



Manual for Quality Assurance

A Guideline for **Internal Control Systems (ICS)** in Smallholder Organisations

2nd revised Edition, January 2002

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Preface

Since 1989 Naturland is working with smallholder organisations all over the world. For many years the inspection and certification of small organic farmers' organisations has been one of the main activities of Naturland e.V. on the international level. The requirements with regard to inspection and certification of organic production of these organic farms have risen drastically during the last years.

One of the most important prerequisites for a successful development in the international organic certification of smallholder organisations is the concept and implementation of a functional and well organized Internal Control System (ICS). In order to meet this requirements Naturland e.V. appointed IMO in Switzerland to revise the first edition of the Manual for Quality Assurance in smallholder organisations, which was published in 2000.

For two years the harmonization of smallholder organisation certification has been under discussion on the international level guided by IFOAM (International Federation of Organic Agriculture Movements). The demand from smallholder organisations, consultancies, national inspection bodies and certifiers for this Manual was unexpectedly high. Naturland decided to revise the first edition of the Manual to include new experiences, government regulations and international standards which are presented in the second edition.

We would like to thank Mr Franz Augstburger (IMO-Latinoamérica), Ms Ute Eisenloher (IMO-International), Ms. Elisabeth Rüegg (IMO-Germany) for their contributions and kind support. Likewise, we thank all the farmers organisations that helped us during the process; they contributed with their practical experience and gave us the basic information needed for the preparation of the new edition.

Naturland e.V would like this Manual to be regarded as a contribution to improve of the competitive capacity of small farmers' associations in order to ensure the continuity of their organic certified production.

Beyond this Naturland – as an international farmers association – sees itself as a stakeholder towards governments and international organisations, for defending the interest of small farmers in the increasing globalisation of the market. Organic agriculture is the most sustainable production system, with a high positive impact on the food production in local markets. Worldwide food security depends on small farmers. It should be our common concern to strengthen their position!

Gerald A. Herrmann
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A Introduction

During the last years a prominent number of smallholder organisations in the Third World were able to contact international markets and to directly import their organic products in industrialised countries. Due to the restrictive policy of the western countries regarding the import of products from non EU countries, many producers are not any longer in the position to meet the quality requirements of the countries of import. Regulation (EEC) No. 2092/91 for organic production of agricultural products and foodstuffs with its explicit sections on imported products determines that the production as well as the inspection system must be equivalent to those of the European Union. This is endangering the markets, which have been build up by the smallholder organisations.

This manual was written to ensure that smallholder organisations will have access to the information needed in order to fulfil the requirements set up for organic products. It also outlines the certification concept developed by Naturland e.V. and IMO (Institut für Marktökologie), which is specifically adapted to the situation of smallholder organisations.

The present second version does include all changes of the Regulation as well as changes in the judgement of inspection and certification of smallholder organisations. Furthermore, the criteria have been adapted to various types of farmer groups in different areas of this world.

Ute Eisenlohr

Elisabeth Rüegg

Sulgen, Switzerland, December 2001

B How to use the Quality Control Manual?

The manual was jointly developed and written by Naturland and IMO (Institute for Marketecology). First of all, it is a practical instruction for smallholder organisations to implement a functional Internal Control System (ICS). Different inspection bodies inspect smallholder groups according to Naturland standards. IMO is an example and could be replaced by any other inspection body. The requirements on ICS and on external control will be the same.

Chapter C illustrates, with the Regulation (EEC) No. 2092/91, the three pillars of organic certification (standards, certification and inspection).

Chapter D explains the structure of the Naturland certification system for smallholder groups, in particular the smallholder organisation as a production unit, the contractual relationships between Naturland, the inspection body and the smallholder organisation.

The criteria and the essential components of an ICS applicable in Naturland certified smallholder groups are described in **chapter E**.

After each paragraph you will find a „**To-Do-List**“ which summarizes the minimum requirements on an ICS. The list of all requirements was put into the Annex VII.



Chapter F illustrates, with the example of IMO, an external control to make the preparation of the required documents possible.

In the **Annexes** you will find the list of definitions and examples of the most important documents like: internal inspection report, approved farmers list, a field map and a specimen of the Naturland producer contract.

With publishing this manual Naturland had the intention of giving practical support to smallholder groups in the labyrinth of bureaucratic requirements. The manual should give smallholder groups the possibility to take into account the individual conditions and to establish their own ICS.

You are welcome to send us suggestions or other comments to the following address:

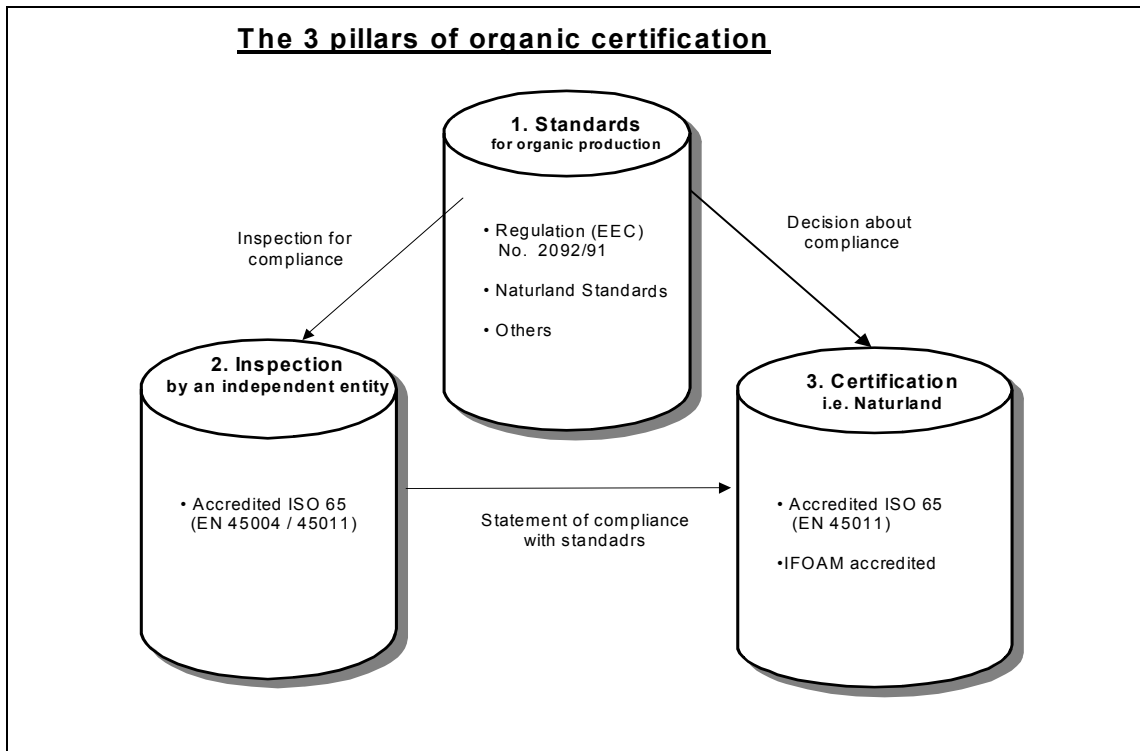
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C General requirements for organic products

This chapter outlines the main concept of quality management for the organic production of agricultural products and foodstuffs, which is regarded to form the basis for the certification of organic products coming from smallholder organisations.

Certification of organic products is based on three major principals:

Figure 1: The three pillars of certified organic products



1. Standards

1.1 Legal Requirements: Regulation (EEC) No. 2092/91¹

Regulation (EEC) No. 2092/91 on organic production of agricultural products and foodstuffs was adopted by the Council of the European Communities in 1991 and was enforced as a legal standard in all EU member states in 1992. To understand the contents of the Regulation, it is essential to know, that the main purpose of this law is to protect consumer's rights and not to specifically promote organic farming. In the framework of the Regulation its "rules on production, labelling and inspection will enable organic farming to be protected in so far as it will ensure conditions of fair competition between the producers of products bearing such indications and give the market for organic products a more distinctive profile by ensuring transparency at all stages of production and processing, thereby improving the credibility of such products in the eyes of consumers."

¹ see www.ifoam.org under **links** to "Organic Sites in Europe", you find a easy connection to the Regulation (EEC) No. 2092/91.



At the moment, the Regulation applies to the following products, where such products bear indications referring to the organic production methods:

- a) unprocessed agricultural crop products; also livestock and unprocessed livestock products, with the exception of aquaculture and aquaculture products;
- b) processed agricultural crop and livestock products intended for human consumption prepared essentially from one or more ingredients of plant and/or animal origin.

The consolidated version of Regulation (EEC) No. 2092/91 with the complete text of the legislation can be downloaded via the following website: www.imo.ch.

The contents of the Regulation is ample and covers instructions on the following topics:

- Section of various articles:
 - scope and definitions;
 - rules on labelling and production: only those products originating from an organic production unit that are in compliance with the Regulation may be labelled with an indication to the organic production method.
 - description of the inspection system including the indications that products are covered by the inspection scheme: only accredited inspection bodies are allowed to carry out inspection in the operations. Every production unit must at least be inspected once a year.
 - general enforcement measures,
 - trade aspects, such as imports from third countries and free movement of products within the Community;
 - administrative provisions and implementation.
- Annex I: Principles of organic production at farm level:
 - Plant and plant products (Annex I A.): Use of chemical pesticides, fertilisers or growth regulators is prohibited, only those products listed in Annex II are allowed. Seeds and propagation materials must originate from organic farms. Soil fertility practices must be achieved by crop rotation and use of organic manure from the own farm.
 - Livestock and livestock products from the following species: bovine (including bubalus and bison species), porcine, ovine, caprine, equidae, poultry (Annex I B.): The growth and reproduction of animals is regulated. Basically, animals must feed on organic crops; use of off-farm-fodder is restricted. There are specific requirements in regard to maximum number of animals per ha and minimum surface areas indoors and outdoors as well as other characteristics of housing. The use of veterinary products is strictly regulated.
 - Bee-keeping and bee-keeping products (Annex I C.).
- Annex II: Off-Farm-Inputs:
 - Fertilisers and soil conditioners (Annex II A.);
 - Pesticides (Annex II B.);
 - Feed materials (Annex II C.);



- Feed additives (Annex II D);
- Products authorised for cleaning and disinfection of livestock buildings and installations (Annex II E).
- Annex III: Minimum inspection requirements and precautionary measures under the inspection scheme:
 - Plant and plant products from farm production or collection (Annex III A.1);
 - Livestock and livestock products produced by animal husbandry (Annex III A.2);
 - Units for preparation of plant and livestock products and foodstuffs composed of plant and livestock products (Annex III B.);
 - Importers of plant products, livestock products and foodstuffs composed of plant and/or livestock products from third countries (Annex III C.).
- Annex VI: Ingredients of non-agricultural origin, processing aids and other products which may be used for processing, as well as ingredients of agricultural origin which have not been produced organically.
- Annex VII and VIII: Requirements of animal husbandry in regard to maximum number of animals per ha and minimum surface areas indoors and outdoors as well as other characteristics of housing for the different species and types of production.
- Directives on imports from third countries: Operations importing organic products from non-EU-countries must explicitly verify that these products comply with the production, processing, labelling and inspection requirements of the Regulation.

1.2 Private Standards: Naturland standards²

Naturland e.V. is a farmer based, non-profit association, founded in 1982. According to statutes, the tasks and objectives of the association are the following: Worldwide support and extension of organic agriculture, promotion of investigation and development, training of the farmers and information of the consumers. During the last years, elaborated standards for production and processing of organic products have been developed and thus guarantee a high standard of the products carrying the Naturland[®] logo. The Naturland[®] logo is patented nationally and internationally. It enjoys excellent reputation among the consumers. By order of Naturland e.V. it is awarded by the Naturland[®] Zeichen GmbH. Naturland certification programme is accredited according to ISO 65 (EN 45011), giving evidence of its official recognition. Likewise, Naturland is also accredited by IFOAM.

The Naturland standards are based on Regulation (EEC) No. 2092/91, however they are more detailed and do even demand higher requirements than the official law. While the Regulation allows to split farms in two production units with different management practices, Naturland[®] farms need to be totally converted, meaning that the whole production unit has to be under organic management. Moreover, criteria for sustainability of production systems are much more specified, asking for practical measures, such as shade trees and rotation programmes to be implemented. Due to

² for more information: www.naturland.de (English, German and Spanish version available)



the fact, that Naturland standards do take tropical management systems and conditions into account, they can easily be adapted to operations in third countries and to special project types, such as smallholder organisations.

Naturland certifies according to following standards:

Production

- Standards for organic agriculture
- Standards for organic horticulture (including mushroom cultivation)
- Standards for organic viniculture
- Standards for the certification of wild grown products
- Standards for natural bee-keeping
- Standards for organic aquaculture
- Standards on organic forest use

Processing

- General Processing Standards
- Processing Standards for bread and bakery
- Processing Standards for organic breweries
- Processing Standards for milk and milk products
- Processing Standards for meat and meat products
- Processing Standards for production of yeast, yeast products, acid dough and bakery ferments
- Processing Standards for cereals, cereal products and doughs
- Processing Standards for cooking oils and fats
- Processing Standards for fruits and vegetables

2. Inspection

2.1 Provision of the Regulation (EEC) No. 2092/91

Rules on the type and extent of inspections of smallholder organisations in third countries from which organic products may be imported into the EU on the basis of import authorisations must be equivalent (rather than identical) with the following reference provisions of Regulation (EEC) No. 2092/91 for organic production of agricultural products and foodstuffs. Details of inspection measures and provisions are regulated in Annex III, which has been recently revised (Regulation No. 2491/2001).

- a) Any undertaking which produces, prepares or imports from a third country products bearing indications referring to organic production methods must submit this activity to the inspection system in accordance with Article 9 (cf. Article 8(1)).
- b) Production must take place in a unit the land parcels and production and storage locations of which are clearly separate from those of any other unit not producing in accordance with the rules laid down in the EC organic farming Regulation (cf. Annex III(A)(1)). It is not allowed to produce at the organic farm unit the same



variety, or a variety that cannot be easily differentiated from those produced at the conventional farm unit (cf. Annex III, 3.).

- c) The inspection body or authority must make a full physical inspection, at least once a year, of the production/preparation units or other premises. Moreover, the inspection body or authority shall carry out random inspection visits, announced or not. An inspection report must be drawn up after each visit, countersigned by the responsible person of the unit or his representative. (cf. Annex III, 5.)
- Importers in a EU Member State may be authorised by the competent authority of the Member State to market products imported from a third country bearing an indication referring to organic production provided the importers furnish sufficient evidence that the imported products have been manufactured according to equivalent production rules and were subject to inspection measures of equivalent effectiveness to those referred to in Articles 8 and 9, and that such inspection measures are permanently and effectively applied (cf. Article 11(6)).

2.2 Inspection according to Naturland standards

Naturland certifies producers, processors, wholesalers and other operators according to the Naturland certification system. Naturland does not perform the inspection itself but appoints subcontractors. The co-operation between Naturland and the subcontracted inspection body is governed by contract.

There are three types of contractual co-operation. They can be distinguished by the intensity of the co-operation between Naturland and the inspection body.

In each case, the requirements defined by the Naturland certification programme as concerning inspectors' activities are covered by contract. In particular, proof of competence has to be supplied, confidentiality assured and any conflicts of interest precluded.

Naturland does not appoint individual inspectors as subcontractors.

Naturland has specific requirements for inspections of smallholder groups. These requirements have to be respected by the inspection bodies appointed to carry out inspection of smallholder groups according to the Naturland certification system (see chapter F 3.).

3. Certification

In the case that smallholder organisations are members of Naturland, the legal certification according Regulation (EEC) No. 2092/91 is done by the contracted inspection body. The Naturland certification is done by Naturland according to the Naturland standards.

Certification procedures operated by IMO Switzerland are in compliance with the processes laid down in its quality manual. The certification process includes the evaluation of the countersigned inspection report and all other documents (see chapter F) handed in by the inspector and the final decision making whether to certify or not to certify an operation. In order to guarantee a maximum of objectivity, the "four eyes principle" is applied consequently. Depending on the final results of the evaluation, conditions such as complementary measures or infringements might be opposed.



These shortcomings will be reported to the operator in written. If certification is granted, a certificate is issued, stating that the operation is participating in the EU inspection scheme.

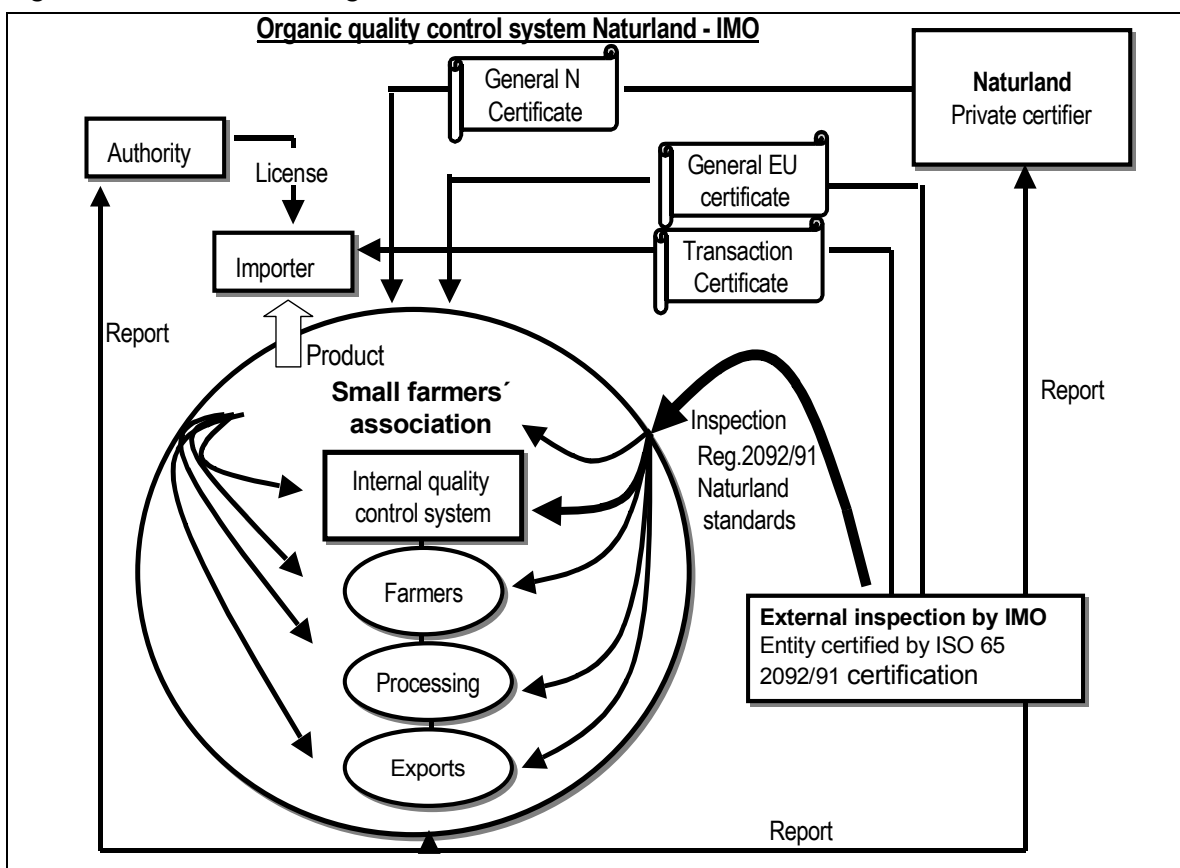
Based on these findings, IMO will issue a statement of equivalence which serves together with the inspection report as the main documents for the competent authority in each EU member state to grant import permissions to European importers for organic products from third countries.

The final decision on the IMO certification is communicated to Naturland, where the relevant documents undergo a second evaluation process in order to receive also the Naturland certification. Consequently, each operator affiliated to Naturland receives two certificates: An official certificate and a Naturland certificate.

Besides these general operator certificates, transaction certificates are issued by IMO upon request of the exporter for every shipment. This document enables the importer to receive and market organic products imported from third countries. Upon request Naturland issues transaction certificates to verify the Naturland quality of the delivered product to the buyer.

D Certification concept for smallholder organizations

Figure 2: Certification organisation chart of a small farmers' association



As a matter of fact, a majority of agricultural products are produced in countries of the Third World, mostly by small growers in remote regions, which do not have adequate road infrastructures. Many times, travelling from one farmers' village to another takes several days and the plots are located in remote regions that can only be accessed by foot. Since huge numbers of growers can be involved (an association may group together as many as several thousand smallholders with several land parcels each), it appears essential that a practical and cost-effective inspection scheme is applied, which does at the same time enable the control body to guarantee effective, appropriate checks on the production, processing and marketing of organic products.

To allow smallholder organisations to participate in the organic market, IMO and Naturland have jointly developed a specific inspection procedure, which can be applied in sufficiently warranted individual cases. The IMO and Naturland concept is based on a combination of an internal control system managed and operated by the smallholder organisation, and an external inspection and certification scheme, which comprises the supervision of the organisations' "in-house" internal control system. Based on a standard inspection programme, an inspection report is produced and does contain details on the above mentioned provisions of the Regulation, bearing in mind the principle of equivalence referred to in point C 2.1).

Inspections according to Regulation (EEC) No. 2092/91 and to Naturland standards are only carried out on a contractual basis and have to be commissioned by the



operator, who wants to be certified for each inspection period. In case of Naturland members, inspection is organised by Naturland and delegated to an independent inspection body (i.e. IMO Institute for Marketecology). Most of the Naturland members are inspected by IMO Switzerland, an officially recognised certification body which is accredited according to ISO 65 (EN 45011).

This will ensure that later planned exports into the EU will be authorised without problems. While the IMO headquarter is located in Switzerland, local offices or representatives are in place in Bolivia, Chile, Brazil, Mexico, India, China, East Africa (Tanzania), Turkey and Germany. Inspections carried out by IMO do cover Regulation (EEC) No. 2092/91 (legal standard) as well as the Naturland standards in one and the same inspection visit.

1. Internal control system (ICS)

According to the IMO and Naturland concept, organisations which represent a minimum of 30 growers, are obliged to establish an internal control system, which consists of the following major elements: (See chart of an organisation and details in part E)

- Internal regulation: defining the criteria, standards and internal procedures to guarantee the quality of the organic production;
- Personnel: responsible to run the total quality management programme (supervisors, inspectors, committee members etc.) with clearly defined responsibilities;
- Infrastructure: means of transport, adequate data processing facilities etc.;
- Training and information: of farmers and internal inspectors according to the principles of organic farming and the specific certification requirements that are laid down in the internal regulation; and training of staff.
- Internal farm control:
Physical farm inspections: to prove the compliance of the production activities with the requirements laid down in the internal regulation. The inspection activities must cover 100% of all registered farmers.
Evaluation: to evaluate the results of the inspections and to grant approval or disapprove.
Documentation: To document all inspection and evaluation activities.
- Monitoring of product flow: Monitoring and documentation of all steps of product flow (purchase, transport, stocking, processing, sales)

2. Smallholder organization as the production unit

A smallholder organisation meeting the requirements laid down in chapter E of this manual regarding criteria for participation, liability and the internal control system, shall be defined as a „production unit“. Thus in terms of ensuring compliance with organic production standards, small producers are not autonomous economic players with the power to make their own decisions and act under their own responsibility: these decisions are taken by the undertaking as a whole.



Smallholder organisations can be regarded as a production unit in the sense of Regulation (EEC) No. 2092/91 if such an organisation represents a certain structure comprising principles such as:

- A legal relation is existing between the individual farmer and the organisation.
- The organisation is in charge of the main responsibilities such as purchase and central marketing, implementation of production measures, supervision of the performance of the members.
- -The organisation acts as a facilitator for its members.
- The organisation is the legal representative of the farmer in respect to inspection and certification of his agricultural production.
- (see chapter 3).

3. Different types of smallholder organizations

The structure of an organisation might vary according to the local legislation and the objective of the organisation.

Basic farmers' associations

This type of organisation groups a number of small farmers in a certain region that are organised as an association (indigenous community, farmers co-operative, association, partnership, rural company) or, otherwise, whose main activity is the production and marketing of agricultural products (cash crops). Often a small farmers' association groups farmers from different areas.

Federal organisations

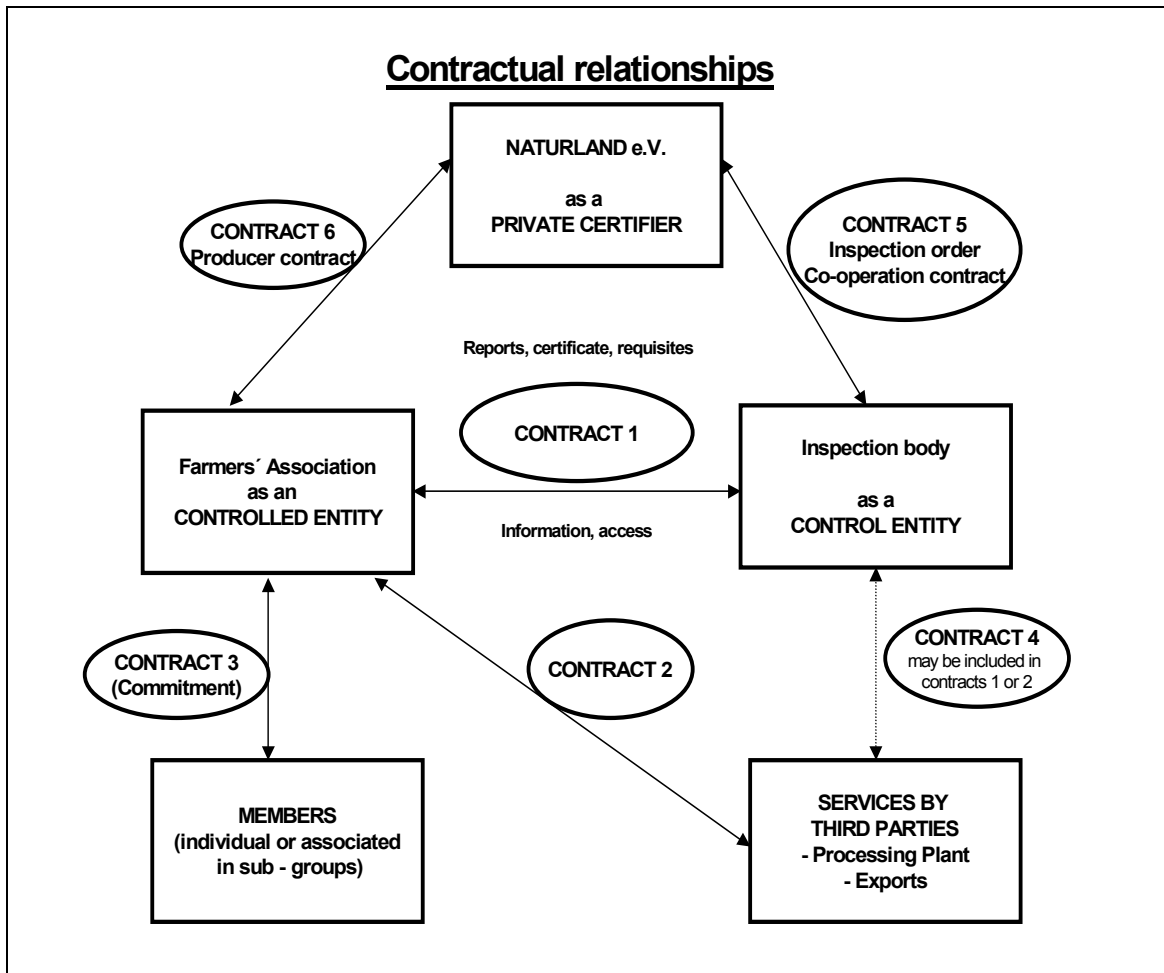
These are several smallholder organisations that are associated in order to market, or sometimes even process and especially export their crops together. In general, these federations have the necessary infrastructure to transport, process and export their products.

Contract production

In terms of the Regulation (EEC) No. 2092/91, processing companies that have supply contracts with a large number of small farmers need to fulfil the same requirements as the smallholder organisations. Since these small farmers are not organised, the processing plant ensures that they comply with the regulations and that the necessary inspections are carried out. All this is determined in detail in direct contracts signed between the company and the farmers.

4. Contractual relationships

Figure 3: Contractual relationships



a) Smallholders organised in a co-operative

Small farmers that are members of a co-operative structure are entitled to vote and thus assume full responsibility. At the same time they are not independent regarding the cultivation of their farms and fields, but are executives of the decisions and rules of their organisation. This is the case particularly with respect to the fulfilment of the Regulation (EEC) No. 2092/91 and Naturland standards. The Contracting Partner in this case is not the individual member, but the organisation (e.g. co-operative). The individual grower does not possess his own farm certificate and thus cannot market the organic products independently, but only under supervision of the producer's organisation.

b) Legally unorganised smallholders

If the growers are not organised by themselves, a company may take the role of the co-operative. Here, the individual growers do not participate in the decisions of the company, but they are bound to certain specific producer directives under various forms of contractual production. The individual producer does not possess a farm



certificate, but the respective company, which has to guarantee the fulfilment of the Regulation (EEC) No. 2092/91 and/or Naturland standards at all levels.

For both cases the regulation established by the European Union states that an inspection and certification contract must be signed by the productive unit and the authorised inspection body for any given inspection and certification and between the organisation and its members:

Between the organisation and the inspection body (contract 1 in the Figure 3)

In representation of its organic members, the association signs a contract with the inspection body and, following its internal quality control system it assumes responsibility for the compliance of all its members with the regulations of the European Union. In case the association is also associated to Naturland, it also assumes responsibility for the compliance of its members with Naturland standards.

Between associations and its members (contract 3 in the Figure 3)

In turn, the association also signs agreements with its members where the farmers commit to fulfil what is determined by the internal regulations of the associations. The contractual relationship between the association and its members is adapted to the level of education of the farmers. When the majority of members have little education, a moral commitment may be sufficient. When the farmers can read and write adequately a signed contract is requested.

Between the association, the service entities and the inspection body (contract 2 and contract 4 in the Figure 3)

When the organisation hires the services from third parties for processing of its organic products, a signed contract between the organisation, the contracted processor and the inspection body is necessary. Such a contract can be replaced by a direct inspection contract between the operator and an inspection body.

Naturland demands a contract between the organisation and the processor, in which a complete information flow is guaranteed.

In any case, the organisation carries the full responsibility for all activities carried out by the third party processor. This includes that any deviations, detected during inspection and stated in the certification letter to the organization is communicated to the third party operator and that its fulfilment is supervised by the organization respectively.

Between the organisation and Naturland (contract 6 in the Figure 3)

If the association is also a member of Naturland and wishes to sell its organic products with the Naturland logo, two types of contracts are signed: a producer contract between Naturland e.V. and the small farmers' association (this is a private contract where the certification and inspection standards are agreed upon) and, a second contract, between the association and Naturland GmbH. This second contract is called a sub-license contract, it is also private, and it defines the terms under which the Naturland logo can be used, and the payment of the corresponding licenses. (Annex II)

Between Naturland and the inspection body (contract 5 in the Figure 3)

Naturland and the inspection body sign a contract that defines how these two organisations will work together and the type of inspection the Inspection body will carry out.

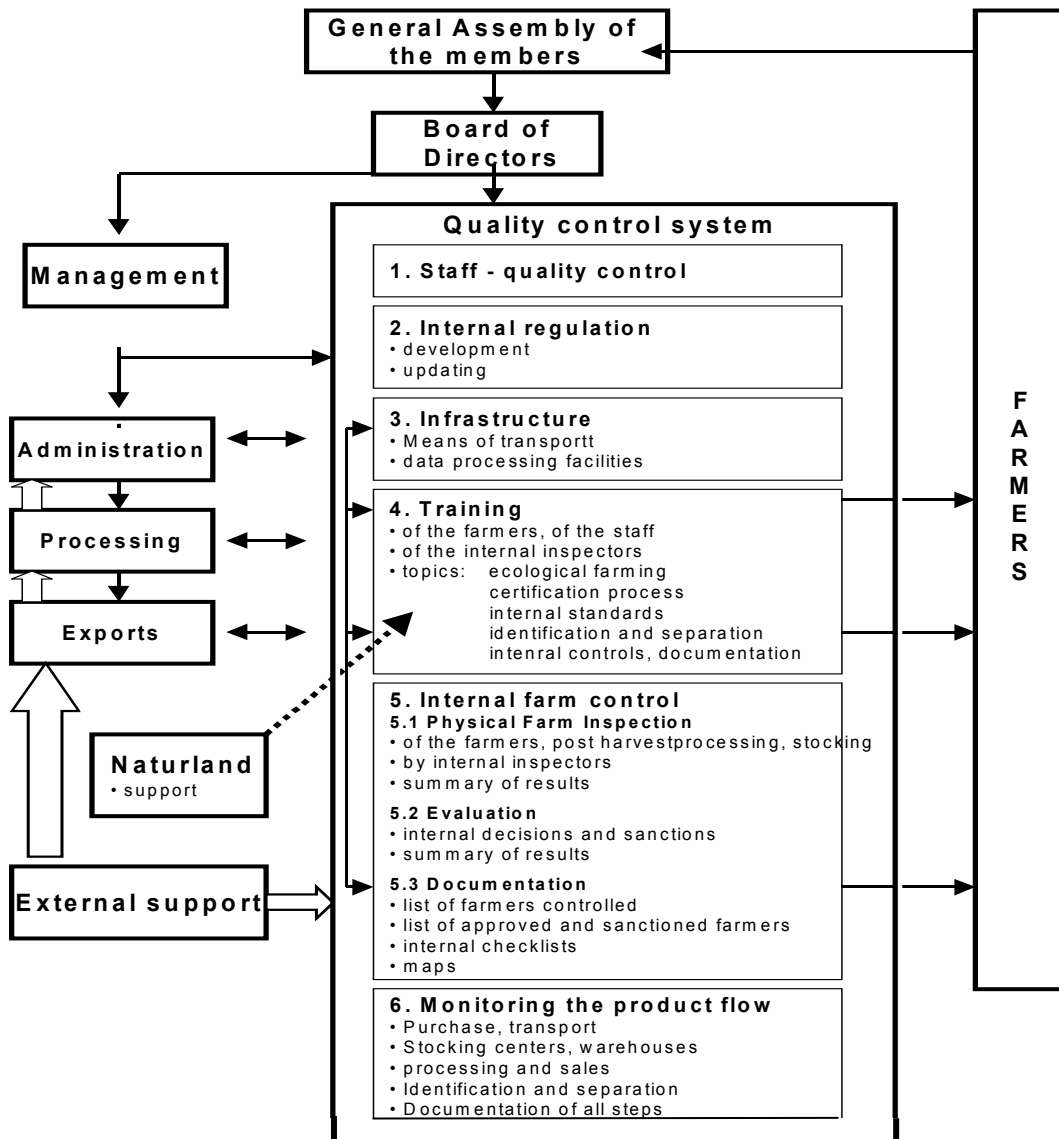
It is important that each stage of the production process (stocking, transport, storing, processing and exporting) is backed by contracts that commit all actors involved to comply with Regulation (EEC) No. 2092/91 and the Naturland standards. These same contracts grant the inspection body unrestricted access.

5. Structure and organisation chart of an organisation

The association must have a structure and design an organisation chart that shows the different decision levels concerning the quality control of the products. Figure 4 gives an example or model of such a structure.

Figure 4: Organisation Chart of Organisation

Organisation chart of the quality control system of a small farmers' association





The following basic information of the organisation is required for the different levels in charge of the production and those being involved in the different stages of product flow:

- **Farmer**

Description of the production system including cash crops, other crops and important activities, home consumption crops and animal production, the availability of manual labour and the degree of mechanisation. Normally, there is a high degree of uniformity in the way farmers of the same organisation manage their plots. If this is the case, a general description is valid for all members.

A full description of how the farmer is related to his association (full member, partner, affiliated member, co-owner, and others) and how he entered into the organic production programme of the organisation must be given. Finally, the documents that prove his membership must also be included.

- **Regional group**

When a regional group is formed (community, committee, group, etc.) the responsibilities of this group must be described. For example, community works and responsibilities concerning the cultivation of organic crops, soil preservation and other activities.

If the regional group participates in the purchase of the product, a detailed description of how the purchase takes place, the records, how the different qualities are separated, how the product is transported and stocked have to be supplied.

- **Headquarters of the organisation**

A general description of the work carried out by the organisation concerning organic production must be included. What does it do in terms of production, stocking or purchasing from its members, purchasing from non-members, processing, markets, exports and other important activities of the organisation. The significance of the organic sector in relation to the other activities needs to be described.

- **Processing Operation**

The processing plant must be described in detail, (different steps of processing, e.g. s, hulling, cleaning, drying, canning etc.; all used ingredients and additives. The used machinery, stocking of the product, the documentation system and infrastructure must also be described. Its relationship with the organisation must also be clarified. If the processing plant is not owned by the organisation, a service contract must be signed.

- **Exporter**

According to the Regulation (EEC) No. 2092/91, the exporter plays an important role in the quality control system. To European authorities that authorise the import of organic products, the importer is the entity that will be held responsible. He must request the import permit at the competent authority. The exporter in the exporting country must assume full responsibility prior to the importer who is based in Europe. He must apply for the transaction certificate, that states the organic quality of each exported lot. The contractual relationship with the exporter needs to be described.

To Do List³: minimum documentation requested to evaluate the structure of an organisation:

- **Statutes or constitution**
- **Agreement or contract signed between organic farmers that proves the farmer has agreed to comply with the internal regulation of the organisation**
- **Contracts with the processors and the exporters**
- **Organisational chart of the organisation**

E Quality Assurance in smallholder organisations

1. Criteria for participation

A group of farmers that wishes to be certified according to the Naturland standards based on an ICS must meet following minimum requirements in respect to their size and organisational status. However, the concept is not only limited to legally registered associations, such as co-operatives, but is also open to contracted farmer groups, who i.e. might be supervised and instructed by private processing and/or marketing companies.

- The group has to be large enough to make an internal control system reliable and financially feasible.
- There should be a certain homogeneity of members in terms of geographical location and/or production systems and/or marketing systems.
- The organisation needs to have a defined and documented structure (in written).
- The largest farmer member of an organisation should not deliver more than 50 times of the amount delivered by the smallest.
- Individual farmers that cultivate more than 25 ha must be inspected by the external control body on an annual basis. These farmers should keep their own farm documentation. The limit of this maximum surface may vary according to the cultivation conditions and farming structures of the respective country and needs to be determined by the control body for each case.
- The organisation must prove to be in the position (resources-, staff- and infrastructure wise) to implement an Internal Control System (ICS) as described in this manual, within a one year's period.
- The group shall have co-ordinated marketing in order to enable oversight of the product flow (in this context it is important to recognize that only the smallholder group is allowed to market products with reference to the Naturland certification not the individual farmer registered in the smallholder group)

³ in Annex VII, you will find a summary of all "To Do Lists" named "Minimum requirements of an ICS within smallholder groups".



2. Internal Control System (ICS)

An Internal Control System (ICS) is composed of various quality elements, whose character and elaboration might vary according to the local conditions and the individual set up of the smallholder organisation. In this sense, the following explanations are to be seen as general guidelines with individual adoptions needed.

2.1 Internal regulation

Each smallholder organisation needs to define its own internal regulation in regard to various aspects concerning the group, which have to be followed by all the members, associates or contracted parties. It is essential, that the regulation can be easily understood by everybody, demanding that they are set up and presented in a way that takes into account the reading and writing level of the members. The internal regulation should cover the following working areas:

area	content	details
scope	field of enforcement	Clear definition of validity, including all sub-structures.
organic production standards	principles	<ul style="list-style-type: none"> - Direct reference to Regulation (EEC) No. 2092/91 and the Naturland standards: all minimum requirements must be met. - Use of species and varieties adapted to the local conditions of the area. - Seeds and reproduction material of organic origin for the cash-crops, all rotation-crops and inter-cropping species. If organic seeds are not available, the external inspection body and Naturland needs to give approval. - Crop rotations or associated crops and farming of legumes and plants with deep roots. - Preservation of soil fertility by means of organic fertilisers.
	definition of production unit	- Production unit that includes the main organic crops, other conventional cash crops, home-consumption-crops and animal husbandry.
	off-farm-inputs	<ul style="list-style-type: none"> - Only phytosanitary products listed in Annex II of Regulation (EEC) No. 2092/91 are permitted. - Only the fertilisers listed in Annex III of Regulation (EEC) No. 2092/91 are permitted. - Not-allowed products shall not be stored within storage premises of the organic production unit.
	conversion (transition) period	<ul style="list-style-type: none"> - The transition period is defined based on the last date when inputs or prohibited techniques were used. - In the case of traditional agriculture that never made use of prohibited products, the start of the transition period corresponds with the beginning of the internal inspection of the members. Naturland / IMO have the competence to define precisely the beginning of the transition period. If they decide that the starting date should be retroactive, they must inform the authorities in the importing country (for that product) and obtain their approval for such procedure. - The transition period is defined in Regulation (EEC) No. 2092/91 as follows: <ul style="list-style-type: none"> - Annual crops: A crop may be recognised as organic, if a transition period of at least 2 years has been fulfilled before sowing the crop. - Perennial crops: a three-year transition before the first harvest of the organic product needs to be fulfilled. - For both types of crops, the Regulation prescribes, that the product of the first year of transition (called U0 by IMO) may not be



		<p>marketed as product “in transition” but needs to be sold as conventional product.</p> <ul style="list-style-type: none"> - During the period of time being identified as the transition period, the farmer is categorised as a farmer in transition. He needs to be included in the internal control and registered in the producers list presented for the external inspection.
	part conversion	<ul style="list-style-type: none"> - According to Naturland standards, part conversion is not allowed (excluded: self-sufficiency products) - If the organisation still has members which could not yet convert all of their crops to organic agriculture (ex. fields with conventional crops for local sale or home-consumption), it needs to develop a conversion plan of these crops to organic farming, including training for the farmers. To prevent any contamination risk for the organic crop until full conversion of all farm units, the following points must be included in the internal regulation: <ul style="list-style-type: none"> - Conventional plots must be clearly separate from the organic plots. Conventional crops may only be produced on clearly defined fields that have to be indicated on the maps with the word “conventional” and preferably in another colour. - Conventional fields need to have sufficient distance from the organic fields or must be separated by buffer zones, so that a risk of drift is excluded. - Farm inputs stored by the farmers for use in the conventional unit need to be fully declared by the farmers and registered by the internal control. - Inputs for the conventional unit have to be stored separately from the ones used in the organic unit and need to be applied with different devices. - The internal control needs to include the cultivation (application of inputs) of the conventional plots in the annual control.
	harvest and post harvest procedures	<ul style="list-style-type: none"> - Requirements for harvest and post – harvest. - The amount harvested is compared with the estimated yield assuring that farmers cannot deliver more than produced by themselves. - Separation and identification according to quality (organic, in transition, conventional) during all stages of the production process; and/or label differences if some members join private certifiers programmes. - Deliveries are documented (a delivery order is signed by the farmer or he receives a copy of the sales document). - Separation according to quality during the processing after the harvest. - Separation and identification according to quality (organic, in transition) in the warehouse. - Transport in correctly identified and closed bags that do not allow the mixing or exchange of the product. - Labelling of the product according to the quality (organic, in transition, conventional) - The use of products combating insects in the warehouses is restricted
	Naturland standards	<ul style="list-style-type: none"> - In case of Naturland membership, specific requirements such as: <ul style="list-style-type: none"> • Conversion of all production units (plots) of all members of the organisation. (excluded: self-sufficiency products) • Further restricted use of inputs.

rules of participation	in / out	<ul style="list-style-type: none"> - Admittance of new organic farmers. - Compliance with crop management standards. - Compliance with internal and external inspection mechanisms (documentation and administration). - Documentation of conversion period: the date the organic programme starts must be ratified by the internal inspection and verified by the external inspection.
	contracts	<ul style="list-style-type: none"> - Formal commitment. - The last page of the regulation contains a statement from each farmer, where he/she formally declares he/she understands the content of the internal standards and that he/she agrees and will fulfil the same. The person responsible for quality control and the farmers sign this commitment. If the farmer is illiterate, a standard procedure common in the area to legalise formal commitments is used (i.e. oath/declaration towards a competent community authority). This commitment included in the internal regulation is equivalent to a formal contract with a farmer.
sanctions and approval	Internal control procedures and sanctions	<ul style="list-style-type: none"> - Definitions of sanctions in case of non-compliance with the internal regulation, especially in case of deviation of the production standards. - Determination of the necessary procedures to ensure a reliable control of 100% of the farmers every year and the respective documentation. - Procedures to ensure that farmers which do not fulfil the internal regulation are sanctioned during the prescribed period. If non-allowed products are used, the farmer must once again go through the transition period. The internal control must supervise and document the enforcement of the sanctions.
formal commitments	obligations of the farmer	<ul style="list-style-type: none"> - Comply with the production standards within the field defined. - Grant the internal inspector unlimited access to all plots and deposits. - Provide to the internal and external inspectors all documents needed; especially, those concerning the purchase and use of inputs and sales of organic products.
	obligations of the organisation	<ul style="list-style-type: none"> - Train and inform its members on practices related to organic farming; especially, about requirements needed to obtain an organic certification. - Establish the quality and price criteria for the organic products of its members. - Stock the certified organic products of its members who participate in the organic programme according to predetermined criteria.

To Do List⁴: minimum documentation requested to evaluate the internal regulation:

- **Latest version of the internal regulation**
- **Sample of contract between the organisation and the farmer**
- **Name of person responsible for the organic programme**

⁴ in Annex VII, you will find a summary of all "To Do Lists" named "Minimum requirements of an ICS within smallholder groups"



2.2 Personnel

Qualified personnel is needed in order to guarantee the quality of organic products produced by the smallholder organisation. The type of staff needed and the main tasks they will have to perform are to be described as follows:

2.2.1 The quality manager

The quality manager occupies a key position in the organisation and consequently must be someone who

- is fluent in the local language and idiosyncrasy of the farmers;
- can read and write;
- has received training in organic agriculture;
- is familiar with the agricultural and ecological systems of the area;
- has sufficient know-how on quality control;
- must not have conflicts of interest that might affect his/her work.

The main tasks assigned to this position are:

- ⇒ To carry the overall responsibility on the performance of the internal control system (ICS).
- ⇒ To make sure that all members comply with the internal regulation of the organisation, especially in regard to the fulfilment of the production standards.
- ⇒ To manage and instruct the inspection staff in order to guarantee that 100% of the farmers in the organic programme are inspected at least once a year.
- ⇒ To have permanent overview of the total product flow control from field to export.
- ⇒ To organise and supervise the training of the internal inspectors.
- ⇒ To document all inspection activities.
- ⇒ To screen and to evaluate the inspection reports and to write a summary report on the realisation and out-comings of the internal farm inspections.
- ⇒ To participate in the decision-making process on approval / sanctioning /disapproval of the organic farms registered in the organic programme or at least to co-operate closely with it.
- ⇒ To follow up on sanctions that might be imposed on the farmers.
- ⇒ To co-ordinate the external inspection and act as a facilitator for the inspection body
- ⇒ To keep contact with the involved certification bodies; report their decisions to the management as well as to the farmers and to follow up on sanctions or conditions imposed on the operation.



2.2.2 The internal inspector

The internal inspector plays an important role in the Internal Control System and he/she must be someone who

- is fluent in the local language and idiosyncrasy of the farmers;
- can read and write;
- knows the local conditions very well;
- is familiar with the agricultural and ecological systems of the area;
- has received training in organic agriculture and in internal control procedures;
- is familiar with the internal regulation;
- must not have conflicts of interest that might affect his/her work, i.e. inspect his/her own plots, those of his/her family or friends, realising training of farmers in the same area, should not be responsible for the purchase of products for the organization etc.;
- is well respected among the farmers;
- co-operates closely with the quality manager.

The main tasks assigned to this position are:

- ⇒ To physically inspect farms registered in the organic programme according to the inspection schedule and indications of the quality manager. Such a farm inspection includes:
 - all field plots of the organic production unit, including cash crops, crops in conversion and home-consumption crops etc.;
 - the conventional production unit (if applicable);
 - all storage premises, including stocks for inputs;
 - all processing and post-harvest activities, such as drying, pulping etc..
- ⇒ To submit inspection reports as instructed and to line out any doubt, fraudulent behaviour, deviation or any relevant observation to the quality manager or the internal approval committee.

2.2.3 Member of the approval committee

The set up of an internal approval committee is necessary for organisations with a high number of farmers participating in the organic programme. In such cases, the organisation should recruit committee members who meet the following requirements: He/she must be a person from the association.

- He/she must be familiar with the principles of organic agriculture.
- He/she must be familiar with the internal regulation.
- He/she must not be involved in any marketing activities of the organisation. a member of the management or governing board of the organisation.
- He/she is well respected among the farmers and the organisation.



The committee is responsible:

- ⇒ To revise all internal inspection reports.
- ⇒ To take all decision regarding the approval / sanctioning / disapproval of the organic farms registered in the organic programme.
- ⇒ To take all actions regarding sanctioning / disapproval of organic farms
- ⇒ To set up actual farmers lists and make sure that the purchasing staff is informed accordingly
- ⇒ To document all decisions and to report them to the respective farmers, the directors, the responsible purchase staff as well as to the external inspection body.
- ⇒ Co-operates closely with the quality manager and the external inspector.

To Do List⁵: minimum staff requirements:

- **Appoint a qualified person as quality manager**
- **Appoint qualified persons as internal inspectors (see list Annex III)**
- **Clear assignment of responsibilities within the Internal Control System (ICS)**
- **Keep farm files on all staff members**
- **Set up an internal approval committee if applicable**
- **Present an actual and dated list of the internal inspectors as well as of the members of the approval committee and update this list continuously**

2.3 Infrastructure

The organisation needs to provide the necessary infrastructure, so that the internal control can be realised and documented in an efficient manner, e.g. provide the necessary means of transport, adequate data processing facilities etc.

2.4 Training and information

2.4.1 On farm level

The main objective of the training is to inform and train farmers on the relevant aspects of organic farming and, especially, make them aware of the contents and implications of the internal regulation for organic agriculture.

It is important to remember that the training of the farmers is a primordial task for government and non - government agencies who offer extension services. In areas where this service is available, the organisation may benefit from the same. Where it

⁵ in Annex VII, you will find a summary of all “To Do Lists” named “Minimum requirements of an ICS within smallholder groups”.



is not available, the training may be accomplished with resources coming from the organisation itself.

For those cases involving the conversion from conventional to organic practices, advice in production techniques and certification needs is fundamental. Organic advice needs to include the cash crop as well as all other crops cultivated by the farmers, and also crops for local sales, home-consumption crops etc. . For those cases involving the conversion from traditional (especially indigenous) practices the need for training focuses more on the filing of records and the documentation needed to obtain a certification.

2.4.2 For internal inspectors

Regular training of internal inspectors is inevitable. The internal control system therefore has to provide for all necessary information and techniques the internal inspector might need in order to execute his tasks. This training can be achieved through in-house courses as well as through participation in seminars and courses organised by other parties.

2.4.3 For other personnel

Training needs to be provided also for all personnel handling the organic product during all steps of product flow, regarding the necessary requirements of identification, separation of different qualities and documentation (see below).

To Do List⁶: minimum staff training requirements:

- **One training course on organic agriculture has to be offered to farmers at least once a year.**
- **Internal inspectors have to participate in a training course at least once a year.**
- **A summary of the training courses offered by the organisation has to be made available to the external inspector.**
- **An annual report on consultancy services offered to the farmers has to be submitted to the external inspection body.**

2.5 Internal farm control

2.5.1 Physical farm inspections

The main purpose of physical farm inspections is to prove whether all farmers registered in the organic programme are working according to the production standards set up as part of the internal regulation. In case of deviations, the system has to make sure that farmers, who are violating these production standards are

⁶ in Annex VII, you will find a summary of all “To Do Lists” named “Minimum requirements of an ICS within smallholder groups”



immediately removed from the programme and that their products will not at all be mixed with those of certified organic farms.

To meet these requirements, the internal farm inspection has to be organised in a professional way, taking the following aspects into account:

- When the inspection arrangements are first implemented (initial inspection), the internal inspector must draw up
 - a full description of the unit, showing the storage and production premises and land parcels and where applicable, premises where certain processing and/or packaging operations take place,
 - all the practical measures to be taken by the producer at unit-level to ensure compliance with the provisions of the production standards laid down in the internal regulation of the smallholder organisation.
 - The description and the measures concerned must be contained in an inspection report countersigned by the producer concerned.
 - In addition, this inspection report must specify the date of the last application of not allowed fertilisers or pesticides.
- Farm inspections within the internal control system (ICS) are delegated to internal inspectors. If the inspector is linked to farmers of a certain area, or if he/she is involved in consultancy activities, he must be assigned to other areas, where he/she does not have any conflicts of interest.
- Internal farm inspections have to cover 100% of the farmers registered in the organic programme. This is also the case for farmers who did not deliver products in previous years or were suspended. Otherwise, they will be eliminated from the approved farmers list.
- Internal farm inspections have to be finalised before the beginning of the harvest. Otherwise it will not be possible for the inspection body to set up an approved farmers list, which is a prerequisite for the separate purchase of certified organic crops.
- The control visit of the internal inspector will mainly focus on the organic production unit, comprising cash crops, as well as self-sufficiency crops and any other activities in this field.
- In case of the existence of a conventional production unit, these activities also need to be inspected.
- Animal husbandry activities are also taken into account. When animals are used only for traction or self-sufficiency a simple record is sufficient, otherwise the animals have to be inspected in detail.
- A sound verification of all off-farm-inputs is part of the inspection.
- Post-harvest facilities, warehouses and storage premises need to be inspected.
- Verification, if purchase was realised according to the approved farmers list.
- Verification at every step of processing and transport, whether the separation of organic products, products in transition and conventional products is fulfilled and whether there is a risk to organic integrity.



2.5.2. Evaluation

The results of the internal farm inspections, which are documented in the inspection reports (example find in Annex IV), need to be evaluated farm by farm against the production standards and all certification criteria specified in the rules of the internal control system. The decision as to whether or not to certify a farm shall be taken by the certification body on the basis of the information gathered during the evaluation process and any other relevant information, such as the decision of the smallholder organisation itself: The latter will normally delegate such a task to the quality manager, or preferably to an internal approval committee. If such a committee is not in place, the relevant decisions / actions will be taken care of by the external inspection body or partly delegated to individual staff members within the organisation. During the evaluation process, they will precisely screen the inspection reports and decide on organisation level on approval, sanction or disapproval of the farmer. The results of this evaluation including imposed sanctions need to be documented and communicated to all responsible parties (e.g. to the external inspection body, to Naturland, to the quality manager and to the purchase responsible).. Furthermore, an annual report has to be handed out to the external Inspection body and Naturland.

2.5.3 Documentation

The internal farm inspections and their results have to be documented. The following papers are of relevance for this process:

document	content
Annual summary report on the results of the internal inspections	<p>List of inspected farms (see Annex VI): Separate lists need to be presented for</p> <ul style="list-style-type: none"> a) farms with fully organic status; b) farms with conversion status; c) sanctioned farms (excluded from the programme). <p>In case of different purchase centres, these lists might be set up accordingly. Each list must include the following specification:</p> <ul style="list-style-type: none"> - Location (community, colony, field) - Farmer's code (it must always be the same, if the farmer withdraws from the organic programme, this code must not be assigned to another farmer) - Name and surname of the farmer - Entrance date of the farmer to the organic programme - Total surface of each farm - Surface cultivated with organic cash crops - Surface used for cash crops in transition - Conventional surface - Amount delivered to the organisation last year - Crop estimation for next year - Name or code of the internal inspector - Date of inspection (at least one, could be several) - Result of the inspection (approved or sanctioned)

	<p>Decision on approval and disapproval</p> <p>The internal decisions taken in regard to the approval of organic farms need to be documented (i.e. in form of minutes of the approval committee). Sanctioned farmers (disapproved) must be recorded with the following information:</p> <ul style="list-style-type: none"> - Location and code for each farmer - Name and surname - Land surface subject to sanction - Type of sanction - Reason why the farmer is sanctioned - Duration of the sanction <p>Summary of the purchased quantities of last year</p> <p>Depending on how the list of inspected farmers is set up, the summary of the amounts purchased during the past year may be presented as a separate list, including the following data:</p> <ul style="list-style-type: none"> - Accumulated amount of all deliveries of organic, in transition and conventional products for each farmer. - Summary of products delivered by community, purchase centre, or other sub-structures. - Summary of amounts delivered during the year, differentiated according to quality (organic, in transition, conventional). <p>Actual list of internal inspectors (Annex III)</p> <ul style="list-style-type: none"> - List of the internal inspectors responsible for the annual inspections - Number of farmers checked by each inspector. - Information on each inspector, indicating type and duration of the training he/she has received in organic farming, and in inspection and quality control.
<p>Inspection report (Annex IV)</p>	<ul style="list-style-type: none"> - basic data and cultivation methods - origin of seeds and seedlings - fertilisation practice (with quantities per plot) - plant protection measures (with quantities per plot) - use of application devices for plant protection - sustainability - animal husbandry - contamination risks from neighbouring plots towards the organic unit and necessary measures (e.g. buffer zones) - storing of inputs for crop production - storing of the harvested product - harvest estimation - general statement regarding the fulfilment of the production standards - date and signature of the internal inspector as well as the farmer - (If corresponding: decision of the internal approval committee)
<p>Farm maps (annex V)</p>	<p>Ideally, to locate the farmers cartographic maps with adequate scales or geographic information systems should be used. Otherwise, plans or sketches showing the following may be used:</p> <ul style="list-style-type: none"> - General map where the location of production sites is clearly shown (communities, colonies, towns, farms, etc.) - Updated map to determine the exact location according to areas of each production unit. Ideally, the location of a farmer's plot is marked along with his/her code. - Updated maps of the plots of the farmers, indicating the cultivated crops and neighbouring fields. - The external inspector should be in the position to find each field on his own.

To Do List⁷: minimum documentation requested to evaluate the internal farm inspections (see examples in the annex):

- **Annual report, comprising the following documents:**
- **List of inspected farmers (annex VI)**
- **List of sanctioned farmers**
- **Purchased quantities of last year**
- **Actual list of internal inspectors with basic qualification (annex III)**
- **Completely filled in inspection report forms of 100% of the farmers registered in the organic programme (annex IV).**
- **Updated farm maps (annex V)**

2.6. Monitoring the product flow

Besides farm inspections, the quality manager must also supervise the product flow of organic products from field to export, covering all steps of purchase, storage and processing.

During purchase, the person responsible must have an updated list of the registered organic farmers at hand. He is obliged

- only to buy from farmers named on this list;
- to differentiate between the different qualities (organic, in conversion, conventional);
- not to purchase more quantities than stated on the approved farmers list in the column “harvest estimation”,
- to keep detailed records on the quantities (with respective qualities) bought from each farmer,
- to store organic products completely separate from those of non organic quality and by this to prevent the mixing of different qualities;
- to transport organic products in closed bags/containers that are properly identified according their quality (organic or in transition or private labels).

The smallholder organisation is responsible for clearly identifying the crop of each farmer (i.e. by code number assigned). When a farmer delivers his product he signs a delivery note where he ratifies that the product comes from his organic unit. The organisation has to implement a documented purchase system, to make the supervision of the product flow possible.

⁷ in Annex VII, you will find a summary of all “To Do Lists” named “Minimum requirements of an ICS within smallholder groups”.



At the warehouses and during all further steps of handling and processing, the organic products must remain separated according to quality. Bags and storing areas must also be properly identified. If different lots of the same quality should be mixed, the origin (purchase centre) of each lot must be recorded. This is to ensure that the origin of the product can be traced back for each lot.

To Do List⁸: minimum documentation requested to evaluate the product flow:

- **Documented purchase system with samples of all documents (i.e. delivery notes; reception notes etc.)**
- **Product entrance and exit receipts from the warehouses**
- **Reports on processing activities (output ratio)**
- **List of realised sales.**

3. Critical control points

When establishing the Internal Control System, critical aspects that could affect the quality of the product and the certification process should be identified. Each organisation is advised to make a list of all possible risks. This recommendation is especially valid for organisations that are starting an organic programme. For this purpose, the quality manager shall prepare a list of all possible risks. Below you will find **an example** of such a list of critical control points:

List for critical control points	Yes	No	problems / measures
At production level:			
Are non-allowed products (pesticides, herbicides and fertilisers) being used at the plots or neighbouring farms?			
The use of products that are not allowed in organic production is common in the region?			
Are there crops cultivated in the area with a high risk of pests or diseases, which are difficult to be cultivated in organic agriculture?			
Are there producers in the organic programme which cultivate conventional crops for local sales or home-consumption crops using not non - allowed products?			
Is there enough know-how available to work towards conversion of the conventional crops to organic agriculture? Are there local organisations providing extension service in organic agriculture?			

⁸ in Annex VII you will find a summary of all "To Do Lists" named "Minimum requirements of an ICS within smallholder groups".



Can the organisation fully assure that there is no risk of contamination for the organic crops by the cultivation of conventional crops? (see measures described in chapter 2).			
Are there any support programmes from the government or aid agencies that subsidise or freely distribute pesticides or fertilisers?			
Are there regional or government programmes to prevent plagues or epidemics? (i.e. spraying of pesticides to prevent Malaria)			
At the level of internal control and advice:			
Are there enough funds available to maintain a reliable internal control system and to provide all necessary training to the farmers?			
Are responsibilities defined in such a manner that conflicts of interest can be excluded?			
Are responsibilities clearly defined to assure the adequate realisation of the internal control regarding production and product flow control?			
Can it be assured that 100% of the farmers are inspected every year, that inspections are properly documented, that results are evaluated and that decisions are communicated to all involved people?			
Has it been assured that there are sufficient internal inspectors to realise the inspection work?			
Is a continual training provided to the internal inspectors, the farmers and to all personnel involved in handling the organic product? Can it be assured, that in case of changes in personnel the requirements are continually fulfilled?			
At the stocking, transport, processing and warehouse level:			
Are the bags/containers where the products are stored identified with the farmer's code?			
Is it certain that the purchase centre only buys products from certified organic farmers, or if necessary separates the different qualities? (organic, in transition, conventional)			
Are the bags/containers where the organic products are stored clean and free of residues from products that might not be allowed?			
Is it certain that there is no possibility to confuse or mix the products at the purchase centres and warehouses?			
The personnel responsible for transporting the products has been trained on the specific requirements for transporting organic products?			
Is it certain that the transport equipment and the warehouses are not treated with products that are not allowed?			
At the management and marketing level:			
The person responsible for quality control can ensure that all records are complete and updated?			
Are transaction certificates requested on time?			



Are all sales documented, both local and exports?			
Is it certain that neither during transport nor in export harbours the organic product is exposed to products that are not allowed?			

F External inspection

Naturland e.V. itself does not perform any inspections but assigns these to external inspection bodies. The procedure used for the external inspection is based on IMO's Quality Manual and the here defined standard control procedures (IMO Quality Manual CH I, 2.1.14). The minimum requirements of the Regulation (EEC) No. 2092/91 according inspection are laid down in annex III of the Regulation (EEC).

1. Annual inspection

In general, the external inspection by IMO is realised once a year. When dealing with smallholder organisations, IMO concentrates on the supervision of the internal control system, wherein mainly its efficiency and objectivity needs to be evaluated. This includes the following control procedures:

- Verification of the internal documentation regarding its reliability and completeness.
- Verification of the internal controls by spot checks (interview and inspection of the plots). According to the requirements of the competent EU-Authorities, a minimum of 10% of the producers participating in the organic programme of the smallholder organisation has to be inspected for export to EU countries.
- Verification of the activities of the responsible for quality control of the organisation, regarding the correct procedures in respect to Regulation (EEC) No. 2092/91 and private standards.
- Inspection of all processing- and export units.

The annual external inspection is announced at a minimum of 10 days in advance. For each inspection a separate offer is presented, which needs to be signed by the smallholder organisation. IMO selects the external inspector taking into account specific knowledge and experience. The inspector receives all necessary documents regarding the activities or the organisation. The inspector is obliged to treat all information as absolutely confidential.

In order to be able to realise the inspections in an efficient manner, a good preparation by the organisation is required. The necessary documents need to be presented completely and in order. The visit and the transports need to be well organised. The responsible persons need to be present, having enough time to accompany the inspector and provide all necessary information.

The moment of inspection depends on the cultivation period, the local weather conditions, type of production and time schedule of the inspection body. The duration is determined individually for every project.



After conclusion of the inspection, the inspection report, together with written comments (including the recommendation for certification) is sent together with all related documents to the headquarter of IMO, where the documents are revised and the certification decision is taken

2. Spot checks

IMO can realise un-announced spot-checks and follow-up inspections. In case of a spot-check the inspector concentrates normally on one part of the organisation, in case of follow-up inspections he will mainly focus on the critical points identified during the first inspection.

3. Naturland requirements of external inspections of smallholder groups

The following requirements have to be respected **by inspection bodies** appointed to carry out inspection of grower groups according to the Naturland certification system. The inspection of grower groups is focusing on the Group's Internal Control System (ICS) and evaluates whether the Internal Control System (ICS) is functional and provides necessary information to evaluate the growers compliance with Naturland Standards.

The external inspection is carried out on an annual basis and does apart from the percentage of inspections, focus on the functionality, objectivity and effectiveness of the Internal Control System.

As a standard procedure, the inspection visit includes the following steps and documentation:

- **Introductory discussion** with the management and staff responsible for the Internal Control System.
- **Verification of the Internal Control System:**
Verification of the **documentation** (e.g. internal regulation, approved farmers list and resume of the internal inspection, internal checklists, maps, documents on the internal inspectors, training activities)
Verification of the **performance** (e.g. the professional capacity of the person in charge, the capacity of the inspectors and of the organisation's staff, the reliability of the results of the internal control).
- **Percentage of external check inspections:**
The inspection of a specific number of grower group members is an integral part of the external inspection. The external inspector verifies the documentation of the internal inspection and the fulfilment of the requirements by the farmers. Especially, the inspector compares the content of the internal checklist, the field maps and other documents, with his own findings. The inspector also evaluates if the farmer is sufficiently informed on the contents of the internal regulation⁹.

The following criteria should be considered by the inspector to define number and selection of the farms to be inspected by the external inspector.

- During the external inspection the inspector may decide on the final percentage of external inspections. 10% serves as a general guideline for the amount of external

⁹ According to Naturland standards grower groups are required to define their own internal regulation (see Quality Control Manual E 2.1)



inspections, but it may be lower or higher, depending on the findings of the inspector when evaluating the ICS.

- Provided the findings of the external inspections show that the Internal Control System functions well the percentage of external inspections may be reduced (e.g. the findings of the inspector correspond with the findings of the ICS, violations are found and followed up by the ICS etc.).

- As a minimum requirement 3% or at least 8 farmers must be inspected.¹⁰

- If irregularities of the ICS are detected and the findings need to be verified the inspector may decide to increase the number of external inspections.

- At least 75% of the checked farmers must not have been inspected by the external inspector the year before.

- different production- and management systems have to be considered.

- different villages and communities: at least 1/3 of all villages and communities should be considered securing an even proportion in size and uniformity of the inspected sites.

For the check inspections the Naturland checklists for producers have to be filled in.

- **Sample taking** for analysis in case of suspicion
- **Inspection of purchase activities of the company (storage facilities):**
The warehouses at the purchase centres and the central warehouses have to be inspected. It has to be verified whether the products stored are identified correctly according to their quality (conventional, in conversion, organic) and that different qualities are separated accurately. Entrance, exit records and stocking lists have to be evaluated. Verification of deliveries made by each farmer including the authorised quantities and qualities determined in the approved farmers list must be carried out.
- **Review of the approved farmers list**
The inspector has to review the approved farmers list which includes at least the following information:
Location (community, colony, field)
Farmer's code
Name and surname of the farmer
Entrance date of the farmer to the respective organic programme
Total surface of each farm
Surface cultivated with organic cash crops
Surface used for cash crops in conversion
Conventional surface
Amount delivered to the organisation last year
Crop estimation for next year
Name or code of the internal inspector
Date of internal inspection (at least one, could be several)
Result of the internal inspection (approved or sanctioned)

¹⁰ for exports into EU countries, the minimum requirements of the Regulation (ECC) No. 2092/91 has to be respected.



- **Inspection of processing facilities**
The inspector has to review procedures, recipes, ingredients, additives and processing devices. He focuses on entrance and exit records and storing documents. The inspector has to check the identification of the products and the separation of different qualities.
- **Inspection of sales and exports**
The inspector has to review the documentation of sales and exports. He should verify the existence of complete and accurate documentation of the origin and destination (buyer) of the organic product (product flow). Verification at every step of processing and transport, whether the separation of organic products, products in transition and conventional products is fulfilled and whether there is a risk to organic integrity.
- **Exit interview** regarding the findings with the responsible persons
The findings of the inspection are documented in an inspection report, which is countersigned by the responsible of the organisation.



Annexes

- Annex I: List of definitions
- Annex II: Naturland producer contract
- Annex III: List of internal inspectors
- Annex IV: Internal inspection report
- Annex V: Example of a Farm map
- Annex VI: Farmers list
- Annex VII: Minimum requirements for an ICS