

MONTANA ORGANIC COMMODITY ADVISORY COUNCIL
Business Meeting — April 23, 2003
Helena, Montana

CONFERENCE CALL ATTENDEES:

Council Members

- Judy Owsowitz, Producer
- Bob Quinn, at Large
- John Hoffland, Consumer
- David Oien, Handler
- Nancy Matheson, Producer
- Mikel Lund, Producer (absent)
- Bob Boettcher, Producer
- Ralph Peck, MDA Director

MDA Staff Members

- Greg Ames
- Doug Crabtree, Organic Certification Program Manager
- Debbie Stone, Administrative Assistant
- Steve Baril, FSB Chief (absent)

Director Peck called the meeting to order at 8:30 am starting with the first item on the agenda.

Director Peck requested a formal approval of the March 26, 2003 meeting minutes.

A motion was made by David Oien to approve the March 26, 2003 meeting minutes.

Bob Boettcher seconded the motion.

The motion to approve the March 26, 2003 meeting minutes passed unanimously.

OLD BUSINESS

Nancy and John's Review of the MDA Organic Certification Program

- The review took 12 hours for each of them to complete (not including the written report)
- The program is running well
- The files were in good order
- They found no major problems; staff has done a good job in implementing processes and procedures that are working
- Most notable was the predominance of incomplete applications

- Handling by staff of incomplete applications; to what extent can staff legally change an application?
- Confusion caused for applicants by application forms; maybe some modifications to the forms will eliminate confusion
- Inexperience of some applicants in organic systems and requirements; to what extent should staff train an applicant?
- Sourcing organic seed and non-availability documentation
- Dates were missing on forms
- Consider charging fees for extra time spent completing applications

Discussion:

- Seed sourcing needs more follow-up by the department.
- Recommended to have a list of seed sources available for state and regions on department website
- Director Peck:
 - Created a hay hotline when there was a hay shortage
 - Best to list a source for potential suppliers and have the applicant contact the source for availability
- **Due to time constraints in this meeting, make a note for discussion of seeds at a later time**
- Recommended to put dates on all forms
- Recommendation for incomplete applications: date and initial any changes or information added to applications
- There is clearly a need to provide education for applicants new to organic farming
- Doug:
 - Ninety-five percent of all applications are incomplete in some way and a follow-up call must be made
 - Based on Doug's previous experience, this is nothing new or unusual. Instead of giving an incomplete application to an inspector and requesting they obtain the information, the dept. tries to get the information first and then pass the application on to the inspector.
 - Hesitant about sending applications back for more information or charging more in fees due to time and money constraints on the applicant. The dept. doesn't want to make it more difficult for the applicant to become certified.

(Judy sees ways around this problem and it will be discussed at a later time.)

 - We are able to obtain information in a fairly efficient manner.
 - Incomplete applications will improve with time.

- Nancy:
 - Crucial point: What is the legal process that the dept. staff should be using to complete incomplete applications? There is a big difference between an application that is missing a few items of information and an application that is missing a great deal of information.
 - Some concern on the gestation of livestock
 - Some concern on equipment used. A tractor and a truck is not sufficient; what about harvesting equipment? This is an area that needs to be complete.
 - Need a source for education that applicants can go to.
 - Some concern, re: crop rotation.
 - Recommendation: those applicants that are just barely getting approved this year should submit a new system plan the following year.
- John:
 - People who do not understand “organic” need to take responsibility for their own education. The dept. could refer them to sources rather than catering to them through the whole application process.
- Nancy:
 - For future reviews:
 - Need more reviewers
 - Will council members come to Helena?
 - Will copies of the applications be sent to reviewers?
 - Plans that didn’t happen due to time constraints:
 - Interview with Steve
 - Review of program procedures manual
 - Review of standard contract for inspectors
- John: suggest time for council members to read the report summary and then have a meeting to discuss the review further.
- Greg Ames: thanked John and Nancy for their review and report.
- John:
 - Files were split between John and Nancy but were reviewed in the same room allowing interaction between them
 - Twenty-five percent of the files were reviewed; it would be good to get a better sample
- Doug: This report will meet the requirements for the annual review report due to the USDA on April 29. Will the council approve the report for this purpose?

A motion was made by Bob Boettcher to approve the MOCAC Review of the Montana Organic Certification Program for use in the annual report due to the USDA.

David Oien seconded the motion.

The motion to approve the MOCAC Review of the Montana Organic Certification Program for use in the annual report due to the USDA.

Discussion:

- Director Peck: Doug will draft a response to the recommendations in the report, which will lead the discussion for the next meeting.
- Doug: Would like to see future reviews done approximately one month earlier to allow time for discussion.
- David: Recommended having the review done before the end of the calendar year (late fall).
- Bob Quinn:
 - Suggested the dept. staff highlight changes and additions to the forms, date and initial and then at the time of inspection have the inspector get the applicant to date and initial all changes.
 - Not necessary to review so many files in the same category
 - Not in favor of sending copies of the application to reviewers; best to have review team review the applications in the Helena office.

Organic Directory – Update

- Doug:
 - The dept. received written permission from 25 out of 29 certified operations to have their names posted in the AERO directory.
 - It will be a 2-page ad consisting of the Organic Seal, a small paragraph about the program, and a list of certified operations.
- Director Peck: Why didn't the other four operations want to be listed?
- Doug:
 - One producer is unhappy with the program
 - One producer is leaving organic farming
 - Two other operations did not respond.
- Judy: Should the council address the issue of the dissatisfied producer?
- Doug: The concerns of the dissatisfied producer are:
 - New applications and continuations should be due in May or June so that information could be provided based on the planting of the crops
 - Unhappy with the fee schedule; collecting information on non organic sales or sales on other programs; resented the fact that it was even required on the form
 - Producer was issued a non-compliance notice; how could this be with one who has been an organic farmer for so many years?

- Mikel: Weather, markets, conditions change and it can be a lot of extra work if everything changes from your plan
- Bob Boettcher: Make notes of changes in plan; everyone is concerned about figuring out their system plan
- Doug: A plan may be one of three crops depending on conditions.

Cost Share

- Doug:
 - PR sent out 4/18
 - Application is available on the web and also upon request
 - Surprised by the lack of response
 - Reimbursement covers certification dates from October 1, 2002 through September 30, 2004. (For two years only, depends on date of certificate.)
- David: The dept. should add the web site to the AERO Directory Ad, which is located at www.agr.state.mt.us, and then select Organic Program.
- Bob Boettcher: NRCS made some headway on the transition plan

Draft Rule Comments

- Doug: The dept. has received a total of three comments out of approximately 200 mailings
 - A handler in Ft. Benton said the rules look good and should be easy to enforce.
 - A handler in Lolo said the rules seem fine, they are pleased with the program and it is working well for them; also that the new seal is an improvement.
 - A non-certified producer/activist in Helena had the following comments:
 - Rule III:
 - No council members should review files with which they have a competing interest
 - Consider training for council members doing the annual review
 - Council may appoint non-council persons to conduct the review
 - Rule XII:
 - Add "...or required procedures were not adhered to." To subsection (2), second sentence.

NEW BUSINESS

Export Update

- Doug:
 - The dept. has RFPs out to three contractors to develop an Export Certification Module.
 - The dept. has received one bid and is in the approval process.
 - The contractors scope of work is as defined below:

SCOPE OF WORK: The purpose of this contract is to develop service protocols, procedures, agency forms, and necessary accreditation or recognition contacts for use by the Montana Department of Agriculture, Organic Certification Program to offer re-certification or co-certification, in cooperation with other organic certification agencies, to facilitate export of Department certified organic products. The Contractor agrees to perform duties and responsibilities as specified in “A Collaborative Proposal to the Montana Department of Agriculture, Export Module: An Addition to the Existing Certification System”, a copy of which is attached and made a part of this contract.

The Contractor agrees to provide quarterly written reports describing accomplishments and providing an accounting of time and expenses.

Reports, forms and written deliverables shall, where possible, be provided in electronic format as well as hard copy.

- Bob Quinn will meet with the prospective contractors in Texas in May.
- Bob Quinn:
 - The dept. will need some mechanisms in place to keep track of the changes; export requirements change daily.
 - It is a fairly complex process, but not impossible. Each country’s requirements are different.
- Judy: If an applicant chooses to certify for export, is there more money and more forms involved?
- Doug: The dept. doesn’t know yet. It will be determined with the development of the program.
- David: What is the amount of money the dept. will spend to develop the export certification module and the time frame?
- Doug: The dept. will pay \$10,500 to the contractors to develop the export module for the MDA, including forms, procedures, etc.
- Judy: Where is the funding coming from?

- Director Peck: The program will receive some USDA grant funds, which will cover the export module contract.
- Doug: Once the program is setup, the dept. may not need any additional help.
- Bob Quinn: The dept. should request names of contact for each country.

Discussion of Rule I (5)

- Doug: The rule requires 25% of certified land must be located in Montana in order to certify with the MDA.
 - Harry Armstrong – has 800 acres in Montana and 3500 acres between Idaho and Wyoming; therefore, he cannot certify with the MDA
- Bob Quinn: The rule was created so that the MDA would not be overloaded before it could get started certifying within the state
 - Should producers who are not in Montana use the Montana Organic Seal?
 - **Get the program in place and revisit later.**

Director Peck: The program has the workload but it is still questionable about the sustainability of the program.

- Director Peck: Program Agenda:
 - Submit the annual report to the USDA
 - Go through the Rule Adoption Process
 - The next meeting will be at the call of the Chair within the next 45 days

David Oien made a motion to adjourn.

Bob Boettcher seconded the motion.

The motion passed unanimously.