
Oregon Tilth Certified Organic Fee Schedule

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A. CERTIFICATION FEES FOR FARM OPERATIONS (CLASS T, O, OW, OLP, AND OA)

Fees for farm operations (includes transitional and organic crop, livestock, apiculture and wild harvest operations) are based on the farm's gross income of certified products and are determined using the fee schedule chart presented later in this section. Fees for the first year of certification are based *upon a minimum base fee*. The succeeding year's fees are based upon the *previous year's actual gross sales* of certified products.

1. Calculating Fees for Farm Operations.

a) Base Fees

(1) New Applicants

If the farm operation has not been certified organic within 12 months prior to the application date, then the first year base fee is \$399.

(2) Certified Farm Operations

The base fee for certified farm operations (updating annually with OTCO or switching from another certification agent) is calculated using the chart in this section. The fee is calculated based on the most recent year's gross sales of certified products.

b) Inspection Fees

Farm operations are charged for annual inspection services. OTCO bills the grower for all inspection fees plus a 10% administration fee separately. Inspection fees can include the inspector fee, travel expenses and meals/lodging expenses. OTCO combines inspection visits to farms in the same area whenever possible to minimize expenses.

If additional scheduled inspections are required to demonstrate substantial compliance or add new fields/sites, then OTCO bills the grower for the inspection fee plus the 10% administration fee.

Certified operators are subject to unannounced inspections. No additional fees are assessed for unannounced inspections.

If you cancel a scheduled inspection with less than two weeks notice (from the date of the scheduled inspection) you will be assessed your responsible portion of the reimbursable expenses incurred on the planned trip as well as an administrative fee of \$100. If there were no other inspections scheduled you will be assessed 100% of the reimbursable expenses and the administrative fee.

c) Returning the Organic System Plan (OSP) and Fees

(1) New Applicants

The OSP may be submitted to the OTCO office at any time during the year. Please include a *check* to cover the applicable base fee plus a one-time new applicant fee of \$75. Farm operations must include an additional \$200 deposit to be applied toward inspection costs. International inspections might require a higher deposit; please contact the Oregon Tilth office for details.

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Please allow at least 8-12 weeks for inspection and completion of the certification process. Additional inspections may be required for new applicants unable to demonstrate substantial compliance during the initial inspection.

(2) Certified Farm Operations

Complete the certification OSP and submit to the OTCO office a minimum of 90 days prior to the annual certification deadline. Please include a check for the applicable base fee (based on prior year's actual gross sales). Farm operations must include an additional \$200 deposit to be applied toward inspection costs. International inspections might require a higher deposit; please contact the Oregon Tilth office for details.

(3) Examples

The following examples demonstrate how to determine the amount of payment to include with the certification application or update form. Please see the fee schedule chart in this section to determine the actual base fee for your farm operation.

Farm operation

First year with Oregon Tilth	<i>No organic certification within prior 12 months</i>	Base fee = \$399 Inspection fee deposit = \$200 <u>New applicant fee = \$75</u> Total payment = \$674
Renewing Certified farm operation	<i>Actual gross Sales of \$60,000 of certified products for previous year</i>	Base fee = \$721 <u>Inspection fee deposit = \$200</u> Total payment = \$921

(4) Potential Additional Charges

- An additional fee will be charged for any incomplete OSP, which must be returned for completion. The additional fee is \$25.
- Farms will also be charged a \$25 fee for returned checks.

**Please see the next page for the base fee schedule
for Farm Operations**

FEE SCHEDULE FOR CERTIFIED FARM OPERATIONS
(updating annually with OTCO or switching from another certification agent)

GROSS INCOME FROM SALE OF CERTIFIED PRODUCTS		BASE FEE
At least	Not more than	
\$ 0	\$4,999	299
5,000	9,999	334
10,000	14,999	373
15,000	24,999	431
25,000	34,999	508
35,000	49,999	605
50,000	64,999	721
65,000	79,999	836
80,000	99,999	972
100,000	124,999	1012
125,000	149,999	1175
150,000	174,999	1339
175,000	199,999	1503
200,000	224,999	1666
225,000	249,999	1829
250,000	299,999	2029
300,000	399,999	2279
400,000	499,999	2500
500,000	2,000,000	Farm pays \$2500 plus .1% (.001) on sales between \$500,000 and \$2,000,000
Farms with a gross income over 2,000,000		Farm pays \$4000 plus .05% (.0005) on sales over \$2,000,000 with a maximum fee of \$10,000

2. Additional Information on Fees Applicable to all Farm Operations

a) Payment Plans

If paying certification fees in a lump sum causes financial difficulties, growers may contact the office to inquire about setting up a payment schedule prior to returning their OSP.

b) Refunding Fees

Because certification fees are paid in advance, OTCO allows refunds or credits of fees paid for farm certification services under some circumstances:

(1) Non-Refundable Fees – OTCO charges the following fees to new applicants who withdraw prior to completion of the certification process and to certified operations who surrender certification prior to completion of the annual review process.

Withdrawal/Surrender before inspection	\$75
Withdrawal/Surrender at inspection	\$150
Withdrawal/Surrender after inspection, prior to the certification decision	\$250

These fees are charged in addition to the inspection costs. Please note there are no refunds available after the certification decision.

(2) If certified producers experience a crop failure, OTCO charges only the costs of the farm inspection plus the 10% administration fee for the year in which the farm is experiencing difficulties. Through this policy OTCO encourages continuity in a farm's certification in spite of fluctuations in farm income resulting from bad weather or other natural causes.

c) Transaction Certificates

Oregon Tilth *does not charge a fee* for issuance of transaction certificates covering domestic shipments as well as shipments to foreign markets. Please contact the OTCO office for details on requesting transaction certificates. Please note, OTCO charges a \$25 penalty fee for corrections to transaction certificates resulting from erroneous information provided by the farm operation.

d) Evaluation to Additional Certification Standards

Oregon Tilth continues to expand its certification services to assist certified farm operations in accessing new markets for products linked to socially equitable and biologically sound production principles.

For example, Oregon Tilth offers evaluation of organic products for compliance and/or equivalence with additional requirements of foreign markets, such as the European Union, Japan and Canada.

Additionally, Oregon Tilth develops partnerships with other certification programs, such as Salmon Safe, to evaluate farms to multiple standards during the same inspection.

Please contact the OTCO office or visit the Oregon Tilth website (www.tilth.org) to inquire about evaluation to other certification standards and programs and possible associated fees.

3. Certification Fees For Farm Owned and Operated Handling Activities **

Organic farm operations also manufacturing and selling organic processed products pay certification fees based on the total sales of certified products (i.e. combined sales of all raw agricultural crops and processed products).

Determining the Base Fee

- If total sales do not exceed \$500,000, then the farm pays a base fee according to the applicable farm fee chart, except a minimum fee of \$1000 shall apply.
- If total sales are greater than \$500,000, then the farm pays a base fee of \$2200 plus the appropriate handler fees (see chart in Section B) on sales in excess of \$500,000.

Please note farm inspection fees are determined in accordance with the "Inspection fees" section discussed on page 1. If certification for handling operations is also required, the associated inspection costs will be billed.

**This fee structure includes small farm livestock processing that cannot be done on-farm for resale.

4. Fees for Multi-Site Operations with Demonstrated Internal Control Systems

A *multi-site operation with demonstrated internal control system* (a.k.a. cooperative or grower group) involves a centrally managed association of local growers producing similar crops using similar practices and marketing their products in common. The operation must be constituted as a legal entity in the country where they operate. A single operation may cover numerous individual member farmers. Management must establish and maintain an internal control system including access to and education regarding organic standards. Management must also annually conduct a thorough standards compliance evaluation of each member and farm.

OTCO inspects 100% of member farms prior to initial certification and a minimum of 25% of farms annually thereafter. OTCO may choose to inspect less than 100% of growers if the operation applying for certification with OTCO is currently certified by another NOP accredited certifier. While OTCO will inspect a minimum of 25% of farms annually, the actual inspection percentage rate may be significantly higher depending on problems encountered during evaluation of the Internal Control System or concerns identified during the inspection.

The multi-site operation completes a single OSP, which describes, in addition to the standard information, details of their internal control system, and includes detailed grower lists and code numbers, if applicable. Only one certificate is issued with all individual members listed. All sales of certified product must be sold through the certified legal entity; individual growers cannot market certified product outside of the group. Certification fees are based on sales figures of the entire operation acting as one entity and reported in the application. Please reference information in the prior section A, "CERTIFICATION FEES FOR FARM OPERATIONS (CLASS T, O, OW, OLP, AND OA)," to calculate fees.

a) Definition of "Demonstrated Internal Control System."

Groups wishing to apply as a Multi-site operation must have an internal control system which meets all the following criteria:

- An Internal Control System is defined as a written quality assurance system included in the OSP that sets forth the practice standards, recordkeeping and audit trail requirements applicable at each production unit, facility or site and that identifies the internal verification methods used.
- The internal reviewers carry out at least one annual direct observation and review of each individual operator, including visits to all fields and facilities.
- The Internal Control System maintains appropriate documentation, including at least a description of the sub-units and the facilities, the production plans, materials used and rates of application, harvest records, the contractual arrangement with each individual member and internal inspection reports.
- The Internal Control System must include the application of sanctions to individual members who do not comply with the organization's OSP, the OFPA or the NOP Regulations, and/or other applicable standards.
- Internal control staff must inform Oregon Tilth of the irregularities and minor non-compliances found during internal audits. It must communicate back to the source of the minor non-compliance the corrective actions imposed, with agreed time for completion.
- The Internal Control System must provide for the suspension or exclusion of members or subunits who are found to have major non-compliances, including a plan for corrective action that must be implemented before the member or subunit can be readmitted. Internal control staff must inform Oregon Tilth of all such actions, and a member who willfully or fraudulently violates the NOP, and/or other applicable standards, should not be permitted to rejoin the group until Oregon Tilth approves the measures taken to ensure that the violation is not repeated.

b) Minimum Criteria for Internal Control System Personnel.

A project's Internal Control System staff auditors must meet the following criteria:

- Be fluent in the local language and dialect of the group members
- Possess the ability to read and write and report in the chosen ICS language
- Be well versed in the National Organic Program, as well as other applicable standards, especially in the sections of the regulation that relate to the subunits and members, sites or facilities that they review
- Be familiar with the local agricultural production systems.
- Be familiar with the principles and practice of organic agriculture, as applicable
- Be familiar with the principles and practices of organic handling, as applicable
- Be able to demonstrate competence in internal control procedures and an understanding of the internal regulations
- In order to mitigate the potential for non-compliances to go unreported, the Internal Control System personnel must receive contractual (in-writing) assurances that under no circumstances are they to be admonished in any way because they have detected and reported a noncompliance.

c) Multi-site operations that cannot adequately demonstrate compliance with the above criteria to the satisfaction of OTCO staff must apply as a Grower Marketing Group (described in following section A.5).

5. Fees for Grower Marketing Group

A *grower marketing group* involves a collaborative effort among two or more independent producers marketing their products in common. The marketing group must be constituted as a legal entity in the country where they operate. Certification of a grower marketing group may cover diverse activities at diverse sites.

Individual OSPs must be completed for each grower in the group, plus a summary document, describing the characteristics of the marketing group. A primary liaison for organizing application form(s), annual update information and inspection arrangements must be identified.

Each producer in the group receives a complete annual inspection by OTCO. One certificate is issued for the marketing group, listing the individual growers. No individual certificates are issued. All sales of certified product must be sold through the certified legal entity; individual growers cannot market certified product outside the group. Certification fees are based on sales figures of the entire group operating as one and reported on the cover application. Please reference the prior section A, "CERTIFICATION FEES FOR FARM OPERATIONS (CLASS T, O, OW, OLP, AND OA)," to calculate fees.

In addition to the applicable certification base fee, there is an additional \$100 fee per individual grower assessed for administrative costs.

6. Fees for Production Partnerships

For information concerning fees for production partnership arrangements please refer to section "C" of the Fee Schedule. There is no special application for production partnerships.

7. Fees for Research and Education Farms

Farms that can demonstrate exclusive use for public research and education are exempt from paying certification base fees. Applicable inspection costs will apply.

B. CERTIFICATION FEES FOR HANDLING OPERATIONS, INCLUDING PROCESSORS, HANDLERS AND MARKETERS (CLASS OP, OH, OM, OPC AND OFT)

1. Determining the fee

OTCO bases fees for the certification of food, fiber and personal care handling operations on the type of operation. Depending on the products produced and the services provided, fees could be based on more than one level of the fee schedule. If the handling operation has not been certified organic within 12 months prior to the application date, then the first year certification fee is \$1000. If the handling operation has been certified organic within 12 months of the application date, then the fee will be based upon the most recent year's organic sales using the following chart. Each succeeding year's fees are based upon the most recent year's sales. Please consult the following chart for more details. *The minimum annual certification fee is \$1000 for all handling operations.*

CERTIFICATION FEE SCHEDULE FOR HANDLING OPERATIONS**

If you are certified for:	Certification Fee on FIRST \$500,000	Certification Fee on sales from \$500,001 - \$2,000,000	Certification Fee on sales from \$2,000,001 - \$50,000,000	Certification Fee on sales over \$50,000,000**
Retail Products ¹	.5% (.005) of gross sales (\$1000 minimum)	.25% (.0025) of gross sales in this bracket	.05% (.0005) of gross sales in this bracket	.025% (.00025) of gross sales in this bracket (\$40,000 maximum)
Non-retail Products and Co-packing ²	\$1000 minimum fee	\$1000 <i>plus</i> .1% (.001) of gross sales from \$850,001 – \$2,000,000	.05% (.0005) of gross sales in this bracket	.025% (.00025) of gross sales in this bracket (\$40,000 maximum)

¹This category includes companies that process their own food or fiber products or hire co-packers to perform the manufacturing for them. Retail products include those packaged for the end user (including livestock feed) and products offered in bulk by retailers. This category also includes activities such as seed cleaning as well as fruit, fiber or vegetable packing, consolidating and/or packaging.

²This category includes production of food ingredients and fiber inputs intended for further processing prior to retail packaging and/or sale. Co-packing occurs at facilities that manufacture processed products for another company. Co-packer sales are based on the sale of organic product or fees received for production services as applicable. This category also includes brokers who do not pack or process product. Incidental re-packing for quality control or assembling orders is allowed.

***Maximum annual certification fee is \$40,000*

2. Determining the Expenses for Inspections

Handling operations are billed the fee plus a 10% administration fee for all inspections. Inspection costs can include the inspector fee, travel expenses and meals/lodging expenses. OTCO combines inspection visits to operators in the same area whenever possible to minimize expenses. Certified operators are subject to unannounced inspections. No additional fees are assessed for unannounced inspections.

If you cancel a scheduled inspection with less than two weeks notice (from the date of the scheduled inspection) you will be assessed your responsible portion of the reimbursable expenses incurred on the planned trip as well as an administrative fee of \$100. If there were no other inspections scheduled you will be assessed 100% of the reimbursable expenses plus the administrative fee.

3. Completing the Organic System Plan (OSP) and fees

(a) New clients

Complete the OSP and submit to the OTCO office at any time during the year. All OSP's must be submitted with a payment of \$1275, which includes a one-time new applicant fee of \$75, the \$1000 first-year certification fee and \$200 deposit that will be applied toward inspection costs. International inspections may require a higher fee prior to scheduling inspection; please contact the Oregon Tilth office for details. Any leftover deposit remaining after inspection costs will be applied to annual certification fees.

(b) Certified Handling Operations

Complete the OSP and submit it, along with payment for your certification fee (based on most recent year's sales) plus a deposit of \$200 to be applied toward inspection costs. These items should be submitted to the OTCO office a minimum of 90 days prior to your annual renewal date.

4. Potential Additional Charges

- An additional fee will be charged for any incomplete OSP which must be returned for completion. The additional fee is \$25.
- Handling operations will also be charged a \$25 fee for returned checks.
- Oregon Tilth *does not charge a fee* for issuance of transaction certificates covering domestic shipments as well as shipments to foreign markets. Please contact the OTCO office for details on requesting transaction certificates. Please note, OTCO charges a \$25 fee for corrections to transaction certificates resulting from erroneous information provided by the handling operation.

5. Non-Refundable Fees

OTCO charges the following fees to new applicants who withdraw prior to completion of the certification process and to certified operations who surrender certification prior to completion of the annual review process.

Withdrawal/Surrender before inspection	\$75
Withdrawal/Surrender at inspection	\$150
Withdrawal/Surrender after inspection, prior to the certification decision	\$250

These fees are charged in addition to the inspection costs. Please note there are no refunds available after the certification decision.

6. Evaluation to Additional Certification Standards

Oregon Tilth continues to expand its certification services to assist certified handling operations in accessing new markets for products linked to socially equitable and biologically sound production principles.

For example, Oregon Tilth offers evaluation of organic products for compliance and/or equivalence with additional requirements of foreign markets, such as the European Union, Japan and Canada as well as other standards like the Global Organic Textile Standards.

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Additionally, Oregon Tilth develops partnerships with other certification programs to evaluate handlers to multiple standards during the same inspection.

Please contact the OTCO office or visit the Oregon Tilth website (www.tilth.org) to inquire about evaluation to other certification standards and programs and possible associated fees.

7. Fees for Production Partnerships

For information concerning fees for production partnership arrangements please refer to section “C” of the Fee Schedule.

8. Fees for Global Organic Textile Standard (GOTS)

In addition to the regular fee schedule for Handling Operations (Section B.1), all GOTS (Class OFT) clients will pay 150 euro per facility for each calendar year.

Exchange rate at the time of use will be used.

9. Fees for NSF/ANSI 305 Personal Care Standard

In addition to the regular fee schedule for Handling Operations (Section B.1.), all NSF/ANSI 305 (Class OPC) clients will pay an additional \$1000 per facility for each calendar year. In addition to this facility fee, the following per product label fees will be applied for products requested for certification under this standard:

Total Product Labels Requested/Submitted	Fee (US dollars)	<i>Example: 70 Products</i>
First 25 products	\$40 per product	$25 \times \$40 = \$1,000$
Next 26-50 products	\$30 per	$25 \times \$30 = \750
Next 51-100	\$20 per	$20 \times \$20 = \400
>100	\$10 per	<i>Total = \$2250</i>

*please note that if you are already certified by OTCO to another standard (USDA-NOP) and are requesting review to this standard mid year. The \$1000 per facility fee and per product label fee will apply. Reporting of the sales of products to this standard will be billed and collected upon your next renewal.

*product additions mid year will be charged a per product fee according to above schedule.

C. CERTIFICATION FEES FOR PRODUCTION PARTNERSHIPS

1. Definition

A production partnership involves a collaborative effort among two or more independent companies marketing their products in common. A single production partnership certification may cover diverse activities at diverse sites. A primary liaison responsible for organizing application forms(s), annual update information, billing and inspection arrangements must be identified. Each partner receives a complete annual inspection by OTCO.

2. Processing (co-packer) Partners

An operation may choose to have processing production partners (co-packers) that are contracted to handle organic product predominately¹ for the primary operation. This production partnership arrangement allows the operation to cover the co-packing partner's certification expenses.

In such arrangements, the primary operation pays certification fees on its sales as outlined in the applicable fee schedule. For each processing partner included in the production partnership, a certification fee of \$750 is charged. Please note that inspection costs for partners are not included in this fee.

3. Farm (crop and livestock) Partners

An operation may also have farm production partners that are contracted to provide crop or livestock products, predominately¹ to the primary operation, which contribute to a finished organic product sold by the operation. This production partnership arrangement allows the operation to cover the farm production partner's certification expenses.

In such arrangements, the primary operation pays certification fees on its sales as outlined in the applicable fee schedule. For each farm partner included in the production partnership, a certification fee of \$650 is charged. Please note that inspection costs for partners are not included in this fee.

4. Multi-Site Operations and Grower Marketing Groups as Partners

Multi-Site Operations and Grower Marketing Groups may be production partners contracted to provide crop or livestock products, predominately¹ to the primary operation, which contribute to a finished organic product sold by the operation. This production partnership arrangement allows the operation to cover the multi-site operation's or the grower marketing group's certification expenses.

In such arrangements, the primary operation pays fees on its sales as outlined in the applicable fee schedule. For each multi-site operation or grower marketing group in the production partnership, a certification fee of \$3000 is charged and a \$100/member fee is charged, with a maximum fee of \$10,000. A member is defined as each individual member of the multi-site operation or the grower marketing group. Please note that inspection costs for partners are not included in this fee.

5. Determining the Expenses for Inspections

Production partnerships are billed the costs plus a 10% administration fee for all inspections. Inspection costs can include the inspector fee, travel expenses and meals/lodging expenses. OTCO combines inspection visits to operators in the same area whenever possible to minimize expenses. Certified operators are subject to unannounced inspections. No additional fees are assessed for unannounced inspections.

6. Returning the OSP(s)

Return the OSP(s) to the OTCO office. All OSPs must be submitted with a deposit to be applied to inspection costs. The deposit required is based on the number of partners in the partnership as follows:

¹ Not less than 75% of partner's gross sales of certified product shall be marketed under the primary operation's brand.

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\$200 for each processing partner

\$200 for each farm partner

Any leftover deposit remaining after inspection costs will be applied to annual certification fees.

Production partnerships applying for the first time may return OSPs at any time during the year.

OTCO must receive completed OSPs from certified production partnerships a minimum of 90 days prior to your annual renewal date.

7. Potential Additional Charges

- An additional fee will be charged for any applications or update forms which must be returned for completion. The additional fee is \$25.
- Production partnerships will also be charged a \$25 fee for returned checks.
- Oregon Tilth *does not charge a fee* for issuance of transaction certificates covering domestic shipments as well as shipments to foreign markets. Please contact the OTCO office for details on requesting transaction certificates. Please note, OTCO charges a \$25 fee for corrections to transaction certificates resulting from erroneous information provided by the production partnership.

8. Non-refundable Application Fees

OTCO charges the following fees to new applicants who withdraw prior to completion of the certification process and to certified operations who surrender certification prior to completion of the annual review process.

Withdrawal/Surrender before inspection	\$75
Withdrawal/Surrender at inspection	\$150
Withdrawal/Surrender after inspection, prior to the certification decision	\$250

These fees are charged in addition to the inspection costs. Please note there are no refunds available after the certification decision.

D. CERTIFICATION FEES FOR RESTAURANTS AND RETAILERS (CLASS OR)

The annual fee for the certification of restaurants and retailers is based on the following schedule. Restaurant operations will be charged according to the “entire location” fees listed. Retailers may choose to limit scope of certification “by department” and will be charged according to the “by department” fees listed.

Number of Retail/Restaurant Locations	Entire Location Certification fee ¹	By Department Certification fee ²
1	\$1250	\$500 per department, per location
2 – 5 ³	\$5000	\$500 per department, per location
6 – 10 ³	\$10,000	\$500 per department, per location
11 – 15 ³	\$15,000	\$500 per department, per location
16 – 20 ³	\$20,000	\$500 per department, per location
21 – 25 ³	\$25,000	\$500 per department, per location
Greater than 25 ³	\$30,000 ⁴	\$500 per department, per location
Notes: 1 – Applicable to all Restaurant operations; and to all Retailers that are including entire store in scope of certification 2 – Option only available to Retailers who choose to limit scope of certification to one or more departments per location 3 – Only one certificate is issued to the certified legal entity, with an addendum listing all locations 4 – Maximum Certification Fee		

Determining the Expenses for Inspections

Retailers and restaurants are billed the costs plus a 10% administration fee for all inspections. Inspection costs can include the inspector fee, travel expenses and meals/lodging expenses. OTCO combines inspection visits to operators in the same area whenever possible to minimize expenses. Certified operators are subject to unannounced inspections. No additional fees are assessed for unannounced inspections.

If a retailer or restaurant has multiple locations and has a demonstrated Internal Control System, inspection costs will be billed a flat rate for each additional location, following actual costs billed for inspection of the first location. The flat rate for each additional location will be determined following review of the Organic System Plan, with particular attention to details describing the Internal Control System.