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## California Certified Organic Farmers (CCOF)

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### Helpful acronyms:

**CCOF** – California Certified Organic Farmers

**GVD** – USDA Grading & Verification Division

**GM** – Genetically Modified

**NOP** – National Organic Program

**USDA** – United States Department of Agriculture

### Executive Summary

California Certified Organic Farmers (CCOF) is one of the oldest, largest, and most respected organic certification agents in the United States. Although in compliance with dozens of domestic and international standards, CCOF primarily works on behalf of the United States Department of Agriculture National Organic Program. The organization certifies organic farms, processors, and handlers through a six-step process including a yearly on-site inspection. However the process is costly and has the potential to push out smaller firms from the market. Additionally, on-site inspections are scheduled beforehand, provoking some questions into the credibility of the process. Nevertheless CCOF maintains a relatively open discussion with both

members and the public in order to sustain its credibility and reputation and the integrity of organic products.

## Organics

The modern organic agriculture movement is thought to have begun with British botanist Sir Albert Howard who famously documented traditional Indian farming practices in his 1940 book *An Agricultural Testament*<sup>1</sup>. The book was highly popular and influenced many scientists and farmers of the day including Lord Northbourne who first coined the term “organic farming”. As part of the environmental movement spurred by Rachel Carson’s book *Silent Spring*, the organic movement sought to encourage consumption of local food grown without the use of synthetic fertilizers, pesticides, or genetic engineering. The current definition of organic maintained by the United States Department of Agriculture is “[...] a food or other agricultural product that has been produced using cultural, biological and mechanical practices that foster cycling or resources, promote ecological balance, conserve biodiversity and do not the use of synthetic fertilizers, sewage sludge, irradiation, and genetic engineering”<sup>2</sup>.

The United States Department of Agriculture currently oversees the National Organic Program that regulates all organic products, livestock, and agricultural products. Products that wish to use the USDA organic seal must be verified by a USDA-accredited certifying agent and shown to be in compliance with the organic standards developed by the National Organic

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<sup>1</sup> “HRH delivers the Sir Albert Howard Memorial Lecture”. Latest Speeches and Articles. 1 October 2008. The Prince of Wales.

<[http://www.princeofwales.gov.uk/speechesandarticles/hrh\\_delivers\\_the\\_sir\\_albert\\_howard\\_memorial\\_lecture\\_471496085.html](http://www.princeofwales.gov.uk/speechesandarticles/hrh_delivers_the_sir_albert_howard_memorial_lecture_471496085.html)>.

<sup>2</sup> “What is Organic?”. National Organic Program. 27 October 2011. United States Department of Agriculture, Agricultural Marketing Service.

<<http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateC&navID=NationalOrganicProgram&leftNav=NationalOrganicProgram&page=NOPCongsumers&description=Consumers&acct=nopgeninfo>>.

Program. Unless gross farm income is less than \$5,000 per year, a facility cannot call itself “organic” without certification by the USDA or an accredited certifying agency. Similarly, production or handling operations that have gross income from organic sales less than \$5,000 are also exempt from certification. Any retail food establishment that handles organically produced products but does not process them is exempt from requirements.

Although the USDA does certify facilities, it relies mostly on accredited certifying agents. Certifying agents are private, foreign, or State entities authorized to certify farms or processing facilities to the USDA organic standards<sup>3</sup>. There are currently 50 domestic and 41 foreign certifying agents offering accreditation to USDA standards. California Certified Organic Farmers is the largest organic certifier in California and one of the largest accredited certifying agents in the nation.

## CCOF

California Certified Organic Farmers was founded in 1973 as an organic certification organization and is based in Santa Cruz, California. It was one of the first certifying agencies in North America and its standards became the basis for the 1990 California Organic Foods Act and later the USDA National Organic Program<sup>4</sup>. The organization currently has more than 2,000 certified members in the farm and food processing community and works with over 1,300 different organic crops and products in four different countries: U.S., Mexico, Costa Rica, and

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<sup>3</sup> “Information for Certifying Agents.” National Organic Program. 5 March 2012. United States Department of Agriculture, Agricultural Marketing Service.

<<http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateN&navID=CertifyingAgentslinkNOPCertifiedOperations&rightNav1=CertifyingAgentslinkNOPCertifiedOperations&topNav=&leftNav=NationalOrganicProgram&page=NOPCertifyingAgents&resultType=&acct=nopgeninfo>>.

<sup>4</sup> Rappaport, Scott. “New book traces UCSC’s role in organic and sustainable farm movement”. UC Santa Cruz News. 09 February 2012. <<http://news.ucsc.edu/2012/02/history-organic-book.html>>.

Canada<sup>5</sup>. CCOF is an accredited certifying agency for the United States Department of Agriculture National Organic Program. Thereby, CCOF certifies to the standards of this program as well as other international standards. CCOF is comprised of three separate components: CCOF Trade Association, CCOF Foundation, and CCOF Certification Services. The CCOF Trade Association works to build consumer demand and public support for organic products through education, marketing, and public relations. CCOF Foundation is the nonprofit branch of the organization with the following aims: 1) To support organic farmer's efforts to conserve biodiversity, 2) To accelerate the transition to organic agriculture, and 3) To educate consumers about the benefits of organic food and farming. CCOF Certification Services is a wholly owned subsidiary of CCOF Trade Association that certifies farm and livestock operations, processors, retailers, private labelers, and restaurants. For the purpose of this analysis, focus will be primarily on CCOF Certification Services. CCOF also has two other subsidiary organizations: the Organic Farming Research Foundation (OFRF) and the Organic Materials Review Institute (OMRI). OFRF funds research related to organic farming practices while OMRI researches and distributes information about the materials that can be used in organic food production.

CCOF's Board of Directors is comprised of 8 directors and 4 officers, elected by certified members for two year terms. Of the four officers, three come from organic farms that are certified by the CCOF. All eight of the directors are from organic farms, orchards, or vineyards certified by the CCOF. The organization also has several committees dedicated to certain topics such as Certification Standards, Finance, Bylaws, Marketing, Personnel, and Government Affairs. The most important committee with regards to this analysis is the Certification Services Management Committee. This committee of six members is in charge of establishing and

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<sup>5</sup> Unless otherwise noted, all information is from the "CCOF Certification Services, LLC Manual: A Guide to CCOF Certification Services"

updating CCOF organic certification standards and managing the certification component of the organization. Members are appointed by the CCOF Board of Directors for three-year terms. Of the current six members, one is from a CCOF certified farm, another is retired, three are from west coast universities, and the last is a representative from CLIF Bar & Company.

The composition of the Certification Services Management Committee adds to the credibility of the organization and the certification process. Having only one CCOF certified farm on the committee helps to ensure that farms are not allowed to influence the certification standards for their own benefit, against the consumer. Additionally, the presence of three agricultural specialists in academics further contributes to the credibility of the standards in that there is more probability that the standards have been researched and demonstrated to be both attainable and of some benefit to organic consumers. However, regulatory capture could still occur within CCOF since the committee members are appointed by the Board of Directors, all of which are CCOF certified facilities. It is highly unlikely that the Board of Directors would nominate a candidate that would work against their interests as business owners so their appointments will probably not be people who want to make standards more difficult to comply with.

### Accreditation and Clients

CCOF was accredited to the National Organic Program as a certifier on April 29, 2002, shortly after the creation of the NOP standards<sup>6</sup>. The USDA accreditation is a four-step process handled by the USDA Grading & Verification Division (GVD). To begin the process, prospective agents must submit their quality manual for adequacy review in order to evaluate

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<sup>6</sup> "USDA Accredited Certifying Agents (ACAs)". National Organic Program. 22 March 2012. United States Department of Agriculture, Agricultural Marketing Service.  
<<http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateJ&page=NOPACAs>>.

their compliance with NOP regulatory parameters. Then an assessment team will visit the office location/sites to assess the employees and system of records. Once GVD has completed the initial audits, the Accreditation Committee will recommend approval or denial for accreditation to the NOP Administrator. A \$500 application fee is charged as well as the \$108 per hour charge for the on-site assessment. The average cost for the process is \$4,428 per year<sup>7</sup>. After the organization is approved, it is accredited for five years. At the two and a half year mark and again at the 5 year mark (for renewal purposes), on-site assessments will again be conducted by GVD staff. The USDA conducts audits of more than 90 organic certification agencies annually in order to ensure that they are properly certifying organic products<sup>2</sup>.

With over 80% of the organic farmland in California under its certification, California Certified Organic Farmers is undoubtedly the largest organic certifying agency in the state. The organization certifies both crops and livestock and their certified products range from beef to chocolate. The top three crops that it certifies are: 1) Grain, 2) Mixed vegetables (including herbs), and 3) Tree fruits and vines. Meanwhile the top three livestock types it certifies are: 1) Dairy, 2) Poultry/eggs, and 3) Beef<sup>8</sup>. CCOF also certifies some of the largest and most recognizable organic farms, handlers, and processors in the nation. Included in this category are: Acai Roots, Dole, Campbell's, Foster Farms, Driscolls, and Whole Foods. With such large clients, CCOF has an important responsibility in maintaining the organic reputation of not only itself but of these firms as well.

<sup>7</sup> "Becoming a Certifying Agent", . National Organic Program. 14 September 2011. United States Department of Agriculture, Agricultural Marketing Service.

<<http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateN&navID=NOPFAQsHowAccredited&topNav=&leftNav=NationalOrganicProgram&page=NOPFAQsHowAccredited&description=FAQ:%20%20Becoming%20a%20Certifying%20Agent&acct=nopgeninfo>>.

<sup>8</sup> "CCOF Certifier Profile". Guide to U.S. Organic Certifiers. 28 October 2008. Rodale Institute.

<<http://newfarm.rodaleinstitute.org/ocdbt/displayCert.php?id=27>>.

## Standards

CCOF's certification programs operate in compliance with local, state, federal, and international organic regulations and standards. The primary regulations and standards it aims to comply with are: USDA's National Organic Program (NOP) Federal Rule, International Standardization of Organization (ISO) General Requirements for Bodies Operating Product Certification Systems, ISO European Economic Community Regulations 834/2007 (EEC), and the Canadian Organic Regime (COR).

To be sold or labeled as organic, the product must be produced and handled without the use of:

- synthetic substances and ingredients
- nonsynthetic substances prohibited by the National Organic Program
- nonagricultural substances used in or on processed products
- excluded methods, except for vaccines provided that the vaccines are approved by the USDA
- ionizing radiation or
- sewage sludge

For certification a producer or handler of the organic product must develop an organic production or handling system plan that is agreed upon by the producer/handler and the accredited certifying agent. The organic production or handling system plan must include:

- 1) A description of practices and procedures to be performed and maintained including the frequency with which they will be performed



2) A list of each substance to be used as a production or handling input, indicating its compositions, source, location(s) where it will be used, and documentation of commercial availability

3) A description of the monitoring practices and procedures to be performed and maintained, including the frequency with which they will be performed, to verify that the plan is effectively implemented

4) A description of the recordkeeping system implemented to comply with the requirements of the USDA National Organic Program

5) A description of the management practices and physical barriers established to prevent commingling of organic and nonorganic products on a split operation and to prevent contact of organic production and handling operations and products with prohibited substances

6) Additional information deemed necessary by the certifying agent to evaluate compliance with the regulations

The land requirements for any field or farm that intends to produce organic products must:

- Have had no prohibited substances applied to it for 3 years preceding the harvest of the crop
- Have distinct, defined boundaries and buffer zones to prevent the unintended application of a prohibited substance from adjoining land that is not under organic management to the organic crops

CCOF also requires that producers manage soil and crops according to their definition of sustainability:

- The producer must select and implement tillage and cultivation practices that maintain or improve the physical, chemical, and biological condition of soil and minimize soil erosion
- The producer must engage in crop rotation, cover crops and the application of plant and animal materials to manage crop nutrients and soil fertility, specifically compost
- The producer must manage plant and animal materials to maintain or improve soil organic matter content in a way that does not contaminate crops, soil, or water with pathogenic organisms, heavy metals, plant nutrients or prohibited substances. Included in plant and animal materials are: raw animal manure, composted plant and animal material, and uncomposted plant material.

Seeds and planting stock are also regulated under CCOF standards. The producer must use organically grown seeds, seedlings or planting stocks unless an equivalent organically produced variety is not commercially available.

As a USDA accredited certifying agent, CCOF is obligated to use NOP standards in its certification process. By enforcing these standards to the fullest, CCOF is seeking to convince the USDA that it is a credible third-party agent capable of undertaking the responsibilities delegated to all certifiers. Simultaneously, the organization is attempting to prove the same to organic consumers, producers, handlers, and processors. Clearer and stricter standards will draw in consumers genuinely interested in organic products who tend to be more loyal to the movement, rather than embracing it as a cultural fad. If CCOF is able to establish itself as a credible and capable third-party agent, it will attract more clients by demonstrating that consumers trust their certification and label.

## Certification

The organic certification process is a six step process that typically takes between six to ten weeks. A person seeking to receive or maintain organic certification must request an application packet from CCOF. The first step in the process is the completion and submission of the Organic System Plan (OSP) and the application. The Organic System Plan, as previously mentioned, is a documentation of the organic operation of the facility and how the operation fulfills required organic standards promulgated by the USDA National Organic Program. The application and OSP must be submitted with a one-time \$275 application fee. The second stage of the process is the review. In the initial review stage, a CCOF certification specialist will assess the OSP and application. If the specialist believes that the facility/operation is ready to move forward towards organic certification, then a Regional Service Representative (RSR) is assigned. The RSR will arrange for a trained inspector to perform an on-site inspection, which is the third step in the process.

The inspection will be scheduled beforehand with the facility and the inspector will request what they want to see, who they want to talk to, and what records they need prior to the visit. This pre-planning could potentially compromise the legitimacy of these evaluations. If facilities/operations are given the opportunity to prepare for an on-site inspection, they could take advantage of the prior notice and essentially “clean up” for the inspector. While on-site the inspector must verify that the details in the Organic System Plan and application are being put into practice. Although not very probable, there is the possibility that facilities could cover up violations in their Organic System Plan in preparation for the inspection.

With regards to costs, the inspector bills CCOF who in turn bills the inspected party for the time and expenses of each inspection. The inspection is billed at \$60 per hour (minimum one

hour charge), travel time is billed at \$42.50 per hour and expenses including mileage, food and lodging are billed in addition. A report of the inspection will be submitted to CCOF. The fourth stage of the process is a second review stage. A CCOF certification specialist will review the inspection report alongside the OSP and the initial application. The facility will be contacted in the case of any non-compliance issues.

After the completion of the second review process, the fifth stage of the certification process begins: the certification status notification. CCOF will inform the facility/operation of their certification status and any requirements for ongoing certification. The final step in the certification process is the annual renewal phase. To remain certified, facilities and operations must be re-inspected annually. Again, the inspection process is scheduled beforehand and the facility is charged for the cost of the inspection. After a positively reviewed inspection and payment of annual certification fees, certification is renewed. Following the initial certification, a federal license will be issued to the facility until it is withdrawn, suspended or revoked.

### **Certification Services**

CCOF provides clients with access to the CCOF seal of certification however the client is responsible for use of the seal. The client is allowed to alter the colors of the CCOF seal however it may not be modified in other ways. Clients are also given the option to use the USDA Organic seal and all labels must be pre-approved by CCOF prior to printing. CCOF is also responsible for pre-harvest or post-harvest testing of any input or final product when there is reason to believe that the agricultural input or product has come into contact with a prohibited substance. CCOF will collect and test soil, water, waste, seed, plant tissue, and animal and processed product samples. The client will be provided with the testing and results free of charge. If the tests

indicate pesticide residue or contaminants that exceed the FDA or EPA's regulatory standards, CCOF will report the data to the appropriate Federal health agency. CCOF will provide a free investigation to determine the cause of the prohibited substance. If a client applies a prohibited substance due to a Federal or State emergency pest or disease program and the client otherwise meets CCOF requirements, the certification status of the client will not be affected. However, the client is not able to sell, label or represent the product as an organic product.

The concern with which CCOF deals with prohibited substances contaminating organic products speaks to the organization's dedication to the quality of organics. Since CCOF is willing to take on the cost of testing for any facility that requests it, the organization demonstrates that it is prepared to front some of the expenses involved in maintaining the integrity and status of organic products, disproving the notion that the organization is engaging in "cheap talk".

### **Costs**

Annual certification costs vary according to facility size but most small farms and processors are certified for anywhere between \$400 and \$1000 however the total maximum certification fee is \$35,000. Fees are based on the Organic Production Value (the amount of organic product produced, even if it is not sold) of the facility for the previous year. The Organic Production Value is determined using sales records and production information that must be provided for review at the annual certification inspection. This information is made available to the CCOF, USDA Secretary and applicable State Organic Program Governing Official. New organic farms are routinely certified for approximately \$700 the first year and between \$300 and \$500 in later years. New organic processors are routinely certified for about \$1200 in the first

year and approximately \$900 in the later years. Costs include the \$275 application fee, the inspection costs, and the annual certification cost. Annual certification fees are payable on January 1 of each year and CCOF may charge a \$75 late fee for missing the due date. Larger operations must pay higher fees but also benefit from services not offered to smaller clients such as political advocacy, PR support, multiple facility programs, export document processing and other services that CCOF doesn't publicly specify. CCOF also offers additional services for a fee such as international standards verification, mid-year additions of acreage or processed products and completion of export documents. The organization also certifies clients outside the United States but there is a \$1200 minimum fee.

Although the certification costs are highly affordable for large Clients like Whole Foods, the costs may be too high for smaller farms and processors. Since any farm producing over \$5,000 worth of product a year must be certified by the USDA or an accredited agency in order to sell certified organics, some small farms may be overly burdened with the certification costs. A farm with only \$5,000 of income a year would have to dedicate up to \$1,000 for certification by CCOF, 20% of its income (not including costs). This has the potential to push smaller businesses out of the organic industry, leaving CCOF with only medium and large Clients. Besides the lack of diversity in the organic market caused by this exclusion, it could also give larger businesses more sway in the CCOF standards and operations. With a more concentrated number of large Clients, CCOF might be more easily influenced to please these Clients, potentially giving in on standards or enforcement in order to keep a valuable customer.

<b>ANNUAL CERTIFICATION FEE TABLE CCOF Certification Services Fee</b>			
<b>Schedule (all amounts in dollars)</b>			
<b>Effective October 1, 2011</b>			
<b>Organic Production Value</b>		<b>Fee (in dollars)</b>	
<b>At Least</b>	<b>Not More Than</b>	<b>Producer</b>	<b>Handler</b>
\$0	\$10,000	<b>200</b>	
10,000	20,000	<b>275</b>	
20,001	50,000	<b>350</b>	
50,001	100,000	<b>525</b>	<b>600</b>
100,001	200,000	<b>600</b>	<b>650</b>
200,001	300,000	<b>725</b>	<b>725</b>
300,001	400,000	<b>875</b>	<b>875</b>
400,001	500,000	<b>1,050</b>	<b>1,050</b>
500,001	600,000	<b>1,500</b>	<b>1,500</b>
600,001	700,000	<b>1,700</b>	<b>1,700</b>
700,001	1,000,000	<b>2,200</b>	<b>2,200</b>
1,000,001	1,500,000	<b>3,300</b>	<b>3,300</b>
1,500,001	2,000,000	<b>3,850</b>	<b>3,850</b>
2,000,001	2,500,000	<b>4,400</b>	<b>4,400</b>
2,500,001	3,000,000	<b>4,950</b>	<b>4,950</b>
3,000,001	3,500,000	<b>5,500</b>	<b>5,500</b>
3,500,001	4,000,000	<b>6,050</b>	<b>6,050</b>
4,000,001	5,500,000	<b>7,150</b>	<b>7,150</b>
5,500,001	10,000,000	<b>9,900</b>	<b>9,900</b>
10,000,001	15,000,000	<b>17,000</b>	<b>17,000</b>
15,000,001	150,000,000	<b>25,000</b>	<b>25,000</b>
Greater than 150,000,000		<b>35,000</b>	<b>35,000</b>
\$350		Minimum fee for mixed organic and non-organic (all types, all crops).	
\$525		Minimum fee for livestock operations with greater than 10 animals.	
\$1200		Minimum fee for clients outside of the 50 United States.	

### Noncompliance

In the case of noncompliance after an inspection, review, or investigation, a written Notice of Noncompliance will be sent to the Client. The notice will include a description of each noncompliance, the facts upon which the noncompliance is based, and the date by which the Client must rebut or correct each Noncompliance and submit supporting documentation of each

Corrective Action. Copies of all Notices of Noncompliance are submitted to the USDA National Organic (NOP) Program Administrator. The Client is then given the choice to: 1) Correct Noncompliance and submit a description of the Corrective Actions and supporting documents to CCOF, 2) Surrender certification, correct Noncompliance and submit a new application to CCOF or another certification agency, or 3) Submit written information to CCOF to rebut the Noncompliance. CCOF will evaluate the Client's supporting documentation or the rebuttal, perform an on-site inspection if necessary, and issue the Client an approval of certification. If the Corrective Action or rebuttal is not sufficient or if the Client fails to respond to the Notice of Noncompliance, CCOF may deny certification or propose suspension or revocation. Clients are responsible for the fees and invoices due at the time of their revocation or withdrawal from the program. Any outstanding invoices that are not paid within 120 days from the date of the invoice will be sent to collections and a collection penalty of 35% of the amount will be charged.

For new producers or handlers, if Corrective Action or rebuttal is not sufficient to qualify for certification, CCOF will provide a Notice of Denial of Certification. Applicant's have the options to: 1) Reapply for certification, 2) Request mediation, or 3) File an appeal of the denial. The USDA NOP Administrator receives a copy of all Notices of Denial of Certification. When the Corrective Action or rebuttal is not sufficient in the prescribed time period for previously certified producers and handlers, CCOF sends the Client a written Notice of Proposed Suspension or Notice of Proposed Revocation of the entire Operation or a portion of the Operation. The CCOF may also send the Client a Notice of Proposed Suspension or Notice of Proposed Revocation if the CCOF has reason to believe that the Client willfully violated the applicable standards. The USDA NOP Administrator also receives a copy of the Notices of Suspension and Revocation. In the case that a Client knowingly sells or labels a product as



organic when it is not in accordance with the organic regulations, the Client shall be charged a penalty of not more than \$11,000 per violation.

This penalty is levied by the U.S. Department of Agriculture and may also be applicable to certification agencies that certify a Client that is not in accordance with organic regulations. Therefore, if a CCOF Client is certified as organic when they are not, CCOF may also be penalized up to \$11,000 per violation. Therefore, CCOF must absorb a substantial cost if they fail to be credible. This penalty demonstrates that CCOF is not engaging in cheap talk, but rather risking up to \$11,000 per Client if they fail to properly certify and verify compliance.

A Client whose certification has been suspended may submit a request to the Secretary for reinstatement of its certification. The request must include evidence demonstrating the corrective actions taken to comply with and remain in compliance with the organic regulations and standards. The Client must pay any applicable review and processing fees. The reinstatement request and evidence will be provided to the USDA for a decision.

When a facility's status is suspended or revoked, the USDA National Organic Program publishes the facility's name, location, certifying agency, and reason for suspension/revocation on a PDF list on the USDA website. Between January 2010 and February 2012, 473 facilities were placed on the list of "Suspended and Revoked USDA Organic Operations"<sup>9</sup>. Forty-three accredited certifying agencies were associated with the facilities on the list. Of those listed, 33 were CCOF accredited operations. Considering that CCOF is one of the accredited agents with the most facilities, their share of operations on the list is relatively minimal. CCOF's competitors (Organic Certifiers, Oregon Tilth, and Organic Crop Improvement Association) have a much higher percentage of facilities on the list than CCOF. This can have multiple meanings for the

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<sup>9</sup> "Suspended and Revoked USDA Organic Operations". Jan 2010 – Feb 2012.  
<<http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5083817&acct=nopgeninfo>>.

reputation of the agency. One possibility is that the agency provides enough support and education to Clients throughout the certification process that the facilities are more likely to comply with the standards. If CCOF offers full information regarding the standards and expectations, then Clients would be better prepared for the process.

The other likely possibility is that CCOF makes the certification process easy enough that the vast majority of its Clients fulfill all requirements. In the reasons listed for suspension or revocation in the USDA published list, “failure of on-site inspection” appears only twice for ex-CCOF operations. The rest of the reasons are mostly the following: “failure to pay fees”, “failure to meet general requirements”, and “inadequate documentation/recordkeeping”. The rarity with which ex-CCOF clients fail certification suggests that the on-site inspection is not a credible monitoring strategy; this is likely due to the fact that the inspections are not random or spontaneous. Although these inspections may be quite thorough, the scheduling of them beforehand with the site reduces the chances that the facility will be caught in violation of one of the standards.

### **Credibility Issues**

California Certified Organic Farmers has established both historical and reputational credibility in the organic industry. CCOF’s standards were used as the model for both the California Foods Act of 1990 and the USDA’s National Organic Program. In fact, the first organic legislation in the nation, the California Organic Food Act of 1979, directly copied CCOF standards<sup>10</sup>. However, as a USDA accredited certifying agency, California Certified Organic Farmers must use the standards set by the USDA NOP and to the dismay of many organic

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<sup>10</sup> Newman, Patrick. “A Brief History of Ethical Stamps and Seals”. FairTruth Certified. <[http://fairtruth.org/history.php#\\_ftn23](http://fairtruth.org/history.php#_ftn23)>.

advocates, these standards are lower than those previously held by the CCOF suggesting that the CCOF has been even more historically credible than its federal overseer.

The composition of both governing bodies and CCOF membership also contributes to the credibility of the organization. Members of California Certified Organic Farmers range from the small to large facilities though the majority of accredited facilities are medium sized farms and processors. The diversity in membership suggests that the certification process is standardized, applicable, and fair to all facility sizes. The members of the governing bodies are also relatively diverse. Farmers, processors, academics, and even a retired community member make up the certification committee suggesting that there is effort to keep interests relatively balanced.

CCOF also increases its credibility through its frequent and public communications with members. Once a year, the organization holds an annual meeting in California for clients to gather and discuss organic issues both within CCOF and in the sector in general. During this meeting CCOF seeks out the input from its clients on important decisions. A recent issue was whether to drop one of the EU standards from its requirements. Clients were asked to give their opinion on the issue both in the meeting and through online surveys that were distributed to all members who could not attend. CCOF also publishes a monthly magazine (available only in print to CCOF clients but in electronic form to the general public) in which it publishes a variety of information relevant to both consumers and clients. In this magazine, the organization publishes a list of facilities no longer organically certified by CCOF. This list is also published by the USDA NOP Administrator. The availability of this information to consumers suggests that CCOF cares about the consumer in addition to their own reputation. By distancing themselves from ex-clients, CCOF is seeking to maintain their reputation in the organic industry

and better inform consumers about their purchasing options. This relatively open dialogue with both clients and the public contributes to CCOF's credibility as a third-party certification agent.

Some of the biggest issues affecting CCOF credibility are industry-wide and affect all certifying agents. Because CCOF and other certifiers are under the authority of the USDA, they must abide by the decisions made by department. One credibility issue that has distanced some consumers is the variety in the definitions of "organic". There are four designations of organic signifying different variations in the level of organic production. CCOF and the USDA certify the two most stringent levels: "100% Organic" and "Organic", the latter of which means that the product contains at least 95% organic ingredients. The other two definitions that are not as closely monitored or certified are "Made with Organic Ingredients" and "Contains Organic Ingredients". The first is defined as having at least 70% organic ingredients and the second is any level below 70%. With such variance in the use of the word organic, some consumers have been turned off by these products due to the confusion. Consumers who prefer organic diets have been particularly turned off by the ambivalence with which some companies designate their products as organic. Unfortunately some of the criticism has fallen on CCOF and some consumers are calling for stricter rules on the usage of the term organic despite the fact that this falls outside of CCOF's limitations and the organization can only press the USDA on behalf of consumers.

Another issue that CCOF is taking heat for on behalf of the USDA is the recent legislative decision made by the department. In January 2011, the USDA deregulated the use of Roundup Ready Alfalfa for use as feed for cattle<sup>11</sup>. Opponents are upset because genetically engineered alfalfa necessitates the use of more toxic herbicides, threatens biodiversity, and would be unaffordable to small farmers should they decide they wanted to use it. Without

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<sup>11</sup> Markowitz, Eric. "Organic Industry Fuming Over Obama Ruling". 1 February 2011. INC. <<http://www.inc.com/articles/201101/organic-industry-fuming-over-obama-ruling.html>>.

regulation, Roundup Ready Alfalfa would be able to be grown anywhere, even near organic, heirloom alfalfa, potentially cross-contaminating these crops. Both producers and consumers have boycotted the decision and expressed their disappointment with the USDA. Some worry that this could lead to further de-regulation of genetically modified crops, leading to less integrity in the organic brand.

This worry and disappointment was compounded later in the year when consumers discovered that strawberries from Driscoll Strawberry Associates were not as pesticide-free as represented. Although the strawberries themselves have never been treated with pesticides, most starts grown by farms subcontracted by Driscoll have been treated with methyl bromide before the plants bear fruit<sup>12</sup>. As a CCOF certified facility, Driscoll's is a potential liability for the organization however it must follow USDA regulations and standards. The Driscoll case is yet another example of the lack of transparency in the general USDA standards and how USDA decisions can inevitably affect the credibility of its agents, including CCOF. Nevertheless, it should be noted that CCOF does not have credibility issues that cannot be generalized to the entire organic industry or traced back to the decisions undertaken by the USDA.

## **Conclusion**

Although CCOF and the organic industry are currently facing several credibility issues, California Certified Organic Farmers has proved itself to be one of the most historically credible certification agents in the USDA National Organic Program. Despite some of these issues being beyond the scope of CCOF's capacity, the organization could undertake some actions to increase their credibility to consumers and facilities.

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<sup>12</sup> Gross, Rachel. "Organic Strawberries? Not so Much". 22 September 2011. The Bay Citizen. <<http://www.baycitizen.org/food/story/organic-strawberries-not-so-much/2/>>.

To diversify its general membership and potentially that of its governing bodies as well, CCOF could offer additional assistance funds or subsidies to cover certification costs for small facilities. The organization has offered this before in the past, yet during the current economic downturn, this assistance would be especially beneficial. With more diversity in their membership and in the board and committees, CCOF could increase its credibility by demonstrating that no interest group is more represented or given more input than another.

In order to combat some of the issues arising out of the USDA and its decisions, CCOF should first carry out an educational campaign to explain the differences in organics existent within the industry. By better informing the consumer, the organization could help reestablish consumer confidence in the integrity of organic products and certification. As a second option, CCOF could choose to expand the standards they enforce beyond those of the NOP. Fulfilling the NOP organic standards and then adding some of their own relating to CCOF specific values, like the prohibition of fumigants or GM plants, would help set the organization apart from recent USDA scandals. This could increase consumer confidence in their certification process and appease clients that have been advocating for stricter standards in order to further distinguish their products as a product of value, worthy of a higher price and reputation. Of course, this second move should be taken after extensive discussions with clients in the annual meetings, surveys, and newsletters.

Finally and most importantly, California Certified Organic Farmers could easily increase credibility in its certification process by engaging in random checks on facilities. Since clients will undoubtedly undergo different business cycles, the one pre-scheduled inspection will continue to be a fair assessment of compliance with the standards. However, conducting random checks will allow for a more realistic picture of the day-to-day operations of facilities and their

daily compliance. Though this move might be unpopular with some clients, those that care about the reputation of organic products would likely not be opposed as this will only increase the credibility of CCOF and the integrity of the products it certifies.

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