



## **Organic Certification Procedures and Costs<sup>1</sup>**

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Production and handling operations applying for initial or ongoing organic certification must comply with regulations established under the National Organic Program (NOP) and applicable organic production and handling regulations. Information about various aspects of the National Organic Program is available on the Internet at <http://www.ams.usda.gov/nop/NOP/NOPhome.html>. This web page provides links to several other web pages where additional information can be found. Our purpose here is to present information about organic certification procedures and estimated certification costs, much of which is taken directly from the above Web sites.

### **Certification Agencies**

The U.S. Department of Agriculture (USDA) does not itself provide organic certification but instead accredits state, private, and foreign organizations, groups, or persons to become “certifying agents.” Organic certifying agencies can be either State Departments of Agriculture (13 states, including Colorado, Iowa, Montana, New Hampshire, Rhode Island, Utah, Idaho, Maryland, Nevada, Oklahoma, Texas, and Virginia) or private certifying agencies.

Note that certifying agencies cannot consult with applicants for certification about ways to overcome certification barriers. This procedure was established to ensure that the decision to certify an operation is made by a person different from the one who conducted the review of documents and on-site inspection. Accordingly, some organic certification agencies have developed separate certification units and separate outreach or education units, the latter of which can consult on such problems. Extension agents, consultants, and others can also consult with applicants for organic certification about certification problems. The Florida Department of Agriculture contact person for organic farming questions and private organic farming agencies currently active in Florida are listed in Table 1.

International organic standards can vary from each other and from the NOP standards. Complying with all or as many international standards as possible will maximize export marketing opportunities in countries importing organic produce from the U.S. It is important therefore to identify export markets and buyers and their organic standards.

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## The Certification Process

Applicants must first contact an organic certifying agency to obtain application forms, for which agencies normally charge a fee. The applicant must develop an organic farm plan or system which will include: contact person information; farm and farmer location, description, and history; storage and equipment facilities and use; water source, quality, and water management plans; buffer zones in terms of spray drift from neighboring nonorganic farms; soil, water, and crop residue; crop and marketing plans; soil management and crop rotational plans; seed sources; weed, disease, and pest management; post-harvest handling and storage; and record keeping.

The organic system plan has six components:

- the organic system plan must describe the practices and procedures used, including the frequency with which they will be used, in the certified operation
- it must list and characterize each substance used as a production or handling input, including the documentation of commercial availability, as applicable
- it must identify the monitoring techniques which will be used to verify that the organic plan is being implemented in a manner which complies with all applicable requirements
- it must explain the record keeping system used to preserve the identity of organic products from the point of certification through delivery to the customer who assumes legal title to the goods
- the organic system plan must describe the management practices and physical barriers established to prevent commingling of organic and nonorganic products on a split operation (an organic and non-organic operation at the same location) and to prevent contact of organic production and handling operations and products with prohibited substances
- the organic system plan must contain the additional information deemed necessary by the certifying agent to evaluate site-specific conditions relevant to compliance with these

rules or other applicable State program regulations. The organic plan must also describe monitoring practices that verify that the plan is being implemented.

After the application has been submitted and reviewed, the certification agency may have additional questions which will have to be answered. After review, a qualified inspector will conduct an on-site inspection for a fee, submit a report to the certifying agency, and if complete, the certification agency will grant and issue a certification certificate.

The entire initial certification process can take months to complete, depending on the schedule of the certifying agency and the complexity of the application. The transition from conventional to certified organic status usually takes three years to complete, primarily because NOP standards require that no prohibited materials be applied for three years prior to harvest of the first organic crop. However, if organic practices have already been followed and can be documented at the time of the initial certification visit, certification can be completed soon thereafter. Once certified, organic production, harvesting, and handling records must be kept for five years. Annual recertification visits must also be scheduled and related fees paid.

## Certification Costs

Certification costs vary according to fees assessed by the certifying agencies. In a 1999 study of certification costs of eleven certification agencies in different states, including two state agencies, first year certification costs averaged \$579, \$1,414, \$3,623, and \$33,276 for farms with incomes of \$30,000, \$200,000, \$800,000, and \$10,000,000, respectively (Table 2). For small farms, costs ranged from \$90.00 to \$1,290; for medium farms from \$155. to \$3,300; for large farms from \$200. to \$12,300; for super farms from \$575. to \$150,300. The Texas state certification agency charged the lowest fees and the other state agency listed, Wisconsin, also charged fees in the low range. Subsequent year certification fees were lower and out of state fees charged by resident certification agencies were usually higher.

Interestingly, small farms were charged a much higher percentage (about six times more) of their annual sales for certification than super farms. This would appear to run counter to the emphasis on rural community survival advocated in sustainable agriculture programs. However, there may be a minimum charge necessary to sustain the burgeoning private organic certification industry. In addition, organic certifying agencies charge a percentage fee based on gross annual organic sales.

Since all USDA certified organic agencies are listed on the NOP website, the best advice may be to shop around for the most cooperative and reliable certification agency with the lowest fees. Out-of-state agencies can also employ local, independent organic inspectors as opposed to flying in out-of-state inspectors.

### **Organic Certification Cost Sharing Program**

The USDA provides funds to reimburse certified organic farmers for the cost of certification for 75% or up to \$500.00 for initial certification costs. Cost sharing funds are available for those certified within a calendar year, with the calendar year running from July 1 - June 30. In Florida, application for cost sharing can be made by contacting Quality Certification Services at the address listed in Table 1, even if Quality Certification Services is not your certification agency.

### **Penalties for Violating National Organic Program Rules**

In addition to suspension or revocation, a certified operation that knowingly sells or labels a product as organic, except in accordance with the Act, will be subject to a civil penalty of not more than \$10,000 per violation (Section 205.662, NOP). A certified operation or person responsibly connected with an operation whose certification has been revoked will be ineligible to receive certification for a period of five years following the date of the revocation. The secretary of agriculture may reduce or eliminate the period of ineligibility. See "New Florida Department of Citrus Rules for Organic Grove Registration and Fruit Movement" at

<http://edis.ifas.ufl.edu/HS198> for regulations on grove registration, fruit movement and related issues.

Additional fact sheets on the following topics are available at <http://www.ams.usda.gov/nop/FactSheets/FactSheetsHome.html>

- National Organic Program Background Information
- Certifying agent Accreditation and Equivalency of Imported Products
- Organic Production and Handling Standards
- Labeling and Marketing Information
- Certification

**Table 1.** Certification agencies.

<b>Florida Department of Agriculture and Consumer Affairs</b>
<p>Dale Dubberly, Chief  Bureau of Compliance and Monitoring  Fla. Dept. of Agric. &amp; Cons. Serv.  Bldg 8L29/3125 Conner Blvd.  Tallahassee, FL 32399-1650  Ph: 850-488-8731 Fax: 850-488-8498  Website: <a href="http://www.doacs.state.fl.us">http://www.doacs.state.fl.us</a></p>
<b>Private USDA-Accredited Organic Certification Agencies Active in Florida Include</b>
<p>Oregon Tilth  Contact: Chris Schreiner  470 Lancaster Drive  Salem, OR  Ph: 503-378-0690  E-mail: <a href="mailto:organic@tilth.org">organic@tilth.org</a>  Website: <a href="http://www.tilth.org">http://www.tilth.org</a>  Scope: crops, livestock, wild crops, handling  Accredited: 4/29/02</p>
<p>Quality Certification Services  Contact: Marty Mesh  P.O. Box 12311  Gainesville, FL 32604  Ph:352-377-6345  Website: <a href="http://www.QCSinfo.org">http://www.QCSinfo.org</a>  Scope: crop, livestock, wild crop, handling  Accredited: 4/29/02</p>
<p>Organic Crop Improvement Association  Contact: Jeff See  6400 Cornhusker, Ste. 125407  Lincoln, NE 68507  Ph: 402-477-2323  Website: <a href="http://www.ocia.org">http://www.ocia.org</a>  Scope: crops, livestock, wild crops, handling  Accredited: 4/28/02</p>

**Table 2.** Average Organic Farm Certification Costs Based on Fees Charged by Eleven State and Private Certifying Agencies in 1999.

Farm Size		Fees	
Acres	Annual sales (\$)	First Year	Subsequent Year
		(\$) (Certification costs as a percent of annual sales)	
25 (Small)	30,000	579 (1.9)	371 (1.2)
150 (Medium)	200,000	1,414 (0.7)	1036 (0.5)
500 (Large)	800,000	3,623 (0.5)	2,489 (0.3)
3,000 (Super)	10,000,000	33,276 (0.3)	21,971 (0.2)

Graf, A. and L. Lohr. 1999. Analysis of certification program costs. Working Paper, Fund for Rural America Project, Market Development for Organic Agriculture Products, Grant No 97-36200-5.