Oregon Tilth Certified Organic

Fee Schedule

January 5, 2014

Published by:

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OTCO Fee Schedule

Oregon Tilth is a nonprofit organization dedicated to supporting and promoting biologically sound and socially equitable agriculture. Through our certification program we work to support this mission by certifying a large range of organic and sustainable agriculture services. Oregon Tilth is well known for its organic certification program for both farmers and processors.

We are committed to maintaining stable certification fees and being competitive while also supporting our nonprofit mission. Transparency is also important to us, so you will find that all fees related to certification are outlined in this manual. We will not charge a fee for something that is not outlined in this manual.

In general, there are two main types of certification fees: the annual certification fee and the inspection fee. However, as you will see in this manual there are additional charges based on your unique or special activities or needs. In order to keep our fees down we may charge additional fees for special requests and needs that are not as common, such as international compliance and shipping documents or expedited services.

The annual certification fees for certified operations are based on the gross income of certified products and are determined using the appropriate fee schedule chart presented later in this section. Two charts are presented, one that is applicable to farm and livestock operations and the other applicable to processing and handling operations. The inspection fee varies in cost depending on length of the inspection and complexity of your operation as well as travel expenses for the inspector. All first time applicants, or returning applicants not certified in the previous year, are charged a $75.00 new applicant fee, which covers the additional administrative costs of processing their application.

We encourage you to review this entire manual carefully in order to determine all fees that may be incurred by your operation. If you have any questions about any item in this manual, please feel free to call or email at any time. We are happy to assist. Below is a quick glance of the different topics and fees covered in this manual and on what page you can read more about them.

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FEE SCHEDULE FOR CERTIFIED FARM OPERATIONS INCLUDING CROP, LIVESTOCK, TRANSITIONAL AND WILDHARVEST OPERATIONS

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	$2500 plus .1% (.001) on sales between $500,000 and $2,000,000
Farms with a gross income over 2,000,000		$4000 plus .05% (.0005) on sales over $2,000,000 with a maximum fee of $10,000

Livestock Operations (Class OLP)

Any farm operation with the addition of the class OLP (Livestock) certification will be charged a fee of $100 for that service in addition to the base fee for certification described above.

FEE SCHEDULE FOR CERTIFIED HANDLING OPERATIONS, INCLUDING PROCESSORS, HANDLERS AND MARKETERS

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 gross organic sales using the following chart. Each succeeding year's fees are based upon the most recent year's gross sales. Please consult the following chart for more details. *The minimum annual certification fee is $1000 for all handling operations and the maximum fee is $40,000.*

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 fee	.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 *plus* .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)

[1]This 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.

[2]This 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.

Examples for Calculating your Fee (Farms and Handlers)

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 above to determine the actual base fee for your operation.

Farm Operations		
First year with Oregon Tilth	*No organic certification within prior 12 months*	Base fee = $399 Inspection fee deposit = $200 New applicant fee = $75 **Total payment = $674**
Renewing certified operation	*Actual* gross sales of $60,000 of certified products for previous year	Base fee = $721 Inspection fee deposit = $200 **Total payment = $921**
Certified Farm Operation with Organic Livestock (OLP)	*Actual* gross sales of $60,000 of certified products for previous year	Base fee = $721 Inspection fee deposit = $200 OLP Certification Fee = $100 **Total payment = $1,021**
Processor/Handler/ Marketer		
First year with Oregon Tilth	*No organic certification within prior 12 months*	Base fee = $1000 Inspection fee deposit = $200 New applicant fee = $75 **Total Payment = $1275**
Renewing certified operation with retail sales	*Actual* gross sales of $1,000,000 of certified products retail sales for previous year	Base fee = $3750 Inspection fee deposit = $200 **Total Payment = $3950**
Renewing certified operation with non-retail sales	*Actual* gross sales of $1,500,000 of certified products non-retail sales for previous year	Base fee = $1500 Inspection fee deposit = $200 **Total Payment = $1700**

CERTIFICATION FEES FOR FARM OWNED AND OPERATED HANDLING FACILITIES

Organic farm operations also manufacturing and selling organic processed products who must have both classes of certification i.e. a farm and a processor certification, pay certification fees based on the total sales of certified products (i.e. combined sales of crops and processed products).

Determining which Base Fee Schedule to Use

- 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 $2500 plus the appropriate handler fees on sales in excess of $500,000.

Examples for Calculating Fees for this Scenario

First year with Oregon Tilth	*No organic certification within prior 12 months, applying as both farm and processor*	Base fee = $1000 Inspection fee deposit = $200 New applicant fee = $75 **Total payment = $1275**
Renewing certified operation	*Actual* gross sales of $60,000 of certified products for previous year. Applying for both farm and processor	Base fee = $1000 Inspection fee deposit = $200 **Total payment = $1200**
Renewing certified operation	*Actual* gross sales of $600,000 of certified products for previous year. Applying for both farm and processor	Base fee = $2500 Handler Fee = $250 Inspection fee deposit = $200 **Total payment = $2950**

Please note that if certification for farm and handling is required, the associated inspection costs for both inspections will be billed.

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

RETURNING THE ORGANIC SYSTEM PLAN (OSP) AND FEES

New Applicants

The Organic System Plan (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. All 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. If you wish to pay by credit/debit card, please contact our office to do this by phone.

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.

Certified Operations Renewing their Certification or Changing Certifiers

Complete the certification OSP update and submit to the OTCO office prior to the annual renewal deadline. Please include *a check* for the applicable base fee (based on prior year's actual gross sales). All 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. Clients wishing to pay by credit or debit card may contact our office to arrange payment over the phone.

INSPECTION FEES

In addition to the certification fee, operators should plan for inspection fees. Operations are charged for annual inspection services. OTCO bills 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 operations in the same area whenever possible to minimize expenses.

Additional Inspections

If additional scheduled inspections are required to demonstrate substantial compliance or add new fields/sites or facilities, then OTCO bills for the inspection fee plus a 25% administration fee.

Unannounced Inspections

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

Cancelling 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.

EXPEDITED SERVICES

For operations who wish to expedite their certification as a new applicant or to add new fields/sites or facilities to be inspected and approved, OTCO charges $850 for expedited services. This $850 is in addition to the certification fee, inspection fee and new applicant fee as previously described. If you are applying for certification under multiple classes of certification i.e. farm and processor, the $850 expedited service fee will apply to both classes of certification that you wish to expedite.

If you enroll in the expedited services program, OTCO will provide the following:

- Application receives expedited attention for initial review and processing
- OTCO will secure an inspector immediately and inspection will occur as soon as possible
- The inspection report will be submitted within 2 business days
- OTCO will review the inspection report within 2 business days and identify any outstanding issue to grant certification

Certification cannot be guaranteed by a certain date and OTCO has the right to refuse service for expedited requests if we do not have the administrative capacity to do so. In some cases requests for this service may be outside of a geographical area in which we normally do business or may be at a time when requests are already too high. In these cases OTCO, will communicate to you that we are unable to meet your request of expedited service.

TRANSACTION CERTIFICATES

Transaction certificates are load specific documents that validate your shipment of organic certified products. Many countries require these types of documents in order to import into their country. Sometimes these documents are requested by buyers and may or may not be required. Oregon Tilth charges for the issuing of these documents.

The first 10 issuances of transaction certificates (TC) within a calendar year will be free of charge, any additional TC's will be billed to the customer at a rate of $20 per certificate on a monthly basis.

Please note, OTCO charges a $25 penalty fee for corrections to transaction certificates resulting from erroneous information provided by the operation.

ADDITIONAL CERTIFICATION STANDARDS

Oregon Tilth continues to expand its certification services to assist certified 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 or various standards such as the Global Organic Textile Standard (GOTS).

Additionally, Oregon Tilth develops partnerships with other certification programs, such as Salmon Safe, to evaluate farms to multiple standards during the same inspection. In addition to the applicable base fee schedule for the type of operation, the associated additional certification evaluation fees are as follows:

European Union assessment (Farm)	$100
European Union assessment (Processor or Handler)	$295
Salmon Safe Inspection (Farm only)	$95
Assessments to Equivalency and Trade Agreements (i.e. Japan, Canada, NOP-EU)	No charge
GOTS assessment (Exchange rate at the time of use will be used).	150 euro per facility

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

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 flat fee for review, the following per product label, amounts will be applied for products requested for certification under this standard:

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

*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 flat 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.

POTENTIAL ADDITIONAL CHARGES

- An additional fee will be charged for an incomplete OSP, which must be returned for completion. The additional fee is $25.
- If a check is returned for insufficient funds, a $25 fee for returned checks will be assessed.
- Farms that can demonstrate exclusive use for public research and education are exempt from paying certification base fees. Applicable inspection costs will apply.
- 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 submitting their OSP.
- Oregon Tilth reserves the right to turn over uncollected fees to a third party collection agency in the event of non-payment.
- In cases of certified operations being sold to or otherwise acquired by another legal entity, the new entity will pay certification fees based on organic sales and certification history of the operation being acquired.

NON-REFUNDABLE FEES

Because certification fees are paid in advance, OTCO allows refunds or credits of fees paid for certification services. 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. The remainder of your certification payment will be refunded after the following fee has been assessed.

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, as applicable. Please note there are no refunds available for inspection costs after the certification decision has been issued.

FEES FOR MULTI-SITE OPERATIONS (GROWER GROUPS)

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. Please reference information in the prior sections, FEE SCHEDULE FOR CERTIFIED FARM OPERATIONS and FEE SCHEDULE FOR CERTIFIED HANDLING OPERATIONS, to calculate the base certification fee.

For multi-site operations, an additional *grower group fee* is charged. This fee is calculated by taking the square root of the previous year's reported sales of gross organic product. The maximum grower group fee is $10,000. Please note that inspection costs are not included in this fee and an inspection fee deposit of $200 is due along with the above mentioned certification fees.

Examples for Calculating Fees for Multi-Site Operations

First year with Oregon Tilth	*No organic certification within prior 12 months.*	Base fee = $399 Grower group fee = $0 Inspection fee deposit = $200 New applicant fee = $75 **Total payment = $674**
Renewing certified operation	*Multi-site operation with sales of $60,000*	Base fee = $721 Grower group fee = $244.95 Inspection fee deposit = $200 **Total payment = $1,165.95**
Renewing certified operation	*Multi-site operation with sales of $6,000,000*	Base fee = $6,000 Grower group fee = $2,449.49 Inspection fee deposit = $200 **Total payment = $8,649.49**

PRODUCTION PARTNERSHIPS

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, and billing and inspection arrangements must be identified. Each partner receives a complete annual inspection by OTCO, is required to submit their own OSP and will be issued a certificate in their own company/farm name.

An operation may choose to have farm or processing production partners that are contracted to produce or handle organic product predominately[1] for the primary operation. This production partnership arrangement allows the operation to cover the 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 partner included in the production partnership, a certification fee of $750 is charged. Please note that inspection costs for partners or any additional service fee are not included in this fee.

Multi-Site Operations as Production Partners

Multi-Site Operations may be production partners contracted to provide crop or livestock products, predominately[1] to the primary operation, which contribute to a finished organic product sold by the primary operation. This production partnership arrangement allows the primary operation to cover the multi-site operation's certification expenses.

For each multi-site operation in the production partnership, a multi-site operation fee of $1500 and a grower group fee is charged, with a maximum combined production partner/grower group fee of $10,000. The grower group fee calculation for production partners is calculated by taking the square root of gross organic sales. For production partners with gross sales greater than $5 million dollars, the calculation is multiplied by 1.5 to account for greater operational complexity.

Please note that inspection costs for partners are not included in this fee and an inspection fee deposit of $200 is due in addition to the above mentioned certification fees.

First year with Oregon Tilth as Multi-site operation as Production Partner	*No organic certification within prior 12 months.*	Production Partner fee = $1500 Grower group fee = $0 New applicant fee = $75 **Total payment = $1575**

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

Renewing certified Multi-site operation as Production Partner	*Multi-site operation with sales of $60,000*	Production Partner fee = $1500 Grower group fee = $244.95 **Total payment = $1,744.95**
Renewing certified Multi-site operation as Production Partner	*Multi-site operation with sales of $6,000,000*	Production Partner fee = $1,500 Grower group fee = $3,674.23 **Total payment = $5,174.23**