

Demeter Association, Inc.
Policies and Procedures Manual
March 2025

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1 Authority for Operation of Demeter Association, Inc.

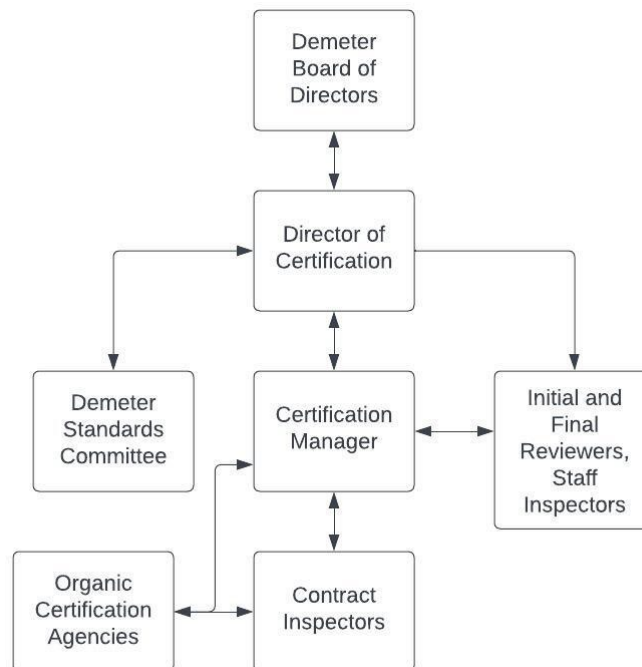
1.1 Legal Status

Demeter Association, Inc. (Demeter), incorporated as a public benefit corporation in Oregon and recognized by the IRS as a for-profit corporation, provides Demeter Biodynamic® certification services to farmers, handlers and traders in the United States.

1.2 Accreditation Status

Demeter Association Inc. owns the certification marks of Demeter® and Biodynamic® and is accredited by the Biodynamic Federation - Demeter International for inspecting and certifying farmers, handlers and traders to Demeter Biodynamic® Standards in the United States.

1.3 Organizational Chart



1.4 Authority of the Board of Directors

The Board of Directors of Demeter Association, Inc. has all powers to control and manage the activities of Demeter Association, Inc. as stated in the bylaws.

1.5 Authority of Management

The Board of Directors of Demeter Association, Inc. contracts with its Director to oversee the day-to-day operation of Demeter's programs. The Director contracts with additional support personnel as needed.

1.6 Authority of Office

The office staff, particularly the certification specialists, are responsible for the final certification decisions.

1.7 Organization Confidentiality Policy

The Members of the Demeter Board, the Director of Certification, Certification Manager, Certification Specialists, Inspectors, Committee Members, and all sub-contractors maintain strict confidentiality with respect to the clients certified by Demeter Association, Inc. No business-related information pertaining to clients, obtained during the certification process, is disclosed to third parties unless permitted in writing by the certified producer, handler or trader. A declaration adhering to this policy is required of the Board of Directors, the Director of Certification, Certification Manager, Certification Specialists, Inspectors, Committee Members, and all sub-contractors.

When confidential information is required by law to be disclosed by Demeter the party involved will be informed of the information provided.

1.8 Organization Conflict of Interest Policies

Conflict of Interest Policy for All Personnel –

All personnel involved in the Demeter certification program disclose their business interests. They are not involved in work, discussion, and decisions at any stage of the certification process and the monitoring of certified production, handling and trading operations that the personnel have an interest in or a perceived interest.

In addition, personnel involved in the Demeter program may not accept payment, gifts, or favors of any kind, other than prescribed fees, from any operation inspected.

All people who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or make certification decisions, update conflict of interest documents annually.

Conflict of Interest Policy for the Demeter Board –

The purpose of this policy is to protect the interests of the organization when it is contemplating entering a transaction or arrangement that might benefit the private interest of a Director, Officer, or Key Employee of the Association. The organization will not enter any such transaction or arrangement unless it is determined by the Board to be fair, reasonable, and in the best interests of the organization at the time of such determination. This policy is intended to supplement, but not replace, any state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Each Director, Officer, and Key Employee shall annually sign and submit to the Secretary of the organization a statement which affirms such person: (a) has received a copy of this policy, (b) has read and understands the policy, and (c) has agreed to comply with the policy.

1.9 Organization Complaint and Dispute Policy

Complaints and disputes may encompass criticisms of either an operator certified by Demeter or the Demeter program. Demeter, as well as operators certified by Demeter, must address the complaints received.

1.9.1 Complaints Policy for Demeter Association, Inc.

Demeter will maintain records of complaints regarding the operation of the Demeter program. Demeter will acknowledge the complaint and note any action taken and the effectiveness of the action.

1.9.2 Complaints Policy for Certified Operations

Copies of all correspondence pertaining to a complaint will be filed in the Complaint File.

Demeter will track complaints related to operations certified by Demeter. Copies of written complaints concerning certified operations will be placed in the operator's file.

1.9.3 Appeals Process

An operator wishing to appeal a certification decision writes to the Demeter office. Specific items to be appealed must be listed and detailed. The Demeter staff will acknowledge receipt of appeal.

A copy of the appeal is forwarded to the inspector who wrote the original report, if applicable. S/he is asked to make written comments to further clarify each appeal item. If the incident is not the result of the inspection process, then the concern is taken to the Director of Certification for review. The Director of Certification may render a decision on the appeal if impartiality can be maintained or may convene an appeal committee of individuals that match the nature of the appeal that is chaired by the Vice President of the Demeter Board.

The operator is informed whether the appeal has been accepted by the Director of Certification. If for whatever reason the Director of Certification is not able to render a final decision, the matter will be rendered by the appeal committee.

1.10 Non-discrimination and Impartiality Management Policy

Any operation (ex: farm, handler, trader) wishing to market Biodynamic[®] products may apply for certification through Demeter. Demeter will not exclude from participation in or deny the benefits of the Biodynamic[®] 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.

No form of discrimination will be practiced in receiving and reviewing applications, although the review may result in refusal of the application of any farm or handler that fails to meet the criteria or make a serious commitment to Biodynamic[®] practices.

Demeter is committed to conducting all its certification activities in an impartial manner so that no commercial, financial and or other pressures compromise impartial operations. To ensure that impartiality is maintained, Demeter has identified risks to impartiality that may pose a threat to impartial operations and therefore, in addition to the conflicts of interest policy set out in 1.8 above, a risk review is carried out twice per year to ensure continued impartial operations.

Additionally, Demeter or any of its staff do not certify its own products or offer a consultancy service to any of its members or partner organizations. All staff members that have engaged in the provision of consultancy to a member refrain from engaging in the inspection or certification of that member for a period of 2 years.

1.11 Demeter Association, Inc. Program Administration

1.11.1 The Board of Directors

1.11.1.1 The Role of the Board of Directors

The Board of Directors has all powers to control and manage Demeter except for granting certification.

The Board of Directors sets policies and standards for Demeter.

The powers of the Board of Directors are as outlined in the Demeter Bylaws. These duties may be delegated to qualified staff. Duties may include the following:

- 1.11.1.1.1 Meet as a board as outlined by the Demeter Bylaws.
- 1.11.1.1.2 Generate a vision for the direction of Demeter and implement that vision into reality.
- 1.11.1.1.3 Approve standards, policies, and procedures.
- 1.11.1.1.4 Recruit new board members / replacement members to the board who represent the diverse needs of the clientele Demeter serves.
- 1.11.1.1.5 Give time and thought to the mission and activities of Demeter in between board meetings, take on specific tasks as needed.
- 1.11.1.1.6 Annually review and evaluate the certification programs, the Directors, and the Board's performance.
- 1.11.1.1.7 Oversee general financial conditions and take corrective action when needed.
- 1.11.1.1.8 Board members agree to and sign confidentiality statements, declaration of interests, and update their resumes annually.
- 1.11.1.1.9 Oversee the maintenance of records, policies, procedures and quality system.
- 1.11.1.1.10 Conduct internal board performance reviews which include items 1-9 + pre-meeting preparation, completion of assigned tasks, review of officer's responsibilities (ref.: bylaws).

1.11.1.2 Composition of the Board of Directors

As outlined in the Demeter Bylaws.

1.11.1.3 Qualifications of Board of Directors Members

Members of the Board of Directors must be knowledgeable of the certification process. Formal education and/or experience in organic and Biodynamic® food and agriculture are also encouraged. The Demeter Board may also recruit individuals with knowledge of law, financing or other skills deemed to contribute to achieving the organization's vision and mission as important elements of the Board.

1.11.1.4 Responsibilities Associated with Board of Directors Membership

Members of the Board of Directors are expected to participate in the meetings of the Board. This occasionally involves traveling and volunteering the time to travel to attend and return from the Board meeting and retreats, as well as pre-meeting preparation.

The Board of Directors must adhere to the Confidentiality Policy contained in this Policy Manual.

1.11.1.5 Selection of Board of Directors

As outlined in the Demeter Bylaws.

1.11.1.6 Length of Term of Board of Directors

As outlined in the Demeter Bylaws.

1.11.1.7 Board of Directors Meetings

As outlined in the Demeter Bylaws.

1.11.2 Bookkeeping

Reports to: Director of Certification

Demeter contracts with an accounting firm for general bookkeeping and financial facilitation, which may include invoicing to certified operations. The mailing address resides with the bookkeeper and mail is received, scanned, and forwarded to the appropriate Demeter staff. Mailed checks are deposited and online payments are recorded.

Responsibilities:

- Monitor quarterly and annual payroll tax reporting.
- Conduct financial analysis; monitor financial performance
- Facilitate A/R (sales reports, collections, invoicing) and A/P (expense posting, tracking due dates, scheduling payments).
- Duties including interfacing with clients regarding accounting questions and issues.
- Manage and track 1099 contractor expenses, including verifying W-9 information and filing federal and dispersing individual annual income forms.
- Prepare all financial reports as needed for the Demeter Board.
- Advise Demeter staff and Board on matters pertaining to the health of the organization.

1.11.3 Director of Certification

Reports to: The Board of Directors

Responsibilities: The Director of Certification is responsible for oversight and administration of all aspects of the Demeter including the certification process, review and adherence to all Biodynamic Federation - Demeter International requirements, and development and implement new certification policies and procedures as needed.

General

- Develop an annual budget in cooperation with the Board Treasurer for approval by the Board and ensure organization stays with budget.
- Ensure certification process adheres to established policies & procedures.
- Manage certification staff and independent contractors (inspectors).
- Manage certification decisions and decision documents.
- Assist in the development of policies and procedures for all aspects of the certification program.
- Promotion of Demeter Certification through the attendance of national and international conferences

- Outreach and communication with other Biodynamic organizations in the USA and internationally

Certification Program Management

- Oversee and manages the certification process from new applicants to renewing members.
- Assist in the development of, and maintains the highest service standards for, the overall certification process from an applicant and member standpoint.
- Ensure adherence to established metrics from qualified lead/ renewal through certification.
- Assist in the development and organization of, and adherence to, internal policies, guidance documents, and policies & procedures.
- Maintain effective communication with the Certification Manager as needed to ensure the highest level of service to prospective members during the certification process.
- Interface with the Certification Manager and Bookkeeper to ensure timely receipt of licensee certification fees and payment of bills.
- Ensure all documentation is regularly updated and current.
- Oversee certification decisions and adverse actions.
- Oversee accreditations, reporting and audits, including responses to audit findings.
- Oversee investigations and complaints.
- Ensure compliance with all governmental bodies and accreditation authorities.
- Monitor and implement changes in certification standards and procedures.
- Continue to improve ECERT and Salesforce to ensure the most efficient and cost-effective use of databases.

Personnel Management/Human Resources duties

- Hire and terminate certification staff and independent contractors.
- Conduct performance evaluations of certification staff and independent contractors.
- With the Certification Manager, maintains a sufficient pool of inspectors and prospective inspectors.
- Manage and facilitate professional development and training opportunities.
- Manage meetings and communications amongst certification personnel.
- Primary oversight of financial reporting, accounts receivable, accounts payable, and payroll with support from the bookkeeper.
- Approve bi-monthly payroll, vacation and sick leave for exempt and non-exempt staff.
- Ensure proper filing of quarterly and annual payroll reports
- Provide oversight of benefits administration.
- Manage and tracks W-4's and I-9's for all employees and ensure that all supporting documentation for I-9's (driver's license, SS card, passport) are current.
- Ensure compliance with all local, state and federal workplace rules and regulations.
- Provide human resources administration and recordkeeping.
- Oversee and ensure current documentation of all established policies and procedures and organize all recordkeeping both past and present.
- Proactively address greater efficiencies in bookkeeping and office management tasks.
- Ensure the development of tactical programs to pursue targeted goals and objectives.
- Engage with Board in broader organizational strategic planning.
- Proactively address greater efficiencies in bookkeeping and office management tasks.

- Ensure the development of tactical programs to pursue targeted goals and objectives.
- Work with an accountant to prepare annual tax returns.
- Oversee bank accounts and all banking needs.
- Maintain office supplies and office equipment

1.11.4 The Role of the Certification Manager

Reports to: Director of Certification

Position Summary:

The Certification Manager is responsible for the smooth running of the Demeter Certification Programs operating procedures.

Key tasks are the following: Oversee the whole certification process and workflow for the organization

New Member Communication:

- Act as first point of contact for Demeter.
- Receive and respond to inquiries regarding the Demeter Certification program, referring queries and applications to the appropriate colleague (applications to evaluators and to the Director of Certification as appropriate).
- Send information about the certification program to interested parties.
- Send an application form to all interested applicants.
- Track all incoming new inquiries.
- Receive new applications and review for completeness.
- Arrange invoicing application fees to all interested applicants.
- Ensure all applicant documentation is filed correctly.
- Issue certificates when members are certified.

Current Licensee Duties:

- Distribute, collect and review annual renewal documentation.
- Invoice and track payments of all clients for the organization.
- Manage and train Inspectors, Certification Specialists, and contacted workers.
- Manage and coordinate with organic certifiers to align the inspection schedule to the Demeter inspection schedule.
- Conduct inspections as required.
- Allocate appropriate inspectors to inspections and liaise with inspectors regarding the timing of inspections, ensuring all clients are inspected and certified at least once per year.
- Disseminate certification program documentation to operators.
- Send and receive contracts for use of the Demeter and Biodynamic[®] certification marks, as appropriate.
- Review and approve all product specifications and labels prior to manufacture and print.
- Participate in the annual internal audit, providing data and relevant information to colleagues.
- Receive and refer to the Director of Certification all complaints and appeals.

Additional tasks include but are not limited to:

- Maintain the register of members and certified products on the database and share these with company Directors where appropriate.

- Report to Biodynamic Federation - Demeter International, as required, on statistics.
- Maintain up to date records on the database including records of all inspection reports forms, certification decisions, certificates issued, correspondence with members, derogations, information, etc. all of which to be kept for 5 years.
- Distribute revisions of Standards, forms, operating procedures, newsletters, surveys and other documentation and information.
- Provide any other administrative support to the Director of Certification or other company Directors.
- Scheduling and communications with NOP organic certifiers to offer operators dual inspections.
- Maintain office supplies and office equipment

Minimum Qualifications and Experience:

The Certification Manager must have the ability to organize and administer a busy office. This requires at least three years of administrative experience and training in secretarial and/or administrative skills.

In addition:

- A diploma or equivalent in a relevant field is required
- IT skills, including email, Word, Excel and Outlook are essential.
- Good communication skills are required
- Experience in financial management is required
- The ability to work independently and be self-motivated is essential
- The ability to be discreet, diplomatic, and able to observe strict confidentiality is essential

1.11.5 The Role of Certification Specialists

Reports to: Director of Certification

Position Summary:

The primary role of Certification Specialists is to review the compliance of inspections reports and certify operators when compliance has been achieved. This position reports to the Director of Certification.

The key tasks include but are not limited to:

- Evaluate inspection reports for compliance with the Demeter Standards and issue certificates when operators are certified
- Conduct inspections as required
- Review applications and provide application reports and general support to new operators
- Participate in weekly and monthly team meetings
- Contribute opinion on the suitability of the inspection and certification system and associated forms and standards, recommending improvements where appropriate
- Provide support to an allocated set of operators, answering questions and providing direction through all stages of the certification process
- Provide feedback and support to inspectors about the quality of inspection reports
- Participate in the annual internal audit, providing data and relevant information to colleagues

- Monitor and ensure timely closing out of corrective actions and liaise with the Director of Certification where appropriate
- File data and statistics and support the Certification Manager with all returns to the Biodynamic Federation - Demeter International and any other relevant statutory and private sector bodies
- Maintain office supplies and office equipment

Certification Specialists have expertise in crop, livestock, processing and trading and will be allocated inspection reports based on this expertise. The position can require a significant amount of travel and so a willingness to do so is essential.

Minimum Qualifications and Experience:

- Certification Specialists are required to have detailed knowledge of the Demeter Standards and the NOP standards. This will have been obtained through experience in Quality Assurance / Certification Systems or by means of other appropriate training.
- An in-depth understanding of Biodynamic, organic and sustainable production and or processing is required for these positions. This experience can be gained by relevant industry experience or relevant courses, workshops or other suitable training.

It is highly desirable for these positions to be filled by people who have substantial practical experience. Certification Specialists will normally have obtained a college degree in a relevant field. However, equivalent experience and training are also acceptable. IT skills in Excel, Word and Outlook are essential as is the ability to work independently, to make sound decisions on certification matters, and to communicate effectively and respectfully with colleagues and clients.

Certification Specialists must have the ability to work to deadlines, engage with clients in a supportive and understanding approach whilst ensuring that impartiality is always respected.

1.11.6 The Role of the Inspector

Reports to: Director of Certification

Position Summary:

To conduct an on-site inspection to determine compliance to Demeter Biodynamic Standards for applications for certification, including for growers, processors, manufacturers, handlers, brokers, distributors, retailers, etc.

Qualifications of the Inspector

The inspector should have experience in some branch of Biodynamic® agriculture, either as a practitioner or in some other capacity such as inspector for another certification program, or equivalent experience. Inspectors must meet at least two of the three requirements below:

- Formal education in the area in which the inspection applies
- Adequate training in the standards and regulations to which the inspection applies
- Adequate work or other experience in the area in which the inspection applies

Responsibilities of the Inspector

The inspector is responsible for conducting the on-site inspections as assigned and submitting a report summarizing the findings of the on-site inspection.

Training

All beginning inspectors are expected to complete the Independent Organic Inspectors Association (IOIA, www.ioia.net) basic training in crops, livestock, and/or processing, or the equivalent training provided elsewhere and approved by Demeter.

Performance Evaluation of Inspectors

Inspectors are appraised by the Director of Certification based on timeliness of response and quality of comments in the work of inspecting and writing reports for applicants for certification.

Education of Inspectors Regarding Changes in Policy & Procedures

Inspectors are provided with an updated version of the Biodynamic Standards, when applicable, and the office provides regular updates concerning changes in information that is needed for the performance of their duties. Inspectors have open access to office personnel for questions. Inspectors receive copies of communications that are sent to operators for the purpose of informing licensees about certification issues.

Required Documentation

Inspectors are required to have on file with the Demeter office the following documentation:

- Training Certificates, IOIA and others as applicable
- Resume
- Declaration of Interests – Updated annually
- Demeter Inspector Contract – Updated annually
- Confidentiality Agreement
- Fee Schedule – Updated annually

2 Certification

Certification under Demeter allows products to carry the Demeter® and Biodynamic® certification marks as defined by the Demeter USA Farm, Processing, Labeling, Compost, and Beekeeping Standards.

Certification under Demeter is an annual process. Annual renewal and an on-site visit by an inspector are required annually for producers and processors/handlers. Traders are subject to an annual desk audit, with a site visit as deemed necessary.

2.1 Certification Categories

Demeter operates a certification program that certifies:

- crops, including wild crops
- livestock operations
- compost production
- apiary
- processing & handling operations
- traders

2.1.1 In-Transition and In Conversion Status

A farm may be considered "in transition to Biodynamic®" under the following circumstances:

1. The farm submitted an application.
2. A Demeter inspector has been to the property.
3. Demeter has reviewed the inspection report and determines that certification could be obtained within a three-year period.
4. The farm has resolved any Findings Report requirements identified by Demeter
5. There is a projected date of certification (month/year).

A farm may refer to itself as "in transition to Biodynamic" in its marketing materials, website, and other ways that are not product labeling or at the point of sale to the consumer.

If the farm is not already NOP certified, then Demeter will conduct yearly inspections up to the three-year date of certification to ascertain that the Biodynamic Farm Standard is being upheld. The final Biodynamic certification must take place within 3 years and 3 months of the initial inspection.

If all the above requirements are met and a farm meets NOP organic requirements, Demeter will issue a certificate indicating that a farm is "Certified In Conversion to Biodynamic®" and the farm can represent itself in this manner in literature, website, and other marketing material. Farm crops, fibers, and livestock may be labeled as "In Conversion to Biodynamic®" and included in Demeter certified processed products making an "In Conversion to Biodynamic®" or "Made with In Conversion to Biodynamic®" label claim. See the *Biodynamic Labeling Standard*.

If a farm already meets NOP organic requirements, the full Demeter Biodynamic® certification should take place one year from the initial Biodynamic preparation application, with an allowance of 3 months in addition to the year.

2.2 Certification Standards

Compliance with the Demeter Standards is the basis for certification of the above types of activity. These standards meet the minimum requirements set by Biodynamic Federation - Demeter International.

To qualify for Demeter Biodynamic® status, a producer, processor and/or trader also must first meet the requirements of the National Organic Program (NOP, www.ams.usda.gov/NOP) as a base. The operator does not have to hold the official organic certification. If the operation does not hold official organic certification the Demeter office will verify the base line organic requirements as part of the Demeter certification.

The NOP standards are based upon the Organic Foods Production Act and the Rules established by the United States Department of Agriculture. Applicants for Demeter certification are expected to comply with the NOP Standards. Demeter will apply additional checks to ensure compliance with this organic requirement where no formal organic certification is held by the operator.

2.2.1 Standards Development

The Demeter Standard is normally revisited and revised annually at a minimum and more often as necessary. A standards revision or collection of standards revisions will be presented to certified entities with a noted date of implementation. To stay in accordance with BFDI requirements, a period of one year will be granted for adjustment to the revisions by certified entities. The applicant needs to demonstrate, where applicable, a plan for adjustment has been implemented and must be fully in place by the date one year from the implementation date of the Standard.

Should the Director of Certification or the Demeter Standards Committee determine a new farm/processing standard is required, or the farm, processing or labeling standard needs to be

revised, the following procedure will be followed:

- 1) The Demeter Standards Committee will instruct the Director of Certification to draft the new standard, utilizing third party expertise where appropriate.
- 2) The BFDI Standard is considered within the drafting/evolution of the new standard.
- 3) The Director of Certification presents the proposed standard or modification to the Standards Committee.
- 4) The Standards Committee considers the proposal, makes whatever changes and modifications it deems appropriate, and forwards its recommendation to the Board for adoption of the standard.
- 5) The Board either approves the adoption of the new or amended standard or requests amendments before adopting the standard.

2.2.2 Standards Exemptions

The Standards Committee will review and make decisions on all unforeseen exemptions.

2.2.2.1 Country Exemption

If necessary, Demeter USA can request a country exemption to the Biodynamic Federation - Demeter International standards based on formal submission of an exemption request and approval by the BFDI Members Assembly (MA).

2.2.2.2 Demeter Exemptions

For exemptions to the Demeter USA standards in areas that are out of the scope of the BFDI standard the following procedure is to be utilized:

- 1) Documentation of need/request for exemption is submitted to Demeter.
- 2) Information documenting need/request is reviewed by the Demeter Standards Committee.
- 3) The Demeter Standards Committee makes a recommendation to the Board.
- 4) The Board votes to approve or reject the exemption. If approved, the Director of Certification submits the exemption request to the BFDI Standards Committee.
- 5) The Certification team will communicate the outcome of the exemption request to all certified entities.

2.2.2.3 Act of God Exemption

"Act of God" is an exemption to the farm and/or processing standard granted by Demeter for events that occur outside of human control, that affects the ability of the farmer or processor to bring a quality product to market. Act of God exemptions may be granted for events including floods, fire, earthquakes, or other natural disasters for which no one can be held responsible. To qualify, a request needs to be submitted to Demeter in writing.

2.2.2.4 Ingredient Labelling Exemption

Potential labeling exemptions are detailed in the Labeling Standard. These require approval by Demeter.

2.2.2.5 66% exemption

For all products except wine.

Exemption to label products with at least 66% of the ingredients in Demeter Biodynamic® quality. Applicable to all products except wine. To be applicable to Biodynamic® (90%) and Made With Biodynamic® Ingredient (70%) labeling.

Demeter Biodynamic® products, for which less than 90% or 70% of the ingredients are available with Demeter certification, may use a maximum of 33% of ingredients from certified organic quality, or approved additives and aids of nonagricultural origin under the following conditions:

- The exemption is valid for 1 year and must be revisited annually.
- It must be clearly demonstrated that a thorough search for Demeter Biodynamic® ingredients has been conducted.
- The ingredients included in the product name are Demeter/Biodynamic® quality.
- A footnote must be placed on the information panel indicating “*Ingredient from certified organic production” with the organic ingredients marked or the organic ingredients are indicated in the ingredient listing.
- A footnote must be placed on the information panel indicating either the exact percentage of Biodynamic® ingredients or the statement indicating “66-90% Biodynamic® ingredients.”

2.2.3 Applicable Certification Standard

The Demeter Farm and Processing Standard as established by the Demeter Board of Directors in the USA applicable to all products labeled with the Demeter/Biodynamic® certification marks in the USA. Products certified by Demeter organizations in other countries or BFDI’s International Certification Office (ICO) may require a verification of gaps that may exist between the USA standard and the base BFDI standard. All Demeter organizations worldwide, including the Demeter in the USA, must uphold the BFDI Standards as a base minimum.

2.3 The Certification Process for Farms and Processors/Handlers

2.3.1 Initial Step

Once the producer, processor/handler, or trader has decided to become Biodynamic®/Demeter certified, the Certification Manager ensures an Application Pack is provided to them, which includes the application forms, Certification Standards, the fee schedule and the Terms of Agreement. This Policy and Procedures Manual can be found on the Demeter webpage and/or supplied to the applicant upon request.

Upon completion, the forms including the Terms of Agreement are returned to the Demeter office. Once the office receives a complete application, the applicant will be invoiced for fees. For farm applications, any on-farm or grower-contracted processing must be noted, as there is an additional application and fee for gathering information about these activities. See Fee Schedule.

2.3.2 Application Review

After receiving the application and fees, the Certification Manager will assign a suitably qualified Certification Specialist who will review the application. An initial review will be conducted by the Certification Specialist acknowledging receipt of the application and noting any outstanding information still needed. The applicant’s information is then entered into the companies database. and enter the details onto the database. Once the initial review is complete the Certification Manager will allocate an appropriately qualified inspector to conduct the initial inspection.

2.3.3 The Inspection

New applicants and renewing operators are contacted by the inspector in a timely manner before the initial or annual inspection. The inspector then conducts a thorough inspection to include but not limited to: assessing purchase records, storage facilities and application records of preparations and inputs, verification of stirring and application equipment of the preparations. Within 2 weeks

of completing the inspection, the inspector submits the inspection report, annual questionnaire and the assessment results as well as any other relevant information via the ECERT database. The Certification Manager assigns the inspection report review to an appropriately qualified Certification Specialist to conduct a final review.

2.3.4 Certification Evaluation and Decision

Upon receipt of the inspection report, annual questionnaire and other relevant data, the operator receives a full copy of the report. The Certification Specialist reviews the inspection report for compliance with the relevant standards and updates the operator's data on the database. Within 60 days of receiving the report from the inspector, the Certification Specialist sends the operator a Findings report, which includes details of all outstanding actions required from the operator in order to bring their operation into compliance with the standards.

The operator or new applicant is required to acknowledge the Certification Specialist's decision and to sign off on acceptance of any requirements. Based on a review of the information, the applicant may submit additional written explanations and comments, where appropriate.

New applicants are now certified as in-conversion or fully certified based on the history and management of the farm or fully certified for processors / handlers and already certified farms and processors/handlers are certified and will be issued an initial certificate or an updated certificate if needed. By accepting certification, the operator gives the certifier the right to make unannounced visits to the certified operation and to have access to records and facilities in order to verify procedures and materials. Applicants have the right to withdraw the application up to the point the Certification Specialist issues a decision. The request must be in writing. The application fee will not be refunded, and the applicant will be billed for any outstanding inspection costs.

2.3.5 Annual Certification Renewal

At the beginning of every year, a renewal packet must be completed by all operators and returned to Demeter. For new applicants applying in the final quarter of the year, annual renewal fees are not owed in the following year.

2.3.6 The Approval Process for Inputs

Demeter input products must meet the Demeter USA Standard, BFDI Standards, and the National Organic Program Standards at a minimum.

These material input products, including packaging materials, will be 3rd party approved for the USDA NOP Organic Program by reviewers such as OMRI, WSDA and the EPA.

As an example, a product approved from a Demeter recognized 3rd party reviewer (OMRI, WSDA, etc.), will still need to be further reviewed by Demeter USA staff to verify the product's compliance with the Demeter USA Farm Standard and Appendices.

The compliance review and final approval determination by the Demeter staff will include direct contact with manufacturers and university specialists as applicable; and when necessary, findings will be referred to the Demeter USA Standards Committee for final material compliance approval.

2.4 The Certification Process for Traders

The process for becoming Demeter / Biodynamic® certified as a trader is a little different for traders as they handle only finally packed and labeled products.

Traders are defined as those that in no way process products and only trade products already packaged and labeled without altering the product/packaging/labeling in any way. In the USA, the terms DEMETER and BIODYNAMIC® are registered certification marks. All label owners of products that are labeled and traded as DEMETER/ BIODYNAMIC® must enter into a licensing agreement and certification with Demeter Inc., including label owners of imported products.

Domestic traders of Demeter products are not required to have an annual on-site inspection; however, an annual desk-audit will be conducted to check traceability and the certification status of products traded. Traded products must have current and valid Demeter certification, and the trader can in no way alter the product ingredients, packaging or labeling. If any such handling, packaging, or labeling does occur, the entity involved must apply for certification as a handler. Once the annual desk audit is complete, operators are sent an updated certificate for the coming year.

2.4.1 Initial Step for Traders

Once the trader has decided to become Biodynamic® / Demeter certified, the Certification Manager will ensure an Application Pack is sent, which includes the application forms, Certification Standards, the fee schedule and the Terms of Agreement. This Policy and Procedures Manual can be found on the Demeter webpage and/or supplied to the applicant upon request.

Upon completion, the application forms are returned to the Demeter office. Once the office receives a complete application, the applicant will be invoiced for fees.

2.4.2 Application Review, Inspection and Certification Evaluation for Traders

After receiving the application and fees, the Certification Manager will assign a suitably qualified Certification Specialist who will review the application for completeness. The applicant's information is then entered into the companies database.

Confirmation will be sent by the Certification Specialist acknowledging receipt of the application and noting any outstanding information still needed. Once the application is complete the Certification Specialist will conduct the initial desk audit review. Critical elements to the desk audit include, but is not limited to, current certificates for all traded commodities and handling facilities, clean shipping affidavits, complete list of traded products and suppliers, audit trail documents, co-processing information, warehouse and storage information, and pest control information for trading and storage facilities. If during this review it is deemed necessary, an on-site inspection may occur.

New applicants and existing operators are contacted by the inspector in a timely manner of the initial or annual inspection. The inspector then conducts the inspection and within 2 weeks of completing the inspection submits the inspection report, annual checklist and any other relevant information to the Demeter office via the ECERT database platform.

Upon receipt of the inspection report, annual questionnaire and other relevant data the operator receives a full copy of the report. The Certification Specialist reviews the inspection report for compliance with the relevant standards and updates the operator data on the database. Within 60 days of receiving the report from the inspector, the Certification Specialist sends the operator a Findings Report which includes details of all outstanding actions required of the operator in order to bring their operation into compliance with the standards.

Once all outstanding actions are addressed by the operator and the applicant is found to be in compliance, new applicants are now certified and will be issued a Demeter certificate. By accepting certification, the trader gives the certifier the right to make unannounced visits to the certified operation and to have access to records and facilities in order to verify procedures and materials. Trader applicants have the right to withdraw the application up to the point the Certification Specialist issues a decision. The request must be in writing. The application fee will not be refunded, and the applicant will be billed for any outstanding inspection costs.

2.5 Co-processors and Private Label Processing

In the case of Private Label Processing, the owner of the product label must have a signed 'Terms of Agreement' with Demeter.

Material handling (such as handling of ingredients, packaging etc.) related to all product labeled as Demeter®, Biodynamic® or Demeter certified Biodynamic® under Demeter certification must be approved by Demeter prior to co-processing.

Furthermore, it must be verified such contracted co-processing is conducted within the scope of the facility's Demeter approval at the time of processing. To verify this, Demeter may request verification from the co-processor that this is the case, in written form and or through an on-site visit.

If the facility does not hold current Demeter approval, then the Organic Handling Plan (OHP) document and Demeter Biodynamic Handling Plan and Addendum(s) must be submitted, and the facility may need to be visited to verify the co-processing of the Demeter product is done in compliance with Demeter standards.

Co-processors that hold organic certification may only be inspected once every three years based on risk assessment. During the years of no onsite inspection, the operators will be required to conduct a desk audit which includes submitting current organic certification documentation, communicating any changes of the operation and providing updates.

Once Co-processors are found to be compliant with the Demeter Standards, a Declaration of Compliance will be issued along with a signed Terms of Agreement. By applying for certification or requesting to be approved for handling Demeter certified products, the operator gives the certifier the right to make unannounced visits to the certified operation and to have access to records and facilities to verify procedures and materials. Applicants have the right to withdraw the application up to the point the Certification Specialist issues a decision. The request must be in writing. The application fee will not be refunded, and the applicant will be billed for any outstanding inspection costs.

Off-site processing

Any facility independent of the applicant that handles the applicant's ingredient/product must meet these guidelines, complete a separate application, and be inspected. If the facility holds a current and valid organic certification and it can be verified that the concerns of the Demeter Processing Standard are clearly addressed through the information provided on the Demeter Processing application under the scope of such certification a site visit may not be necessary. Such situations will be approached on a case by-case basis.

2.6 Annual Licensing

When initial and on-going compliance with the standards is verified, the Certification Manager will issue each operator with a new or updated certificate yearly. The certificate details the scopes of certification and the categories to which the operator is certified (products for processors and traders, animal, field and products for farmers). The certificates are issued either based on the first day of certification for new clients until June 30th of the following year or for renewing clients from July 1st to June 30th of the following year. Renewing clients are issued updated certificates based on the verification of last year's data, once they have expressed their intent to renew for the coming year and made payment to the Demeter office for the current year. Along with the certificate, a signed Terms of Agreement by both parties is issued detailing the legal agreement between the Demeter office and the client. The Terms of Agreement is an annual document that needs to be signed by the operator and the Director of Certification.

2.7 Documentation Requirements

2.7.1 Land History for New Farm applicants

A complete declaration is required, to the best of the applicant's knowledge, concerning the previous history of the land, the condition of the soil, and any environmental considerations

(proximity to major roads, industrial areas, power lines, superfund sites, etc.). If land has recently been purchased, an affidavit from the former owner is required giving information on chemical and fertilizer usage with the name of the material and date of usage. Demeter may request residue tests for agricultural chemicals and/or investigation of other environmental influences.

2.7.2 Record Keeping

2.7.2.1 Farm Record Keeping

Adequate records must be kept concerning all aspects of farm operations and must be readily auditable. All records are to be made available to the Inspector and/or Certification Specialist, upon request. Audit trail records will be reviewed by the Inspector at the annual inspection. Records may include, but are not limited to the following examples:

Field records

- All materials applied, date and rate of application, name and source of all inputs, acreage and type of crops to which inputs are applied.
- GMO status of seeds, inoculants, and plant protection materials.

Harvest records

- Records of the harvest, segregation, and sale of non-organic buffer crops and of non-organic Transition crops.
- Records of all harvested crops, bin storage location if applicable, sales records.
- Sales records should have a lot number such as a date or other code and be traceable to the field of origin.
- Invoices and BOLs should include certification status of the product.
- Equipment cleaning records if applicable.

Livestock

- Date purchased, source, weight and age at acquisition.
- Amount of feed and supplementation purchased including certificates and feed tags.
- Medications: vaccinations, illness/injury treatments including medicament labels.
- Production records.
- Date, ID number, age, and certification status at time of slaughter or sale of animals.

Inputs

- Manure – type, amount, source, quality.
- Other fertility – type, brand name, amount, source, ingredients
- Seed – type, amount, source, classification as OG, conventional, treated, untreated, GMO status.
- Plant protection materials, GMO status. Maintain all labels for the annual visit.

2.7.2.2 Processor and Handler Record Keeping

Adequate records must be kept concerning all aspects of processing and handling operations and must be readily auditable. All records are to be made available to the Inspector and/or Demeter office upon request. Audit trail records will be reviewed at the time of annual inspection. Records may include, but are not limited to the following examples:

Products

- Individual Product Profiles for all products
- Process Flow for all products
- Non-GMO ingredient verification
- Off-site storage facility information
- Current certificates for all BD ingredients

- Sanitation
- MSDS for sanitation products used
- Sanitation logs

- Pest Control
- MSDS for all pest control materials used
- Pest Control logs
- Trap maps

- Sales records
- Purchase orders
- Invoices
- Lot numbers

2.8 Amending Certification to Cover New Products, Fields and or Scopes

An operator wishing to add or amend the scope of an existing certification must contact the Certification Manager giving details in support of the request. The Certification Manager will provide the operator with the correct application forms. A revisit to the farm or facility may be required.

2.9 Term of Certification

Once certified, a production, handling or trading operation's Biodynamic© certification continues in effect until the expiration of the certificate, surrendered by the operation or suspended or revoked by Demeter.

2.10 Procedures for Document Review

Demeter may at times request documents for review from other Demeter organizations worldwide in the process of making a certification decision for such products imported into the USA. Demeter may also request documents for review from applicable organic certification bodies (both domestic and international) in the process of making certification decisions.

2.11 Monitoring Continued Compliance

Monitoring of continued compliance with the Demeter USA Standards is done through follow-up contact with applicants to verify conditions or requirements have been addressed, unannounced visits to verify compliance, the annual information update (questionnaire) and annual inspection.

2.12 Residue Testing

Consumer concern for safe food is an issue and there are situations in which residue testing may provide data relevant to a certification decision. Examples of such situations include known or suspected cases of drift, emergency spray programs, contaminated irrigation water, storm runoff, historical pesticide usage, especially where cucurbits are to be grown, historical sludge applications, or being located downwind from a power plant. In such cases, Demeter may require residue testing of soil, water and/or crop samples as part of the certification process. Residue testing will be paid for by the Demeter office. If the residues appear to be the result of intentional use of materials the testing will be billed to the licensee.

The procedure for sampling and residue testing is as follows:

- 1) 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 testing of soil, plant tissue or agricultural product may be requested.
- 2) Sample integrity must be maintained throughout the chain of custody, and residue testing must be performed in an accredited laboratory. The specific sampling techniques used are dependent upon the testing requirements.
- 3) 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.
- 4) Results of all analyses and tests performed under this section:
 - Will be available to the inspected operation.
 - If test results indicate a specific agricultural product contains pesticide residues or environmental contaminants that exceed the Food and Drug Administration's or the Environmental Protection Agency's regulatory tolerances the associated land base or product may not be applicable for certification. If involving land, the land base may be required to go through the 36 months of conversion period.

2.13 Emergency Pest or Disease Treatment by a Federal or State Program

When a prohibited substance is applied to a certified operation due to a Federal or State emergency pest treatment program and the certified operation otherwise meets the requirements of the Demeter standard, the certification status of the operation shall not be affected as a result of the application of the prohibited substance. Any harvested crop or plant that has contact with a prohibited substance as a result of this emergency treatment program cannot be sold, labeled, or represented as Biodynamic®. Any livestock treated with a prohibited substance applied as a result of the emergency program or product derived from such livestock cannot be represented as Biodynamic®. Milk or milk products may be sold or represented as Biodynamic® after 12 months following the last date the animal was treated with the prohibited substance. The offspring of breeder stock treated with a prohibited substance may be considered Biodynamic® if the breeder stock was not in the last third of gestation on the date said stock was treated with the prohibited substance.

2.14 Certification of Operations related to Director of Certification, Staff, Contractors, Committee Members or Board of Directors

The following criteria must be followed with the administering of the certification process when related to an individual involved with the daily work, contracted work, or oversight of Demeter.

- Anyone involved with a certified operation must not be involved with any step of the certification process for said operation.
- An individual must recuse themselves from meetings when considering certification matters involving an operation where they have an interest.
- Conflicts of interest must not exist when assigning an inspection or review.
- A final certification decision will be issued by the Director of Certification, except when the Director of Certification has an interest in the operation. In this case, the final certification decision will be made by the Certification Manager or a member of the Board of Directors.
- Discussion of certification matters regarding the Director of Certification may be discussed with any other staff or Board members.

- Database or file system will have capacity to record any file alterations and preserve past versions of files to ensure integrity of certification process and prevent undisclosed record changes made by a person with an interest in the certified operation.
- Involuntary change of employment, contractor, or volunteer status of a Director, Certification Manager, Staff, Contractor, Committee Member, or Board Member must be approved by the appropriate supervisor of the instigating person (e.g. instigation by the Director of Certification requires approval of the President, instigation by the President requires approval of the Board of Directors).
- Inappropriate behavior or intimidating actions intent on swaying the outcome of the certification decision by anyone connected to the certified operation is not acceptable. Such behavior or actions are to be reported to the supervisor of the person connected to the offending operation. The supervisor's response will be guided by the protocols in the Demeter Employee Handbook or the Demeter By-Laws if involving a Board member.

3 The On-Site Visit and Evaluation Process

3.1 Scheduling

In February of each year, the Demeter Certification Manager, in communication with the Director of Certification, allocates all inspections to a relevant and qualified inspector. The inspector will then draw up a schedule of planned inspection dates and times and return it to the Certification Manager. The Certification Manager collates this information and ensures inspectors are provided with all relevant inspection materials at least 1 month prior to the inspection.

All annual inspections must be conducted when an authorized representative of the operation, who is knowledgeable about the operation, is present. The inspection must occur at a time when land, facilities, and activities demonstrate the operation's compliance with or capability to comply with the Standards. The inspector will contact the operator directly to set a mutually acceptable date and time for the inspection.

3.2 Inspection Process

The inspector receives the information needed for the inspection via access to the ECERT database. For farms this includes:

- The Demeter Checklist tailored to the specific clients crops, products and livestock
- A copy of the operator's current certificate
- A map and the previous year's inspection report and certification conditions (previous Findings Report)
- Any other relevant information

For processors / handlers, the packet includes:

- The Demeter Checklist tailored to the clients products
- A copy of the operator's current Certificate and Profile
- A map and the previous year's report and certification conditions (previous Findings Report)
- Any other relevant information

The inspector reads the packet and prepares for the inspection appropriately noting any situations to flag.

The inspector contacts the operator and arranges a convenient inspection date and provides the client with a pre-inspection checklist.

The inspector conducts a site inspection and completes the ECERT checklist together with the operator. The inspector will also conduct a site / farm-walk and obtains any additional information and documents needed. The Audit Summary is signed by the operator and inspector.

The inspector may collect samples of a product to assess whether prohibited substances are present.

To conclude the visit, the inspector will conduct an exit interview with an authorized representative of the operation who is knowledgeable about the operation to confirm the accuracy and completeness of the observations and information gathered during the inspection visit, including possible nonconformities.

The inspector may remind the operator that the inspector only gathers information and does not make the decision on certification. A decision will be made by the Certification Specialist at the Demeter office.

The inspection report is submitted as soon as possible, at the latest within 2 weeks of the inspection visit.

The inspector submits the relevant forms and information along with the billing to the Certification Manager at the Demeter office. The Certification Manager will then allocate the inspection report to an appropriate Certification Specialist who will complete the review of the report, updates the database with the information detailed in the checklist and within 60 days of reviewing the report, communicate with the operator the results and any formative projects required to maintain / achieve certification.

3.3 Unannounced Inspection Visits

Demeter may conduct random unannounced inspection visits as part of monitoring compliance. The Certification Program will cover the costs of these inspections. Applicants will not be billed for the unannounced inspection.

4 Financial Information

4.1 Funding Sources

The funding for the operation of Demeter is obtained from fees paid by clients for certification services or from grants/gifts etc. as long as such money is provided in compliance with the Demeter By-Laws and these Policies and Procedures.

4.2 Fees for Certification Services

4.2.1 Fees for Certification of Farms and Handlers (See Fee Schedule)

4.2.1.1 Application fees are due when the application is submitted.

4.2.1.2 Inspection visit costs more than the deposit included in the application are billed upon completion of the inspection and are due upon billing. For operations that are geographically isolated from other certified operations, Demeter will, if possible, buffer the total inspection costs to the isolated operation to be more in line with typical inspection fees.

4.2.1.3 Annual renewal fees are due at the time the annual renewal is due.

4.2.1.4 Late fees are assessed for renewals that are submitted after the initial deadline.

4.2.1.5 Annual licensing fees are due with the annual renewal, as stated in the Fee Schedule.

4.2.1.6 All costs of de-certification, mediation, sanctions, or appeals will be billed to the applicant.

4.2.1.7 All other fees as assessed in the Fee Schedule apply.

4.2.2 Fees for Certification of Traders

4.2.2.1 Application fees are due upon application.

4.2.2.2 Annual renewal fees, including licensing fees, are due with each year's renewal, as assessed in the Fee Schedule.

4.2.2.3 Late fees are assessed for renewals that are submitted after the renewal deadline.

4.2.2.4 If applicable, the following fees apply:

- Application Fee for each co-packer/handler within the U.S.
- Inspection costs for site-visit to applicant's office, if needed.
- Inspection costs for site-visit to applicant's co-processor, if needed.
- Fee and cost of site-visit for warehouse or storage facility at another location that must be inspected.
- If necessary, all costs of de-certification, sanctions, or appeals.

4.3 Certification Fee Refunds

If the application process does not proceed as far as a site visit, whether by applicant choice or failure to qualify, the application fee will be refunded, less a \$150 administrative fee. Applicants may be asked to pay any inspection costs prior to the initial visit. If an operator who has achieved certification is decertified at any stage of the process, there is no refund. The operator will be invoiced for legal and administrative costs involved in the de-certification. Licensing fees are due for sales up to the date certification is cancelled.

If the operator withdraws after travel arrangements have been made, the extra cost of canceling an airline ticket, or other non-refundable charges, will be added to the administrative cost. If the operator withdraws after an inspection visit has occurred, no refund will be made, and the operator will be invoiced for any costs not previously covered.

4.4 Additional Inspection Visit Fees

If a re-visit is needed during the year to verify correction of nonconformity items, the operator will be invoiced for inspector time and travel costs. If an unannounced visit is made the operator will not be billed.

4.5 Unannounced Inspection Visit Fees

There is no fee to applicants for unannounced inspection visits to monitor compliance with our Standards.

4.6 Annual Licensing Fees

Assessment of Annual Licensing Fees

- 1) All licensees are billed the annual licensing fee based on 0.5% for farm crops and 0.6% for processors/traders of the sales value of all certified product sold in the previous year. Included in the licensing fee calculation is any crop production that is not sold as Biodynamic® and is not further processed into a product that is certified as Demeter/Biodynamic®. All Biodynamic® production must be reported- even if not sold as Biodynamic® with the annual renewal application.
- 2) Evidence of production value, including sales records and/or production capacity, must be available for review at the annual certification inspection. Demeter reserves the right to adjust the annual licensing fee based on information verified at the inspection. All Biodynamic® production and sales information is held strictly confidential. Evidence of production value includes, but is not limited to sales records, income tax revenue statements, acreage multiplied by per acre yield and crop value (may be based on county agricultural commissioner reports), or other third-party records.

Payment of Licensing Fees

- 1) It is mandatory that these numbers are reported and submitted- including an accurate figure for total gross sales of certified product- with the annual renewal application. If these numbers are not thoroughly submitted to the office, then the application will not be processed, and the applicant will be notified that their application is on hold. Delaying the application process may postpone the inspection and result in a late application fee and an increase in inspection fees. It also may affect the inspection costs for other operators because Demeter will not be able to schedule their inspections in the most cost-effective way possible.
- 2) If the applicant chooses, they may pay actual licensing fees incurred on a quarterly or semiannual basis in the year the sales occur based on a formal agreement with the Demeter office.

Delinquent Fees

- 1) All fees and invoices are due net 30. Demeter considers payment delinquent after 60 days from the date of the invoice. If a member has a problem making payment within 30 days, or has questions about the amount due, they can put the penalty process on hold by submitting a payment plan or complaint in writing to the Demeter office within 30 days of the invoice date. The Demeter office will respond within 14 business days from the date received.
- 2) Late Application Fees – All renewals are due as stated in the annual renewal application package during the 1st quarter of the year.
Renewal applications received up to 30 days after the due date, a late fee of \$50 will be assessed.
Renewal applications received between 30 days and 60 days after the due date, a late fee of \$150 will be assessed.

Renewal applications received 60 days after the due date, a late fee of \$200 will be assessed.

Delinquent Accounts

30 days past due - First notice emailed, and late fees added based on a rate of 2.5 percent per month.

60 days - Second notice emailed, 2.5% interest continues to be applied.

90 days- Third notice mailed via certified mail or verified email and notification to client that a Finding of Minor Nonconformity will be issued.

Demeter members will be issued a Finding of Minor Nonconformity when an account is 120 days past due, followed by a Finding of Major Nonconformity to serve as Notice of Proposed Suspension after 150 days, and then a Notice of Suspension if fees are not resolved within 180 days of the invoice date. After suspension, Demeter accounts will be turned over to collections. Because processing delinquent accounts is costly to Demeter and takes away from the ability to provide service to our members, all members who receive Findings, Proposed Suspension, and/or Suspension for Non-Payment will be charged an additional \$75 to cover administrative costs.

4.7 Fees for Public Access to Information

Documents available to members of the public will be provided on a fee-for-service basis. This will be based on the time required to render the service calculated to the nearest 15-minute period and will include the time to collect data, collect operator permission, copy documents, and mail. Postage and copying will be charged.

4.8 Financial Responsibilities

Demeter carries professional liability, Errors and Omissions, and Directors and Officers insurance.

5 Labeling Rights

Upon certification, the operator may use the DEMETER® and BIODYNAMIC® Certification Marks as outlined in the Demeter Labeling Standards.

Any off-farm packager or processor buying product from the grower and wishing to use Demeter certification language must enter into a separate contract with Demeter. It is the grower's responsibility to notify packagers and processors of this prior to sale and to notify Demeter.

5.1 Surveillance

When the opportunity arises, staff, board members, and inspectors will have the responsibility to randomly check certified products. These checks will include but not limited to: retail establishments, internet, advertisements, and the premises of the operator to determine that the product correctly represents its certification status and to report to office personnel any suspected aberrations. This surveillance may come about as a result of a normal or unannounced inspection visit, website search, or during personal shopping for food products.

- A product surveillance search is conducted, and information is sent to the Demeter office.
- Office staff review the information submitted and determines whether corrective action is needed.
- If corrective action is needed, the producer will be contacted and the nature of the issue needing correction will be stated. A period for correction will be given.
- If the producer satisfactorily corrects the problem in the time frame given, Demeter will send a notice that corrective action has been completed.
- If the producer unsatisfactorily corrects the problem within the given time frame, Demeter will issue a notice noting further action is needed and set a new time frame.

- If the producer does not correct the problem within the time frame, or continues to do so unsatisfactorily, a nonconformity will be issued.

6 Rights and Responsibilities

6.1 For Certified Operations

6.1.1 Complying with the Requirements of Demeter Association, Inc.

All applicants for certification or certified operations must agree they will comply with the requirements of the Demeter Certification Program. A statement to this effect must be signed by all applicants for certification of renewing operations.

6.1.2 Cooperating with the Certification Process

All applicants for certification or certified operations must agree to cooperate with the requirements of the certification process including:

- Providing documentation for review by the inspector.
- Participating in the inspection.
- Make products available for residue testing.
- Resolving complaints received by the operator relating to compliance with standards.
- Immediate notification to the Demeter office in relation to any application, including drift, input of prohibited substance to any field, production unit, site, facility, livestock or product that is part of an operation.
- Notification to Demeter of changes in the certified operation or any portion of the certified operation that may affect its compliance with the Demeter Biodynamic Certification Standards.
- Maintenance of all records applicable to the certified operation for not less than 5 years.

6.1.3 Making Appropriate Certification Claims

Operations certified by Demeter may only make certification claims that accurately reflect the type of certification granted.

6.1.4 Protecting the Certifier from Disrepute

Operations certified by Demeter may only use their certification in a manner that does not harm Demeter and does not make unauthorized or misleading certification claims.

6.1.5 Discontinue use of Certification Claims

Operations must discontinue the use of the certification claims upon suspension, revocation, or cancellation of certification and must return any certification documents as required by Demeter.

6.1.6 Limit the Certification Claim

Operations certified by Demeter may only use their certification claims to indicate that products are in compliance with the Standards of the Demeter.

6.1.7 Protect the use of the Certification Claim

Operations certified by Demeter must do their best to ensure that their certificate or evaluation/inspection report is not used in a misleading manner.

6.1.8 Use of the Certification Claim Correctly in Advertising and Marketing

Operations certified by Demeter must comply with Section 5 above.

6.1.9 Adhere to the Demeter Association, Inc. Complaint Policy

Operations certified by Demeter must comply with Section 1.9 of the Demeter Policy Manual regarding complaints received about their products' compliance with Demeter Biodynamic Certification Standards.

6.2 Policies for Demeter Association, Inc.

6.2.1 Public Access to Information

6.2.1.1 The public may submit a written request for the following information:

- a copy of a client's Certification Certificate
- other business information, as permitted in writing by the producer or handler
- a list of operations currently certified by Demeter

6.2.1.2 If information other than noted above is requested the person is told to contact the producer or handler for this information.

6.2.2 Confidential Business Information

Demeter will maintain strict confidentiality with respect to its clients and not disclose to third parties, except as noted in 6.2.1.4 above, any business-related information concerning the client obtained while conducting the certification process.

7 Findings and Nonconformities

7.1 Notification of Findings and Nonconformities

When an inspection, review, or investigation of an applicant for certification or a certified operation reveals any Findings not conforming with standards, a written notification of the finding shall be left with / sent to the applicant/certified operation. Such notification shall provide:

The facts upon which the notification of Finding is based; and

- The date by which the applicant / certified operation must rebut or correct each Finding (normally 15 days) and submit supporting documentation of each correction when correction is possible.

Upon receipt of such notification of Finding, the applicant may:

- Correct the Finding and submit a description of the formative actions taken with supporting documentation to the Demeter office.
- Submit written information to rebut the Finding described in the notification.

7.2 Resolution of findings

When an applicant for certification or a certified operation submits information to address or rebut the nonconformity, Demeter will evaluate the applicant's formative actions taken, or the rebuttal statement. Demeter may require more information or an additional inspection to verify compliance.

When the formative action or rebuttal is sufficient for the applicant to qualify for certification, the applicant is issued an approval of certification.

7.3 Proposed Suspension or Revocation of Certification

When rebuttal is unsuccessful or correction of the finding is not completed within the prescribed time period, the Demeter office shall send the certified operation a written notification of proposed suspension or revocation. The suspension or revocation of certification shall apply to either the entire operation or a portion of the operation, as applicable to the level of nonconformity.

When correction of a nonconformity is not possible, the notification of nonconformity 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:

- The reasons for the proposed suspension or revocation;
- The proposed effective date of such suspension or revocation;
- The impact of a suspension or revocation on future eligibility for certification;
- The right to request mediation or to file an appeal.

7.3.1 Willful Violations

Notwithstanding section 7.2 of this section, if the certification specialist has reason to believe a certified operation has willfully violated these Standards, Demeter 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 level of nonconformity.

7.4 Suspension or Revocation of Certification

7.4.1 If the certified operation fails to:

- correct the nonconformity
- resolve the issue through rebuttal or mediation, or
- file an appeal of the proposed suspension or revocation of certification

The Demeter office shall send the certified operation a written notification of suspension or revocation of certification for all or a part of the operation.

7.5 Denial of Certification

7.5.1 Notification

When the Certification Specialist has reason to believe, based on a review of the information in the application and the assessment report, that a new applicant for certification is not able to comply or is not in compliance with the Demeter Biodynamic Standards, Demeter will provide a written notification of nonconformity to the applicant. When correction of a nonconformity is not possible, a notification of nonconformity and a notification of denial of certification may be combined in one notification.

The notification of nonconformity shall follow sections 7.1 and 7.2 of these Policies and Procedures.

7.5.2 When the formative action or rebuttal is not sufficient for the applicant to qualify for certification, Demeter will issue the applicant a written notice of denial of certification.

7.5.3 A written notice of denial of certification will be issued to an applicant who fails to respond to the notification of nonconformity within the specified time frame.

7.5.4 A notice of denial of certification must state the reason(s) for denial and the applicant's right to:

- Reapply for certification.
- Request appeal

7.5.5 If Demeter has reason to believe an applicant for certification has willfully made a false statement or otherwise purposefully misrepresented the applicant's operation or its compliance with the certification requirements it may deny certification.

7.6 Notification to Applicants/Certified Operations

All notifications of nonconformity, nonconformity resolution, proposed denial, suspension or revocation, and denial, suspension or revocation issued will be sent to the main contacts email address and/or recipient's place of business via certified mail.

7.7 Catalog of measures in case of nonconformities

A separate Catalog of Measures will be maintained that details the different types of nonconformities and the measures that Demeter is likely to take when such instances arise.

8 Internal Audit

Internal Audits of the Quality System are conducted annually in line with ISO 17065. Internal Audits are conducted to ensure that:

- The operating system is suitably documented;
- Operations comply with the documented system and they satisfy the requirements of ISO 17065; and
- There is recorded evidence of the effectiveness of the system. A member of the office staff, Board, Standards Committee or other nominated person will conduct the Internal Audits.

The Internal Auditor will have received training in internal auditing skills – either in house or on a course held by an appropriate external body. The results of the Audit will be discussed with the personnel responsible and corrective Action planned, where necessary.

Records of findings at the Internal Audit will be kept on the Internal Audit Conformance Report. This report will refer to headings from the Internal Audit Agenda. Evidence of conformance will also be recorded on this report. A timescale for improvement action will be specified at the end of the report and this shouldn't be longer than 28 days.

The Internal Auditor will receive evidence of improvement action and record completion of improvement actions on the Internal Audit Conformance Report. If the Director of Certification feels there is something which requires immediate action, this will be implemented promptly. A summary of the findings of the Internal Audit will be reported to the Standards Committee.

9 Management review

The Quality System is subject to review by the Director of Certification at least once per year. The review is reported to the Board of Directors.

10 Procedures for Managing situations not documented in this Policies and Procedures Manual

The Demeter Policies and Procedures Manual may not always contain policies for the management of situations. In such instances the following process will be followed:

A) The staff member, if not the Director of Certification, that discovers such a situation should in the first instance inform the Director of Certification.

B) The Director of Certification will discuss with that member of staff appropriate actions for dealing with the situation in an interim period.

C) The Director will design an appropriate policy that will address and clearly identify procedures that ensure compliance with all applicable regulations and standards.

D) The Director will propose policy to the Standards Committee at their next convening. The Standards Committee will, by way of a majority vote, adopt or refuse the proposal. If the proposal is adopted, the policy shall be written into the relevant section of the Policies and Procedure Manual and signed off by the Board. If the proposal is refused, the Director of Certification, in conjunction with the President of the Board, will redesign the policy until it is accepted by a majority vote.

E) The timeframe for the implementation of all such policies should not exceed 3 months.

11 Document management, Records and Statistics

11.1 Responsibility

The Certification Manager is responsible for document control and record keeping. The date of receipt will be recorded by the Certification Manager or other members of the office staff for all documents received in the office from applicants or program participants or relating to them.

Documents, as appropriate, will be distributed to licensees of the certification programs, the Board, Inspectors, and applicants to the certification schemes. Documents will also be available on the Demeter website.

11.2 Records

Records will be kept by Demeter for at least 7 years. This includes member inspection and certification data, staff records, and registers of certification program participants. After 7 years, these records will be destroyed in a secure manner. Records of a more permanent nature will be kept by the Certification Manager for as long as members are registered. This includes application forms, up to date maps, conversion plans, animal health plans, and contracts. Records will be kept in an electronic format. Records that are kept on the Demeter database are password protected. Records relating to applications, inspections and certification are confidential and may only be released to an outside party with the permission of the member unless required by law or government body subpoena. If release of the records is legally required, the member will be notified of the release prior to their release. Staff training and appraisal records will be kept by the Director of Certification.

11.3 Statistics

BFDI requires Demeter USA to collect and report statistics about Biodynamic® production and products. These statistics are collected via the annual update and inspection process and then uploaded to the BFDI Product Database. A licensee of Demeter may choose to have or opt out of their details published on the database, which can be found at <https://bfdi.demeter.net/>

12 Glossary of Terms

To follow.

13 BFDI Voting Policy

Demeter is a member of BFDI in connection with the Biodynamic Demeter Alliance. Numerous times arise when matters need to have a vote. BFDI limits each country to one vote cast by a single delegate. To facilitate an orderly vote, Demeter and the Biodynamic Demeter Alliance have agreed to the following policy:

The process for votes like these is determined by the subject matter. For general matters such as voting on nominations to the Supervisory Board, Demeter can provide input but the final vote to direct the US delegate comes from the Alliance. For votes on the nominations for the Standards Committee, the Alliance can provide input, but the final vote to direct the US delegate is made by Demeter. For Standards revision motions, the Alliance/Biodynamic Association can provide input and the final vote to the delegate is decided by Demeter.