

Maharishi Vedic Organic Agriculture Certification Program

Policy Manual

Version 3.0

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Maharishi Vedic Organic Agriculture Institute Certification Program Policy Manual

Version 3.0

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1 Introduction and Welcome

1.1 The Scope of the MVOAI Policy Manual

The MVOAI Policy Manual is a guidance document. Its purpose is to aid our clients in easily and efficiently completing and maintaining organic certification. The USDA National Organic Program Rule contained in the MVOAI Standards Manual provides all the necessary and sufficient policies and standards for organic certification in the USA. The Standards Manual also provides appropriate standards for international and Maharishi Vedic Agriculture certification. This document provides any necessary clarification and explains how these standards and policies are implemented by MVOAI.

1.2 Maharishi Vedic Organic Agriculture Institute: Re-enlivening Natural Law in Agriculture for Supremely Pure, Nourishing Food

The Maharishi Vedic Organic Agriculture Institute has been founded to re-enliven Natural Law in the profession of agriculture. One of the Institute's principal goals will be to promote and certify pure Organic and Vedic food—food that is not only free from the application of harmful chemical residues and genetic modification, but, in the case of Maharishi Vedic Organic, food that is lively in the full intelligence of Natural Law—food that is grown in accordance with the ancient, time-tested principles of Maharishi Vedic Organic Agriculture.

Under the inspiration of His Holiness Maharishi Mahesh Yogi, the Institute will utilize the complete, traditional and scientifically verified knowledge of Maharishi Vedic Agriculture contained in Veda and the Vedic Literature to bring today's agricultural practices in tune with the fundamental Laws of Nature that govern and nourish our lives. With the full enlivenment of Natural Law, the farmers in every country will grow pure and nourishing food for the whole world family. (See the Maharishi Vedic Organic Agriculture Institute Web site at www.mvoai.org for more details).

1.3 Maharishi Vedic Organic Agriculture: Organic and Vedic Standards Together

In its most general sense, organic agriculture includes systems of agriculture that support the healthy and life supporting production of food through environmentally and socially sound production methods. It adheres to globally accepted, life supporting principles which are implemented in local economic, geo-climatic, and cultural settings. Organic farming promotes health in the farmer, the food, and the environment. It uses methods that respect and uphold the natural capacity of plants, animals, and the landscape.

Organic producers seek to reduce or eliminate reliance on practices and inputs that harm life, deplete resources, and pose hazards to air and water purity. In general, organic systems build soil fertility as the key to successful production. Thus health and life of the soil remain two of the key focuses of organic farming. Soil fertility practices balance physical, chemical, and

biological characteristics of the soil through such methods as crop rotations, livestock grazing, cover crops, intercropping, green manures, recycling of plant and animal wastes, tillage, and occasional application of essential mineral nutrients.

Biological diversity is another central principle of the organic system. Natural diversity promotes balance in plant and animal systems, allows for healthy, synergistic relationships and thus reduces the need for external inputs. Diversity includes varied crops, livestock breeds, rotation cycles, pest management strategies, and the allowance for natural habitat for wild species.

Local and regional self-sufficiency is another foundation of sustainable agricultural production. Organic production is more of a closed system of agriculture that dramatically reduces external inputs such as chemo-synthetic fertilizers, pesticides, and pharmaceuticals. Materials and resources are often re-cycled within the farm and the immediate surroundings to prevent costly and wasteful transportation and processing costs.

Animals in the organic system are to be treated kindly, with proper consideration to their health and behavioral requirements. Organic feed, natural grazing conditions, comfortable housing, and the absence of fear in any form are the common requirements.

Organic production systems emphasize maintaining the integrity and nutritional value of the food throughout the process from planting to consumption. Finally organic systems develop and adapt new technologies with careful consideration to their long-range ecological and social impact or consequences.

The Maharishi Vedic Organic Agriculture program incorporates in its farming practices the most rigorous existing policies and standards for the production of pure organic food as provided in the USDA National Organic Program Rule or other applicable international standards. The Institute's certification program also operates in compliance with the internationally accepted ISO Rule 65 governing the management and operation of certification agencies especially for international certification. The Institute operates a National Organic Program compliant organic certification program, and an additional, Maharishi Vedic certification program for clients who wish to meet the additional label requirements of the MVOAI Vedic Program. The Maharishi Vedic program uses the ancient Vedic agricultural technologies recently revived by Maharishi to produce food of extraordinary purity and vitality, in which all the Laws of Nature have been enlivened.

Farmers following the principles of Maharishi Vedic Agriculture will rise to higher consciousness and live life in harmony with all the Laws of Nature. They will use recitation and knowledge of the sounds of Veda and the Vedic Literature—the sounds of Natural Law itself—to enliven the inner intelligence of the plants. The result will be good fortune for the farmer, plants bursting with the vitality of Nature's Intelligence, and a healthy environment for the farmer to produce an abundance of life supporting food.

Maharishi Vedic Agriculture will bring fulfillment to the organic farming movement by enlivening Natural Law in the awareness of the farmer. This will vitally nourish the link

between the farmer, his crops, and the Laws of Nature at the basis of his profession and will bring the support of those Laws of Nature to insure success in all aspects of the farmer's life. It will ensure success in all aspects of the food-growing process.

2 The Authority Under Which MVOAI Operates

2.1 Legal Organization

The Maharishi Vedic Organic Agriculture Institute is a 501(c)(3) non-profit educational corporation incorporated in the State of Delaware, U.S.A.

2.2 Accreditation Status of MVOAI

Maharishi Vedic Organic Agriculture Institute is a UDSA and ISO 65 accredited certifier.

2.3 MVOAI Organizational Structure

The Organizational Chart for the Certification Department of Maharishi Vedic Organic Agriculture Institute is presented at the end of this manual. The President of MVOAI reports to the Board of Directors who is responsible for the overall operation of the Institute. It is the President's and Board of Directors' responsibility to ensure that all the goals and activities of the organization are implemented and fulfilled. These activities include the NOP organic, the international, and the Maharishi Vedic Organic Agriculture Certification Programs, and the Maharishi Vedic Organic Agriculture Institute Educational and Research Programs.

In regards to the Certification Program, the President and Board of Directors (BOD) must assure that the Program is financially viable and capable of providing a credible guarantee to its Licensees. The President in particular is directly in charge of administering the operations of the organization, including its educational, research and certification activities.

The Certification Committee, although necessarily a part of the organizational structure, is autonomous in its functioning and makes all decisions on certification based on materials it receives from inspections, application materials and reports. This is to provide separation between application processing, initial review and inspection, and certification decisions. The Certification Committee and its Chairman are responsible directly to the President and the Board of Directors.

Documentation resulting from applications, inspection visits and audits are reviewed by the MVOAI Certification Coordinator and Certification Department staff for completeness and initial review and then submitted to the Certification Committee for final decision. Members of the Certification Committee are qualified and experienced personnel in organic and Vedic organic agriculture and will make all decisions regarding the granting, extension or denial of the certification status of the inspected parties.

2.4 Administration of the Program

All programs of Maharishi Vedic Organic Agriculture Institute are administered through the central office:

Maharishi Vedic Organic Agriculture Institute
1852 Crystal Springs Lane,
Maharishi Vedic City, Iowa, 52556
Phone 641-472-4442
fax 641-472-2551
E-mail Vedicagriculture@maharishi.net

2.5 Personnel of Maharishi Vedic Organic Agriculture Institute

The personnel at MVOAI are all highly qualified and dedicated people whose goal is the growth and certification of organic and Vedic agriculture around the world. Everyone working at the Institute is trained in both organic and Vedic principles and practices. Many of our staff work on a volunteer basis, offering their personal time and resources to help in this timely issue of improving the purity and quality of the world's food supply, while preserving the environment in a sustainable manner. Employees generally have a combination of educational, experiential, and vocational training and qualifications. For a complete list of personnel and their qualifications, see the MVOAI Quality Manual.

2.6 States and Countries where MVOAI is or will be Active in Certification

MVOAI will certify clients who request USDA organic, EU, Japanese, and/or Vedic certification from any country in the world. (In the USA, MVOAI will also confirm with appropriate State authorities that we are in compliance with all the State's organic program requirements for each State where applicants are seeking certification.) In addition, since the focus of the Educational Division of Maharishi Vedic Organic Agriculture Institute is to teach courses on Maharishi Vedic Organic Agriculture to poor farmers in developing nations in Asia, the Indian sub-continent, Africa and South America, it is anticipated that there will be many requests for organic and Vedic certification in these countries. These developing nations will form the focus of MVOAI's international certification services.

3 The Certification Process

3.1 Introduction

Maharishi Vedic Organic Agriculture Institute (MVOAI) offers an efficient 7 STEP program for gaining organic or Vedic certification. At MVOAI we consider it part of our responsibility to help you to understand and proceed comfortably through the steps of certification. Although certification, by law, involves extensive documentation to protect the integrity and quality of the certification process, we have made every effort to make the process comfortable and manageable, and to provide a program and quality guarantee that allows us to be sure that the organic or Vedic quality is met and maintained from farm to market.

Call or e-mail the MVOAI Certification Coordinator if you need help understanding our certification forms, certification procedures, certification standards or any step of the certification process. We will be happy to provide any additional information that you may need to understand or complete your certification. However, it is important to note that Federal law does not allow us to advise you on how to manage your operation in order to gain certification. We can only help you understand our certification procedures and requirements.

All communications between MVOAI and its clients should be direct from the client to the home office of MVOAI or to authorized branches of the Institute. Correspondence may be electronic, telephonic, or written and must be sent to the published postal address or to Web site and e-mail addresses.

The Maharishi Vedic Organic Agriculture Certification Program meets the legal requirements, standards, and guidelines of:

- 1) The Organic Food Production Act (OFPA) of 1990 - the US federal law that requires certification of organic operations;
- 2) The USDA's National Organic Program (NOP) Federal Organic Rule effective October 21, 2002, governing the use of the word organic in the United States. The Federal Rule of the United States provides the basis for MVOAI's certification policies and standards. The full version of the Federal Rule may be accessed on the Internet at <http://www.ams.usda.gov/nop/>.
- 3) ISO Guide 65 for internationally accepted requirements for management of a certification agency; and
- 4) The Maharishi Vedic Organic Agriculture Institute's Vedic policies and requirements.

As a result of the National Organic Program, all farming operations with annual gross sales of organic products over \$5,000 must be inspected and certified organic by an accredited agency. MVOAI is such an agency.

3.2 Overview: Seven Steps of the Certification Process.

The process to become certified or re-certified as USDA Organic or Maharishi Vedic by MVOAI is briefly outlined in the following 7 steps. Details of these steps follow. Applicants should complete the certification process, being careful to:

- (a) Complete all portions of the application that are pertinent to your operation to the best of your knowledge.
- (b) Complete and sign the applicable Certification Contract and non-disclosure agreements at the appropriate time in the application process.
- (c) Send the required application fees and other annual certification fees at the appropriate time.

STEP ONE - The first step is to request an MVOAI Application Packet for the type of operation for which you are requiring certification, which includes the appropriate components of the following: MVOAI Certification Application, the Farm or Livestock Plan Questionnaire,

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Processing/Handling Plan Questionnaire, Field History Forms, Product Profile forms, the MVOAI Policy and Standards Manuals, and in the case of Maharishi Vedic certification, a copy of the Vedic Procedures Verification Forms. There is a \$35.00 fee (\$50 international) to print and mail paper forms. Alternatively, the forms may be downloaded free from the MVOAI Web site www.mvoai.org. Applicants may request a paper copy of the fee schedule free of charge.

STEP TWO – Upon receipt of the Certification Application Packet, we request that you review the Policy and Standards Manuals and fee structures. If you have any questions about determining your fee structure please contact the MVOAI Certification Coordinator. These manuals make very clear the requirements for our USDA organic, international, and Vedic certification. A complete understanding of their contents serves as the first step in the application and qualifying process. Having read the Policy and Standards Manuals, if you feel you will qualify for certification and wish to proceed, the next step is to carefully review the Certification Application Packet and fill out, as appropriate, the Application Form, Farm/Livestock Plan or Processing/Handling Plan, and Field History Forms, Product Profile forms, and, in the case of Vedic Organic certification, the Vedic Procedures Verification Forms.

Please complete all parts of the forms carefully and in complete detail. Please call or e-mail the MVOAI Certification Coordinator if you have questions about completing the forms. Incomplete forms will be returned for completion. The completed Certification Application Materials are sent to the main office of MVOAI, making sure the Application Fee is included. The Application and Certification Fees are presented in the MVOAI Certification Fees Schedule. If at any time the applicant wishes to withdraw from the application or certification process, the applicant shall notify MVOAI in writing and shall be liable for the costs of services provided up to the time of withdrawal of the application. See Certification Fee Schedule.

STEP THREE –MVOAI certification staff review the application for completeness, gathers any additional or missing information from the applicant, and then performs a knowledgeable initial review to determine eligibility for certification and/or any need for further information or compliance to the appropriate standards. The Certification Coordinator then notifies the client of any further requirements or corrections of noncompliances.

If after reviewing the application, the certification staff decides the applicant is not a suitable candidate for organic or Vedic certification, MVOAI notifies the applicant and presents the reasons why the operation does not qualify for certification. The applicant may request an opportunity to make the necessary changes required to become a candidate.

STEP FOUR – If the applicant is found to be a suitable candidate for certification, the MVOAI finance office provides the applicant with a Certification Cost Estimate, which gives the client or prospective clients the approximate costs of their inspection and certification. This Estimate must be acknowledged and accepted before the MVOAI inspection, or in the case of new applications, the inspection costs must be paid before the inspection. When this is complete, an appropriate Inspector is chosen to inspect the farm or processing operation. The Inspector

must be free of all conflicts of interests regarding the operation he or she is to inspect. The Inspector is given a copy of the application package to review and any previous inspection and/or noncompliance reports on the operation, and then contacts the applicant directly to set up a time for the inspection.

The Inspector conducts the inspection with the authorized representative of the operation in attendance along with as many of the operation's managerial staff as possible. To conclude the on-site inspection, the Inspector requests that the client sign and return to him or her two copies of the MVOAI Certified Operation Agreement and then conducts an exit interview with the client to review the main observations and conclusions made during the inspection. The Inspector then completes his inspection report including recommendations, and submits it to the MVOAI Inspections Manager for consideration by the Certification Committee. A copy of the Inspector's report is provided to the client and the original becomes part of a client's certification file. The client is charged per diem for Inspector's time and for travel. If the applicant has already implemented the Maharishi Vedic Procedures, the inspection report will include a complete inspection and audit report of these practices and facilities. For details, please see Inspections and Testing below and the MVOAI Certification Fee Schedule.

STEP FIVE – At this point, on the basis of the application materials and any additional information gained during the inspection visit, the Certification Committee makes their certification decision on the basis of the MVOAI policies and appropriate standards, and requests that the Certification Coordinator notify the client of their certification status: approved, denied or conditional. Final certification approval may be conditional, i.e., additional documentation may be needed and/or certain practices amended or adopted to comply with MVOAI policies and appropriate standards.

STEP SIX – If approved, the client corrects any pre-certification requirements mentioned in STEP FIVE, and pays MVOAI required fees. (Please use the Certification Fee Schedule or the Cost Estimate and Payment Agreement form supplied by the MVOAI finance office to determine your fees.) If there are no additional conditions to be met, MVOAI mails a Certificate of Certification and a copy of the Certified Operation Agreement signed by an authorized MVOAI representative. The new MVOAI certified operator may now advertise and label as described in the MVOAI Standards Manual for either UDSA organic, Maharishi Vedic, and/or international certification. Labeling information is contained in the MVOAI Standards Manual. If denied, the decision may be appealed following the guidelines in this manual.

THAT'S IT for initial certification.

STEP SEVEN - Once you become certified, you will be sent an annual continuance of certification application 3 months before your annual certification is due for renewal. Clients must submit this application for renewal, including a current farm and/or processing plan. MVOAI then assigns and schedules an Inspector who completes the required annual inspection. The client is charged per diem for Inspector time and for travel, and report preparation expenses. If all of the current MVOAI policies and appropriate standards are continuing to be met and the activities of the operation are properly documented, the client pays the necessary annual fees based on last year's sales (or projected sales for the year if there is a significant

change anticipated,) and certification status is reviewed and decided by the Certification Committee.

If you have questions concerning the certification process, costs, or eligibility requirements, please contact the MVOAI Office directly. Please consult the MVOAI Policy Manual text which follows and the Standards Manual for a complete description of the MVOAI certification and continuance of certification process and appropriate standards.

3.3 Certification Categories

Maharishi Vedic Organic Agriculture Institute will award USDA organic, international, and/ or Maharishi Vedic certification in the following categories:

- Crop production
- Wild crop harvest
- Processed products
- Dairy (Vedic Organic only)
- Honey
- Grower Groups

(Note: In regards to Maharishi Vedic dairy operations, Maharishi Vedic Organic Agriculture Institute Additional Label Requirements state that all livestock be allowed to live out their natural lives. The Institute does not certify operations where livestock are slaughtered or sent for slaughter.) Certification granted in the MVOAI certification categories comply with all USDA National Organic Program requirements, ISO 65 requirements, and in the case of Maharishi Vedic Organic additional label requirements, the Vedic requirements of Maharishi Vedic Organic Agriculture Institute.

3.4 Billing Rates for Certification

See MVOAI Certification Fee Schedule.

3.5 Payment Requirements and Plans

3.5.1 Certification Fees

All fees are due within 30 days of billing. Failure to submit fees in a timely manner may result in suspension of the application process or certification sanctions. MVOAI will place a financial hold on a client's account for invoices more than 60 days past due. A financial hold causes all service from MVOAI to the client to cease, including inspection, audit, document review, materials research, etc. The MVOAI accounting department is responsible for monitoring and enforcing the financial hold based on the following criteria:

- Current: MVOAI invoices are “Net 30 days.” To maintain a current financial status, invoicing from the previous month must be paid within 30 days of the invoice date.
- 1-30 days past due: MVOAI charges interest at 1% per month
- 31-60 days past due: MVOAI charges interest and sends a notice of “pending financial hold” to the client.
- 61 to 90 days past due: MVOAI charges interest and places a financial hold on the account. The reinstatement fee is also determined at this time.
- >90 days past due: MVOAI charges interest and maintains the financial hold. Management meets to decide what further action to take regarding the delinquent payments. This could include, but is not limited to, submitting the account to the credit bureau for collection, requiring all future work be prepaid, and/or sanctions.

To remove the financial hold, the client’s entire account must be made current (all MVOAI invoices paid-in-full, including interest and reinstatement fee) before service resumes. Clients placed on financial hold will be charged a reinstatement fee as described in the MVOAI Certification Fee Schedule Document.

3.5.2 Payment Plans

If paying certification fees in a lump sum causes financial difficulties, clients may contact the MVOAI main office to request a payment and interest schedule. Acceptance of such requests is at the sole discretion of the MVOAI Chief Financial Officer. Fees may be paid quarterly with an interest rate equal to Bank prime rate plus 2% on remaining balances.

3.6 General Requirements for Certification

3.6.1 Who and What Must be Certified (§ 205.100 of the Federal Rule)

Please refer to the Standards Manual

3.6.2 Exemptions and Exclusions from Certification (§ 205.101 of the Federal Rule)

Please refer to the Standards Manual

Records to be Maintained by Exempt Organizations

Please refer to the Standards Manual

3.6.3 Requirements for Applicants

A prospective client applying to MVOAI for certification must:

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- (a) Comply with all USDA Organic and, if applicable, international and/or Maharishi Vedic production, processing and handling, and marketing (e.g., labeling) requirements contained in MVOAI's Policy and Standards manuals;
- (b) Establish, implement, and update annually an organic or Vedic production, handling or processing system plan;
- (c) Permit on-site inspections with complete access to the production, processing, or handling operation, including non-certified production and handling areas, structures, and offices;
- (d) Maintain and make accessible to authorized persons all records applicable to the operation for not less than 5 years beyond their creation and allow authorized representatives of the NOP Secretary, the applicable State organic program's governing State official, and MVOAI access to such records during normal business hours for review and copying to determine compliance with the National Organic Program Rule and other applicable requirements.
- (e) Submit the applicable fees charged by MVOAI; and
- (f) Immediately notify MVOAI concerning any breach of policies or standards and/or changes in the certified operation or any portion of a certified operation or its products that may affect its compliance with MVOAI standards.
- (g) Notify MVOAI of any changes in the management or ownership of the certified operation.

3.7 Application for Certification

Prospective clients seeking certification from MVOAI of a production, processing or handling operation must submit the following to MVOAI as applicable to their operation and application needs:

- MVOAI Certification Application
- Applicable Fees from Fee Schedule
- Farm Plan Questionnaire
- Certified Operation Agreement
- Field History Forms
- Farm Maps
- Processing Plant Questionnaire
- Product Profile Sheets
- Facility Map
- Audit trail documentation
- Prior year's inspection report if currently certified
- Vedic Procedures Verification Forms (if applicable)

A central part of the certification process and thus a key element in the application process is the farm or processing/handling plan. The potential client of MVOAI must develop an organic or Vedic production or handling/processing system plan that is mutually agreed upon by the client and MVOAI. An organic system plan must meet the requirements set forth in the MVOAI Policy Manual and appropriate Standards. It will include the following:

- (a) A description of practices and procedures to be performed and maintained, including the frequency with which they will be performed;
- (b) A list of each substance to be used as a production, processing, or handling input, indicating its composition, source, location(s) where it will be used, and documentation of commercial availability, as applicable;
- (c) A description of the monitoring practices and procedures to be performed and maintained, including the frequency with which they will be performed, to verify that the plan is effectively implemented;
- (d) A description of the record keeping system implemented to comply with the requirements of the MVOAI Policy and Standards Manuals.
- (e) A description of the management practices and physical barriers established to prevent commingling of organic and non-organic products and to prevent contact of organic production and handling operations and products with prohibited substances; and
- (f) Additional information deemed necessary by MVOAI to evaluate compliance with the regulations.

A producer or processor may substitute a plan prepared to meet the requirements of another federal, state/provincial, or local government regulatory program for the organic system plan provided that the submitted plan meets all the MVOAI requirements.

MVOAI certifies all qualified applicants, to the extent of its administrative capacity to do so, without regard to size or membership in any association or group. MVOAI will not exclude from participation in, or deny the benefits of, the USDA National Organic Program to any person due to discrimination because of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, or marital or family status.

3.8 The Certification Initial Review and Decision Process

For ease of understanding, the certification process is briefly outlined in the Seven Steps to Certification above. The Certification Coordinator of Maharishi Vedic Organic Agriculture Institute will carefully insure that all aspects of the application and application process are complete and accurate by working directly with the clients in their process of application. The ability to comply with standards, policies, and procedures will be determined in the initial review, while final decision to receive certification status will be evaluated and decided by the Certification Committee. Application forms, farm and/or processing plans are designed to disclose all growing, handling, processing, and transportation activities that are performed by a prospective client.

MVOAI will also verify that an applicant, who previously applied to another certifying agent and received a notification of noncompliance or denial of certification, has submitted documentation to support the correction of any noncompliances identified in the notification of noncompliance or denial of certification.

After receipt of a complete application and provided that the review of application materials reveals that the production or handling operation may be in compliance with the applicable

requirements, MVOAI will schedule an on-site inspection of the potential client to determine whether the client's application is accurate and complete and to produce an inspection report for submitting to the Certification Committee. See the Section on Inspections below.

3.9 Voluntary Withdraw of Application

The applicant may withdraw the application at any time by notifying MVOAI in writing. When an application is withdrawn, the applicant shall be liable for the costs of services provided up to the time of withdrawal of the application. When an applicant's application is voluntarily withdrawn prior to the issuance of a notice of noncompliance, a notice of noncompliance will not be issued. Similarly, when an applicant's application is voluntarily withdrawn prior to the issuance of a notice of certification denial, a notice of certification denial will not be issued.

3.10 Granting Certification and the Certification Certificate

Within a reasonable time after completion of the on-site inspection, the MVOAI Certification Coordinator will compile all application materials, the on-site inspection report, the results of any analyses conducted for prohibited substances, licensing, and producer/handler/processor agreements, and any additional information requested from or supplied by the applicant. The application materials are then submitted to the autonomous Certification Committee for final review and decision.

If the Certification Committee decision is favorable, MVOAI shall grant certification and notify the applicant or client of its decision. In addition, MVOAI will provide the applicant with a copy of the on-site inspection report for any on-site inspection performed and a copy of the test results for any samples taken by an Inspector.

The certification decision may include requirements for the correction of minor noncompliances (noncompliances that do not compromise the organic or Vedic integrity of the product or process (See Scale of Sanctions below)) within a specified time period as a condition of new or continued certification. If there are additional requirements, MVOAI will supply the applicant with a report on the outcome of the evaluation which:

- Identifies all areas for which the applicant does not meet the standards;
- Lets the applicant know what conditions must be met before the certification process can be completed; and
- Establishes the method to be used by MVOAI to verify that the applicant has made these changes.

All final certification decisions will be under the authority of the MVOAI Certification Committee, who alone will be responsible for these decisions. No part of the decision process will be sub-contracted unless approved of by the Secretary of the National Organic Program.

MVOAI will then issue a certificate of organic or Vedic production/processing/handling which specifies the:

- a) Name and address of the certified operation
- b) Effective date of certification
- c) Notification that the operation is compliant with NOP Certification Standards, Policies and Procedures
- d) Notification that the operation is compliant with specific international standards, if applicable.
- e. Notification that the operation is compliant with the MVOAI Vedic requirements, if applicable.
- f) Category in which certification has been granted
- g) Certified crops or processed products
- h) MVOAI's address, e-mail and telephone number.

The certificate may be used for verifying the certification of the listed crops and should be visibly displayed in the central office of the client. Once certified, a production or handling operation's organic certification continues in effect until surrendered by the organic operation or suspended or revoked by MVOAI, the State organic program's governing State official, or the Administrator of the National Organic Program. MVOAI may revoke the certificate of certification at any time in accordance with the provisions on Suspension or Revocation specified below or in the Standards Manual if standards and/or requirements have been compromised.

3.11 Annual Inspection

Inspection procedures similar to the ones outlined below in the section on Inspections will be conducted once each year during the growing/processing/handling season for each client. This is to assure continued adherence to standards, allow for extension of certification for new products or processes, allow for exchange of information pertinent to the certification process, etc. Following each inspection, the Inspector will submit a report for review by the Certification Committee who will then re-evaluate the client's certification status.

3.12 Continuance of Certification

To continue certification, an MVOAI certified operation must annually pay the certification fees and submit the following information, as applicable:

- (a) An updated organic production, processing or handling system plan that includes:
 - (i) A summary statement, supported by documentation, detailing any deviations from, changes to, modifications to, or other amendments made to the previous year's organic or Vedic Organic system plan during the previous year; and
 - (ii) Any additions or deletions to the previous year's organic or Vedic Organic system plan intended to be undertaken in the coming year

- (b) Any additions to or deletions from the client's identifying information including the name of the person completing the application, the name, address, and telephone number of the applicant's business; and, if the client is a corporation, the name, address, and telephone number of the person authorized to act on the corporation's behalf,
- (c) An update on the correction of minor noncompliances previously identified by MVOAI as requiring correction for continued certification; and,
- (d) Other information as deemed necessary by MVOAI to determine compliance with its standards and procedures.

Following the receipt of the information specified above, MVOAI shall within a reasonable time arrange and conduct an on-site inspection of the certified client. If the Certification Committee finds that the certified operation is in compliance with all MVOAI policies and procedures and appropriate standards, MVOAI will then issue an updated certificate of organic operation. However if it is impossible for the certifying agent to conduct the annual on-site inspection following receipt of the certified operation's annual update of information, the certifying agent may allow continuation of certification and issue an updated certificate of organic operation on the basis of the information submitted and the most recent on-site inspection conducted during the previous 12 months: provided, that, the annual on-site inspection is conducted within the first 6 months following the certified operation's scheduled date of annual update.

When during the annual review of certification, MVOAI has reason to believe, based on the on-site inspection and a review of the information obtained, that a certified client is not complying with appropriate standards and/or MVOAI requirements, MVOAI shall provide a written notification of noncompliance.

If MVOAI determines that the certified operation is complying with all requirements but that some of the information specified on the MVOAI certificate of certification has changed, MVOAI will issue an updated certificate of Organic and/or Maharishi Vedic certification.

3.13 Reciprocal Certification with Other Certifiers

MVOAI's organic standards for the U.S.A. are the standards of the USDA National Organic Program. Reciprocal certification for MVOAI certified organic products with other USDA certifiers and vice versa is therefore possible and welcome. This means that MVOAI clients may use organically certified ingredients from any USDA accredited certifier in their MVOAI certified products and MVOAI certified operations can feel confident that their products will be accepted by other USDA certifiers. However products certified to the Maharishi Vedic additional label claim must meet all the requirements and policies of that claim.

3.14 Extension of Certificates for New Products/Processes

When a certified grower or producer begins a new crop, new field, new processing program, and/or new handling program and wishes to add items or processes to those listed on their current year's certification certificate, the producer or grower must contact the MVOAI certification office in writing or by e-mail to request an "extension of certification." The client

should include all pertinent information that MVOAI will need to make the extension decision. MVOAI first determines the extent of the changes to the current production/processing system needed to produce the new product (i.e. new fields, equipment, agricultural inputs, etc.). If the changes to the system are minimal and are clearly within the Institute's requirements, MVOAI will issue an amended certificate to the producer or grower. If the changes are extensive and, at the discretion of the Certification Committee, require significant additional documentation and information, an additional inspection of the new production/processing/handling system may be needed before adding the product to the current certificate. These costs will be billed to the client.

3.15 Modification of Certificates for Discontinuation of Products/Processes

If at any time during the certification year, the certified operation discontinues production or processing of products for which it has received certification, or is no longer able to meet the standards and policies governing those products, the client must immediately notify MVOAI in writing or by e-mail of such changes to allow for the modification of the Certification Certificates.

3.16 Changes in Certification Requirements

MVOAI shall give due notice of any changes it intends to make in its requirements for certification. It shall take account of views expressed by interested parties before deciding on the precise form and effective date of the changes. Following decision on and publication of the changed requirements, the MVOAI Certification Coordinator shall verify that each client makes any necessary adjustments within such time as in the opinion of MVOAI is reasonable. In cases of changes to the policies or standards of the National Organic Program, these changes will automatically be adopted without required input from interested parties and clients will be notified of the changes. It is the obligation of the National Organic Program to request any needed input on changes to its policies and standards.

3.17 Temporary Variances

The National Organic Program Rule states that a certifying agent, upon notification from the Administrator of the establishment of a temporary variance, must notify each production or handling operation it certifies to which the temporary variance applies. MVOAI will fulfill this requirement by notifying through e-mail, web site notifications, and/or direct mail as applicable each client to which the variance applies. Client who feel they may need a temporary variance as specified in the Federal Rule due to circumstances present in their own operation, may request in writing that MVOAI file such a variance request with the appropriate authorities on their behalf.

4 Noncompliance, Appeals, Complaints, and Disputes

4.1 Overview

The MVOAI Certification Committee, the Certification Coordinator, Non-Compliance, Appeals, Complaints, and Disputes Manager, and the Chief Quality Officer carefully review and monitor the activity of all MVOAI program applicants and clients to insure that Maharishi Vedic Organic Agriculture Institute's Certification policies, procedures, and standards are adhered to by all clients. This includes new applicants as well as certified growers and processors, in addition to handlers, transporters, and other third-party subcontractors. If a violation or noncompliance with standards or procedures occurs, or there is reason to suspect that one has occurred, the Certification Committee, the Certification Coordinator, and the Non-Compliance, Appeals, Complaints, and Disputes Manager will take appropriate action to be sure the applicant or client is notified of the noncompliance and to state the required measures to re-establish compliance prior to the next evaluation of the operation. A systematic procedure is provided for discussing and resolving all infractions of MVOAI policies procedures, and appropriate standards. Such procedures protect all parties in the organic trade: producers, processors, third-party subcontractors, certifiers, and customers.

When the MVOAI Certification Committee has good and sufficient reason to suspect that a violation of standards or policies has occurred, the following *general* steps will be taken by MVOAI. Specific details of polices and procedures for each type of infraction follow in the sections below:

- (a) The client or applicant in question will be notified as to the nature of the alleged violation with an indication of its severity and given the opportunity to resolve the problem in case there is some misunderstanding, or to respond with the necessary steps and time frame in which the violation will be corrected.
- (b) Once information is received, the misunderstanding or proposed corrective action will be reviewed and evaluated by the Certification Committee. Such evaluation will then determine further action.
- (c) With the cooperation of the client in question, MVOAI will seek to obtain all further necessary information regarding the alleged infraction in the event there is disagreement between MVOAI personnel and the client.
- (d) MVOAI will conduct any necessary inspection and verification procedures to verify all data and/or to determine that the corrective actions have taken place within a mutually agreed time period.
- (e) Costs of corrective actions will be the responsibility of the person or organization at fault, and commensurate with the amount of work required to process the violation.
- (f) A proven violation of a significant nature (See scale of sanctions below) can result in a certification status change or a denial of certification for new applicants.
- (g) At any point where infraction jeopardizes the integrity of an organic or Vedic product, it may be subject to suspension or withdrawal as detailed below. In all cases of non-compliance, notification of appropriate parties including the director of the National Organic Program shall be done as per below.

4.2 Scale of Sanctions:

The purpose of a scale of sanctions is threefold:

- (1) to insure that appropriate and effective measures are taken, based on the severity of the noncompliance, by both the client, or applicant, and MVOAI, and
- (2) to provide a progressive methodology to address noncompliances or violations until they are resolved.
- (3) to protect the integrity of the certification process as well as providing assurance to the consumer that products truly meet organic standards or Vedic Organic requirements.

If MVOAI has reason to believe that an operation may have violated any standards or policies, MVOAI investigates the violation. If MVOAI determines that a violation has occurred, MVOAI imposes sanctions on the operation with the mutual goals of bringing the infraction to the operator's attention and providing incentive for the operator to take appropriate actions to correct the problem. MVOAI has established a scale of sanctions to address violations of varying severities.

The following is a list of sanctions, with their corresponding violations, that MVOAI will apply to any applicant or existing client as appropriate and required in the order listed. The sanctions become progressively more severe. Every attempt will be made by MVOAI to resolve noncompliances by applying sanctions in the order listed, hoping to resolve the noncompliance in the easiest and least severe manner. However, repeated offenders, intentional violations, or offences which jeopardize the organic or Vedic integrity of MVOAI certified products or logo may be subject immediately to a level of sanctions that directly and effectively resolves the problem.

4.2.1 Scale of Violations and Corresponding Sanctions for New Applicants (Post Inspection)

1. Pre-certification Requirement: In this requirement, the applicant is notified that they will be granted certification pending the completion of certain minor certification requirements within a specified time frame.

2. Notification of Noncompliance – notification of a significant non-conformity or noncompliance with MVOAI policies and/or appropriate standards, including the facts, standard, or policy on which it is based, and an opportunity to correct the problem or rebut within a specific time frame.

3. Denial of Certification – Denial of certification to a new applicant due to their inability to meet or conform to standards and policies.

4.2.2 Scale of Violations and Corresponding Sanctions for Existing Certified Clients

1. Certification Condition: MVOAI requires the operator to agree to a corrective action within a specified time frame as a prerequisite to the renewal of the operation's certification for the

following year.

2. Notification of Noncompliance : MVOAI notifies the operator of a noncompliance and the need to perform corrective actions within a specified timeframe. If the operation does not comply, the Certification Committee will impose additional sanctions against the operation.

3. Probation: MVOAI subjects the operation to critical examination and evaluation in order to ascertain its ability to regain and maintain compliance with certification requirements. This may include any of the following: additional inspection, unannounced inspection, increased frequency of reporting requirements, and/or obligatory submission of specific evidence to allow the Certification Committee to assess and verify compliance.

4. Proposed Suspension or Revocation: When a client fails to correct or rebut a notification of noncompliance within the allotted time frame, MVOAI issues a notification of the intention to suspend or revoke certification of the entire operation, or of individual components of the operation, as well as the affected products, until the violation has been rectified. Client has the opportunity to mediate or appeal. The decision for proposed suspension or revocation depends on the severity of the offence and is at the discretion of the Certification Committee.

5. Suspension or Revocation of Certification: If the certified operation fails to correct the noncompliance, to resolve the issue through rebuttal or mediation, or to file an appeal of the proposed suspension or revocation of certification, MVOAI issues a written notification of suspension or revocation in accordance with the procedures specified by law and as detailed in the following sections. During suspension, MVOAI will continue to work with the client to clarify the problem and prevent its re-occurrence. Unannounced inspections will be used to verify rectification of the problem. Governmental authorities, other certifiers, and the organic community will be notified. Except in cases of intentional fraud or gross mismanagement, a suspended or decertified operation or component of an operation may re-enter the certification program by satisfaction of the requirements listed below.

6. Removal of Authorization for use of Logo and Seal: MVOAI requires the operator to discontinue use of MVOAI registered logo and/or seal, and/or to discontinue the use of the USDA organic seal in order to protect the integrity of MVOAI registered name and these logos as well as the interests of the organic industry at large.

7. Legal Action: Cases involving fraud or other illegal activities, including unauthorized use of MVOAI registered seal and logo, may result in MVOAI taking legal action against the operation.

4.3 Denial of Certification Due to Noncompliance (For new applicants)

4.3.1 Notification

When MVOAI has reason to believe — based on a review of reliable and pertinent information available, inspection reports, and records— that an applicant for certification is not able to comply or is not in compliance with required standards and procedures, MVOAI will provide a written notification of noncompliance to the applicant and a simultaneous copy of the notice to the Program Manager of the National Organic Program as applicable. (In the case where correction of the noncompliance is not possible, a notice of noncompliance and a notice of denial of certification may be combined in one notice.) The notification of noncompliance shall provide:

- (a) A description of each noncompliance;
- (b) The facts upon which the notification of noncompliance is based; and
- (c) The date by which the applicant must rebut or correct each noncompliance and submit supporting documentation of each such correction when correction is possible.

4.3.2 Client Response

Upon receipt of such notification of noncompliance, the applicant or client may:

- (1) Correct noncompliances and submit a description of the corrective actions taken with supporting documentation to MVOAI;
- (2) Correct non-compliances and submit a new application to another certifying agent provided that the applicant must include a complete application, the notification of noncompliance received from MVOAI, and a description of the corrective actions taken with supporting documentation; or
- (3) Submit written information to MVOAI to rebut the noncompliance described in the notification of noncompliance.

4.3.3 MVOAI Response for Noncompliance Resolution or Denial of Certification

After issuance of a notification of noncompliance to an applicant for certification, MVOAI must:

- (1) Evaluate the applicant's corrective actions taken and supporting documentation submitted or the written rebuttal, conduct an on-site inspection if necessary, and
 - (i) When the corrective action or rebuttal is sufficient for the applicant to qualify for certification, issue the applicant written notification of noncompliance resolution and an approval of certification (with a simultaneous copy to the National Organic Program administrator) or,
 - (ii) When the corrective action or rebuttal is not sufficient for the applicant to qualify for certification, issue the applicant a written notice of denial of certification.
- (2) Issue a written notice of denial of certification to an applicant who fails to respond to the notification of noncompliance.
- (3) Provide notice of approval or denial to the National Organic Program Administrator.

4.3.4 Denial of Certification

If the applicant fails to correct the noncompliance, a notice of denial of certification will be issued. Such notice must give the reasons for the denial and the applicant's right to:

- (1) Reapply for certification according to the provisions in this manual,
- (2) Request mediation in accord with the provisions in this manual or the applicable State Organic Program,
- (3) File an appeal of the denial of certification pursuant to the provisions in this manual (See Appeals below.) or, if applicable, pursuant to a State organic program.

MVOAI will not send such notification of denial of certification to an applicant that has requested mediation or filed an appeal while final resolution of either is pending.

4.3.5 Reapplying for Certification after Denial

An applicant for certification who has received a written notification of noncompliance or a written notice of denial of certification may apply for certification again at any time with any certifying agent, in accordance with the provisions of this manual. When such applicant submits a new application to a certifying agent other than MVOAI, the applicant for certification must include a copy of the notification of noncompliance or notice of denial of certification and a description of the actions taken, with supporting documentation, to correct the noncompliances noted in the notification of noncompliance.

When MVOAI receives a new application for certification, which includes a notification of noncompliance or a notice of denial of certification issued by another certifier, MVOAI must treat the application as a new application and begin a new application process.

4.3.6 Willful Violations

If MVOAI has reason to believe that an applicant for certification has willfully made a false statement or otherwise purposefully misrepresented the applicant's compliance with the certification requirements, MVOAI may deny certification without first issuing a notification of noncompliance.

4.4 Suspension or Revocation of Certification for Certified Operations

MVOAI will investigate complaints or occurrences of noncompliance with its Policies, the National Organic Program Standards, and other applicable requirements concerning production and processing operations certified as organic or Vedic Organic by the Institute. MVOAI will notify the National Organic Program Manager of all compliance proceedings and actions taken as applicable. A State organic program's governing State official may also investigate complaints of noncompliance with the Federal Act concerning organic production or handling operations operating in their State.

4.4.1 Notification

When an inspection, review, or investigation of a certified operation by MVOAI or a State organic program's governing State official reveals any noncompliance with the Federal Act, a written notification of noncompliance shall be sent to the certified operation, with a simultaneous copy to the National Organic Program Administrator as applicable. Such notification shall provide:

- (1) A description of each noncompliance;
- (2) The facts upon which the notification of noncompliance is based; and
- (3) The date by which the certified operation must rebut or correct each noncompliance and submit supporting documentation of each such correction when correction is possible.

4.4.2 Resolution

When a certified operation demonstrates that each noncompliance has been resolved, MVOAI or the State organic program's governing State official, as applicable, shall send the certified operation a written notification of noncompliance resolution, with a simultaneous copy to the National Organic Program Administrator.

4.4.3 Proposed Suspension or Revocation

When rebuttal is unsuccessful or correction of the noncompliance is not completed within the prescribed time period, MVOAI or State organic program's governing State official shall send the certified operation a written notification of *proposed* suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance. A simultaneous copy will be sent to the National Organic Program Administrator. When correction of a noncompliance is not possible, the notification of noncompliance and the proposed suspension or revocation of certification may be combined in one notification. The notification of proposed suspension or revocation of certification shall state:

- (1) The reasons for the proposed suspension or revocation;
- (2) The proposed effective date of such suspension or revocation;
- (3) The impact of a suspension or revocation on future eligibility for certification; and
- (4) The right to request mediation or to file an appeal pursuant to the provisions given below in the section on Mediation and Appeals.

4.4.4 Willful Violations.

If MVOAI or State organic program's governing State official has reason to believe that a certified operation has willfully violated the Federal Act, MVOAI or State organic program's governing State official shall send the certified operation a notification of proposed suspension or revocation of certification of the entire operation or a portion of the operation, as applicable to the noncompliance. A notice of noncompliance is not necessary.

4.4.5 Suspension or Revocation

If the certified operation fails to correct the noncompliance, to resolve the issue through rebuttal or mediation, or to file an appeal of the proposed suspension or revocation of certification, MVOAI or State organic program's governing State official shall send the

certified operation a written notification of suspension or revocation, with a simultaneous copy to the National Organic Program Administrator.

MVOAI or State organic program's governing State official must not send a notification of suspension or revocation to a certified operation that has requested mediation or filed an appeal while final resolution of either is pending.

4.4.6 Eligibility for Re-certification

Suspension

A certified operation whose certification has been suspended under the provisions of this section may at any time, unless otherwise stated in the notification of suspension, submit a request to the Secretary of the AMS for reinstatement of its certification. The request must be accompanied by evidence demonstrating correction of each noncompliance and corrective actions taken to comply with and remain in compliance with the Federal Act and the regulations in this manual.

Revocation

A certified operation or a person responsibly connected with an operation whose certification has been revoked will be ineligible to receive certification for a period of 5 years following the date of such revocation, except that the Secretary of the AMS may, when in the best interest of the certification program, reduce or eliminate the period of ineligibility.

4.4.7 Violations of Act

In addition to suspension or revocation, any certified operation that:

- (a) Knowingly sells or labels a product in the U.S.A. as organic, which is not in accordance with the National Organic Program, shall be subject to a civil penalty of not more than \$10,000 per violation.
- (b) Makes a false statement under this program to the Secretary of the National Organic Program or to MVOAI shall be subject to the provisions of section 1001 of title 18, United States Code.

4.4.8 Mediation

Any dispute with respect to denial of certification or proposed suspension or revocation of certification may be mediated at the request of the applicant for certification or certified operation with MVOAI's approval. Mediation shall be requested in writing to MVOAI. If MVOAI rejects the request for mediation, the Institute will provide written notification to the applicant for certification or certified operation. The written notification shall advise the

applicant for certification or certified operation of the right to request an appeal within 30 days of the date of the written notification of rejection of the request for mediation.

If the certifying agent accepts mediation, such mediation shall be conducted by a qualified mediator mutually agreed upon by the parties to the mediation. If a State organic program is in effect, the mediation procedures established in the State organic program, as approved by the Secretary, will be followed. The parties to the mediation shall have no more than 30 days to reach an agreement following a mediation session. If mediation is unsuccessful, the applicant for certification or certified operation shall have 30 days from termination of mediation to appeal MVOAI's decision. Any agreement reached during or as a result of the mediation process shall be in compliance with the National Organic Program Rule and the regulations in this manual. The Secretary of the National Organic Program may review any mediated agreement for conformity to the Act and may reject any agreement or provision not in conformance with the Act or these regulations.

4.5 Appeal of MVOAI Certification Decisions to MVOAI

4.5.1 Overview

MVOAI provides the opportunity for any of its clients or applicants to appeal a decision related to their certification status. An appeal may be made by an MVOAI client who objects to a certification decision made by the Certification Committee in regard to his/her operation. All other grievances fall under the policy on Complaints below.

4.5.2 Submitting the Appeal

All appeals must be made in writing to the MVOAI Non-Compliance, Appeals, Complaints, and Disputes Manager. The appeal must state the reason for the appeal and be accompanied by documented evidence establishing the grounds for the appeal. The Appeals Manager compiles all the details of the case, both previous and current, and sends a copy of the file to the CFO and the Certification Committee Chair. Based on the MVOAI billing rates, the CFO and the Certification Committee Chair together estimate the Appeals Fee according to the level of complexity of the case and the degree of further information, inspections that may be required. This fee must be paid in full by the MVOAI client before the Certification Committee begins consideration of the appeal. In the event that the appeal process demonstrates that MVOAI was mistaken or at fault in the case, appeal fees will be refunded to the client.

4.5.3 The Certification Committee Considers the Appeal

Once the fees for the Appeal have been received, the MVOAI Non-Compliance, Appeals, Complaints, and Disputes Manager requests the Inspections Manager to implement any required testing or inspection that has been specified, gathers any additional documentation that has been requested, and compiles the whole case for submission to the next meeting of the Certification Committee for decision.

If the Certification Committee determines that the appeal is acceptable, previous denial, suspension, or revocation decisions are reversed and the client obtains or continues certification. The client is notified by the Certification Coordinator. If the appeal is rejected, the client is informed. MVOAI provides the appellant with a written statement of the conclusions drawn during the appeal procedure, as well as the reasons for the decisions reached as part of this written notification. The client retains the right to appeal a decision on organic certification to the State or National Organic Program as below. All decisions of the Certification Committee remain in force until the appeal is settled.

4.6 Appeal of MVOAI Certification Decisions to the National Organic Program

4.6.1 Certification appeals.

An applicant for certification may appeal a MVOAI's notice of denial of USDA organic certification, and a certified operation may appeal MVOAI's notification of proposed suspension or revocation of USDA organic certification to the Administrator of the National Organic Program except when the applicant or certified operation is subject to an approved State organic program the appeal must be made to the State organic program which will carry out the appeal pursuant to the State organic program's appeal procedures approved by the AMS Secretary.

If the National Organic Program Administrator or State organic program sustains a certification applicant's or certified operation's appeal of a certifying agent's decision, the applicant will be issued organic certification, or a certified operation will continue its certification, as applicable to the operation. The act of sustaining the appeal shall not be an adverse action subject to appeal by MVOAI.

If the National Organic Program Administrator or State organic program denies an appeal, a formal administrative proceeding will be initiated to deny, suspend, or revoke the organic certification. Such proceeding shall be conducted pursuant to the U.S. Department of Agriculture's Uniform Rules of Practice or the State organic program's rules of procedure.

4.6.2 Filing Period

An appeal of a noncompliance decision must be filed within the time period provided in the letter of notification or within 30 days from receipt of the notification, whichever occurs later. The appeal will be considered "filed" on the date received by the National Organic Program Administrator or by the State organic program. A decision to deny, suspend, or revoke certification will become final and non-appealable unless the decision is appealed in a timely manner.

4.6.3 Where and What to File

- (1) Appeals to the National Organic Program Administrator must be filed in writing and addressed to Administrator, USDA-AMS, Room 3071-S, P.O. Box 96456, Washington, DC 20090-6456.
- (2) Appeals to the State organic program must be filed in writing to the address and person identified in the letter of notification.
- (3) All appeals must include a copy of the adverse decision and a statement of the appellant's reasons for believing that the decision was not proper or made in accordance with applicable program regulations, policies, or procedures.

4.6.4 Appeals of Noncompliance Notifications Issued by the State or National Organic Program

In the case where a noncompliance notification was received by an MVOAI applicant for certification or certified operation directly from the State or National Organic Program director, such client or applicant shall have the right to appeal such notification as follows:

- (a) Persons subject to the Act who believe they are adversely affected by a noncompliance decision of the National Organic Program's Program Manager may appeal such decision to the Administrator.
- (b) Persons subject to the Act who believe that they are adversely affected by a noncompliance decision of a State organic program may appeal such decision to the State organic program's governing State official who will initiate handling of the appeal pursuant to appeal procedures approved by the Secretary.
- (c) All written communications between parties involved in appeal proceedings must be sent to the recipient's place of business by a delivery service that provides dated return receipts.
- (d) All appeals shall be reviewed, heard, and decided by persons not involved with the decision being appealed.
- (e) All further provisions are as listed in this section.

4.7 Complaints and Disputes to MVOAI

4.7.1 Complaints

MVOAI makes all efforts to operate its certification programs with due diligence. However, MVOAI recognizes that an important part of such diligence is careful and complete management of complaints. If any of MVOAI's clients or other effected parties feels the need to file a complaint or grievance against MVOAI, the Institute will accept signed, written complaints. Complaints may cover such matters as the conduct or decisions of personnel, the Certification Committee, contractors, Inspectors, and members of the Board of Directors.

In order for MVOAI to act on a complaint, the subject of the complaint must be under the organization's authority such as, but not limited to: disregard of standards and/or operating procedures, arbitrary judgments, non-professional behavior, financial mismanagement,

unethical behavior, discrimination, lack of timeliness, violation of conflict of interest, or breach of confidentiality.

Complaints lodged by operations certified by MVOAI regarding decisions pertaining to their own certification are handled under the topic: Appeal of Certification Decisions.

Because of the wide variation in the types of complaints that may be received by a certifier, MVOAI manages complaints on a case-by-case basis. The Non-Compliance, Appeals, Complaints, and Disputes Manager addresses and processes each complaint.

In order for any complaint to be processed, the complaint must be submitted in writing, stating that a formal complaint is being registered, and must be accompanied by documented evidence. A complaint must contain a full explanation of the perceived problem including dates, the names of the involved parties, evidence documenting the claims made in the complaint, and the signature of the complainant.

Upon receipt of a complaint, the Non-Compliance, Appeals, Complaints, and Disputes Manager, in consultation with the President, performs a preliminary assessment of the complaint's validity and determines whether or not to proceed with a full investigation. The Complaints Manager acknowledges a complaint within five business days of its receipt by notifying the client or party that the complaint has been received and is being investigated. MVOAI will have a maximum of 30 days to complete the investigation and present findings. (If MVOAI thinks the investigation will exceed the allotted 30 days, the Complainant will be notified and a new date agreed upon.)

If, after its preliminary assessment, MVOAI deems the complaint to be completely invalid or irrelevant, the Complaints Manager explains this conclusion to the complainant in a letter of acknowledgement and gives the complainant one month to substantiate the validity of the complaint. MVOAI protects the privacy and identity of the complainant to the maximum extent possible, with the understanding that the complainant's identity may be revealed during the investigation. All parties to the investigation must sign an agreement stating that they will refrain from commenting on the complaint until the issue has been resolved.

All complaints addressed to MVOAI will be processed by the Non-Compliance, Appeals, Complaints, and Disputes Manager, who will compile the details of the case and submit it to the Complaints Review and Resolution Panel consisting of the President and the Chief Quality Officer, and any of the MVOAI managers or coordinators that may have knowledge of the situation. Legal counsel will be consulted if necessary. MVOAI will conduct a thorough investigation of the complaint. The investigation may involve site inspections, testing, audit of records, personnel interviews, etc.

Once an investigation has been completed, the Complaints Manager communicates the Panel's decision to the complainant as well as a copy of the findings and any further actions to be taken or considered. The report will include any Corrective or Preventative Action Procedures adopted by MVOAI to correct any perceived problems in the future. Every effort will be made to satisfy all grievances in a mutually agreeable manner. MVOAI reserves the right to inform

its Accreditors, regulatory authorities, certified parties, and the general public of the outcome of complaint procedures.

If the complainant is not satisfied with the outcome of the investigation and measures taken to avoid its future occurrence, he may appeal the decision and submit any further evidence as necessary. At this point MVOAI reserves the right, at the discretion of the President, to appoint a review and decision panel apart from MVOAI personnel, who are knowledgeable about the subject of the complaint and who have no conflicts of interest, either positive or negative, with the complainant, with MVOAI or with any other parties involved in the case. The decision and recommendations of this independent review body shall be final.

4.7.2 Disputes with MVOAI

Any dispute between any of the MVOAI personnel and its clients or other effected parties should be considered, investigated, and resolved by the Non-Compliance, Appeals, Complaints, and Disputes Manager who serves as an arbitrator between the two parties.

4.7.3 Record Keeping for Complaints and Disputes

MVOAI shall keep a record of all complaints and disputes relative to the Institute's operation, the remedial actions taken, including all subsequent actions, and their effectiveness. MVOAI retains files containing complete documentation of the complaint, its investigation, and its resolution for a minimum of ten years after the case has been closed.

4.8 Complaints to MVOAI Certified Operations (Required for ISO 65 certification only)

MVOAI requires all its ISO 65 certified clients to keep track of any complaints that they receive regarding their certified products. This aids the Institute in monitoring continued compliance and helps to retain public confidence in the certification system by assuring that all complaints get resolved in a timely and equitable manner. Certified clients must:

- (a) Keep a record of all complaints made known to the client relating to their product's compliance with requirements of the relevant standards and make these records available to MVOAI when requested;
- (b) Take appropriate action with respect to such complaints and any deficiencies found in products or services that affect compliance with the requirements for certification;
- (c) Document the actions taken.

If MVOAI determines that a complaint to any of its clients has not been handled in a satisfactory manner by the client, the complaint is then directed to the Non-Compliance, Appeals, Complaints, and Disputes Manager, who acts as the Investigator in such cases.

The Complaints Manager may take up to 30 days to review the complaint and, if necessary, gather additional information from the complainant, third parties named as sources of information in the complaint, and other parties likely to have information relevant to the investigation. As soon as the Complaints Manager has compiled sufficient information to determine that the complaint is justified, he or she contacts the client who is the subject of the complaint and presents all substantiated information related to the complaint.

The Complaints Manager then requests a full explanation or clarification of actions taken by the client relevant to the complaint, giving the client one month to respond. If necessary and feasible, an on-site visit to the operator's business may be conducted. At the conclusion of this one month period, the Complaints Manager reviews all information related to the complaint, formulates a written recommendation, and submits the recommendation to the Certification Coordinator for review by the Certification Committee. The document may contain suggestions for sanctions and/or disciplinary measures.

The MVOAI Certification Committee serves as the resolution and decision-making body for all complaints related to certified operations. The Chair of the Certification Committee manages the decision making process on complaint resolution so that all members of the committee are included in the decision making process. For complaints against operators that have been determined to be justified and warrant corrective action, the Certification Committee provides a list of remedial actions that must be taken and the time frame for these corrections. The Non-Compliance, Appeals, Complaints, and Disputes Manager and the Certification Coordinator monitor the compliance with these requirements.

5 Inspections and Testing

5.1 Inspectors

Inspections are a vital part of the certification process. The Inspectors are Maharishi Vedic Organic Agriculture Institute's eyes and ears on the farm or processing operation. Their job is to verify whether all the aspects of Maharishi Vedic Organic Agriculture Institute's policies and the appropriate standards are being adhered to so that the marketplace can have full confidence in the quality and purity of Maharishi Vedic Organic Agriculture Institute certified products.

The MVOAI Inspections Manager, with the approval of the President, will select, and may assist in training, an adequate number of Inspectors to provide for the annual, competent inspection of all operations participating in MVOAI's certification program. The Inspections Manager may also conduct inspections personally. Inspectors may be employees of MVOAI or independent contractors. Inspectors must be qualified to inspect for the USDA organic

program and/or the Maharishi Vedic Organic program depending on their inspection assignment.

The function of the Inspector is to gather information for the Certification Committee to use in deciding the certification status of an operation. To perform this task, MVOAI requires Inspectors to:

1. Have professional experience related to the type of operations they inspect.
2. Complete training specifically related to organic inspection and an apprenticeship (if necessary at the discretion of the President and Inspections Manager) designed to familiarize the Inspector with MVOAI's procedures.
3. Update their training on a regular basis as and if necessary.
4. Declare their interests on an annual basis so that MVOAI can ensure that Inspectors are not assigned to operations with which they have had any financial or consulting relationships with the inspected party during the 12 months prior to and following the inspection.
5. Agree to protect confidential and proprietary information.

Inspectors may provide information to the inspected party about the standards and the certification process but may not dispense tips on production, marketing, or any other form of consulting advice.

5.2 General Points Regarding On-site Inspections

MVOAI will conduct an initial on-site inspection of each unit, facility, and/or site that produces, processes or handles USDA Organic or Maharishi Vedic products. This initial inspection is for all operations for which certification is requested. An on-site inspection shall be conducted annually thereafter for each certified operation that produces, processes or handles USDA Organic or Maharishi Vedic products for the purpose of gathering information used by the Certification Committee in determining whether to approve the request for continuing certification or whether the operation must meet additional requirement in order to continue its certification status.

MVOAI may conduct, at any time, additional on-site inspections of applicants or ongoing clients for certification to determine compliance with all policies , procedures, and appropriate standards. The Administrator of the USDA National Organic Program may require that additional inspections be performed by MVOAI for the purpose of determining compliance with the National Organic Program Rule. Additional inspections may be announced or unannounced at the discretion of MVOAI or as required by the Administrator or State organic program's governing State official.

The initial on-site inspection must be conducted within a reasonable time following a determination that the applicant appears to comply or may be able to comply with the MVOAI certification requirements. However the initial inspection may be delayed for up to 6 months to comply with the requirement that the inspection be conducted when the land, facilities, and activities that demonstrate compliance or capacity to comply can be observed. Production inspections will be performed when the crops are available for inspection and processing plant inspections while the plant is operating.

For international Grower Groups, MVOAI utilizes both inspections of the groups by MVOAI Inspectors, and also relies on the group's Internal Control Program to collect some of the information needed to certify the group depending on the availability of locally trained and qualified personnel and the arrangements with each Grower Group. (See Grower Groups.)

All on-site inspections must be conducted when an authorized representative of the operation who is knowledgeable about the operation is present and at a time when land, facilities, and activities that demonstrate the operation's compliance with or capability to comply with all the applicable provisions can be observed, except that this requirement does not apply to unannounced on-site inspections.

The on-site inspection of an operation must verify:

- (a) The operation's compliance or capability to comply with all certification requirements;
- (b) That the information, including the organic production, processing or handling system plan, provided by the client in the application or update accurately reflects the practices used or to be used by the applicant for certification or by the certified operation;
- (c) That prohibited substances and/or practices have not been and are not being applied to the operation. This verification shall be through means that, at the discretion of MVOAI, may include the collection and testing of soil, water, waste, seeds, plant tissue, and plant, animal, and processed products samples.

The Inspector will use documents appropriate to the type of inspection he or she is conducting. These documents and the procedures for using them are based on the IFOAM/IOIA International Inspection Manual, and the MVOAI Farm and Processing Plan Questionnaires which provide the inspection guidelines and procedures to be used by MVOAI in-house Inspectors and any contracted Inspectors that MVOAI hires. These documents include:

- 1) MVOAI Production Operation Documents: the certification application including the Production Plan or Annual Update, Farm Inspection Checklist, Field History Sheets, and the Certified Operator Agreement.
- 2) Processing/Handling Documents: Processing application and update, Product Profile; Processing/Handling Inspection Checklist and, the Certified Operator Agreement.

Following the inspection, the Inspector must conduct an exit interview with an authorized representative of the operation who is knowledgeable about the inspected operation to confirm the accuracy and completeness of inspection observations and information gathered during the on-site inspection. The Inspector will have the operator sign two copies of the MVOAI Certified Operation Agreement. The Inspector must also address the need for any additional information as well as any issues of concern. At the time of the inspection, the Inspector shall provide the operation's authorized representative with a receipt for any samples taken. There shall be no charge to the Inspector for the samples taken. MVOAI will send a copy of the final on-site inspection report and any test results to the inspected operation.

5.3 Inspection Procedure

The MVOAI Inspections Manager will choose an Inspector for the client on the basis of the client's type of operation, location, language, crops, activities, etc. The purpose is to match the experience and skills of the Inspector with the type of operation he will be inspecting. Clients have the right to object to the Inspector assigned by MVOAI in cases such as the operator's perception of an Inspector's conflict of interest or of an unacceptable past performance by the Inspector.

MVOAI will send a copy of the client's complete file (including previous inspection reports and their outcomes and any noncompliance notifications) as well as inspection forms to the Inspector. The Inspector will verify the accuracy of the information on the application and inspection forms, review the client's records, and then contact the client to ask any questions and schedule a convenient inspection.

The inspection will include at least the following elements, plus others that the Inspector feels will be important in the Certification Committee's decision:

- (a) an interview with the management and staff of the operation,
- (b) an audit of adherence to MVOAI policies and appropriate standards,
- (c) a complete physical inspection of the farm and/or facilities,
- (d) an audit of operation's records including: input records, production records, processing records, crop yields, financial records, and receipts for purchases, sales, and labor expenses, (See inspection audits below.)
- (e) an audit of all elements of the Farm or Processing/handling plan. The Inspector will review the Farm/Handling/Processing Plan Update with the client, or request that the client complete the Plan Update if it is not complete.
- (f) (in the case of Vedic Organic operations), an audit of all Vedic procedures to determine if all the Vedic Technologies of Consciousness are being properly practiced and all the Vedic farming and/or processing procedures have been correctly implemented.
- (g) in the case of handling operations, the Inspector must have access to all records maintained by the handler which are pertinent to purchases and sales of organic goods under MVOAI certification. If the handler takes physical possession of products, all shipping, storage, and holding areas must also be inspected. In some cases, inspection protocol may require collection of samples for residue testing.
- (h) in the case of processing inspections, MVOAI performs plant inspections while the plant is operating, preferably during an organic processing operation.
- (i) in the case of international grower groups, MVOAI requires inspections of Grower Groups to be performed by MVOAI Inspectors, and may also rely on the group's Internal Control Program to collect some of the information needed to certify the group. (See special section on grower groups later in this manual.)

The Inspector may take soil, product or water samples for analysis, or recommend that samples for analysis be taken at a later date.

5.3.1 Inspection Audits

As part of every annual inspection, MVOAI audits its client's records and record keeping systems to determine whether or not all products using the MVOAI marketing claim are duly certified.

The audit, which is conducted by the Inspector using the appropriate Inspection checklist, investigates whether the operator:

1. Keeps accurate records of all transactions involving MVOAI-certified products;
2. Tracks crops and inventory in a clear and complete manner;
3. In the case of growers, tracks all inputs and outputs in the system,
4. In the case of handlers and processors, has records that can link the amounts and types of product purchased with the crops produced by growers and has records to prove that organic product sold coincides with organic products purchased and/or produced; and
5. Maintains a record keeping system that allows product to be traced to the farm of origin (i.e. is effectively using a lot number system/inventory identification).

However, unannounced audits may be made in accordance with the terms outlined in the Contractual Agreement as part of an unannounced inspection. The audit report is submitted as part of the regular inspection report. The Certification Committee reviews the audit report with the inspection report and notes any discrepancies. When discrepancies occur, the Certification Committee advises the Certification Coordinator, the Non-Compliance, Appeals, Complaints, and Disputes Manager, and the operator. The Certification Committee indicates the steps needed to rectify the problem and the deadline by which the problems must be resolved. The cost of the audit shall be the responsibility of the operator.

In order to facilitate the inspection process, clients must:

- (a) Make sure to have ample time for the inspection. The duration of an inspection varies by operation and from inspection to inspection. When making the appointment, ask the Inspector how long the inspection can be expected to last.
- (b) Make sure all official representatives, operators and managers are present at the time of inspection, especially those involved in finances and record keeping.
- (c) Be certain that all records are up to date and easily available. The Inspector will take time to trace your audit trail for different crops and processing procedures.
- (d) Be prepared to tour each parcel or facility in the program and show any equipment, materials storage areas, propagation facilities, product handling and storage areas, and records.
- (e) Record keeping: All receipts for inputs, contracted services, and equipment rental must be available for inspection. Have complete input, harvest, and sales records. If applicable, be sure all records of the Vedic practices are up to date and complete. In addition, the Inspector needs to see all the documents used in your record-keeping program.

After the inspection, the Inspector will submit an inspection report to the MVOAI Inspections Manager. This report will include:

- (a) documentation of the member's compliance with MVOAI policies and the appropriate standards,
- (b) documentation of the client's adherence with all aspects of their proposed farm plan,
- (c) any needs for further improvement and compliance with standards or previously received recommendations,
- (d) the Inspector's recommendations for certification or need for further compliance.

The Inspector will review the basic points of this report with the client in an exit interview before completing the inspection.

5.4 Communication between MVOAI Inspectors and MVOAI Clients

MVOAI Inspectors are responsible to the MVOAI Program and report directly to the MVOAI Inspections Manager. In general, communication between Inspectors and clients must be limited to those necessary for conducting the inspection.

Inspectors may contact an MVOAI client to arrange inspections. If, after the inspection visit, the Inspector needs additional information to complete the inspection report, the Inspector may contact the client to obtain it. The Inspector's responsibility for gathering information and communication with the client ends with submission of the inspection report. After this, client communications are done primarily by the Certification Coordinator, the Inspections Manager, and if necessary, the Non-Compliance, Appeals, Complaints, and Disputes Manager.

Inspectors may provide information to the inspected party about the standards and the certification process but may not dispense tips on production, marketing, or any other form of consulting advice including ideas about how a client may overcome barriers to certification. Statements made to a client by the MVOAI Inspector during the inspection are only guidelines, not final decisions—the Inspector's assessment does not necessarily reflect the opinion or the decision of the MVOAI Program. The MVOAI Certification Committee alone is responsible for the final certification decision.

5.5 Inspector's Report

The goal of each inspection is to produce an inspection report that will serve the Certification Committee in making its inspection decision. The report summarizes the farm's management practices, standards, policies and procedures and compares them with the MVOAI requirements. The Inspector will use the MVOAI Farm/Processing Inspection Checklist to make his report and may add any additional commentary that is needed.

The report contains an overview of the operation, a summary of all records and their compliance, and a detailed exploration of areas of existing or potential violations of the standards.

Each report concludes with the Inspector's summary of the most significant points of the inspection, especially with regard to areas of incompleteness and non-compliance or the requirement to complete specific conditions, such as improvements in record keeping or precautions to avoid potential contamination of the land. MVOAI will notify the Inspector of its final decision for all clients that the Inspector inspects, including the details for any corrections of minor noncompliances.

5.6 Cost of Inspections

The cost of the inspection shall be the responsibility of the operator. This shall include travel cost, per diem expenses, and costs of report preparation. Clients will be given an estimate of the inspection, travel and report preparation costs before the inspection. Total cost may vary due to the operations size, complexity, the availability of local Inspectors, and the degree of compliance and completeness of records by the operator. Before the Inspector arrives, new applicants will be required to pay inspection fees, which may be adjusted following the inspection depending on actual costs. Ongoing clients must pay within 30 days of being billed.

5.7 Unannounced Inspections

In any given year of operation, selected first time applicants and/or selected ongoing certified clients may receive an unannounced inspection. The criteria for the selection shall depend on many factors, including but not limited to, the complexity of the operation, its past certification history, potential contaminants in the area, the experience of the operators, etc. The purpose of this visit is to check for any changes in the management program of the farm since the submission of the certification application, and to double check the farm's compliance with the standards. The focus of an unannounced inspection is the same as during a scheduled inspection; however, the topics are usually covered more briefly. Unannounced inspections are paid for by MVOAI unless required as part of a noncompliance investigation.

5.8 Testing

MVOAI uses testing procedures to aid in its confirmation of the organic integrity of its certified clients. Testing may be required on the basis of the initial review, the Inspector's recommendation to the Certification Committee or on the basis of the Committee's own needs. The following are the provisions on testing as required by law for clients wishing to be certified by MVOAI.

- (a) All MVOAI clients whose agricultural products are to be sold, labeled, or represented as "100 percent organic," "organic," or "made with organic ingredients" must have their products and facilities made accessible for examination by the Administrator of the National Organic Program, Governing State Official, or by MVOAI.
- (b) The Administrator, Governing State Official, or MVOAI may require pre-harvest or post-harvest testing of any agricultural input used or agricultural product to be sold, labeled, or represented as "100 percent organic," "organic," or "made with organic ingredients" when there is reason to believe that the agricultural input or product has come into contact with a

prohibited substance or has been produced using excluded methods. Such tests must be conducted and paid by MVOAI or the requesting government official.

- (c) The pre-harvest or post-harvest tissue test sample collection must be performed by an Inspector representing the National Organic Program Administrator, the Governing State Official, or MVOAI. Sample integrity must be maintained throughout the chain of custody, and residue testing must be performed in an accredited laboratory. Chemical analysis must be made in accordance with the methods described in the most current edition of the Official Methods of Analysis of the AOAC International or other current applicable validated methodology determining the presence of contaminants in agricultural products. The testing party will monitor the selection and control of samples to ensure traceability and that the samples are representative of production.
- (d) Results of all analyses and tests performed under this section:
 - (1) Must be promptly provided to the National Organic Program Administrator, except that where a State organic program exists, all test results and analyses shall be provided to the State organic program's governing State official by the applicable certifying party that requested testing; and
 - (2) Will be available for public access, unless the testing is part of an ongoing compliance investigation.

If test results indicate a specific agricultural product contains pesticide residues, environmental contaminants or other prohibited substances that exceed the Food and Drug Administration's or the Environmental Protection Agency's regulatory tolerances, the certifying agent must promptly report such data to the Federal health agency whose regulatory tolerance or action level has been exceeded.

- (e) Exclusion from organic sale. When residue testing detects prohibited substances at levels that are greater than 5 percent of the Environmental Protection Agency's tolerance for the specific residue detected or unavoidable residual environmental contamination, the agricultural product must not be sold, labeled, or represented as organically produced. The Administrator, State Official or MVOAI may conduct an investigation of the certified operation to determine the cause of the prohibited substance.
- (f) Emergency pest or disease treatment. When a prohibited substance is applied to a certified operation due to a Federal or State emergency pest or disease treatment program and the certified operation otherwise meets the requirements of this part, the certification status of the operation shall not be affected as a result of the application of the prohibited substance.

However;

- (a) Any harvested crop or plant part to be harvested that has contact with a prohibited substance applied as the result of a Federal or State emergency pest or disease treatment program cannot be sold, labeled, or represented as organically produced; and
- (b) Any livestock that are treated with a prohibited substance applied as the result of a Federal or State emergency pest or disease treatment program or product derived from such treated livestock cannot be sold, labeled, or represented as organically produced except that:
 - (i) Milk or milk products may be sold, labeled, or represented as organically produced beginning 12 months following the last date that the dairy animal was treated with the prohibited substance; and

- (ii) The offspring of gestating mammalian breeder stock treated with a prohibited substance may be considered organic provided that the breeder stock was not in the last third of gestation on the date that the breeder stock was treated with the prohibited substance.

6 Conflict of Interest and Confidentiality

6.1 Conflict of Interest Policy

MVOAI utilizes the following regulations from the Federal Rule to avoid conflicts of interest in its certification activities. MVOAI will prevent such conflicts by:

- (i) Not certifying a production, processing or handling operation if MVOAI or a responsibly connected party to the Institute has or has held a commercial interest in the production or handling operation, including an immediate family interest or the provision of consulting services, within the 12-month period prior to the application for certification;
- (ii) Excluding any person with conflicts of interest, including contractors, from work, discussions, and decisions in all stages of the certification process and the monitoring of certified production or handling operations for all entities in which such person has or has held a commercial interest, including an immediate family interest or the provision of consulting services, within the 12-month period prior to the application for certification;
- (iii) Not permitting any employee, Inspector, contractor, or other personnel to accept payment, gifts, or favors of any kind, other than prescribed fees, from any business inspected, except that MVOAI, being a not for profit organization registered with the IRS may accept voluntary labor from certified operations;
- (iv) Not giving advice or providing consultancy services to certification applicants or certified operations, for overcoming identified barriers to certification;
- (v) Requiring all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions and all parties responsibly connected to the certifying agent to complete an annual conflict of interest disclosure report; and
- (vi) Ensuring that the decision to certify an operation is made by a person different from those who conducted the review of documents and on-site inspection.

If a conflict of interest should arise within 12 months of certifying the operation, it is the responsibility of MVOAI to repeat any necessary steps of certification with unbiased personnel at MVOAI's expense or to refer the certified operation to another accredited certifier for re-certification and reimburse the cost of that re-certification.

6.2 Confidentiality and Non-compete Policy

All records obtained by MVOAI from any of its clients are maintained in strict confidence and kept securely at the main corporate office. Only authorized state and federal officials, the MVOAI President and designated certification staff have access to these files. MVOAI requires that certification workers who have access to confidential information sign a “Confidentiality Agreement” which prohibits them from releasing confidential information (except as described below). This applies to the President, all staff of the certification program, members of the Certification Committee, and the Inspectors.

In addition, the contractual agreements between MVOAI and its staff and Inspectors include a statement that proprietary information gained by the Inspector or staff through the certification process will not be used for their personal gain.

When MVOAI receives any inquiries regarding the growing, production, or handling practices and materials used by any of its individual clients, MVOAI responds by providing information contained in the appropriate standards which address the situation in question, and insures the inquirer that the client is adhering to these standards. MVOAI does not release confidential information about the specific practices used by the certified client without specific written permission from the client. This confidential information includes, but is not limited to, discoveries, ideas, designs, drawings, specifications, techniques, models, data, documentation of programs, processes, know-how, customer lists, marketing plans, and financial, technical and growing information.

However MVOAI may release as provided by law, the following information *without* explicit permission from a client: (1) Business name; (2) Client’s name, address and phone number; (3) Products which are being produced or handled by the certified client; (4) Current certification status, (5) Organic acreage farmed, last inspection date, Inspector’s name, parcel identification, and dates of last prohibited material use.

If more information is needed, MVOAI will refer the inquiry directly to the certified client. MVOAI will release additional information only with the explicit written permission of the certified party.

Reports filed by Inspectors are not normally made available outside the certification system. However, inspection reports may be released with the following guidelines:

- (a) MVOAI releases to clients copies of their own inspection reports and test results.
- (b) The client may release to any third party his/her inspection report or request MVOAI to do so on their behalf. Clients will be billed for the costs involved. (See Certification Fee Schedule.)

MVOAI reserves the right to release information on individual clients as required by local, State, or Federal law and to its own accreditation committees. The President may also provide researchers with summaries or statistics based on MVOAI files, but may not release

information that identifies individual operations without explicit permission to do so from the certified party.

7 Financial and Security Information

7.1 Funding Sources for the Certification Agent

The Maharishi Vedic Organic Agriculture Certification Program plans to be financially self-sufficient from certification fees collected from its clients. In addition, the Institute receives tax-deductible donations to support its research, educational, and promotional efforts. The Corporation may accept contributions, gifts, loans (including program related loans) and grants of whatever nature, and may accept contributions, gifts, loans and grants subject to conditions or restrictions as to use or expenditure of income and capital, or may reject any proposed contributions, gifts, loans and grants, all at the discretion of the Directors shall be determined to be consistent with the purposes for which the Corporation is formed.

7.2 Financial Responsibilities Associated with the Certification Process

All MVOAI client invoices are due 30 days from the date of billing. Failure to keep an account financially up to date may result in suspension of MVOAI services, the result of which could potentially lead to a loss of certification. Reinstatement of services will be possible when accounts are brought up to date and the client has paid any additional costs incurred in re-establishing the certification process where it was left off. (See Payment requirements and Plans above.)

7.3 Reasonable Security

MVOAI agrees to furnish reasonable security, in terms of liability insurance and other necessary measures, in an amount and according to such terms as the USDA Administrator may by regulation prescribe, for the purpose of protecting the rights of production and handling operations certified by MVOAI under the Act.

8 Rights and Responsibilities

8.1 Complying with the Program

MVOAI will grant each client who successfully completes its certification program requirements a Certification Certificate that will be updated as required by law. Award of the Certification Certificate will acknowledge compliance with the program. Any deviation from compliance may be considered a violation subject to sanctions, as explained in the policy regarding violations.

8.2 Cooperating with Certification Processes

Cooperation between MVOAI and its clients is an essential part of the certification program. It allows MVOAI to complete its job easily and allows the client to gain maximum from the program at minimum cost. Lack of cooperation can encumber and delay the process, leading in

some cases to delays in certification or more stringent action. Cooperation includes, but is not limited to, the client:

- Making all the necessary arrangements for MVOAI to do complete assessments and inspections, or to resolve complaints.
- providing complete documentation of the operation, and
- providing access to all areas and parts of the operation, including records and personnel.

8.3 Making Appropriate Certification Claims

MVOAI Licensees may display the MVOAI® and USDA name and logo according to policies stated in the labeling sections of these manuals to indicate that MVOAI found the product and the client to conform to MVOAI procedures and the appropriate standards. No additional claims may be made. In particular, no claims may be made relating certification to any particular health or medical claims.

MVOAI clients shall limit the claims made regarding their certification to statements of their adherence to standards. A de-certified grower, processor, or handler is expected to discontinue use of certification claims and to return the certification certificate. Otherwise corrective legal actions may be taken. Utilizing the MVOAI® or USDA name or logo without explicit written consent or Certification Certificate from MVOAI is a violation of MVOAI policy and of federal law.

The Chief Quality Officer shall institute systems for checking the use of MVOAI certification marks and certificates in the marketplace. All MVOAI certified clients are required to inform MVOAI of changes in their products or labeling that would effect certification. MVOAI will monitor such compliance by random spot-checking of client products in, for example, the marketplace, trade shows, in trade magazines and over the Internet through client's Web sites. MVOAI will also check client product advertising literature and claims made through all forms of media. MVOAI may require certified operators to submit, at the discretion of the Chief Quality Officer, examples of labels, advertising, and other market information.

8.4 Protecting the Reputation and Integrity of MVOAI

To protect the integrity of the MVOAI® name and/or logo and the interest of the trademark owner and the organic industry at large, and to insure that the client is not using its product certification in such a manner as to bring the MVOAI into disrepute, the MVOAI program requires that all products entering the marketplace carrying the MVOAI® or USDA name and/or logo are fully approved by the MVOAI Certification Committee. Products failing to comply with these requirements shall be recalled from the marketplace at the expense of the respective party.

Should unapproved MVOAI labeled products enter the marketplace, MVOAI will take action in the following manner. If the party in question does not comply with the required recall process, MVOAI will take appropriate action to protect its registered name and logo.

- (a) MVOAI will request in writing that the grower, processor, or Licensee immediately recall all of the product in question.
- (b) The client who had distributed the unapproved MVOAI labeled product into the marketplace shall confirm in writing that the product has been recalled and supply details (e.g., a copy of the letter to the trade) to MVOAI.
- (c) MVOAI may spot check certain companies in the trade during unannounced visits in order to verify that such a recall has been carried out in a timely manner.

9 Special Points Regarding Certification of Grower Groups

9.1 MVOAI Grower Group Certification

Because many of Maharishi Vedic Organic Agriculture Institute's clients around the world will be large agricultural projects involving large groups of growers, it is appropriate that MVOAI have special guidelines regarding the certification of "grower groups." These guidelines for Grower Groups have been taken from the National Organic Standards Board Recommendations for international Grower Groups, since as of this date, there are no specific guidelines available as part of the USDA National Organic Program. Although the procedures for processing and handling the applications from Grower Groups will be those modeled on the NOSB recommendations, the certification standards and policies for granting certification will be the normal standards and policies based on the National Organic Program Rule and/or applicable international standards, and on the Vedic requirements of Maharishi Vedic Organic Agriculture Institute. Clients requesting Grower Group certification should request the MVOAI publication entitled, *Grower Group Certification Guidelines*, available on the mvoai.org website or by mail from MVOAI.

