MONTANA ORGANIC COMMODITY ADVISORY COUNCIL
Business Meeting — March 26, 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, ASD Administrator acting as chairperson on behalf of Ralph Peck in his absence
- Doug Crabtree, Organic Certification Program Manager
- Debbie Stone, Administrative Assistant
- Steve Baril, FSB Chief

Director Peck called the meeting to order at 8:40 am. He expressed his gratitude to everyone for the contributions they have made to the MDA Organic Certification Program.

Director Peck requested a formal approval of the March 5, 2003 meeting minutes.

A motion was made by Bob Boettcher to approve the March 5, 2003 meeting minutes, after amending the titles for Bob Quinn from "Producer" to "At Large" and David Oien from "Producer" to "Handler".

The motion to approve the March 5, 2003 meeting minutes passed unanimously.

Rule IV. STATE SEAL

It was the consensus of all council members present at this meeting that the new organic seal looks great.

The seal must go through the final rule adoption before it is final.

A motion was made by Judy Owsowitz to approve Rule IV. STATE SEAL.

The motion to approve Rule IV. STATE SEAL passed unanimously.

Rule VII. ANNUAL REPORT AND ASSESSMENT FEES

Discussion:

- Judy's comments:
  - Where is the handler/producer fee rule for handlers only located?
  - People may try to figure out a way to make them a handler versus a producer because handler assessment fees are less
  - Charge the greater of the two?

- Doug's comments:
  - There is no rule specifically addressing the fee for handlers only; it is considered a policy
  - MDA doesn't see this as a problem; MDA currently only has a few small combined producer/handler operations

- Judy suggested revisiting in one year

- Director Peck agreed; in one year the MDA will have some experience with which to make any necessary changes, if needed.

A motion was made by David Oien to approve Rule VII. ANNUAL REPORT AND ASSESSMENT FEES.

The motion to approve Rule VII. ANNUAL REPORT AND ASSESSMENT FEES passed unanimously.

Rule XI. RECORDS

Amendments:

- Nancy: **Amend Subsection (3) (d) to read as follows:**
  (3) (d) if custom processed, handling and processing description, date, and location. Location shall include the name and address of the handler or processor, and

- Bob Quinn: **Amend Subsection (4) (a) to read as follows:**
  (4) (a) All livestock must be individually identified or marked except poultry, bees and fish, which may be identified by unit of production, such as flock, hive, or pond.

- Nancy: **Amend Subsection (4) (c) (ii) to read as follows:**
  (4) (c) (ii) All purchased feeds including dates purchased, feed identification, quantities purchased, sources, and documentation of organic certification,

Discussion:

- What is considered documentation of certification?
  - Copy of Certificate or Letter of Continuation

- Is the label adequate documentation of certification?
  - If purchased from an intermediary, you need to have documentation that the product is certified organic
  - The preceding handler needs a certified document
  - If the distributor is not a handler, they need to provide proof of certification from their source

- Due to the detailed nature of this topic, it will be revisited later.

A motion was made by Nancy Matheson to approve Rule XI. RECORDS.

David Oien seconded the motion.

The motion passed unanimously.

The council has now approved all rules.

Rule Adoption Discussion:

- Steve's comments:
  - The next step is to start preparing for the rule adoption notice
  - Timeline is two to four weeks to prepare within the department
  - Director Peck will decide (1) send the rules out to the public for comment; OR (2) publish a notice in the Montana Register for 30 days
  - The department must address all comments received; if there are a lot of negative comments, then there will be a hearing scheduled
  - The comments can change the rules; if substantial changes are made, then the public may need to be notified

- Nancy stated that the most significant changes were made in the rules defining fees

- Judy suggested we send only the rules that changed the most to the organic community for comment

- Steve's comments:
  - Suggested mailing all of the rules out to the organic community, allowing them to suggest changes in an effort to minimize adverse comments in order to avoid a costly hearing
  - The community has already had a lot of input

Discussion of mailing the rules:

- Who will receive a copy? First and second petitioners; the same group who received the notice of the cost share letter
- Put in a news release
- Steve stated that we could state in the news that it was sent out for informal review and anyone may request a copy from the MDA

A motion was made by Judy Owsowitz to mail a current copy of the draft rules to everyone who received the cost share letter. Also, have a press release notifying the public of the availability of the draft rules.

The motion passed unanimously.

More discussion of mailing the rules:

- Council requested to send the draft rules out stating that this is a draft, which has not gone through legal review; and then send for final legal review.
- Bob Quinn suggested an index or a list of the rules to be submitted with the letter.
- Doug suggested having a statement or a letter from the council and a list of the council members
- David Oien will draft a letter from the council to be mailed with the draft rules

OTA Discussion:

- Should the department join the OTA?
- Membership allows the department to have a seat on OCC.
- Benefits: (1) OTA is active in advocating organic issues; and (2) the OCC functions for all certifiers, has a voice with the NOP
- No one is required to serve on the OCC, information is dispersed on a national level
- OTA meets at the Austin Trade Show and also Expo East and West
- Attendance is not required

- The OTA was invaluable with the feed issue
- The department should be ready to advocate on organic issues just as it does in other areas (i.e., potatoes, etc.)
- Director Peck is ready to advocate for organic issues. He will look at the department's benefit and will make sure there are no conflicts with other programs in the department. He will look at what new benefits the department will receive.
- If the council wishes, the department will compile support for Ralph's review.

A motion was made by Judy Owsowitz to have the department join OTA.

David Oien seconded the motion.

The motion passed unanimously.

<u>Organic Directory Discussion</u>:

- Aero – 2 pages is $200.00 (organic seal and a description)
- The ad would list product categories but not each individual product (i.e., coffee, but not each blend of coffee)
- Nancy suggested a list on-line.
- Doug responded with the need for time to create the list and work with the webmaster.
- ADD would like to put the Buyer's Direct on-line at no cost
- Participants would be required to request to have their name on the list
- Each producer or handler must give the department permission to list their name in a directory
- There is a check box on the application asking for permission to share their name and product information with buyers only
- The department cannot provide names for mailing lists or solicitation
- Doug will draft a letter to all MDA certified operations and ask for permission to have their name and information published in directories
- It will be stated in the letter that if they do not respond, the department will assume they do not want to have their name published in the directory

A motion was made by Nancy Matheson to have the department provide AERO with names and information of MDA certified operations that respond positively with the mailing.

The motion passed unanimously.

A motion was made by Nancy Matheson to have the department offer the MDA certified operations two choices; (1) permission to use name and contact information for AERO; (2) permission to use their name and contact information at the discretion of the department.

Steve's comments:

- The department needs to seek legal opinion for choice number two.
- We can revisit this motion once the department has determined what the legal options are.

Nancy withdrew her motion.

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

- The review is not finished yet
- Six random files were chosen
- They have completed one file together, John has completed 1 ½ files, and Nancy has completed two files
- They plan to sit down with Steve and Doug and discuss roles with staff and their relationships to the review and decision making
- Questions/Suggestions:
  - Minor modifications in forms to get more consistent information
  - Processes the staff is using
  - Some applications are not complete
- Have not yet seen any glaring issues or problems.
- Anticipated schedule:
  - One more visit to the MDA to finish reviews and meet with staff
  - Write the report
  - Doug wants the final report before April 29. (Doug is out of the office April 9 through April 16)
  - Doug recommends that the report list any recommendations (the more specific the better)
  - Doug will replace one file with a handler file and also add a vegetable producer file

The NOP Review will include any changes since the last audit, response to the audit changes required, and internal review changes.

The next MOCAC conference call was scheduled for Wednesday, April 23, 2003, 8:30 am to 10:30 am.

Rule Adoption Process Discussion:

1. Mail the rules out in two weeks for informal review
2. Comments due to the MDA in two weeks (April 21st)
3. Allow time to incorporate changes
4. Secretary of State – 30 day comment period
5. Address all comments received – takes approximately 1 month
6. File an adoption notice listing all comments received and the departments response
7. Publish a final adoption notice
8. One day after the notice is published the rules are final
9. Approximately 4 total months, and possibly longer.

NRCS Discussion:

- Nancy stated that the organic transition program would offer cost share programs for those interested.
- NRCS stated there was no interest in Montana for this program.
- Will Kissinger is the department NRCS representative
- Lee Boyer will be the department NRCS acting representative for the March 27, 2003 meeting.
- The department will get information for Lee to present at the meeting showing that Montana has a very large interest in the organic transition program.

Add to next agenda:

- Bob Quinn's Export information
- Cost share

David Oien made a motion to adjourn at 11:20 am.

Judy Owsowitz seconded the motion.

The motion passed unanimously.