

Inspection of Smallholder Grower Groups

This document describes specific requirements for grower group inspection. The following requirements have to be respected **by inspection bodies** appointed to carry out inspection of grower Groups according to the Naturland certification system.

Prerequisites

The general criteria for accepting farmer groups for the grower group certification concept are outlined in the Quality Control Manual for Smallholder Groups.

The Minimum requirements to implement an Internal Control System (ICS) are defined in Annex V of the producer contract. In addition all grower groups applying for Naturland certification receive the "Quality Control Manual" published by Naturland to support the implementation of the Internal Control System (ICS). The IFOAM Smallholder Group Certification Guidance Manual (May, 2004) can be used as well as a reference.

General requirement

The inspection of grower groups does mainly focus on the Group's Internal Control System (ICS) and evaluates whether the Internal Control System (ICS) is functional and provides necessary information to evaluate the growers compliance with Naturland Standards.

Specific requirements - **Please make sure to document in your inspection report all topics listed below!**

The external inspection is carried out on an annual basis and does apart from the percentage of inspections, focus on the functionality, objectivity and effectiveness of the Internal Control System. As a standard procedure, the inspection visit includes the following steps and documentation:

Determination of the Re-inspection rate:

Minimum number of smallholders who are re-inspected by the external inspection body			
	Normal risk factor 1	Medium risk factor 1.2	High risk factor 1.4
Minimum number of external inspections	10	12	14
Minimum number of external inspections ¹ <i>[Number of group members = n]</i>	Square root of n	1.2 square root of n	1.4 square root of n

NOTE: If there are different project sites, farmers in every project site shall be inspected → plan sufficient time to visit all project sites!

Risk Assessment during Inspection:

- In due course of inspection of the ICS and re-inspection of the minimum number of farmers, all relevant risks on all levels are assessed.
- On the basis of this risk assessment the risk category is determined.
Note: risks on buying level are critical for inspections, but do not necessarily influence the risk categories for determination of the re-inspection rate (more re-inspections do usually not give more information about potential buying problems).
- The chosen risk category has to be justified. As a rough guidance the respective risk categories can be defined as follows :

¹ The final re-inspection rates are determined with regard to the overall efficiency of the ICS

<p>“Normal” risk (low risk)</p>	<ul style="list-style-type: none"> • Less than 3 relevant risks and • no identified major problems • ICS basically OK ² <p><i>Example: high price difference organic/nonorganic; low social control, farmers also have conventional crops. BUT no farmers had used any unallowed inputs, no major difference between finding of internal inspection / external inspection</i></p>
<p>Medium Risk</p>	<p>3-5 relevant risks , ICS basically OK ²</p> <ul style="list-style-type: none"> • and/or: medium incidence of use of unallowed inputs <p><i>Example: high price difference organic/nonorganic; low social control, farmers also have conventional crop (and these are well registered by ICS), organic crop is difficult to farm organically. AND a few farmers are sanctioned each year by ICS for use of unallowed products, Farmers not yet well trained in organic farming</i></p>
<p>High Risk</p>	<ul style="list-style-type: none"> • more than 5 relevant risks AND • medium – high incidence of use of unallowed inputs • and/or ICS weak – very weak²

Determination of Final Control Rates considering overall efficiency of ICS

The resulting minimum re-inspection rates are taken as a basis. The final re-inspection rates are determined with regard to the overall efficiency of the ICS:

- a. ICS overall working well → applicable minimum control rates
- b. If the ICS inefficient ³ → increase control rates much higher than 1,4 *square root (number of farmers).
The final determination of control rate in this case will always be up to the decision of the certifier, however the following guideline applies:
 - for less than 10% of the total number of re-inspected farmers major differences between external and internal inspection are identified
 - Immediate corrective measures ICS needed, corrections probably to be verified in additional inspection visit

Example: 17 farmers out of 150 are re-inspected (high risk situation). Of these 17 farmers, 3 farmers are found to have conventional vegetables intercropped in their organic spice garden, the ICS had not recorded nor sanctioned this. 40 more farmers are re-inspected, out of which only for 2 more farmer the same problem is found. In total 57 farmers inspected (=38% re-inspection), of which 5 major differences were found → less than 10% problems → possibly acceptable as sufficient re-inspection plus in addition with immediately a new round of internal inspections for all other farmers, plus an additional spot check inspection later.

² Overall quality of ICS (OK or weak?) = Overall assessment of ICS regarding ALL compliance criteria.

Example: an ICS can be very weak and might need improvement, even if it has been found to be sufficient (by chance?) during the inspection, i.e. no major non-compliance of farm level or buying level were identified

³ Efficiency of ICS

For determination of the external control rate, the “efficiency” of the internal control is particularly important i.e. whether the internal control is in fact sufficiently replacing the external control. This is mainly assessed during re-inspections and witness audits.

Insufficient means that in several cases major differences between internal and external control are found (e.g. ICS has not found out about use of prohibited inputs on vegetables on the organic plot),

Rough guideline: if for more than 10% of the re-inspected farmers such identified problems are found, the ICS is insufficient (→ re-inspection rate need to be increased and ICS immediately improved). Some authorities might even consider 2-3 such cases (independent from number of farmers) as unacceptable.

Obviously the reasons for this lack of efficiency have to be investigated and assessed on a case to case basis (see below).

Remark: sufficient control rate means sufficient for certification of the group (not for finalising inspections). When major ICS problems are found during inspection, and it is clear that it is always the same kind of problem, it may be better to demand immediate improvement of ICS and then come back at later point for a second inspection (with more re-inspections) and only then declare the inspection as “sufficient”.

1. Selection of Farmers for Re-inspection

- Determination of overall re-inspection rate: see above
- Selection of farmers: done on a random basis by inspector at beginning of inspection. Aim is to get representative picture of the farmers in the project, but also of the work of the different internal inspectors.
- Important that farmers in all different project sites are re-inspected, ideally enough farmers are inspected to assess the work of ALL internal inspectors.
- If the project does not have clearly distinct project sites, but only various different villages, random choice of villages. Possibly the villages can still be grouped according to the intercrops they grow or similar.
- If several farmers had to be sanctioned by ICS, inspect similar farmers (neighbours, same village, same crops, etc.)
- At least 75% of the checked farmers must not have been inspected by the external inspector the year before.
- different production – and management systems have to be considered.
- different villages and communities: at least 1/3 of all villages and communities should be considered securing an even proportion in size and uniformity of the inspected sites.

2. Re-Inspection of Farmers

- Aim is a both a thorough inspection of the farm (like any farm that is inspected individually) as well as an assessment of the efficiency of the ICS and to assess the farmer's level of understanding of organic farming and the ICS procedures as well as the assessment of quality of field advise/farmers training.
- The inspection should always include an interview with the farmer (or his representative)
- **External check inspections have to be documented by using the “Proposed Naturland Inspection report form for spot checks in Grower Groups” or checklists which cover at least the same content**

3. Witness Audits

- In addition to the re-inspections, several witness audits are done, preferably one for each internal inspector.
- Aim is to assess the quality of the internal inspection
- The internal inspector is asked to perform a complete internal inspection: planning of the inspection (announcement to farmer?), preparing all documentation, farm/field visit, interview with farmer, completing internal inspection report, reporting back to the office.
- The inspector accompanies the inspector during the whole inspection and takes note regarding the performance of the internal inspector.
- The evaluation of the inspectors performance is best combined with evaluation of training of internal inspectors and checking their overall knowledge of organic farming, the internal organic standard, ICS procedures etc.

4. Inspection of ICS office

- Interview with ICS manager on project overview (number of farmers, project organisation), problems/important issues of previous year, (changes in) ICS manual,
- Evaluation of internal ICS manual (preferably already before inspection): do the procedures and forms fulfil the minimum requirements. After inspection: are the described procedures effectively implemented.
- Evaluation of internal organic standard (preferably already before inspection): complete and sufficient with regard to minimum requirements of the applicable organic regulations/standards?
- Screening of the organisation's own risk assessment, further discussion on potential risks.

- Screening of random farm files:
 - Check several files for each internal inspector
 - documents, complete?,
 - cross check of information with farmers list (certified farmers list previous year as well as new updated farmers list submitted by ICS)
- Focus on Sanctions: check of all non-compliances and sanctions identified by ICS: what were the identified problems, appropriate sanction and reactions by ICS. Have the sanctions been effectively implemented?
- Approval Procedures: how were decisions taken and by whom? How are decisions documented? Especially important: new farmers, who determine the proposed conversion status?
- Verification of farmers list: complete? Changes compared to last year (N° farmers, areas, crops, yield estimates). Who manages the farmers list and how/when is information updated?
- Staff Qualifications and Training: check staff files and training records. Interview a few field advisors (if not the same as internal inspectors).

5. Taking samples for analysis in case of suspicion

6. Inspection of purchase activities of the company (storage facilities):

The warehouses at the purchase centres and the central warehouses have to be inspected. It has to be verified if the products stored are identified correctly according to their quality (conventional, in conversion, organic) and that different qualities are separated accurately. Entrance, exit records and stocking lists have to be evaluated. Verification of deliveries made by each farmer including the authorised quantities and qualities determined in the approved farmers list must be carried out.

7. The inspector has to review the approved farmers list (AFL) which includes at least the following information:

Farmer's code, name and surname
Name or code of the internal inspector
Location (community, colony, fields)
Entrance date of the farmer to the organic programme
Total farm surface
Surface cultivated with organic and/or in conversion cash crops and conventional surface
Last use of prohibited inputs
Amount delivered to the organisation last year
Crop estimation for next year
Date of internal inspection (at least one, could be several)
Result of the internal inspection (approved or sanctioned)
→ A separate list shall include all sanctioned farmers
→ The farmers list shall be annually updated!

8. Inspection of processing facilities:

The inspector has to review procedures, recipes, ingredients, additives and processing devices. He focuses on entrance and exit records and storing documents. The inspector has to check the identification of the products and the separation of different qualities.

9. Inspection of sales and exports

The inspector has to review the documentation of sales and exports.
He should verify the existence of complete and accurate documentation of the origin and destination (buyer) of the organic product (product flow).
Verification at every step of processing and transport, whether the separation of organic products, products in transition and conventional products is fulfilled and whether there is a risk to organic integrity.

10. Exit interview regarding the findings with the responsible persons

The findings of the inspection are documented in an inspection report, which is countersigned by the representative of the organisation.