



**SMALLHOLDER GROUP CERTIFICATION  
GUIDANCE MANUAL  
FOR PRODUCER ORGANIZATIONS**



*Revised IFOAM Producer Manual for Setting Up and Harmonizing an Internal Control System (ICS)*

*May 2004*

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IFOAM commissioned a group of experts under the coordination of IMO to revise the IFOAM producer manual and develop a training manual for producer groups in setting up and harmonizing internal control systems. The new guidance manual is based on the results of the three IFOAM smallholder harmonization workshops as well as acknowledged basic documents in smallholder group certification such as the Naturland/IMO Smallholder Manual (2001).

The project was coordinated by Florentine Lechleitner (IMO) and the following experts contributed to the ICS Guidance Manual and the Training Curriculum: Ute Eisenlohr (IMO), Franz Augstburger (IMO Caribe), Chris May (Bioglobal), Gerald Herrmann (Organic Services) and Bo van Elzakker (Agro Eco).

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# Preface

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This manual applies to smallholder organizations (farmers co-operatives, farmers contracted by exporter or NGO, other forms of farmers associations) who wish to apply for organic certification as a group.

It can be used

- a) by as yet uncertified smallholder organizations as a guideline how to set up an Internal Control System (ICS) and related measures for organic certification
- b) by already certified organic smallholder organizations as a basic document for evaluation of their existing ICS and identification of aspects of their ICS that might need to be revised in order to streamline their system with the new harmonized IFOAM ICS approach as presented in this manual.

The Manual is presented in three parts:

- A. General introduction to smallholder certification and internal control systems
- B. Core parts of an internal control system (presented as chapters of an internal ICS manual)
- C. Additional components of an ICS: procedures like purchase, processing, storage, etc., which may also lie under the responsibility of the ICS operator and which need to be defined and documented, but which are not, strictly spoken, part of the ICS. Usually these aspects are also described in the internal ICS manual.

*Each chapter in Part B and C of this guidance manual contains the following information:*

**MINIMUM REQUIREMENTS:** these are minimum requirements for the ICS; i.e. in principle, they must be implemented for organic certification. If certain particular requirements can only be implemented gradually, it is still up to overall assessment of the organic certifier to assess whether organic certification can be granted  
\* Minimum requirements with a \* must already be fulfilled at the first inspection.

*Comments and Suggestions:* In this section some comments and suggestions for the respective chapter are given. This may include examples of procedures that have already proven to work well or explanations regarding the background of a certain minimum requirement.

**Sample Text ICS Document:** As an illustration how an ICS manual could look like, a sample ICS text is written for each chapter. The example chosen is the ICS of a typical coffee cooperative in Latin America. Obviously the sample is meant as an illustration only and can be adapted by the ICS operator as needed, but always with regard to the applicable minimum requirements.

# Part A: Introduction Smallholder Certification

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## 0.1 Introduction to Smallholder Certification on basis of ICS

The organic market is regulated by various organic standards and regulations; i.e., in most countries worldwide, all production steps of a product that shall be marketed as “organic” need to fulfill certain defined criteria for organic production. Compliance with these rules has to be inspected and certified by an organic certification body.

On the other hand, a majority of agriculture practitioners worldwide are smallholders and are often located in remote areas with long travel times from one place to another. Furthermore, the overall revenue from their agricultural production is usually far too small to allow a viable farm inspection by some external inspection body for each farmer.

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

As a consequence requirements regarding smallholder group certification and the duties of the Internal Control System (ICS) differed considerably between different organic certifiers.

Smallholder groups certification implies that there is:

- A central body responsible for ensuring the group’s compliance with applicable standards. This can be a self-organized cooperative/farmers association or simply a buyer or processor who contracts farmers (“contract production”).
- Group Certification for all small farms as well as processing and handling activities registered within the group. Individual operators within the group may not use the certification independently.
- Group members operate under contractual or binding membership requirements specifying the commitment to comply with applicable organic standards and permit inspection, etc.
- The ICS maintains files on all members of the group and inspects each member’s operation at least once a year. A list of all individual member producers is available. The group through the ICS mechanism decides on members’ compliance with applicable standards. Non-compliances are dealt with according to set procedures and sanctions.  
(from IFOAM’s Position on Smallholder Group Certification for Organic Production and Processing)

As a result of a three-year harmonization process with annual workshops at the Biofach, as well as two larger IFOAM projects regarding smallholder group certification, this manual now comprises an up-to-date and harmonized set of criteria regarding group certification

and Internal Control Systems. The new EU position paper on smallholder group certification has also been taken into account.

The criteria for certification of ICS is laid down in the IFOAM Accreditation Criteria (AC) - chapter 8.3 with guidance. The outcome of the three smallholder workshops specified the procedures in much more detail than would be appropriate for accreditation criteria. The IFOAM criteria were taken into account in the workshops and similarly the results of the workshops were reviewed in the revision of the criteria.

## 0.2 Who is eligible for group certification?

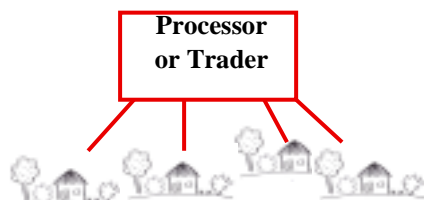
Smallholder farmer organizations of different types are eligible for group certification.

The most common types of smallholder projects are:

- 1) Farmers Groups: an association or cooperative of farmers holds the organic certificate and organizes the ICS (is the ICS operator)



- 2) Contract Production: a trader or processor who is contracting small farmers holds the certificate and organizes the ICS (is the ICS operator)



Remark: In some cases the ICS operator does not own the certification because the certification is paid by somebody else, e.g., by a trading partner in Europe.

For smallholder group certification the following conditions must be fulfilled:

- The cost of individual certification is disproportionately high in relation to the sales value of the product sold. Farm units are mainly managed by family labor.
- There is homogeneity of members in terms of geographical locations, production system, size of holding, common marketing system.
- In principle only small farmers can be members of the group covered by group certification. Larger farms (i.e., farms bearing an external certification cost that is lower than 2% of their sales) can also belong to the group but must be inspected annually by the external inspection body. Processors and exporters can be part of the structure of the group but have to be inspected annually by the external inspection body. (see *new ICS Guidance Document EU Commission 6.11.2003*)

*For more details on the long discussions regarding this issue refer to the IFOAM Smallholder Group Certification – Compilation of Results*

### **0.3 What is an ICS?**

IFOAM definition: An Internal Control System (ICS) is a documented quality assurance system that allows an external certification body to delegate the annual inspection of individual group members to an identified body/unit within the certified operator.

This means in practice that a growers group basically controls all farmers for compliance with organic production rules according to defined procedures. The organic certification body then mainly evaluates whether the Internal Control System is working well and efficiently. The evaluation is done by checking the ICS documentation system and staff qualifications and re-inspecting some farmers.

The details of such a quality assurance system are described in detail in this manual. Some of the formal requirements (documentation, clearly defined procedures) result from the requirements of the organic regulations that always include “control requirements” in addition to “production requirements”.

### **0.4 How to develop a suitable ICS**

This manual serves as a guideline of what is expected of a documented Internal Control System (ICS). It can be used in the process of setting up and developing the ICS and the internal ICS manual for a specific group of smallholder farmers. Although the sample texts and the comments in this manual can be used as a basis, the ICS still needs to be adapted at least in some details to the unique situation of each smallholder project.

More detailed instructions on how to actually set up an ICS are included in the IFOAM Training Manual for Setting up and Harmonizing ICS.

The basic steps are:

- Find qualified personnel and make sure they receive the necessary training in organic production and ICS development (e.g. with help of the above-named manual).
- Identify farmers. If farmers are not yet familiar with organic principles, awareness creation may be necessary
- Start developing adapted and suitable ICS forms and (preferably written) procedures with the guidance of this manual. The final ICS manual can initially be a fairly simple document. It is more important that the procedures and forms are actually implemented and understood by all staff than that the manual contains details on every eventuality right from the beginning.
- In order to help with selecting the very minimum ICS requirements that should already be implemented before the first inspection, these requirements are indicated with a \*.

- Either before or during the first inspection, the organic certification body must screen and assess the ICS document and most likely offer some comments or conditions for improvement.
- Gradually improve the ICS document (procedures, forms, etc.) and its implementation by the ICS staff.

## Part B: The Internal ICS Manual (Core Part)

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*Organizations that are to be certified on basis of an ICS are expected to present an internal ICS manual. The second (B) and third part (C) of the guidance manual are written as far as possible like a real internal ICS manual; i.e., an organization could take this guidance manual, leave out all minimum requirements (gray text boxes) and tips (white text boxes) and adapt the sample texts according to their situation (but always with consideration to the minimum requirements). This approach will result in a complete internal ICS manual.*

*The content of the manual (which to organize in the manual text, what to put in the annex, structure, etc.) may of course be modified according to the needs of the user.*

*In established ICS the external certification body will check whether the ICS manual meets all relevant criteria, independent from how the group decided to structure its manual.*

### 1 Distribution & Update Management of ICS Manual

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*It is of key importance that the ICS policies and procedures are known to all involved, including the farmers. Therefore it is important to establish transparent document management ensuring that the internal ICS manual is always up to date and all relevant parts distributed to all parties.*

#### 1.1 Distribution of the internal ICS manual

Policy: All relevant parts of the ICS manual and descriptions of ICS procedures must be made available in appropriate form to the persons responsible for implementing the respective requirements or procedure. Farmers should have access to the manual.

1. The complete internal ICS manual must be distributed to the members of the Organic Approval Committee and/or the Organic Approval Manager as well as to the internal inspectors.
2. The full internal ICS manual shall also be made available upon request to farmers and associated organizations/operators which are part of the organic project.

*It is recommended that the top management is involved as much as possible in the ICS procedures and also has to approve the ICS manual.*

This complete ICS manual is made available to:

- general management
- members of Organic Approval Committee
- internal inspectors and field support staff (extension staff)

Copies of the complete document are kept at the village project centers for access by interested farmers.

The following parts of the ICS manual are also distributed to:

- farmers: internal organic standard (farmers also receive a cartoon summary of the production rules)
- contracted processor <name processor>: internal processing standard and handling and processing procedures:
- purchase officers: buying procedures and forms

The ICS manual can only be changed with approval of the general manager.

## 1.2 Improvement and updating of the ICS manual

Policy: The ICS manual shall reflect the reality of the ICS and current requirements of the certification standard.

1. The ICS manual needs to be reviewed on a regular basis as updated when necessary.
2. Changes are communicated to all staff concerned (see chapter distribution).

*Internal management review, changes in the external certification standard, findings of the organic project personnel or technical support advisors, results of the annual report by the Organic Approval Committee/Organic Certification Manager, and findings of the external inspector may lead to revisions of the internal standards, procedures, and forms and consequently serve to improve the quality of the ICS. The ICS manual shall reflect the reality of procedures and therefore it is important that regularly, e.g., once a year the ICS coordinator sit down and discuss with all parties involved what should be changed in procedures, in forms, etc., for the coming year in order to continuously improve the system and best adapt it to the needs of its users. If substantial changes are made it is recommended to send the manual to the external certifier for approval before the implementation starts. If it can be done, it is recommended to rather choose a general revision time at the beginning of the new inspection season than to change something in the ICS Manual every month. It is very important that the ICS staff is aware of important changes; therefore it is highly recommended to specifically address changes in procedures and documents in staff trainings.*

This ICS manual is updated when required (e.g., if the certification standard changes or if procedures are not working well). At least once a year before the beginning of the new <coffee> season in <February>, the ICS manual is reviewed and modified when changes are required (document receives a new version each year, e.g., "2004").

Changes in the ICS manual are approved by the management (chairman of cooperative and organic coordinator). The ICS coordinator is responsible for distributing the updated procedures and forms after the changes to all parties. When changes are made, a complete new version of the ICS manual is distributed to all affected parties (see chapter availability) at least once a year. It is the responsibility of the ICS coordinator to ensure that all concerned personnel receive notification of which sections of the ICS manual have been changed. He/she shall ensure that all staff members are aware which forms/procedures are valid and that they are aware of the changes.

## 2 Brief Description of Structure & Activities

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### 2.1 Overview of farms

Policy: The internal ICS manual contains a basic description of the organic project.

\*1. An overview on the organic project sites must be given.

2. A general overview on the farming system and agricultural practices of participating farmers is needed.

*Ad 1: An organic project site could be, e.g., a group of farmers in the same region with similar characteristics or a group of farmers who are organized in separate internal control units.*

*Ad. 2: A smallholder group needs to fulfill certain criteria (e.g., regarding homogeneity of farmers, size/economic power of producers) in order to permit certification based on an ICS system. The final decision of whether smallholder certification is possible is made by the certifier considering the criteria as outlined in the IFOAM-ICS Compilation of Results. As a basis for the evaluation by the certifier, as well as for an internal overview of the organic project, a description of its structure must be available. This document needs to include the structure and size of the farms (average, minimum, and maximum size), cultivated crops and farming methods which are at present practiced by the farmers (if necessary distinguish between farmers groups located in different areas). Describe the most intensive as well as the most extensive farm management.*

Overview <organization AAA> project sites:

Name of project site (regional chief internal inspector)	Villages	N° organic farmers
Río Blanco (Carlos Morales)	San Juan Villa Rica	134
San Martín (Pedro Juarez)	El Progreso La Marvilla	94
Montaña Azul (Juan Real)	Belo Horizonte Flor de Mayo	56

The farmers typically own 5-7 ha of land. The average area under coffee is between 4-6 ha per farmer. The smallest farmer has 0,5 ha of coffee and the biggest has 12 ha under coffee. Generally farmers in Rio Blanco and San Martin tend to be rather small, while the bigger farms are rather located in Montana Azul. Most of the farmers cultivate between 0.5-1.0 ha of home consumption crops (maize and beans), a few have livestock (Montan Azul Region). Coffee in all project regions is traditionally produced without any agrochemicals. Some producers use compost for fertilization which is made from the dung of own animals. Most of the farmers still use some chemical fertilizers (urea) in their maize production. The farms are managed mainly by family members with the help of seasonal workers during harvest period. Farmers sell most of their coffee to the <organization AAA>, but also to local traders.

## 2.2 Overview buying, handling and exports

Policy: The Internal ICS manual contains a basic description of the organic project.

\*1. There must be a description of all the steps that take place from harvest until the final sale of the product to another entity, including indication of whose responsibility the product is under at each step.

*As a first overview of the organic product flow (that normally has to be supervised by the ICS and in all cases by the organic certification body), a short description/illustration is needed of the buying process, purchase centers, transport, how and where storage takes place, processing, packing / re-packing.*

*For new organizations the originally planned procedures as described in the manual might need to be changed to fulfill the requirements for ICS certification, as outlined in this manual. Therefore a revision of this description may be necessary in order to describe the new situation after having implemented changes in the product flow organization. Detailed procedures for buying and handling are described in chapter 5.*

<Coffee> is harvested by the farmer, wet-processed on his farm and dried on mats. The <coffee> is then brought in bags to the purchase center. <Coffee> is bought by <organization AAA> in <three> purchase centers. In each center, drying areas are available, where the product is dried immediately after reception, if necessary and packed in bags of the organization. Each Friday the collected products are transported from the purchase center in hired lorries to the central warehouse of the <organization AAA>. -From there, all coffee bags are transported to the processing plant <processing plant BBB> for dry processing. After processing the <coffee> is packed in final export bags and then sent directly back to the central warehouse where it is stored until export. From the moment of purchase from the farmer until export the <coffee> is owned by <organization AAA>.

## 3 Risk Management

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### 3.1 Basic Risk Assessment

Policy: Risks which might jeopardize the organic product quality at the different levels of farm production, transport and storing, processing and export must be known and taken into account in all internal control procedures.

\*1. A detailed initial risk assessment must be completed once.

2. The risk assessment has to identify risks on the farm level as well as during buying, processing or (export) transporting, as far as the product is under responsibility of the ICS operator.

3. The ICS takes all measures to minimize the identified relevant risks.

*Ad. 3 It will be evaluated whether all risk aspects are checked sufficiently by the ICS and appropriate countermeasures are taken. E.g., if there is a reasonable chance that farmers will sell produce of their neighbors/family the risk could be counteracted by a) registering all neighbors and family members; b) preparing a very thorough estimate of yields immediately before harvest, rigorously checking delivered quantities, plus spot checking by*

*an internal inspector during harvest period; c) buying only the produce that have been harvested in presence of project purchase staff themselves. In the IFOAM document “Smallholder Group Certification -Compilation of Results”, there is a long list of potential risks given.*

Three examples of an organic risk assessment are included in the Annex

- Coffee cooperative (“low-risk”: simple mixed cropping system): Annex I
- Banana Project (“high risk”) Annex II

## 3.2 Critical Control Points and Continuous Risk Management

*The initial risk assessment is the very first step toward raising awareness of critical aspects to be tackled in the ICS. It is recommended to repeat the risk analysis exercise regularly to be aware which of the previously identified risks might still be jeopardizing the organic quality and what are the most important risks at present (will always be changing). Example: while in an initial risk assessment the main focus will be on farm production and potential risk that farmers sell non-organic crop), in the following year the risk may be more on the ICS side: not enough staff to finalize 100% inspection, quick turnover of staff so that new staff is perhaps too inexperienced, etc.*

*An ICS operator should always be aware of the current main critical control points in order to take appropriate preventive measures in his overall risk management.*

## 4 Internal Organic Standard

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### 4.1 Scope of certification

1. All organic regulations or standards according to which certification is requested need to be listed in the internal standard or the internal ICS manual.

*Depending on the targeted organic market official organic regulations must be complied with, e.g., [EU-Regulation 2092/91](#), [National Organic Program NOP US](#), [JAS Japan](#). Additionally other (private) organic standards may facilitate the market access, or may be requested by the buyer (e.g. [Naturland](#), [Soil Association](#), [Bio Suisse](#), etc.). An overview of the requirements of different organic regulations and private standards is given in [annex IV-VI](#))*

<Organization AAA> is working according to the following regulations:

- EU-Regulation 2092/91 (all farmers)
- USDA NOP Standard (all farmers)

## 4.2 Internal Organic Standard

Policy: The internal organic standard is the reference standard for the internal control.

1. The internal organic standard must include the farm production requirements of the relevant external organic regulations/standards as far as these requirements are important and relevant for the organic activities. It shall also include the necessary production rules to ensure truly sustainable and organic farming.
2. It must be presented in an adequate form, according to the knowledge of the ICS staff.
3. The requirements of the internal standard (and practical implications for the farmer) must be communicated clearly to all farmers in local language.
4. The internal organic standard shall address the following topics:
  - What units/crops are under organic management and certification plus how to deal with part conversion (i.e. if farmers still grow some non-organic crops as well)
  - Conversion period
  - Farm production rules for the whole organic production unit (e.g., seeds, fertilization and sustainable soil management, plant-protection, approved inputs, prevention of drift, livestock husbandry)
  - Harvest and post-harvest procedures

*Ad 1 The internal organic standard is written by the ICS operator for the specific local situation of the organic project but under consideration of all applicable certification regulations and applicable private standards. It should also include all the active farm management methods necessary for truly sustainable and organic farming. The most important requirements of important international organic regulations (EU-Regulation on organic farming N° 2092/91, NOP Standard) are summarized in Annex IV and V of this manual. In some aspects the ICS operator may decide to be stricter than the minimum requirements of these standards. Some requirements of the standard (e.g. conditions in case of parallel production) may not be necessary in the internal organic standard (e.g. if all farmers have only organic crops).*

*E.g.. it is recommended to not simply include the whole list of permitted products for fertilization and pest control that is defined in the external organic regulation, but reduce the list of allowed inputs to only those products which are really necessary and known to the producers.*

*Please note that the external organic regulations/standards are regularly subject to changes (see chapter 1.2).*

*Ad 3 Usually a summary of the organic internal standard is given to farmers as an annex to the contract, or the most important requirements are simply listed in the farmers contract. For communication of the most important aspects to the farmers it may be a good idea to include illustrations in addition to text. If farmers are illiterate, the certifier may require a description of procedures on how the farmers can still have access to and understanding of the internal standard (e.g. illustration of standards).*

Two examples for an internal organic standard are included in the annex:

- Coffee cooperative (“low-risk”: simple mixed cropping system): Annex VII
- Banana Project (“high risk” farmer with non-organic vegetable plots and extension of the cash crop to new fields) Annex VIII

## 5 Farm Control and Approval Procedures

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### 5.1 Registration of new farmers

Policy: All farmers that shall be certified need to be formally registered as organic farmers.

- \*1. For each farmer the total area under his/her management (including non-organic fields), the organic crops with area (or number of plants/trees in mixed cropping) and his/her basic farming methods need to be recorded in a Farm Entrance Form (farm data sheet). For each farm the date of last application of prohibited inputs is recorded.
2. A commitment declaration (contract) must be signed between each farmer and the ICS operator in a language understood by the farmer. The contract must contain commitments to fulfill the internal organic standard. The consequences of violation of the contract must be clear (sanction policy). It must also grant permission for internal and external inspectors to inspect farms and farmer records. The contract shall also be available in the language of communication with the certifier.
3. An overview map (village or community map) must be provided showing where each organic farm is located.  
An up-to-date map showing at least the fields of each farmer must be available in the following cases:
  - farms with annual organic export crops in rotation,
  - organic farms in an area with high chemical input (and thus high risk of drift)
  - when non-organic crops are grown by the organic farmer
4. If the farm data changes considerably, a new form entrance form/basic far data sheet must be completed, or the data in the farm file updated in update forms or similar.

*Ad. 1 The registration of new organic farmers is very important and must be taken seriously by the internal control. The previous farming practices and the previous use of inputs have to be investigated thoroughly. Also good basic data on the farmer (e.g. number of trees) helps in all following years for good supervision and exact yield estimates, etc. An example for a Farm Entrance Form is included in Annex XII. The registration visit usually does NOT count as first internal inspection. The internal inspection should be done after the registration visit.*

*Ad 2 The contract should contain information on how long it remains valid and how it can be cancelled. Contracts are often made as “contracts for life”, however in certain cases it may be a better option to renew contracts periodically (e.g., every 3 years). Often in the contract production rules that the farmer has to follow are described or reference is made to the (summary of) the internal organic standard as an annex to the contract. Often some additional explicit requirements, such as “the farmer is not allowed to market any produce of his friends, neighbors and family” are added to ensure that the farmer really knows what is expected from him. An example of a contract is included in Annex IX*

*Ad. 3 The overview maps shall provide the external inspector with sufficient information to locate each farm. It may be preferable to have one map for each village; for each production zone there might be a need for an overall overview map indicating the different villages. The maps should therefore indicate villages, roads and tracks, trading centers,*

*specific landmarks. The map should be dated. An example is included in Annex X. Where necessary and feasible, maps can be made using Global Positioning System (GPS). In addition to overview maps it is recommended (even if not always compulsory) to have a field map for each farmer for complete overview on the farmer's fields and plots (e.g., defined plot numbers for each plot that then can be used in all checklists, etc.). A map may also be the best way to document the different crops grown on the farm and indicate potential areas of drift. For farms with rotating organic export crops it may be a good idea to have one farm map with only the sketch of all fields and copy this field map several times. Then, each time an update map is done, this simple standard map is used to indicate the actual plots and crops within these plots. Maps of neighboring farmers can be combined as long as the fields with the crops can still be identified. In some cases a large and detailed village map may also be appropriate to indicate all fields of the farmer and would therefore be sufficient. A sample farmer's field map is included in Annex XI*

*Ad 4: considerable changes would be for example the buying of new plots/selling of plots. After a couple of years, it might any make sense to collect all farm data correctly again (esp. if new crops were planted meanwhile etc.)*

Each new farmer who wishes to be registered as a new organic farmer for <organization AAA> is visited by a field officer. At this visit

- the requirements and obligations of being an organic farmer are explained
- the fields of the farmers are visited
- the field officer assists the farmer in completing the Farm Entrance Form (annex XX).
- the field officer draws a simple sketch of the farm (annex XX) with all plots of the farmer, rough indication of present crops, potential risks of drift
- the farmer also signs two copies of the contract with <Organization AAA> (see Annex IX).

Once the documentation is complete, the information will be processed by the ICS office as follows:

- The farm entrance form is screened by the organic manager and the conversion status is determined according to the Internal Organic Standard.
- Once accepted, the farmer receives a new code number and this code number is marked on all documents of this farmer.
- The new farmer is added to the village overview map with code number.
- The farmer's information is added to the list of registered farmers in conversion.
- The contract is countersigned by the Organic Approval Committee and a copy of the contract returned to the farmer.

## 5.2 Internal Inspections

Policy: Each registered organic farmer is inspected by the internal control at least once a year by qualified internal inspectors.

\*1. There is at least one documented internal inspection per calendar year.

\*2. The inspection must be carried out in presence of the farmer (or his/her representative) and must include a visit of the whole farm, storage of inputs and harvested products, as well as brief check of post-harvest handling and animal husbandry. The internal inspector verifies if the internal organic standards have been respected and if the conditions of last year's internal inspection have been fulfilled.

\*3. The visit is documented in the Farm Inspection Checklist, which is signed by the internal inspector and acknowledged by the farmer (or his/her representative).

4. In case of severe non-compliances, the problems have to be reported immediately to the ICS Manager and all measures taken according to the internal sanction procedures.

*Ad 1. One inspection per year is compulsory but, depending on the complexity of production and the length of the production cycle (e.g. 3 harvests per year), the rate of internal inspection may have to be intensified. Some projects have one formal internal inspection per year (with complete checklist) but several longer extension visits by the field advisor to update field data and also check on the performance of the farmer. Also some certification bodies will require a certain percentage of spot checks (announced or unannounced) to be done. Unannounced spot checks in addition to the regular annual inspection are highly recommended for all ICS operators.*

*Ad 2 Internal inspection should take place during the 'critical moments' in the production period: around planting and harvesting or in periods known for high risk of pests and diseases or potential use of herbicides. It may be good to do an annual plan for internal inspections and plan a certain % of inspections during all critical phase, but before buying. The inspection should focus on organic fields. But also non-organic fields (e.g. for home consumption) are visited and potential risks for organic crops noted. If the non-organic fields are far away from the organic fields, a spot check of these fields may be sufficient. The internal inspector should check that the same crops are not cultivated on both non-organic and on organic fields (no "parallel production" may take place). The internal inspection focuses on farm production (fertilization, pest control and use of inputs, weed control, origin of seeds, indication of drift, soil erosion, overall sustainability of production etc). Often yield estimates are registered (see chapter 4.3). For all new fields, a field history with the last use of forbidden products should be documented. The inspector should also check on post-harvest processing and storage facilities and controls if forbidden inputs are stored. Additionally, the animal husbandry should be inspected in order to ensure basic animal welfare and, if relevant, that no contamination of organic produce can take place, e.g., by tick control spraying. The internal inspector should also interview the farmer about the quantities sold and compare the information with the records and sales receipts of the farmer.*

*Ad 4 At the end of the inspection, a final discussion takes place in which the deviations and necessary corrective measures are explained. The findings of these internal inspections are noted on the Farm Inspection Checklist. The Farm Inspection Checklist must be acknowledged (by signature, finger print, etc.) by the farmer to confirm that the information given in the checklist is correct and that he/she accepts the results and acknowledges the proposed corrective measures of instructions for improvement. Sometimes non-compliances may be detected by field officers during advisory visits or similar. Obviously the same procedures (investigate-document-report-act) will be necessary in this case.*

*General: For a good internal control there must be a certain description of activities available. This part can either be included in the organic checklist (as done in the example in Annex XXX) or can be collected in a separate form (e.g., continuous documentation of farm activities and use of inputs, crop rotation, etc., by field officer) while the checklist really only checks whether everything is okay.*

The internal inspection of the <organization AAA> takes place before harvest of the coffee. The internal inspector verifies the coffee fields and checks if all fields have been correctly registered and if new fields have been added. He/she verifies the cultivation measures and whether the seeds, pest

and weed control, and fertilization correspond to the internal standard. He/she verifies whether all measures against erosion have been taken and checks if there is any risk of drift from neighboring fields. He/she also checks whether the farmers cultivate non-organic home consumption crops (maize). In this case, he/she verifies if non-organic products are being used. He/she checks if the fields with home consumption crops are clearly separate from the coffee fields and that the home consumption crops are not being cultivated in young coffee plantations. In case of deviations from the internal standard, the conditions are noted in the farm inspection form. The internal inspector verifies the quantities that have been sold in the last year and registers the yield estimation for the present harvest. He/she checks the storage rooms of inputs and of the harvested coffee and the procedures for processing of the coffee cherries. All information is documented on the field inspection form, which is signed by the internal inspector and by the farmer (illiterate farmers confirm with fingerprint). At the end of the inspection, a final discussion takes place, in which the deviations and necessary corrective measures are explained.

### 5.3 Yield Estimates

Policy: There has to be a yield estimate for the organic cash crop of each farmer.

1. The internal control needs to provide yield estimates of the crop to be certified for each farmer. The estimates need to be available before harvest (or for a defined harvest period).

*Correct yield estimates are important, but at the same time they are very difficult to obtain due to many influencing factors (especially weather conditions). Good harvest estimates are usually based on the quantities delivered by farmer in previous years, plus an assessment of the actual crop situation on the farm.*

*Yield estimates are important during buying, since the delivered quantities are continuously counterchecked with the estimates. If reliable harvest estimations are available, the purchase officer can detect if the farmer is trying to sell produce that does not come from the farmer's own farm.*

*Yield estimates may be registered during the internal control, but it may be more appropriate to, e.g., have the field officers record updated yield estimates in a different internal document (e.g., draft buying list) immediately before harvest so that reliable information is available and can be processed by the ICS Manager to produce the approved buying lists (see chapter 5.1).*

In <organization AAA> the yield estimation is collected one month before harvest by the internal inspector. The data is first recorded in the internal inspection form and then handed over to the ICS coordinator. He/she elaborates the approved buying list, which is given to the purchase officer.

### 5.4 Internal Approval Procedures

Policy: The ICS operator has defined procedures to approve or sanction farmers.

1. All internal farm checklists are screened by the internal approval staff (Organic Approval Manager and/or the Organic Approval Committee, see chapter 6.2) with special focus on critical/difficult cases. The assessment of the internal inspector is checked, the (internal) certification status determined, and conditions set (if necessary).
- \*2. The farmers' lists as the summary of the internal control are finalized and approved.

*Ad 1* The results of the internal inspection must be formally confirmed in an approval procedure. This is usually done by a second competent person or group. This is analogous to the requirements for organic certification bodies (ISO 65/EN 45011) that also have to ensure that inspection and certification are not done by the same person. Depending on the project structure, it is recommended that the final approval decisions are not taken by an Organic Approval Manager (who may still prepare the farmer lists, etc.) but by an Organic Approval Committee (OAC). Such an OAC may be demanded by the organic certification body, however, this is not defined as minimum requirement here. See also comments in chapter 6.2.

*Ad 2:* The ICS presents the results of its inspection and approval process in the farmers list. Complying farmers are listed in their respective status (organic or conversion), deviating farmers are listed as sanctioned. For the external inspection an updated approved farmers list must be available. See also chapter 5.6 for requirements for the farmers lists.

When the internal inspection of the <organization AAA> is finalized, the inspection forms are handed over to the Organic Approval Committee, who revises the results. It checks the fulfillment of last year's conditions by the producers and the new conditions proposed by the internal inspector. It decides on approval or sanction of each producer and determines the conditions and the duration of the sanctions. Conditions and sanctions are registered in the farm inspection form. The results of the meeting are summarized in the list of approved and sanctioned farmers. Additionally, there is a short protocol of each meeting of the Approval Committee.

## 5.5 Non-compliances and sanctions

Policy: In case of non-compliances, appropriate corrective or mitigating measures are taken by the ICS.

1. It needs to be defined what happens in case of non-compliances (list of sanctions) and how the sanction measures are implemented.
- \*2. Sanctions have to be documented (list of sanctioned farmers, documentation of identified non-conformities in files).
- \*3. Farmers that have used prohibited inputs in their organic crop must undergo again the full conversion period (if they remain in the organic project). In such cases it has to be checked whether the farmers have already delivered produce and whether this (now no longer certified) produce has been commingled with other organic produce. If this has been the case, the organic certification body needs to be notified immediately and the commingled produce kept separate until further instructions.

*Ad 1:* It has to be determined how decisions on sanctions are being made (e.g., list of typical noncompliances and applicable sanction) and which measures must be taken (register the farmer and reasons for the sanction on the list of sanctioned farmers, ensure that the farmer's name is cancelled from the buying lists and that all personnel is informed accordingly, check whether the now de-certified product has already been commingled with other product).

*Ad 3:* If a grower fails to comply with the organic regulations/standards and this is not detected by the internal control, he/she exposes all of his/her fellow members to the risk of de-certification of the project or at least of big product lots. If a serious non-compliance is found during or after the processing, all the organic production lots that contain the

*products of the offending grower may be de-certified. Also the ICS certification of the whole group may be threatened because the ICS has failed to detect the problem.*

If a grower of <organization AAA> violates the internal standards the appropriate sanction and corrective measure is determined according to the list of nonconformities, annex XVI. In case of severe violations, the internal inspector or whoever detects the incident, has to fill in a violation report (Annex XV)

Sanctioned producers may not sell their produce to the <organization AAA> during the whole time of sanction. The reason and duration of the sanction is noted on the list of sanctioned producers (Annex XIV) and the purchase officer is informed accordingly.

## 5.6 Documentation of the ICS

Policy: The ICS ensures that all relevant documentation for each certified farmer is available for inspection. The internal control is documented.

1. The following documents must be available for each farmer

- \*Formal commitment of growers to fulfill the internal standard (written contract)
- \*Farm Entrance Form (farm data sheet), including last use of prohibited inputs
- Update farm data: update cropping information (areas, crops), use of inputs, harvested quantities,

*Remark: info may be included in internal farm checklist.*

- Maps (if required for single farmer)
- \*Annual Farm Inspection Checklist
- Notes on trainings or advice given to the farmer by field officer

\*2. As a summary of the internal control the following lists must be prepared:

- Farmers list with code and name of the farmer, total area, area under organic crop (or number of plants), date of registration as organic farmer, date of last use of forbidden products, date of internal inspection, name of internal inspector, result of internal inspection (separate lists for organic and for conversion farmers)
- List of sanctioned farmers with the reason and the duration of the sanction (if relevant).

*Ad 1: Most internal documentation is usually held by the field officers; i.e., if the farmers are not able to keep some basic documentation by themselves, the field officers keep simple records on the most important farm activities. If farmers are literate, a small booklet might be useful, in which the farmers themselves record the most important data (planting, important cultivation measures, harvest dates, and approximate quantities) and in which the results of the field extension visits are also filled in. In very simple projects it may be considered sufficient that the registration of farming activities is only done in the course of the internal inspection.*

*It is recommended that the ICS documents be kept in the farmer's file; i.e. one file per farmer that includes all relevant documents (incl. those of the previous inspection).*

*Ad 2: Usually yield estimates are also included in this summary list (often called farmers table, farmers list or similar) but if they are documented in a separate document (e.g., buying list) the certifier may consider this sufficient and appropriate. Some organic standards (e.g., Bio Suisse) may require very detailed farmers lists including even*

*cultivation details on each plot, so it may be helpful to check with the certifier whether the proposed list format will be considered sufficient.*

The documents of each farmer of the <organization AAA> are kept in the individual farm files. The farm files are stored in the offices of the regional centers of internal control (organic project sites). The farm files contain for each farmer the documents that have been established during the registration procedures (see 4.1.) plus the farm inspection checklists. The documents of one year are kept together in a plastic cover within the farm file. The data of all farmers and the results of the internal control are summarized in the farmer list and the list of sanctioned farmers (annex XIV).

In addition a small booklet is handed out to each farmer, in which he/she registers the activities undertaken on the farm like sowing, harvesting, fertilization, weed and pest control, and sales. When he/she is visited by the advisor/internal inspector, the date and result of the visit is noted in the booklet. If the advisor finds that a certain activity, quantity etc. has not been recorded by the farmer, he/she adds the information in the booklet and adds his/her initials to the data.

## 6 Organization and ICS Personnel

Policy: For each procedure or task of the ICS, one person is responsible. Staff is aware of their responsibilities and qualified for their job.

The ICS operator has to ensure that there is sufficient qualified personnel to implement the ICS procedures as described in the internal ICS document.

In the following chapters different staff positions are described, but obviously the names for each position or the exact split of responsibilities between different positions and persons may vary from operator to operator.

### 6.1 Organizational chart

1. An organizational chart (or similar) of the operator's organization needs to be available.

*In such a chart an overview on organizational units, hierarchies and the positions of the organic project staff are usually given.*

A template for an organization chart is given in Annex XVII.

### 6.2 The ICS Coordinator (ICS Manager)

\*1. There has to be an assigned ICS coordinator who is in charge of coordinating the Internal Control System, organizing the internal inspections, coordinating between field staff and approval staff, coordinating the external inspection, and acting as a the contact person for the inspection body.

*The ICS coordinator or ICS Manager is a crucial position within the ICS. The ICS coordinator is in charge of ensuring that the ICS is implemented. He/she organizes the extension service and the internal inspection (who inspects where and when), ensures that the staff have all resources available to do the inspections/extension (e.g., means of transport*

*etc.), makes sure that all farmers really are inspected and all new farmers registered properly. He/she organizes the staff trainings, coordinates all relevant aspects with the organic certification body, etc. The Approval Manager makes the decisions on the severity of deviations (i.e., like a certification officer), etc., whereas the coordinator is more the manager/organizer (like a general manager of the ICS). In many cases both jobs will be done by the same person, but this does not have to be the case.*

### 6.3 Internal inspector

- \*1. There must be a sufficient number of qualified internal inspectors.
- \*2. The internal inspector must be sufficiently qualified to perform a thorough and objective internal inspection.
- 3. There must be a CV, a contract (including his/her duties), and a conflict of interest declaration available for each internal inspector.

*Internal inspectors should be able to do internal inspections effectively and it is very important that the ICS operator ensures that each inspector understands well how to do effective farm checks, how to fill in the checklists, etc. This is also important since the overall assessment of the ICS will focus very much on the effectiveness of the internal inspection. It is recommended that internal inspectors regularly (e.g., at least once a year) accompany other experienced inspectors so that they learn from each other.*

*Normally the following requirements will be expected in order to consider an internal inspector “sufficiently qualified”:*

- *is fluent in the local language and idiosyncrasy of the farmers*
- *can read and write*
- *is familiar with the agricultural production and ecological systems of the area*
- *is familiar with principles of organic agriculture, in internal control procedures, and with the internal regulation*
- *must not have conflicts of interest that might affect his/her work (see chapter 6.5.)*

The Internal Inspector of the <**organization AAA**> signs the contract for organic project staff and a conflict of interest declaration.

He/She is responsible for the following tasks in the project:

- Drawing of village maps.
- Registration of the growers.
- Realizing the inspection of each farm at least once a year (see chapter 4.3.). The visits must be documented in the Farm Inspection Form.
- Realize regular visits to the buying stations during the harvest season in order to ensure that the procedures as mentioned in the ICS are followed.

The Internal Inspector keeps a diary in which his or his/her daily activities are noted, as well as the names and code number of the growers visited and the names of the buying stations visited. He/She hands over all inspection reports to the quality manager and reports on any doubt, fraudulent behavior, deviation, or any relevant observation.

It is regularly checked that the internal inspectors are qualified for their work. This is done by accompanying inspectors during their inspections and by regular training and work sessions with all internal inspectors (=field officers).

## 6.4 Organic Approval Personnel

1. There has to be a qualified person (“Organic Approval Manager”) or certification committee who is assigned to take the internal approval decisions.
2. Approval personnel must be qualified and able to take objective approval decisions.
3. There has to be a CV, a signed declaration of conflicts of interest, a written contract with list of responsibilities available for all approval personnel.

*Approval procedures can be realized by an ICS coordinator or by an Organic Approval Committee. It is recommended to install an approval committee but it is not a requirement. The duties of the internal approval staff are to perform the approval as described in the chapter approval decisions. In case of an approval committee there is usually an organic approval manager as well who prepares the decisions (e.g., screens the reports and presents only the most critical ones to committee) plus the committee to actually approve the farmers (approve the farmers list). If there is only the organic approval manager he/she is usually responsible for all steps of the approval procedures. Often the organic approval manager is also the ICS coordinator (see 6.2) but it could also be different persons.*

*An approval manager or member of certification committee should fulfill at least the following requirements:*

- *He/she must be familiar with the principles of organic agriculture.*
- *He/she must be familiar with the internal regulation.*
- *He/she must be well respected among the farmers and the organization.*
- *He/she must not have conflicts of interests (see separate chapter)*

*The composition of the Approval Committee has to be carefully evaluated to have a balance of interests, but also minimize potential conflicts of interests.*

The members of the Organic Approval Committee of the <**organization AAA**> are elected by the general assembly. The members must be trained in organic agriculture and know the internal regulation. The members are as follows:

The committee meets once a year, immediately after the internal inspection has been conducted and before purchase activities begin. The committee revises all internal inspection forms and makes the decisions on approval or sanction of the farmers. The committee documents all decisions and elaborates the list of approved and sanctioned farmers. It reports the results of the internal inspection to the respective farmers, the directors, and the responsible purchase staff, as well as to the external certification body.

## 6.5 Field officer (Extensionist, Field advisor)

*Training of farmers in organic farming is very crucial and therefore the position of the field officer is usually very important. Many ICS operators fulfill their requirement to train the farmers in organic production by organizing a field extension service; i.e., in each project site there is one field officer who lives in the area, regularly visits the farmer, gives them advice on how to improve their production of product quality, and assists them in case of production problems. Also field officers often keep some simple farm documentation on behalf of the farmers (farm maps, input registers, etc.). Obviously field officers must also*

*report major deviations if they find them. If there are field advisors they should have a written contract and clearly assigned responsibilities.*

At each project site there are two field advisors stationed. The field advisors visit the farmers at least three times a year and give them advice on their farm production methods. Farmers can also call the advisors for help in case of disease or pest problems. The field advisor updates the farmer's diary if he/she has not written any notes on his/her production. The field advisor can allow farmers to use those inputs that are listed in the internal regulation only. If during an advice visit a major problem on the organic farm is found, the ICS coordinator is informed. The field advisors have to keep a notebook to document their visits. At the farm they sign in the farmers farm diary and also write their advice to the farmer in this book.

## 6.6 Conflicts of interest

Policy: The ICS personnel must not have any conflicts of interest that might hinder the work.

- \*1. The Internal Inspector is not allowed to inspect his/her own fields or the fields of his/her immediate neighbors, friends or family.
2. All possible conflicts of interests have to be declared in a written statement. It has to be ensured that alternative solutions are found for those cases where a conflict of interests would arise.

*The prevention of conflicts of interests is a very important aspect of ensuring that internal inspections are done in a neutral, objective way. If an inspector would inspect his/her own close friends or family member, he/she might not really be able investigate the situation critically and report all critical aspects (in particular if there are any problems). Therefore internal inspector should normally not inspect their own home village; they are too closely involved to be "neutral". Another problem could arise in some countries if the inspector is very young and might not dare to question the answer of an elder person, let alone tell an elderly farmer that his activities are not correct. Another important conflict of interest is close involvement in marketing activities: if, e.g., one person is in a village in charge of doing the internal inspections and at the same time is in charge of organizing all organic purchase and he/she is, e.g., paid as an percentage of the quantities he/she is able to deliver to the buyer, how can he/she be interested in seriously checking whether the farmers really comply with the internal standard?*

*A controversial aspect is the separation of field extension (advise) and internal inspection. In general it is recommended that the extension function and the internal inspection are embodied in the same system and often field advisors are also internal inspectors. However a field officer (consultant) usually is a person that is very close to the farmer, lives in the same village, visits him/her regularly to discuss different matters, and therefore is usually not completely neutral as inspector. The internal inspection however shall be a thorough and complete check on the activities. Many ICS operators solve this problem by exchanging field officers between different regions for doing the internal inspection (i.e. a field officer inspects in the region of his fellow field officer and vice versa). However, since a good extension service is crucial for organic production, IFOAM presently supports the position that, if the field advisor is neutral enough to do the internal inspection, he/she can do so if changing areas is not feasible.*

The internal inspectors of the <organization AAA>, the ICS coordinator, the members of the internal approval committee, and the purchase officer must sign a conflict of interest declaration. The ICS

coordinator is responsible for verifying that no conflict of interest occurs; i.e., that no tasks are assigned to staff who would have a conflict of interest for this activity (e.g. an internal inspector can not inspect his/her family members).

## 7 Training

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*The main objective of training is to inform and train organic growers and project staff in the relevant aspects of organic farming and, especially, to make them aware of the contents and practical implications of the internal regulation for organic agriculture.*

### 7.1 Training of ICS personnel

1. Each internal inspector needs to receive at least one training per year by a competent person.
2. The date of participation and content of the training of all ICS staff needs to be documented in the staff files.

*As mentioned before it is crucial that all organic staff is aware at all times of the organic procedures. Qualification of internal inspectors is particularly important and in addition to an official training it is much recommended that each inspector accompanies a couple of inspections of another inspector each year.*

*Also the approval staff or purchase staff might need training to ensure they are well aware of all requirements and are able to implement them. All such trainings should be documented and may be requested during the external inspection.*

All internal inspectors and field officers are trained once a year (before the beginning of new control season, usually in April). The training shall include sample field inspections. Content of training is documented and a list of participants kept.

### 7.2 Training of farmers

Policy: The most important aim of an organic project is to improve the farmer's knowledge and understanding on how to farm organically and that organic farming is much more than simply not using chemicals. Therefore continuous training of farmers is a very important part of an organic project and is in the responsibility of the ICS operator.

1. Each farmer needs to receive at least one initial advisory visit by the extension service or in an organized training.
2. The participation and content of the training needs to be documented.

*It is highly recommended to regularly train all organic farmers. Regular trainings may even be considered compulsory by the certifier in particular in case the crops are rather difficult to grow in organic quality or in areas with a high risk of use of prohibited inputs. A good extension/advice service usually ensures close contact to the certified farmers, their loyalty, and better product and production quality.*

All farmers are visited regularly by field advisors for training purposes. These advisory visits are documented in the farmers' farm diary books and in the field advisors' notebooks. Farmers can address their field advisor at any time for help and advice. Advice is given free of charge. It is planned to create a model organic farm at each project site and to conduct practical training workshops for all farmers in the future.

## Part C: Additional Procedures

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*The following chapters are important for the operator who will buy the produce from certified smallholders, process and store these products and market them as organic. This task can be within the responsibility of the ICS operator, but is not always. Also, the procedures from selling/buying onwards are, strictly spoken, not part of the Internal Control System. However, since all product flow aspects must also be duly organized and documented for organic certification, it is highly recommended that the procedures and forms of all steps for which the ICS operator is responsible are included in the group's ICS manual.*

*Also, the external inspection by an accredited organic certification body is not part of the ICS, but it is important for an ICS operator to understand what will be done in the external inspection and what coordination with the certification body will be necessary.*

## 8 Buying, Handling, Processing, Export

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*The organization that will market the organic products will need to define procedures in order to guarantee the integrity of the certified product in all steps of product flow and avoid commingling between different qualities (organic, in conversion, and non-organic), as well as contamination with chemicals during purchase, storing, transport, or processing.*

### 8.1 Buying Procedures

Policy: The buying procedures need to ensure the integrity of the organic product at the crucial interface of farmer - buyer. In principle, the buying from the farmers (until product is consolidated/packed) is under responsibility of the ICS.

The buying procedures need to include the following minimum requirements:

- \*1. The organic status of the delivering farmer is checked.
2. The supplied amount harvested is compared with the estimated yield. In case of doubt, the produce is kept apart until clarification by the organic ICS Coordinator.
- \*3. Deliveries are registered in the buying record and farmer is issued a receipt (stating delivered quantities).
4. All documents have to indicate the organic quality ("organic" or "conversion").
- \*5. Labeling of the bags as organic/conversion (see chapter handling).

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*Ad 1. Organic status can be checked on approved buying lists or approved farmer list. In addition it may be useful to give farmers an “organic farmer identification card” with a photo, etc. The product organic status = organic status of the farmer.*

*Ad 2. See also chapter yield estimate. If the farmer delivers much more produce than the estimated quantity further clarifications are needed (usually under co-ordination of the ICS coordinator). This may include an assessment of why the yield estimate was not correct/up to date or an additional inspection of the farm to check whether the higher yield is reasonable. In some settings it may be the best solution to always send organic project staff for supervision of harvest procedures and to buy produce immediately after harvest.*

*Ad 3: A sample Buying Record is included in Annex XVII. In addition, it may be a good idea to give farmers individual purchase cards on which each sale is indicated and confirmed by both sides.*

*Ad 4 & 5: If the conversion product is to be marketed as non-organic (not as organic in conversion), no separate handling of the product is necessary.*

In the <organization AAA> purchase is done as follows:

1. The farmer is identified as being an organic farmer or farmer in conversion. For easier handling, buying of organic farmers is organized on a different day than buying from conversion or not certified farmers.
2. Products of farmers in conversion are bought and marketed only as non-organic produce thus they are handled together with non-organic produce.
3. The purchase officer confirms that the delivered amount of organic product is plausible by comparing the actual delivery with the crop estimate (noted in the Buying Record by the Internal Inspector or ICS Manager at latest one week before delivery). If there is any doubt about the produce, the produce is kept apart until the ICS manager has checked with the respective farmer and has indicated whether or not to allow the produce into the organic supply chain.
4. The quantity of organic product delivered is recorded in the buying record with statement “organic”. When non-organic product is bought, the information will be entered in a separate notebook.
5. A cash voucher (receipt) is completed. The vouchers will be stamped ‘organic’ or ‘in-conversion’.
6. The farmer receives a copy of the cash voucher (receipt). Other copies will be kept in file by:
  - a) the purchase officer of the respective buying station
  - b) the Organic Manager
7. The bags of each ORGANIC farmer are labeled with a GREEN sticker of the organization (with the word organic on it).

## 8.2 Storage and Handling Procedures

Policy: During all handling of organic produce the organic quality of the product and compliance with respective documentary requirements of the applicable organic standard must be ensured.

Therefore buying procedures need to include the following minimum requirements:

- \*1. General Handling Requirements at all stages of product flow:
  - identification of the product in all steps according to the quality (organic, in transition) during all stages of product flow
  - strict separation according to quality (organic, in conversion, non-organic)
  - no prohibited methods (fumigation of containers, irradiation/ionization, etc.)
2. Requirements during storage
  - Organic warehouse (part) must be labeled as “organic”

- Facility pest management according to standard (see Annex XXX)

*Ad 1: This usually implies that on the product or an accompanying document the organic quality is indicated with the word “organic” (or local translation). In some cases, a color code system or special bags for the organic produce may give the best results.*

*In order to be able to identify the origin of the product in case of complaints by the importers, the organization should be able to trace back each lot of exported product and to identify the farm(s) of origin. For security, organizations are advised to install a system of traceability by lot-numbers, which enable the organization to trace back each product until the farm of origin. Such a system implies that whenever smaller lots are consolidated in bigger processing lots, this needs to be carefully documented.*

*Ad 2: If organic and non-organic produce are stored in the same warehouse, physical separation is required. Only the NOP standard regulates the facility pest management explicitly, but all operators are advised to comply with these criteria.*

<Coffee> of the <organization AAA> is brought from the farmers to the purchase center in their own bags which are well closed and marked with the initials of the producer. After the buying procedure, the <coffee> is filled into bags of the <organization AAA>, which are marked with the name of the organization and the organic quality. The <coffee> of different qualities (organic, in conversion, and non-organic) is stored in separate storing areas, which are indicated with a sign. If necessary, the <coffee> is dried. <Coffee> of different qualities is dried in separate areas. After drying, it is again packed into the bags, which are marked with the name of the organization and the organic quality. The <coffee> is transported by trucks to the general warehouse. Cleaning of the stores is done with brooms, and if necessary with water and soap. Mechanical traps are used against pests. It is sent in rented trucks to the processing plant. In order to avoid a risk of co-mingling, the transport of different qualities is done over different periods of time. Before each transport, it is verified that the lorries are clean.

### 8.3 Organic Processing at <name processor>

Policy: During all handling of organic produce the organic quality of the product and compliance with respective documentary requirements must be ensured. Central Processing Units are always subject to full external inspection by the certification body.

\*1. Ingredients and Processing aids must be defined

- all agricultural ingredients must be organic (some exceptions → clarify with certifier)
- only allowed non-agricultural ingredients and processing aids

\*2. Separation and identification

- Separation and identification according to quality (organic, in transition, non-organic) during all stages of product flow
- All processing steps are duly documented

*This chapter only deals with processing done at a central processing site (e.g., contracted processor) which is always subject to full inspection and certification by the certification body. Depending on the contract, either the party that owns the product or, e.g., the contracted processor is responsible for ensuring that the organic requirements are met (contract needed with processor). It is still highly recommended that the ICS also supervises the organic processing (to a reasonable extent). The simple post harvest processing on the*

*smallholder farms themselves (e.g., de-pulping of coffee, drying of pepper on mats) is dealt with in the internal organic standard and checked during internal inspection. The same principal handling requirements as outlined above apply.*

*Ad 1: Many smallholder organizations produce simple products that are only dried or processed mechanically. In this case mainly point 2 is important. Sometimes, however, some processing aids or ingredients may also be needed during processing (e.g. natural dye during preparation of shea butter) and it must be ensured that all ingredients/processing aids meet the applicable standard. Each organic standard contains a list of processing aids and ingredients that may be used. Please ask your certifier for details.*

When coffee of the <organization AAA> is entering the processing plant <processor BBB>, the responsible party checks if the bags are labeled and closed correctly and if the quantity and organic quality corresponds to the indication on the delivery document. The unprocessed <coffee> of different qualities (organic, in transition, and non-organic) is stored in separate areas, which are indicated with signs. <Coffee> of different qualities is processed in separate times. Before each processing of organic coffee, the person responsible for processing assures that the installations are carefully cleaned with air and brushes. After processing, the raw coffee is stored in the final export bags which are marked with the name of the <organization AAA>, the organic quality, and the name of the certifier. The <raw coffee> of different qualities is stored in separate areas, which are indicated with signs. Cleaning of all stores is done with brooms, and if necessary with water and soap. Mechanical traps are used against pests.

## 8.4 Organic Exports

*Export of organic produce is according to some standards (EU Regulation) subject to inspection by the organic certification body. Export bags need to be labeled with the name of the organization, the organic quality (organic or in transition), and the name of the certifier. It must be assured that there is no risk of contamination, for example, by fumigations that are prescribed by the government. Depending on the standard, certain additional documents (EU inspection certificates) might be necessary for each shipment. Please note that if products are bought from different organizations/suppliers of organic produce, all products that are exported as organic must be certified organic and all suppliers known to the organic certification body.*

Exports are handled by the Organization AAA. The Export Manager is in charge of preparing all export documentation. The organic quality is indicated in all invoices and internal export overview lists. During supervision of packing the bags on the trucks for transport to the harbor, it is checked that all bags are labeled correctly.

For each export consignment the export managers applies for an inspection certificate to the certifier.

## 8.5 Buying, Handling & Processing Personnel

### 8.5.1 Buying Personnel

- \*1. There are buying officers in charge of ensuring correct buying of organic produce from the farmers.
2. Buying officers have to sign a contract with ICS operator with a list of responsibilities.

*Ad: It depends on the project structure whether buying is organized by the ICS operator (e.g., the cooperative or the contracting processor) or by a company that coordinates the purchase with the ICS operators. As a principle, there needs to be a qualified and well trained buying officer in charge of the actual buying (i.e., at least one person per purchase center) since the buying process is crucial in the organic product flow control and mistakes on buying level will have a huge impact on the organic project (entire lots of organic products may be decertified because they contain the product of one single non-organic farmer). If there is more buying staff active in the buying procedures, it is the responsibility of the buying officer to ensure they understand the requirements and that they implement them correctly.*

### 8.5.2 Warehouse Manager

*If there are separate warehouses it may be necessary to specifically assign an organic warehouse manager who understands the organic handling procedures well and ensures that they are implemented.*

### 8.5.3 Processing Manager

*If there is a processing unit operated by the ICS operator it may be necessary to specifically assign an organic processing manager, or specifically train the processing manager in the organic handling procedures. If the processing of the organic produce is contracted to another company this company needs to be inspected by the organic certifier and is responsible for organic processing according to the internal handling rules. This is usually confirmed in a contract with the processor. It may still be a good idea to have the ICS operator send a supervisor to be present during organic processing.*

## 9 External Inspection and Certification

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During the external inspection by the organic certifier, the effectiveness of the Internal Control System will be evaluated. The external inspector re-inspects a certain number of farmers. The percentage of external control will be determined by the certifier on the base of a risk assessment (for details on minimum re-inspection rates see the IFOAM document “Smallholder Certification - Compilation of results”). Also the inspector may undertake witness audits; i.e. accompanies internal inspection visits to evaluate their effectiveness. The external inspector compares his observations with the documents of the internal inspection

and evaluates if the Internal Control System, the internal inspections (and the farm extension) fulfill the minimum requirements and are sufficient to guarantee that the organic activities of all farmers comply with the external regulations/standards.

Based on the result of the inspection, the certifier will decide if the organization will receive the certificate that enables it to realize organic exports or which conditions have to be fulfilled before the certificate can be issued.

In case corrective measures are required, it is important to have procedures in place to ensure that they are communicated to the right people and are implemented (usually coordinated by ICS coordinator) in due time.

## Further Reading

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- IFOAM Smallholder Group Certification – Compilation of Results, March 2003
- IMO/Naturland Manual for Quality Assurance - A Guideline for Internal Control Systems (ICS) in Smallholder Organizations, January 2002
- EU Guidance Document Guidance document for the evaluation of the equivalence of organic producer group certification schemes applied in developing countries, 6.11.2003  
<http://www.oecd.org/pdf/M00038000/M00038051.pdf>

*Annex → see separate document*