

MOCAC Meeting
April 1, 2010
8:00 AM
Department of Agriculture
Conference room # 225

Council Members

Sharon Lindquist
Andy Sponseller
Greg Thayer
Jill Owen (absent)
Rob Forstenzer (absent)
Kathee Dunham(absent)
Roy Benjamin (absent)

Department Staff

Director Ron de Yong
Andy Gray – Bureau Chief CSB
Doug Crabtree – Program Manager
Breanna Caldwell – Admin Support

The meeting was called to order by Ron de Yong at 8:25 AM.

Review and approval of the November 11 and 16, 2009 minutes was postponed until the next meeting.

Doug provided a copy of his PowerPoint presentation and gave a program update. Doug explained that 200 certified entities would be enough to sustain the program. In response to the 2009 program review, the department plans to complete initial reviews within 90 days, complete inspections within 30 days of assignment, and issue certifications within 90 days of inspection. Doug said that the program will be training four additional department field staff, adding two experienced inspector contractors, and adding two new reviewers to help address our work load. We also plan to review all of our procedures in an attempt to streamline the certification process. Doug added that we have been issuing a certificate prior to the inspection and then verifying the certificate information during the inspection.

The length of initial reviews was discussed. Doug explained that even if organic certification took a year the producer would have their certificate within three or four months of initial application.

Other organic certification company procedures were discussed. Sharon explained that OCIA is planning to change to flat rate fees and that many chapters were comfortable with OCIA because they were vested in the company and had been

with them from the start. Greg explained that he usually received a certificate from QAI within three to six months of application.

Doug summarized the new NOP Pasture Rule and specifically the new access to pasture section. The rule requires access to the outdoors for all animals and an average of 30 percent of their Dry Matter Intake (DMI) requirement to come from pasture during the grazing season (a minimum of 120 days). He explained that many producers felt that this wouldn't affect them since they were already compliant. Doug did note that more documentation would be required from producers. Some concern was expressed over grazing land during a period of drought since this may do more harm than good for the producer. Andy Gray noted that the provisions requiring fencing of riparian areas had been removed. Doug explained that it may take a couple of extra hours of review time for certification.

The new FDA Food and Safety Rules were discussed. The main change will affect the traceability of food while using California and Arizona as models. Ron gave a background on the new safety rules. He explained that the new rules were an opportunity to switch from a focus on quantity to a focus on quality in food production.

Doug discussed some requirements for the council members. Each council member is required to submit a resume and an annual declaration of interests. Doug explained that council members were not allowed access to files of any producers with whom the council member may have a conflict of interest. Generally this would include anyone from whom you buy product or to whom you sell product.

The council adjourned for lunch and returned at 1:15 PM.

Andy Gray discussed the program budget. He clarified that while the council couldn't advise the department to ask for general funds the department could still receive general fund monies. The payment of reviewers and inspectors were discussed.

The 2009 rule proposal was discussed. Andy Gray explained that the rules, including the revised fee schedule recommended by the MOCAC, were not implemented. The Governor's office has not been in favor of any fee increases for any programs during this difficult economic time, unless there is strong support from the industry. The department does plan to submit a rule proposal in 2010 that

includes improved efficiencies like a standard handler application date, but does not include any fee increases.

Ron added that there were a couple choices in regard to addressing the budget deficit. One was to request a performance audit of the program which may make specific suggestions such as a fee increase to eliminate deficits, or the audit may require other changes that may or may not be viewed favorably by the organic community. The other was to plan on a fee increase down the road while continuing to use Specialty Crop Block Grants and Produce Program funds for the present. Doug explained that ideally he would like to see consumers share the cost of certification since it was a consumer protection program. Ron explained that since it was a food safety/quality program some general fund money could be justified.

There was discussion about the revenue amount required for a positive balance. Ron suggested that an additional \$100,000 plus the proposed small fee increase should insure adequate revenue. Greg suggested that the 70 percent of producers whose fees do not cover certification costs be charged enough to cover those costs. Sharon asked about the ability to refuse to certify producers. Andy Gray explained that it depended on whether the organic program was viewed as providing a service or serving the public. Ron mentioned again that support from the industry is needed for future fee increases. Ron explained that the department will try to make the current budget work and that the work that was done on fee increases built a foundation for future action. Andy Sponseller suggested that the MOCAC distribute a letter to all certified producers and handlers requesting that they support a fee increase in order to maintain the certification program.

Andy Sponseller suggested that the other organic forms be revised to match the new ones to help with efficiency.

The 2010 annual program review was discussed. The report from the Council has to be submitted by April 16th so it can be included in the report to USDA. Greg, Sharon, and Andy Sponseller will complete the program review. They plan to review producer's seed search and affidavit, and inputs (how they are verified, documented, and proof of packaging).

Roy Benjamin's comments were distributed and reviewed.

No public comment was heard. The review and approval of the previous minutes will be carried forward to the next meeting. The meeting adjourned at 3:35 PM.