sources during the re-inspection tour. As a general rule it is recommended not to plan for more than 5-7 inspections per day; if farmers are far apart even fewer may be possible.

It is crucial that the “right” farmers are selected to uncover all potentially critical aspects with minimal farm re-inspections, so the selection of farmers should be considered seriously.

In the course of the inspection, the inspector might suddenly become aware of previously undiscovered critical issues (which perhaps were no problem in previous years but are a problem now), and may need to revise the re-inspection plan. If any major non-compliances were missed by the ICS, additional time may also be needed to further investigate the issue.

Re-inspection Procedures

Re-inspection procedures of external inspections include basically the following parts. Each step will be discussed in more detail.

'Normal farm inspection':
- Inspect the full farm and interview the farmer in order to assess compliance with the external certification standard. The farm’s documents (=ICS documentation) are also checked.

Assessment of the Internal Control
- Cross-check the farm with ICS documentation, cross-check findings with ICS findings
- Try to understand the real ICS procedures (how often does the extensionist really visit the farm, what is effectively checked during the internal inspection, what is perhaps checked during extension visits instead of being checked during internal inspection, etc.
- Do a few witness audits (accompany the internal inspector during an internal inspection).

⇒ Assess the quality of the internal inspection

Other collection of information for overall evaluation & risk assessment

In the course of a re-inspection tour, various other useful pieces of information can be collected to complete the overall assessment of the ICS performance and the risk assessment:
- Visit neighbors, input stores, talk to local authorities of governmental extension officers, etc.
Re-Inspection of farm activities
The core farm inspection covers all steps that would also be checked for bigger farms (and which should all have been checked during internal inspections).

- Visit the organic fields (if not all can be visited – spot check different fields each year). Don’t just linger around the house but try to see a substantial portion of the farm and assess the actual cultivation measures; keep your eyes open for any suspicious signs (e.g., very uniform weeds in certain places might be indication of herbicide use, etc.).
- Specifically check the farm boundaries for major risk problems.
- Briefly check conventional fields, too, particularly if close by, but also spot check distant plots to confirm that there is no parallel production.
- Interview the farmer in detail on his/her farming practices, changes in area or management.
- Check internal farm documentation and compare it with results of your own investigation. Example: you find that the farmer has recently used lime – is the lime registered in the farm diary? Or in the internal inspection report?
- Inspect animal husbandry.
- Enquire about post-harvest handling and check all equipment, storage areas, etc. Any contamination risks by use of contaminated bags, unclean equipment, harvest protection measures, e.g., against ants? Any commingling risk because of process of, e.g., drying the products together with brother, etc.?
- Check storage area. Pest control measures?
- Check garbage heaps, toilet, tool rooms, etc (any place where any traces of containers of prohibited inputs may show up).
- Fill in the farm re-inspection checklist to document your results.

ICS Evaluation during Re-inspections
As mentioned previously, an equally important part of an ICS inspection is the evaluation of the ICS system. For that purpose the following components should be considered during re-inspection visits:

- Take the internal inspector and preferably also the field extensionist with you during inspections. Ask them specific questions about the farm – but don’t allow them to influence the answers that the farmer has to give you.
- Find out how familiar they are with the farm, with the internal organic standard, and the ICS Manual in general? Ask them, e.g., to explain in their own words what they do during an internal inspection or an extension visit, how often they visit the farms, etc.
- Try to find out whether they could have potential conflicts of interest by asking, e.g., about their home village, whether they have any relatives in the area, etc.
- Has the farmer been trained in organic farming? Can the farmer confirm that he receives extension visits? Is farmer competent in organic farming methods?

Motivation exercise: What is checked during farm inspection?
What are the steps in a normal smallholder farm inspection? What do you need to check in order to confirm the farmer’s compliance with the organic standard?
**Important Aspects of Re-inspections**

Try to find out as much as you can! It is often crucial to understand the overall internal control mechanisms, which can be much more than the internal inspection alone. Are efficient social control mechanisms in place, etc.? How are things actually being done?

*Example:* In the ICS manual, registration procedures are described nicely and there are nice and clean farm registration forms with signature for every farmer. In reality the farmer signs blank forms in the village when formally registering for the project and the field officers fill in the form, incl. the field history months later than the date of signature when first visiting the farm, in some cases even without the farmer being present. You should be able to find out such things being attentive to small things and letting the others also explain by themselves in detail how they do things.

The inspector will only inspect few farmers. When leaving a certain project site he/she should also have an impression about the other organic (and non-organic farmers) in the area. Information about fellow farmers can be obtained from farmers, ICS staff, neighbors, or by talking to random farmers next to the road, etc.

Always think of critical control points. E.g., you have visited 2-3 pepper farmers and everything was fine. When leaving the project area you suddenly notice that a couple of farms along the road also grow cardamom, a crop which was found to be problematic in similar projects that year, because suddenly the prices are high → enquire whether there are also farmers in this area who also grow cardamom → go and re-inspect 1-2 such farms to confirm that also for these cardamom farmers there is no problems with organic certification.

Be thorough in your inspection. Only if YOU can uncover the actual certification problems can you assess whether the ICS has been efficient!

**Farm Re-Inspection Report Form**

For each re-inspected farmer, a re-inspection report form is filled in during the inspection. It contains both a part on verification of farm production and handling criteria and an evaluation of the ICS.

Each re-inspection is entered in a list of visited farmers (visiting report), which facilitates the overview of all farm re-inspections that have been conducted for compiling the information in the final overall ICS report.
Witness Audits

Witness audits may be another useful tool for assessing the quality of the internal inspection.

A witness audit means that the external inspector accompanies an internal inspector during a complete internal inspection, i.e., during preparation, the actual farm inspection, and when the inspector fills in the report and possibly reports back to the office.

Witness audits can give quite a good overall impression of the ICS and the actual internal inspection procedures.

They can provide information such as

- Is there really an internal inspection (inspector & farmer are familiar with the situation).
- How familiar is the inspector with the forms? Does he/she understand them and seems to have used them many times?
- How complete and thorough are the inspections, does the inspector have an efficient inspection technique and follow up with further questions on potentially critical aspects?
- How competent is the internal inspector (and/or field extensionist) in organic production and the internal organic standard requirements?
- If the inspector has written weak internal inspection reports → are inspections also weak and haphazard or does he/she merely have problems with reporting?

Motivation exercise: What can we find out in witness audits?

What can be found out in witness audits?

(in Powerpoint different points show only after click)
How many witness audits are needed?

Witness audits are not compulsory for ICS evaluation but they are highly recommended. It is recommended that the inspector do a few witness audits and assess how useful these audits are for the overall assessment. It could be that internal inspectors are too intimidated by the witness situation so the value is limited.

It is recommended that weak internal inspectors, in particular, be accompanied; i.e., those who have written incomplete or poor reports, or those who have inspected farms where the external inspector had already found problems. It might also be a good idea to accompany new inspectors.

Are the witness audits useful and informational? You could do, e.g., even one witness audit per internal inspector or take it in turns accompanying all internal inspectors in a 2-3 years cycle. This obviously also depends on the inspection assignment received from the certification office.

Witness audits could in principle count as farm re-inspections for meeting the minimum farm re-inspection rate. However, they could be seen instead as additional assessments with regard to ICS evaluation and risk assessment and hence be done IN ADDITION to the minimum number for farm re-inspections. This also depends on the risk situation.

Other sources of information during a re-inspection tour

During the course of a re-inspection tour, many other sources of information can provide important insight and confirmation of the situation for both evaluation of ICS and for risk assessment and identification of critical control points.

Such potentially interesting sources of information could be for example:

- Neighbors (both those who are part of the project and not part of the project)
- Other farmers in the area (random farmers met along the street, etc.)
- Village chemical store
- Local village farmer shop
- Governmental agriculture extension services
- NGOs etc.

From these sources a broader picture can be obtained about

- typical farming practices in the area and potential risk crops.
- social control mechanisms; do the organic farmers of the project know each other and know what is happening on each other’s farms?
- are the organic farmers known in the village as organic farmers? any political/social pressure on them (envy, not in line with governmental policy, etc.)?
Sample Inspection Trip (min. 1 day)

Integral part of an ICS inspection or evaluation training should be at least a 1-day field inspection to an ICS operator.

The sample inspection trip could include the following parts:

- screening of ICS Manual as preparation, collection of critical control points to follow up on during the sample inspection

On site, participants are split into 3 groups.

- One group visits first the ICS Coordinator with a systematic check of farm files and then visits two farms.
- The other group starts with 1 farm inspection, then meets the ICS Coordinator, then does one more farm inspection.
- The 3rd group does 2 farm inspections and then meets the ICS Coordinator for further questions.

The visit should be well prepared so that, e.g., copies of farm files are prepared beforehand to take along after the inspection for further evaluation the next day. The trainer should have done a preliminary test inspection visit and should be familiar with the ICS and all critical control points of this group. The ICS operator must be willing and interested in participating in this kind of exercise because it may require quite some effort.

Special aspects of farm re-inspection:

- Visit a farm preliminary chosen by the trainer (could be for example a rather tricky farmer who might have interesting aspects to find out about).
- The full farm file for inspected farmer as well as farmers list should be available, so that during the farm re-inspection visit the quality of the documentation system can also be counterchecked.
- Inspectors should be motivated to really use the farm visit for ICS evaluation!
- Each inspector should complete a farm re-inspection report to familiarize him/herself with the form.

ICS Office visit:

- Ask questions of the ICS Coordinator about internal inspection procedures, approval and sanction procedures, and any critical/unclear points
- Screen farm files and select farmers for re-inspection (even if in fact you will inspect or have inspected other farmers).

Inexperienced inspectors might need preparation in order to have an idea what to ask the ICS Coordinator. A preparation break for the group with help of ICS compliance criteria document and a collection of possible questions will help.

After the inspection, the participants could be asked to complete the full ICS report (as far as possible, since some points certainly could not be checked completely in one day!!) or the results are simply discussed in the group, no report format completed.
6. Inspection of Product Flow

The responsibility of the ICS goes further than the mere inspection of farm production activities. The ICS operator also supervises the purchase of organic produce from the farmer and subsequent handling steps (as long as the product is under responsibility of the ICS operator).

A typical product flow of a smallholder group is illustrated in this slide.

On the single farms, some simple farm processing is usually done, which is checked during internal (and external) farm inspections.

Then the organic products are brought by the farmers in bags to the purchase center. The purchase center does some grading, consolidates all products collected in a certain week, and sends this lot to a central warehouse.

There the produce is stored for a while until a sufficient quantity is accumulated for running the processing. The product is sent to a contracted processing unit (could also be farmer’s own processing unit) and, later, is received back in the warehouse in bags ready for export.

Just before export, the product is labeled with export lot numbers and packed in the warehouse in the shipment container and then being exported.

Buying Procedures

The organic status of the farmer must be checked during the buying process. Only the produce of a certified organic farmer is considered ‘organic’.

Verification of the organic status has to be done on basis of the certified farmers list, i.e. on basis of a list of certified farmers confirmed by the certification body. No product may be used from, e.g., new farmers who have been internally inspected but whose certification status has not yet been confirmed by the certification body. It is also unacceptable that the purchase officer buys from a farmer just because he/she ‘knows that this is an organic farmer’.

Some operators choose to prepare a separate buying list based on the certified farmers list, up to date yield estimates, and all sanction decisions. This may be a good system. Otherwise the purchase officers may receive a copy of the complete certified farmers list plus update lists of sanctioned farmers to check the status.

The delivered quantity must be compared with the estimated yields. In case of doubts the product must be kept separate until clarification. This implies that if each farmer delivers several times, the delivered quantities are summed up to check whether the estimate has been exceeded.

Motivation exercise: Buying organic produce

What are correct buying procedures for organic produce? How would you expect the ICS Operator to organize the buying process in order to be in compliance with the organic standards?

What would you check if you inspected a buying center?
**Buying Documentation**

The buying process must be well documented in order to allow a full follow up on the organic product flow. The ICS operator therefore has to ensure that buying documentation is kept that includes at least:

- date of purchase
- name & code of farmer
- delivered quantity
- products (if more than one)
- organic quality (on top of list or for each delivery in case different qualities are bought)

The farmer has to receive a receipt that states the delivered quantity. These receipts can be counterchecked during farm inspections in order to confirm that the ICS Operator is not faking the buying records (and buying from uncertified farms instead).

**Critical control points buying procedures**

The buying process is a very critical moment; in fact, mistakes or fraud during buying is one of the most common major non-conformities encountered in ICS inspections.

Problems may arise from mistakes of personnel, attempted fraud of single people, and also from more organized kind of ‘mistakes’, like buying produce from conversion farmers and selling it as organic because there is no more organic produce left and buyers are asking for more.

So buying inspections must focus on clear procedures that prevent accidental mistakes, commingling, etc., and must also carefully check the overall system for consistency and potential ‘holes’ where cheating might be too tempting.

So it is important to check the following aspects:

- Are buying personnel well trained and aware of procedures? Would the personnel have any major incentives to cheat (e.g., because paid per quantity purchased)?
- Are handling procedures standardized? Are the handling procedures realistic in everyday buying situations, or will they also work in slightly exceptional or stressful situations, if, e.g., one day only few farmers deliver produce and the next day so many farmers deliver that storage capacity becomes scarce and the non-organic storage room is also used?
- Is there no risk (or only very low risk) of commingling during intermediate stages?
- Calculate product flow for several lots: e.g., compare the quantities bought with transport papers for this lot with documents of receipt for that lot in the central warehouse, etc.
**Group work or discussion: Risks in buying procedures**

Identify major potential risks and problems in buying, and for each potential risk try to work out how you could check on this risk (also to confirm that it is not a problem).

**a. Some examples of risk from farmers trying to cheat**
- Farmers forget their ID card and the buyer doesn’t recognize them. Former quotes name of an organic farmer but is not registered himself.
- Farmer delivers much more than estimated by internal control – is the farmer selling his neighbors’ crops?

**b. Risks from incorrect behavior of buying personnel. Examples:**
- If buying officers are paid by quantity delivered, they could be tempted to buy from unregistered farmers to bring in more produce.
- Roads to registered farmers may be in a very bad condition, so they may collect products from closer (uncertified) farmers or from the market instead.
- Farmers could sell goods from uncertified farmers for normal price and keep the organic premium price for his own profit.
- Buying officers buy from farmers they know (and who were certified) but who are no longer certified.
- A farmer’s product quality is poor (product has been sitting in bag too long, product dirty, too many insect pests, etc.) and buyer might ‘need’ to buy on local market in order to deliver the agreed quantities.

**c. Risks if the ICS Operator cheats systematically:**
- ICS registers several ‘umbrella farms’ and documents them. A certain amount of produce originates from that farm, all documentation is perfect, and delivered quantities are less than estimated, but in reality the farmer buys the products on the market and register them as products of his/her farm.

Each group presents their results. Collect a list of important critical control points and how you could find out about such problems.
Handling Requirements for Organic Produce

For all steps of handling of organic produce (during buying, transport, processing), the same basic organic handling requirements must be ensured.

This aspect is no longer ICS-specific; it is the same handling requirements for ALL organic produce. So the requirements are only briefly summarized in this course. ICS inspectors will always need to be trained in handling and processing inspections, but this should be a different training curriculum.

The most important general handling requirements are:

- Separation of qualities (organic, conversion, non-organic) at all stages
- Labeling of the organic produce at all stages (and with correct status)
- If possible: introduction of lot number system for improved traceability
- Incoming as well as outgoing goods need to be carefully documented (including original receipts, delivery notes, etc.)
- No contamination of the organic products (facility pest management, fumigation, etc.)
- Warehouses should usually have separate sections for organic produce and must be inspected

Organic Processing

In addition there are specific requirements for organic processing.

It is important to realize that there is usually organic processing both on the farm level and in central processing units. Also any kind of re-packing is considered processing and must be inspected.

Processing on the farm level is inspected by the ICS during internal inspections and also checked during farm re-inspections.

However, all central processing units are subject to full external inspection (as any other processing unit).

General Handling Requirements of Organic Products

- Separation of qualities (organic, conversion, conventional) at all stages
- Labeling as "organic" at all stages
- Lot number system if possible – traceability!
- Incoming as well as outgoing goods need to be carefully documented.
- No contamination (e.g., no fumigation)
- No irradiation
- Only permitted facility pest management
- Warehouses usually need to be inspected (if labeling or repacking takes place, warehouses have to be inspected as processors!)

Inspection of Organic Processing

- Post-harvest processing at the farm level is usually inspected by the ICS and re-inspected in course of the ICS farm re-inspections
- All central processing units need to be inspected and certified (just as any organic processor)
These slides show a few examples of
1) processing on farm level, as covered by the ICS, and
2) processing at central processing units

It is however important to realize that exactly the same requirements are applicable both for farm processing and for central processing units!
Requirements for organic processing

Organic processing requirements differ considerably among different standards, and interpretation may also differ among different certification bodies.

This slide shows only a very simplified summary of rules for organic processing as typically relevant in rather uncomplicated processing operations in developing countries.

Separation & Identification
Separation of organic grades (organic, conversion, and conventional) during all stages of product flow.
- Separation during processing, e.g., by allocation of special days for the organic processing, separate processing workshops, supervision during organic processing.
- Preventing possible contamination through cleaning of machines before organic processing, using only clean bags for the organic produce.
- Separation during storage: separate rooms or separate areas with clear ‘organic’ signs.
- Identification of products as organic at all stages; products should always be labeled as ‘organic’.

Ingredients & processing aids
All agricultural ingredients must be certified organic (certain exceptions depending on standard).
Examples:
- Organic banana chips: bananas, sugar, and palm oil must be certified organic.
- Spice blends: all spices used (even small quantities) must be organic.
- Natural dye (plant extract) for nicer color of shea butter must be certified organic.

All non-agricultural ingredients or processing aids used (apart from salt and water) must be explicitly permitted for organic products by the applicable organic standard. This concerns all processing aids that are in direct contact with the organic product.
- Additives to washing water, e.g., citric acid (allowed).
- Color preservatives, e.g., sulfur for dried fruits (prohibited in organic).
- Anti-coagulation agents, e.g., calcium chloride (allowed).
- Preservatives, e.g., flushing packages with nitrogen gas (permitted)

Each organic standard has a list of permitted non-agricultural ingredients and processing aids in the appendix.

Documentation
Certification status of ingredients used and all processing steps (from receipt of organic raw products to the final product) must be duly documented (certificates of incoming raw ingredients, processing diary, warehouse record).
It is highly recommended to introduce a lot processing system and to organize all documentation by lot. Many businesses have product flow systems and procedures (ISO and HACCP) that can easily be adapted to incorporate the organic requirements. Documents should be designed to meet all requirements (not separate documentation systems for different standards)
How can separation be guaranteed?
Separation between certified organic, organic in conversion (if applicable), and uncertified products is guaranteed by having the required procedures and control systems in place and staff members trained to work with these procedures. Regular monitoring and inspection (internal and external) of these systems provides a means of verifying that separation is being maintained.

All products must be accounted for.
The ICS documentation trail must reconcile all products brought in with all products that go out, including waste and processed product. This reconciliation is used to provide evidence that no product unaccounted for has entered the system. Tracking products from the source through the system also provides a means of tracing products on a batch or lot basis. Should there be complaints about a product, the system should be able to trace the problem to the contributing suppliers.

The most effective way of guaranteeing separation is for the processor/trader to handle only certified organic products. In this way, all aspects of the operation are certified as organic and there are no uncertified products or activities within the operator’s system.

The systems and facilities of processors and traders who handle both certified organic and uncertified products can also be certified organic once they are able to guarantee separation. They are required to clearly track the product flow, have protocols for cleaning processing machinery or have designated machinery and transport for organic use only, and designate storage areas strictly for organic products. The certified organic product must be stored and transported in easily distinguishable containers that are used only for organic products. Documentation must accompany the product at each step as it moves through the system.

Separation is guaranteed by having a clearly defined system and staff trained in their responsibilities for handling certified organic products.

How to ensure separation during processing?

Examples how separation of organic and non-organic products can be achieved:
• Only handle organic goods.
• Separate production lines (e.g. processing machinery).
• Process organic goods at separate times e.g. only every Monday morning when all machines are clean.
• All processing is strictly batch-wise.
• Well trained staff.
• Continuous supervision during organic processing.

Exercise: Verification of product flow (1h)
Each participant (or pair) receives Case Study III or another set of buying and storage documentation records that can be counterchecked against each other.

• The purchase and product flow of pepper is checked (cross-check between buying, stock registers, and the certified farmers list)
• The processing and storage of cinnamon is checked

⇒ Any inconsistencies in the product flow?
⇒ What is your overall evaluation of the documentation?
7. Reporting, Evaluation and Certification

**Reporting**

At the final inspection, the inspector summarizes the overall results in the ICS inspection report. The report form is best used continuously during the inspection, but certainly needs to be systematically completed at the end, before the exit discussion with the ICS Coordinator. Enough time should be planned for reporting, since it often happens that the inspector finds that a certain aspect has not yet been covered and needs to ask a few extra questions or check a few extra documents.

Normally the report form is filled out on paper. Then a summary table of all noncompliances and proposed corrective measures, as well as the recommendation for certification, is completed. The findings are discussed with the ICS Coordinator, who countersigns the report. A copy of the report is left with the operator.

If required, the inspector also completes the same report on the computer in order to have an electronic version, and because many more details and descriptions can be included on the computer in order to give a complete picture of the evaluation of the ICS operator.

**How to use the report format**

When completing the report form during the inspection, the descriptive parts are only briefly checked according to whether the information is available in ICS manual or other documents, but not necessarily completed in detail.

However all compliance criteria have to be checked carefully. Each criterion should be checked OK → fully met, PF = PARtLY FULLfilled, NO = NOT FULLfilled, or N/A = not applicable

<table>
<thead>
<tr>
<th>Compliance criteria is fully met (in all listed details). Even if a certain issue is not a problem, the criteria should be ticked as OK (not as Not Applicable). E.g., there is no contamination of products → OK (not N/A.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
</tr>
</tbody>
</table>

| A compliance criterion is met in principle, but a few details have not yet been fulfilled. With a minor correction, full compliance can be ensured. → COMMENTS & CONDITIONS E.g., there is a farmers list, but one required piece of information in the list is missing but registered in basic data form. Or: a procedure is planned and communicated to all staff, but is not yet written. |
| PF |

| Requirement is not fulfilled → COMMENTS AND CONDITIONS |
| N/A |

| Only if really not applicable, not if it is simply no problem (OK). In principle all questions shall be answer with OK/PF/NF; N/A only should be ticked if the question really is not relevant because the described issue is not found in the project. If the N/A field is grey, the question cannot be answered as N.A. Example: all questions regarding partial conversion are not applicable if the full farm is organic BUT: the question “there is no contamination” must be answered (“OK”) and not ‘N/A’. |
| N/A |
Example of how to use the report form

This slide shows an example of how the ICS report form could be completed.

Under the table with the compliance criteria the inspector has given a general comment (about the ICS documentation system in general) and then comments for all PARTLY FULFILLED aspects. All comments start with the reference numbers of the respective criteria.

Remark for the trainer: A full sample ICS report can be found in the appendix to this training manual. The part on the slide is chapter 5.4 (ICS Documentation). If considered useful for the training, the whole chapter could be discussed with the participants in detail.

Checking the farmers lists

In addition to the actual reporting, the inspector also has to check the farmers lists received by the ICS operator. This task can be quite time consuming for large organizations, but it is very important that the lists are correct.

The following aspects have to be checked in order to confirm/approve the farmers list:

- Does the list contain all necessary details for certification?
- Date of list (is it up to date?). Is the list you received really the most up to date one? (Sometimes organizations have many different versions without dates.)
- Are the lists complete? That is, do the lists contain all farmers proposed for certification (not more OR less)? Example: ICS operator has told inspector that they have 950 farmers but there are only 820 on the list.
- Cross-check with other ICS documents, such as `basic farm date form`, inspection reports, etc. (In most cases already done during inspection).
- Cross-check with previous certified farmers list. This is very important!
  - Spot check whether they are the same farmers as the previous year
  - Change in total numbers? Number of farmers this year SHOULD BE: number of farmers last year + new farmers – sanctioned/resigning farmers
  - Have new farmers been registered in correct conversion status?
  - Has ICS made changes in conversion status correctly (e.g. last year’s conversion farmers are now organic)?
- Set/confirm the conversion status for each farmer. Usually there will be a separate column with the certification status as confirmed by certifier. In many cases this will be the column with “internal approval result” as received from the ICS Operator. In case of certification according to different standards (e.g. EU & NOP), it is recommended that there be a certification column for each standard (if not identical) in the SAME farmers list.
Appendices to the inspection report

In addition to report and farmers list, the following documents for the certification body should be attached to the ICS report:

- All farm re-inspection report forms
- Sanctioned farmers list
- ICS Manual (incl. all forms)
- 2-3 sample farm files (complete copy of all documents for 2-3 farmers).
- Samples of ICS farm documentation to illustrate any cases of problems described in the report, etc.
- Sample staff files and farmers training files, sample conflict of interest declaration (if not yet sent in previous years)
- Copy of purchase registers and receipts
- Export labels
- Processing report & documentation (if relevant)

Additional Annexes to the Inspection Report

- Farm re-inspection reports
- Sanctioned farmers list
- ICS Manual / ICS forms and procedures
- 2-3 sample farmers files (esp. problematic cases)
- Sample training or staff files
- Copy buying registers
- Labels
- Processing documentation

Exercise Reporting

If a sample inspection has been done, this could be a good time to do the report writing exercise. Each participant tries to complete the ICS report form about the sample ICS Operator being audited. Many questions obviously cannot be answered after such a short period, but the participants can still try to answer the questions and give descriptions.

Depending on expertise level, participants might find it easier to do the reporting in groups of two in order to be able to discuss certain issues, etc.

The groups are given 1.5 or 2 hours and in the end the report is completed as a group on the presentation laptop. By doing so, all “tricky” questions can be discussed in a group and clarified. On the other hand, it takes a rather long time (2 hours minimum) and may be boring.

Alternatively, only the most critical issues/chapters can be completed together but all reports can be collected and evaluated by the trainer. Collection of the report is recommended anyway, in order to assess the level of understanding of the participants.
Evaluation for Certification

Relative importance of different criteria for the certification decision

As a minimum guideline for certification bodies and inspectors, the compliance criteria in the ICS report are given a certain weighting or “relative importance”. Such weighting is not seen in any other organic standard, but in practice certification bodies will always take certain noncompliances much more serious than others.

E.g., there is a large difference in the importance of the following criteria: “all major noncompliances have been identified by the ICS” and “corrective measure have been communicated to the farmers”.

Therefore each criteria has been given one out of 4 categories of relative importance.
A = MAJOR MUST, pre-requirement for certification
B = MINOR MUST to be corrected in the short term
C = MINOR MUST be corrected/implemented in medium term
D = recommendation

The categories only provide rough guidance for inspectors and evaluators. However, it was found that this relative categorization is useful during the inspection to estimate the impact of noncomformities on the overall certification decision.

The following interpretation of the impact on certification provides only a rough guideline for the certification body, which must be somehow related to the certifier’s own sanction policy, i.e. what should be done if an ‘A-criterion’ is not met? → allow 2 weeks for correction and otherwise suspend?? De-certify and inform authorities??, etc.

‘A-Criteria’: in principle all ‘A-criteria’ must be fulfilled for certification. Depending on the criteria it may be possible that the operator submits proof on correction of an A criterion AFTER inspection, but before certification. It is possible that the fulfillment of the ‘A-criteria’ must be verified in an additional inspection.

‘B-Criteria’: must be fulfilled but operator is given an agreed-upon amount of time for correction. Also it has to be ensured that the operator fulfils at least a certain percentage of the criteria; i.e., an operator who has fulfilled all ‘A-Criteria’ but only very few of the many ‘B-criteria’ cannot be certified (before correction).

As a thumb rule the following minimum % are proposed:
first inspection: 50-70 %
follow up inspection: 60-80%
from 3rd year onwards: 90%

‘C-Criteria’: may be in development; i.e., the operator is given a longer time to work towards full compliance. Time frame is agreed upon with certifier.
Evaluation of important noncompliances

On the following slides a couple of important nonconformities are discussed in more detail and sanctions and corrective measures proposed. The same examples are also included in the inspection procedures document.

Less than 100% of internal inspection completed

Problem: ICS has not managed to inspect all farmers in a particular year (or before harvest or any other agreed upon season for the internal control).

Action: Investigate WHY 100% could not be completed? Was it a problem of a few farms who could not be inspected because, e.g., the inspector tried twice but never managed to meet the farmer or is it a larger scale, systematic problem?

If it is a minor problem, the missing inspections could possibly still be completed immediately (even if after harvest) and the growers would remain certified. Alternatively, all such farmers could be inspected by the certification body (additional inspection). Normally the ICS Operator will receive a strong warning to ensure that 100% are finalized well in time next year.

If it is a major/systematic problem: all farmers who have not been inspected internally are decertified; i.e., they are taken off the certified farmers list. They may possibly be kept on a special separate list to be ’re-activated’ again the following year, but in this case the conversion status of these farmers needs to be determined again in detail for next certification.

Motivation exercise: how should these important nonconformities be dealt with?

For the following examples of important nonconformities it is recommended to present the nonconformity first and let participants come up with their proposed sanctions and corrective measures.

(If presenting in PowerPoint, the proposed “solution” on each slide only appears after mouse click or RETURN key)

After presentation of the ‘solution’, the proposed sanctions and measures should be discussed.

Less Than 100% Internal Inspection

Not 100% of all farmers have been inspected by ICS in a certain year.

Option 1: the missing inspection can be done immediately and still count for the respective year ⇒ set conditions for next year to ensure 100% ON TIME.
(possibly additional external inspection)

Option 2: only those farmers are considered for certification that have been internally inspected
ICS has failed to detect major nonconformities

Probably most crucial and difficult case of evaluation is how to deal with the certification of an ICS Operator if major nonconformities have not been detected by the ICS.

Major nonconformity in this context is defined as any nonconformity that directly threatens the organic integrity of the product and which results in de-certification of the concerned product and/or fields.

In case the ICS has failed to detect such nonconformities, i.e. they were only discovered during the external farm re-inspections, it is important to investigate the case further:

- Why was it not detected? Was internal inspection really not thorough enough? Or did the inspector also have suspicions but could not find any proof? Or...
- When was the internal inspection? → Was the inspection before the actual application?
- Was the problem openly declared or did the farmer try to cheat? If it was openly declared, why was it not also declared to ICS?
- What was the reaction of field officer/internal inspector? Did he/she try to cover for the farmer or get involved in a thorough investigation of the case?
- Was it a problem of a certain inspector or general problem?
- Localize problem! → Only a special region/village? Example: the intercrop that was found to be chemically treated was grown only in a small percentage of the registered farms. Or one village had particularly strong drought problems and only there the farmers used urea.
- Number of cases? → If you find cases of undetected major nonconformities you need to increase the re-inspection rate. Yet only a small percentage of farms will be re-inspected so if you find 2 farmers out of 20 re-inspected farmers it could potentially mean that 10% of all farmers are noncompliant. But possibly you could already localize the problem to a certain region or inspector only and then the overall picture is different. (2 farmer = 10% in one subgroup, but 0 farmers for 90% of all other subgroups).
Consequences if the ICS has clearly failed to detect major noncompliances in several cases

- The inspection is finalized (but MINIMUM highest risk level number of farm inspections).
- The ICS is given a warning to immediately improve, correct the problem, and conduct a second round of internal inspections.
- The inspector informs the certifier of the situation immediately and the certifier confirms the sanction in writing. Usually certification will need to be suspended.
- In severe cases, certification may even be revoked with immediate effect (if the ICS has really failed completely).
- The correction of the problem usually has to be verified in a second inspection before certification can be granted.
- Depending on the scope of the problem, the second inspection may only focus on identified weaknesses, or a complete new round of farm inspections may be necessary.

Considerations:
The ‘new’ inspection protocol poses a lot of responsibilities on the ICS and hence allows quite low re-inspection rates. Thus, severe sanctions are needed if the ICS has clearly failed. On the other hand, it should also be considered that nobody is perfect and that even a good inspector might not ALWAYS detect a certain nonconformity. Therefore for determination of the actual sanctions it is really important to evaluate the overall situation and the actual scale of the problem.

Consequences if the ICS has failed to detect noncompliances in few cases only and/or due to obvious reasons
It also may be found that the problem was really only very local (e.g., only one unqualified internal inspector) or really could be proven to be an exception/single case. Or the reasons for non-detection were obvious, e.g., internal inspection was BEFORE the application, although in principle the internal inspection was timed well.

In this case the following consequences are proposed:

- Operator is ‘high risk category’. Re-inspection rate is increased accordingly. In most cases even more re-inspection will be necessary to localize the problem or confirm that it is only single case.
- If this happens for the first time, a warning to improve the ICS will usually be sufficient. Ensure that all potentially concerned farmers are immediately inspected a second time by the ICS.
- Correction of reasons for the problem (e.g., additional training for weak inspector, etc.) is required. Proof of correction is required before certification.

Major Non-compliances Not Detected (3)
Case: The ICS has failed to detect the problem in a few cases but due to obvious reasons (e.g. spraying occurred after internal inspection, although in principle inspection was timed well)

- Increase inspection rate to high risk situation, ensure that the problem was really a single problem, not a general pattern that indicates a structurally inefficient ICS.
- If this happens for the first time usually a warning to improve the ICS will be sufficient. Ensure that all potentially concerned farmers are immediately inspected a second time by the ICS.
- Correction of reasons for the problem (e.g. additional training for weak inspector, etc.) is required. Proof of correction is required before certification.
Other Non-Compliances not detected
ICS has failed to detect certain nonconformities, but these problems do not threaten the organic integrity; i.e., the problem will not lead to de-certification of the farm or of products.

Examples:
• ICS failed to detect processing aids, but they were permitted.
• ICS failed to detect use of copper or other allowed substances.
• ICS failed to find out that a farmer still had conventional units (but the certifier would not have de-certified the farmer for that reason).
• ICS failed to detect the use of treated vegetable seeds on the organic plot, but according to sanction policy of certifier this would not lead to de-certification of the plot (because compulsory per phyto-sanitary law).

Consequences
• ICS must be improved; all internal inspectors must be trained on this component, etc.
• Depending on the problem, a second round of inspections could be necessary.

Principles of dealing with a weak ICS

• In the end the certifier needs to be confident that the inspection and quality assurance is sufficiently handled by the ICS so that the organic certificate can be granted on basis of the assessment of the ICS.
• If the ICS is not yet functioning well, the ICS needs to be improved. The ICS should not be “replaced” by high external control rates in the long run.
• However, the group (and the certifier) may need some time to adapt the system satisfactorily; therefore transitional procedures are necessary for the time that the ICS is not yet fully functional, so in some cases rather high external re-inspection rates may be the only solution.
• In most cases, however, it is more appropriate to let the ICS make certain improvements and then come back for a second inspection, instead of imposing very high external control rates. Obviously the evaluation also depends on whether only “formal aspects” of an ICS remain unfulfilled or whether there is in fact no functioning monitoring system / quality assurance system in place at all.

Principles in Dealing with a Weak ICS

• Overall, the ICS inspection and quality assurance must be sufficient to grant the organic certificate on basis of the assessment of the ICS.
• If the ICS is not yet functioning well, the ICS needs to be improved. The ICS should not be “replaced” by high external control rates in the long run.
• In most cases, let the ICS do certain improvements, come back for second inspection.
• If ICS really not functional at all, improvement will need time, transitional high re-inspection rates may be needed until ICS fully functional.
• Only “formal aspects” of an ICS are not yet fulfilled or in fact no well working monitoring system / quality assurance system in place.
Identified problem: Commingling

The consequences in case of commingling (organic/conversion or organic/nonorganic) are usually quite clear: the respective lots are de-graded to conversion and conventional, respectively.

For determination of additional sanctions it is, however, also important to investigate the problem in detail:

- What happened, how was the mistake made? Was it a systematic mistake or rather a single case? If the problem could occur again any moment because the system is weak and inappropriate → immediate improvement of the system (training of purchasing/handling personnel, change of buying/handling system, change of buying/handling procedures, etc.)!
- Fraud or error?
- Is the lot number system consistent enough to find all affected lots?

Normally, commingling cases (at least severe ones) will result in an unannounced additional inspection during next buying/handling.

Co-mingling

Organic Products have been mixed (at any stage) with conversion or conventional products

- Thorough investigation: what happened, who was responsible, how could it happen, etc.
- Is there any consistent lot number system or has the whole batch been co-mingled?
- De-certification of the concerned lots.
- Additional corrective measures to prevent the same incident.
- Usually additional sanction: unannounced additional inspection during next purchase.
Finalization of Evaluation & Certification

After all noncompliances have been evaluated and sanctions proposed, the inspector sends the final report (usually an electronic version plus the original paper version) along with the checked farmers list and all appendices to the certification office for certification.

In the ICS office, the results of the inspection are evaluated and a certification decision is made. Certification documents for a smallholder group will normally be:

- **Certificate for the group**
- **Certified farmers list**: It is highly recommended that one clear ORIGINA list be prepared; the list should be dated and stamped and/or signed. This system makes it 100% clear for the ICS Operator, buying personnel, and future inspectors which list accurately identifies certified farmers at a certain stage.
  
  Each ICS Operator usually continuously updates the farmers list, adds new farmers, etc., and in big organizations is can be quite confusing which farmers have effectively been certified in the previous year.

- **Certification decision**: letter with certification decision and certification conditions (corrective measures).