

MONTANA ORGANIC COMMODITY ADVISORY COUNCIL
Business Meeting — November 12, 2002
Helena, Montana

ATTENDANCE:

Council Members

- Ralph Peck, MDA Director
- Judy Owsowitz, Producer
- Mikel Lund, Producer
- Bob Boettcher, Producer
- Bob Quinn, Producer
- John Hoffland, Consumer
- Nancy Matheson, Producer

MDA Staff Members

- Steve Baril, FSB Chief
- Greg Ames, ASD Administrator
- Doug Crabtree, Organic Certification Program Manager
- Debbie Stone, Administrative Support

The ASD Administrator, Greg Ames called the meeting to order at 8:00 am.

The MDA Director, Ralph Peck expressed his gratitude to everyone for the contributions they have made to the MDA Organic Certification Program.

Doug Crabtree discussed organic certification program news and information:

- Should the department join OTA and the OCC? MOCAC may make a recommendation at the next meeting.
- Distributed copies of the USDA NOP Requirements For Food Retailers And Distribution Centers.
- OFRF information available.
- Should the department consider adopting the use of the Audit Control Register? MOCAC may make a recommendation at the next meeting.
- Discussion of organic seed availability.
 - The State can provide a list of organic certified operations (with permission from the applicant). However, the State is not allowed to make any recommendations of any particular operation to anyone.
- Distributed the MDA Organic Certification Program Logo Specifications document for review. MOCAC may make recommendations at the next meeting. The focus is primarily for producers and consumers.

- Money is now available for The National Organic Certification Cost-Share Program. However, the forms are not yet available. The department will determine a process by which the funds will be distributed. Overhead is limited to 4% of the total funds allowed. Funds will be distributed by the department and are based on lists of certified operations provided by all certifying agents, not just the MDA certified operations. This is a good publicity opportunity for the program.
 - Steve stated there was a meeting scheduled by the department to discuss the procedures for distributing the funds. The department needs to have a budget and document the procedures for distribution of the funds.
 - Judy suggested the state ask for a paper processing fee to help cover expenses.
 - Bob B. suggested contacting Dave White at 587-6813 for more information.
- New certifications and applications:
 - 17 certifications issued or received
 - 13 producers, 4 handlers
 - 4 of these are “new” first time organic
 - Total of 33 applications
 - 22 producers, 11 handlers; 12 of these are new
 - Average length of time for processing an application is from 6 to 8 hours (once complete information is provided).
- NOP news
 - 9 new certifiers (6 foreign)
 - 1 private domestic
 - 2 state programs
 - 58 total accredited certified agents (half of the total that applied)
 - 11 states Dept. of Agriculture that are accredited
- Debbie will provide everyone a list of USDA accredited certifying agents.
- Bob B. discussed an Action Alert from the Sustainable Agriculture Coalition referencing the new crop insurance proposed rule that requires organic producers to have separate crop insurance.

Steve requested a formal approval of the October 29, 2002 meeting minutes.

With the consensus of the council, the region associated with each council member’s name will be removed.

A motion was made by Steve Baril, acting as chairperson to pass the October 29, 2002 meeting minutes.

Judy Owsowitz seconded the motion.

The motion to pass October 29, 2002 meeting minutes passed unanimously.

New Business And Additions To The Agenda

Bob Q. suggested we discuss forms and their electronic availability after discussion of the rules.

Review Of Draft Administrative Rules

Discussion of Rule I. DEFINITIONS:

A motion was made by Nancy Matheson to amend Rule I, subsection (4) to read:

- (4) "Mixed operation," means organic and non-organic production on the same operation or same organic production system.

Bob Quinn seconded the motion. **The motion to amend Rule I subsection (4) to read:**

- (4) "Mixed operation," means organic and non-organic production on the same operation or same organic production system.

was passed by a unanimous vote.

A motion was made by Nancy Matheson to amend Rule I, subsections (5) through (10) by replacing the word "is" with the word "means".

The decision to amend Rule I, subsections (5) through (10) by replacing the word "is" with the word "means" was in consensus by the council.

A motion was made by Bob Quinn to amend Rule I, subsection (10) to read:

- (10) "Packaging" means changing the size, shape, type or method of a product's containment without any change in the product itself.

Nancy Matheson seconded the motion. **The motion to amend Rule I subsection (10) to read:**

- (10) "Packaging" means changing the size, shape, type or method of a product's containment without any change in the product itself.

was passed by a unanimous vote.

Discussion of Rule II. ADOPTION OF NATIONAL ORGANIC PROGRAM REGULATIONS:

- Judy asked if the department is capable of certifying bees, greenhouses, dairy, and hydroponics.
 - Bees are covered in the livestock section.
- Bob Q. suggested that the council stay focused on solidifying the process for the majority of common applications (i.e., crops, livestock) so that the department will be better equipped to deal with unique applicants, when and if they apply.

Discussion of Rule III. APPOINTMENT AND COMPENSATION OF ORGANIC
COMMODITY ADVISORY COUNCIL

A motion to make the following changes to Rule III was made by Bob Quinn and was seconded by Nancy Matheson.

Subsections(1)(b) through (e) to read:

- (b) Four certified organic producers,
- (c) One certified organic handler representative, who must be an owner or employee of a certified organic handler,
- (d) One certified organic producer or handler representative appointed at large at the discretion of the director, and
- (e) The director.

Subsection (4) to read:

- (4) Appointed members will serve two year staggered terms, except the first year when three members will be appointed for one-year terms. Appointed members shall not serve more than two consecutive terms.

Bob Quinn made a request to Director Peck to change his position on the council from a certified organic producer to a certified organic producer or handler representative appointed at large. Director Peck was absent at that time. Chairperson Greg Ames will present the request to the Director and response will be provided at a later date.

Subsection (6) to read:

- (6) Council members may act as mediators of contested actions by the department involving denial of certification or proposed suspension or revocation of certification. Council members who qualify to conduct mediation may be included on the department's list of approved mediators.

Subsection (7) to read:

- (7) The council will conduct annual reviews of the certification program activities. This will include a yearly review of a sampling or all of the certification decisions made by program staff.

Subsection (8) to read:

- (8) The council shall conduct meetings and carry out duties in accordance with procedures in Section 2-15-122, MCA, and any other procedures recommended by the council and approved by the department.

All changes to Rule III were passed by a unanimous vote.

Discussion of Rule IV. STATE SEAL

- At the October 29, 2002 meeting, David Oien volunteered to take a current draft of the Montana Organic Seal to a graphic artist to get a cost quote for the proposed changes.
- David reported to Steve that it would take a couple hundred dollars to make the proposed changes.
- Steve suggested revisiting the process of finalizing the seal at a later time.

Steve stated that the Director prefers to send the rules out for informal review by certified organic entities, or public comment. After presenting the changes to the Director, the council will be advised as to the next course of action that will be taken.

A motion was made by Bob Quinn to amend Rule IV, subsection (3) to read:

- (3) Seals may be affixed only to products from organic producers and handlers certified by the department.

Nancy Matheson seconded the motion. **The decision to amend Rule IV, subsection (3) to read:**

- (3) Seals may be affixed only to products from organic producers and handlers certified by the department.

was passed by a unanimous vote.

Discussion went back to Rule I. DEFINITIONS, subsections (8) and (9).

A motion was made by Mikel Lund to amend Rule I, by removing subsections (8) and (9).

Judy Owsowitz seconded the motion. **The motion to amend Rule I, by removing subsections (8) and (9) was passed by a unanimous vote.**

Discussion of Rule V. APPLICATION PROCEDURES

A motion was made by Judy Owsowitz to amend Rule V, subsection (2)(b) to read:

- (2)(c) An operation that meets the definition of “handling operation” must be certified as a Handler.

Bob Boettcher seconded the motion. **The motion to amend Rule V, subsection (2)(b) to read:**

- (2)(c) An operation that meets the definition of “handling operation” must be certified as a Handler.

was passed by a unanimous vote.

A motion was made by Judy Owsowitz to amend Rule V, subsection (2)(c) to read:

(2)(b) A production operation that changes crops, wild crops, and/or livestock of their own production into a new distinct product by physically, chemically or otherwise changing the original product, the producer must also certify as a handler.

However, a producer may clean, wash, grade, dry, package, transport, or do similar preparation of their own production without a handler certification.

Bob Boettcher seconded the motion. **The motion to amend Rule V, subsection (2)(c) to read:**

(2)(b) A production operation that changes crops, wild crops, and/or livestock of their own production into a new distinct product by physically, chemically or otherwise changing the original product, the producer must also certify as a handler.

However, a producer may clean, wash, grade, dry, package, transport, or do similar preparation of their own production without a handler certification.

was passed by a unanimous vote.

With the consensus of the council, the MDA will write a new Rule V, subsection (5), stating that applicants are required to provide ingredient lists, or labels, or other information as evidence that their product contains only allowed substances.

A motion was made by Nancy Matheson to amend Rule V, subsection (5) to read:

(6) First time applicants must include a complete Organic System Plan with their applications. Certified operations may use a renewal form to update their Organic System Plans annually for up to three years, but must submit a new complete Organic System Plan at least every fourth year and may be required by the department to submit a new complete Organic System Plan whenever there are significant changes to the operation.

Bob Boettcher seconded the motion. **The motion to amend Rule V, subsection (5) to read:**

(6) First time applicants must include a complete Organic System Plan with their applications. Certified operations may use a renewal form to update their Organic System Plans annually for up to three years, but must submit a new complete Organic System Plan at least every fourth year and may be required by the department to submit a new complete Organic System Plan whenever there are significant changes to the operation.

was passed by a unanimous vote.

Rule V, subsection (6) now becomes subsection (7) due to the above changes.

A motion was made by Judy Owsowitz to amend Rule V, subsection (6)(b) to read:

- (7)(b) Certified operations may add new products by submitting a revised Organic System Plan, including sample labels (if applicable) and complete product profiles (applicable to handlers) to the department.

Mikel Lund seconded the motion. **The motion to amend Rule V, subsection (6)(b) to read:**

- (7)(b) Certified operations may add new products by submitting a revised Organic System Plan, including sample labels (if applicable) and complete product profiles (applicable to handlers) to the department.

was passed by a unanimous vote.

A motion was made by Bob Quinn to amend Rule V, subsection (7)(a) through (e) to read:

- (7) Applications are due by the following deadlines, and late applications shall pay an additional late fee of \$200. This rule provision becomes effective on January 1, 2003.
 - (a) PRODUCERS – INITIAL CERTIFICATION: Applications for initial certification of producers are due at least 120 days prior to the harvest of organic products.
 - (b) PRODUCERS – RENEWALS: Applications to continue producer certification are due no later than March 15 annually.
 - (c) HANDLERS – INITIAL CERTIFICATION: Applications for initial certification of handlers can be made at any time.
 - (d) HANDLERS – RENEWALS: Applications to continue handler certification are due one year from the date of the previous application.
 - (e) Certified operations that do not apply to continue certification or do not comply annually with 7 CFR 205.406 may have their certification suspended. An operation that has its certification suspended may reapply but shall pay the fees of a new applicant.

Nancy Matheson seconded the motion. **The motion to amend Rule V, subsection (7)(a) through (e) to read:**

- (8) Applications are due by the following deadlines, and late applications shall pay an additional late fee of \$200. This rule provision becomes effective on January 1, 2003.
 - (a) PRODUCERS – INITIAL CERTIFICATION: Applications for initial certification of producers are due at least 120 days prior to the harvest of organic products.
 - (b) PRODUCERS – RENEWALS: Applications to continue producer certification are due no later than March 15 annually.
 - (c) HANDLERS – INITIAL CERTIFICATION: Applications for initial certification of handlers can be made at any time.
 - (d) HANDLERS – RENEWALS: Applications to continue handler certification are due one year from the date of the previous application.

- (e) Certified operations that do not apply to continue certification or do not comply annually with 7 CFR 205.406 may have their certification suspended. An operation that has its certification suspended may reapply but shall pay the fees of a new applicant.

was passed by a unanimous vote.

Rule V, subsection (8) now becomes subsection (9) due to the above changes.

A motion was made by Mikel Lund to amend Rule V, subsection (8)(c) to read:

- (9)(c) Upon receipt of a request to withdraw an application for certification, the department will suspend all actions related to the application and bill the applicant for all fees due for services rendered up to the time of the department's receipt of the withdrawal request.

Bob Boettcher seconded the motion. **The motion to amend Rule V, subsection (8)(c) to read:**

- (9)(c) Upon receipt of a request to withdraw an application for certification, the department will suspend all actions related to the application and bill the applicant for all fees due for services rendered up to the time of the department's receipt of the withdrawal request.

was passed by a unanimous vote.

Discussion of Rule VI. APPLICATION FEES AND FEES FOR SERVICES

No amendments were made to Rule VI.

Discussion of Rule VII. BIENNIAL REPORT AND ASSESSMENT FEES

A motion was made by Nancy Matheson to amend Rule VII, subsection (2)(a) to read:

- (a) The fee for certified producers is 1.0% of all gross sales exceeding \$20,000.

Mikel Lund seconded the motion. **The motion to amend to amend Rule VII, subsection (2)(a) to read:**

- (a) The fee for certified producers is 1.0% of all gross sales exceeding \$20,000.

was passed by a unanimous vote.

A decision was made by the council to hold further assessment fee discussion for a later date to allow David Oien to participate in the discussion and to allow David to share with the council the history of the current fee schedule.

Discussion of Rule VIII. CERTIFICATION OF EXEMPT AND EXCLUDED OPERATIONS

No amendments were made to Rule VIII.

Discussion of Rule IX. CONVERSION PROGRAM

No amendments were made to Rule IX.

Discussion of Rule X. TRANSACTION DOCUMENT FORMS

A suggestion was made by Nancy Matheson to amend Rule X, subsection (1)(a) to read:

- (a) Transaction documentation forms may be issued as sequentially numbered forms with the producer's identification and expiration date beyond which use is not valid. Users shall enter shipment information that must include product name, production date, quantity sold, lot number (if applicable), sale price and date of sale.

The decision to amend Rule X, subsection (1)(a) to read:

- (a) Transaction documentation forms may be issued as sequentially numbered forms with the producer's identification and expiration date beyond which use is not valid. Users shall enter shipment information that must include product name, production date, quantity sold, lot number (if applicable), sale price and date of sale.

was a consensus by the council.

Rules XI, XII, XIII, XIV, and XV will be discussed in a conference call scheduled for Wednesday, December 4, 2002, 8:30 am to 10:30 am.

Steve discussed the travel budget for the council:

- Travel is running approximately \$1300 to \$1400 per meeting
- The travel budget is \$2698 total for the entire year

More discussion on the organic seal/logo:

- Angela DeYoung, MDA Marketing Specialist provided the following guidelines:
 - Certifying agent should be identified on the logo
 - The word "Montana" should be prominent
 - The words "Department of Agriculture" should be on the top of the logo
- Suggested amendments to the existing logo:
 - Simplify the furrows
 - Widen the outside oval strip
 - Increase the font size
- More discussion on the amendments of the logo will be scheduled for a later date

John Hoffland made a motion to adjourn the meeting.

Nancy Matheson seconded and the **motion to adjourn passed unanimously.**

The meeting adjourned at 5:10 pm.