

SIGNATURE TALK FOR ORG&NICS:

Nothing – Nothing – that’s what was out there when I decided that I wanted my new business to become certified organic. The year was 2014 and I decided I was going to start a skincare company and that I wanted it to be certified organic. I started to look around for information on how to become certified organic and there was nothing. I thought that maybe there would be a YouTube on it and there was nothing. I thought maybe there would be a coach for it and there was nothing. I thought maybe there be a mentor and somebody who would help me and there was nothing.

Well, I am an engineer and in my previous life I had been able to get medical devices approved by the FDA. So, I thought, how much harder can this be? I can do this! So, I went to the USDA website and began to research the process and started working on it. Once I got into it, oh my! Let me tell you, it is overwhelming. It is difficult. And there were days I threw my hands up in the air and said, “I am not sure this is worth it.” But I kept going. I kept working on it. I used all of my skills. Here is the thing, there was no one out there to help you, it was extremely complicated, and I had figured it out.

Three months later I was ready for my audit. And the auditing company came out. And, two hours! That’s how long it took. I had figured it out so much that two hours later the certifier was saying to me, “Vickie, we have never seen paperwork like this. Vickie, you should teach others how to do this. Vickie, it takes people a long time to get done what you just got done in two hours.” Over the course of the next few years I talked to more and more people who have gone through this process and have I helped people through this process. And I have found the same situation exists today. There is almost nothing available as far as resources out there to help you through this extremely complicated process. Everyone that I have spoken with tells me the same thing, “Vickie, you need to teach others how to pass their organic audit in two hours!”

And, so, that brings us to today. Today, I help people, I help small business owners, I help manufacturers of products just like yours go through the USDA organic certification process in a way that is faster, easier and more successful. I share with you what it took years to learn, months to research, and I am going to share as much of that as I can with you for the next 20 minutes.

And, so, in the next 20 minutes I am going to teach you the most important things you need to know to go through the USDA organic certification process. Three of the most important things to gain a full understanding of while preparing for your first audit are traceability, your organic system plan, and the certification process itself.

But first let’s get a quick understanding of what USDA Organic is and why you may need it.

PLACE THE USDA ORGANIC SEAL ON THE SCREEN.

USDA Organic is a term that is used on a product label stating that the product you are manufacturing/producing has adhered to approved methods. The United States Department of Agriculture (USDA) issues standards that describe the specific requirements. The product that you produce as well as the facility that you produce it in must be certified by the USDA as adhering to these requirements before you are able to use the USDA organic label. Certifying agents that are USDA accredited are required to review your manufacturing/producing methods to determine if you meet the criteria before you can become certified. The agency you choose is up to you. Generally, organic operations must demonstrate that they are protecting natural resources, conserving biodiversity, and using only approved substances.

In order for your products to be considered for the organic certification there are some basics. The ingredients that you use to create your products must be USDA certified organic. Other non-agricultural ingredients (non-organic) included on the National Organic Program (NOP) list of approved substances are also allowed for use. A good rule of thumb is to choose only USDA certified organic ingredients to begin with. Other non-agricultural ingredients that do not have the USDA certification can be used in your products as well but must be on the list of approved substances.

If your operation receives more than \$5,000 in gross organic annual sales, you must be certified. You may still produce organic products and sell them as organic if your gross organic annual sales are below \$5,000, but you may not use the USDA Organic seal; however, you are still required to keep your organic process records for inspection from USDA should they request them. Online organic operations must be certified regardless of the value of sales. Please visit NOP's website for more information on the fines imposed for any organization not adhering to the laws.

The regulations are in place and enforced for the consumer's safety. The fact that you are certified gives integrity to your products and confidence to the consumer. With the ever-growing number of organic products that are being introduced to the marketplace, customers will be drawn to the brands that can offer them an extra level of assurance that the brands they are choosing is regulated by an unbiased third-party.

What do the regulations focus on? One of the key areas of focus is traceability.

Traceability is your accountability. One of the things the auditor is going to do during your audit, and they always do this, is conduct a mock recall scenario with one of your products and a specific ingredient in that product. So, let me tell you what traceability is and how it functions in a mock recall. If you want to pass your audit and get certified, you need to understand traceability because it is the key to getting certified.

All the pre-certifying information out there is telling you that you just need the list of your vendors and the products that they supply you with. I am telling you that you that this is just the tip of the iceberg. You not only need the list of vendors and the materials that they supply you with, but you also need to document the date that you received them and the lot number of the materials that you received. And then going in the other direction. You need to know the product you used it in, the quantity that you used, and who you sold that product to.

And, if you are creating products and you don't have a traceability system, you are highly at risk of someone coming back to you and saying, "I had a reaction." You are highly at risk of a lawsuit taking your business and your home. And, you are highly at risk of failing your audit when the auditor comes to do your audit since you will need to prove your traceability system.

A good first step if you have nothing in place is to establish a Receiving Log.

PUT THE *RECEIVING LOG* ON THE SCREEN NOW.

It is simply either an Excel sheet or a piece of paper that has the date you are receiving the product, what is it, how much of it, what the lot number is, the supplier's name, invoice number, etc.

Since one of the things that the auditor always does is a mock recall scenario, it will be extremely helpful to start with having at least a Receiving Log in place. The other things you will need in place will be how to prove the products that you have used them in, how much you have used and where those products ended up, which is more documentation which supports your traceability.

Well, that's the core of traceability. So, let's move on to the second topic, which is your Organic System Plan.

So, we are here today to talk about Organic Certification Process. Why do you need an Organic System Plan? Your auditor will always expect it of you. So, let's get started with the next slide.

PUT THE *FACILITY MAP & PRODUCT FLOW* ON THE SCREEN NOW

Procedures (9) (Employee, Cleaning, Receiving, Production, Traceability & Product Shelf Life, Packaging & Labeling, Inventory & Storage, Shipping, Pest Control)
Cleaning & Pest Control Products
Ingredients & Supplier Lists
Vigilance & Recall

Batch Instructions Product Formulation

(SLIDE – in order – 1. Map and Product Flow 2. Procedures to include Receiving for Traceability, Ingredients & Suppliers 3. Vigilance & Recall. 4. Batch Instructions and Product Formulation)

In our online course we walk you step by step through the process of developing each of these Processes and Procedures which then become your Organic System Plan. Some of you may already have traceability in place with procedures written, batch sheets that you are using and keeping track of, etc. You are definitely ahead of the curve with these handled. Bringing them together is the foundation of your Organic System Plan.

I love telling people that this plan is the overall process. The first thing on the list is going to be your traceability system (make sure it is at the top of the list on the slide). That is why we talked about it first. (Start them with the map of your facility slide. Show a couple of examples of this.) This is where you would begin to receive in your materials and logging them into that Receiving Log. Here is a list of your procedures. Here is your recall system, which includes your mock recall. And of course there is more. We only have time to review a few of these today but our online course covers all of them.

Another section that our course covers is Product Formulation. It is basically your recipe and the proof that your recipe meets or exceeds the USDA Organic requirement of 95% or more organic content, if you are desiring the USDA Organic seal. (Need the slide on this one and explain each section of it generally.) Here is what it is, here is what you could be doing wrong, and here is a little tool I have to make sure that you are doing it right. I don't need to go into detail here today since this course is free to you and goes into much more detail on how to complete this form. You can go to <https://www.orgnics.com> and download this form and take that free course.

So far today, we have talked about traceability and the organic system plan and in our remaining section talking about the certification process itself.

SLIDE TIMELINE:

Get your paperwork done including product formulation

Contact the auditor

Pay the fee – talk about the fee and reimbursement See next section below . . .

Schedule the audit for about 45 days later
Auditor's visit
Report in 7 days
Make corrections and get them approved
Get the certificate which lasts one year
Constant Maintenance Mode

What Does USDA Organic Certification Cost?

Fees vary from one certifier to another from hundreds to a few thousand dollars. These costs are measured based upon the type, size and extent of your operation. The fees cover the application, annual renewal (which is based upon annual organic sales amount), inspection fees, and intermittent requests you may have to add additional products to your product list. Typically, your first year's fees are about 25% higher than subsequent years. For small to mid-sized operations in one facility, plan to spend approximately \$1,300 for your initial certification and approximately \$1,000 per year in subsequent years.

The initial fees are broken down into the cost to process your application, the fees to certify your products and facility and the inspector's travel expenses.

Each subsequent year, your re-certification fees are based upon your annual organic sales. In the beginning few years, it is typically close to \$1,000 annually.

If you continue to add new products to your product offering and choose to have those products bear the USDA organic seal, you won't need to have another inspection to do this but you will need to pay the additional product fee of approximately \$75 per product.

Also, keep in mind that if you choose to move, you will need to have a facility inspection that will run a few hundred dollars, unless it coincides with the time for your annual inspection as well and so it can be just a part of that normal annual re-certification fee.

Certified operations are eligible for federal reimbursement of 75% of their fees paid for these services up to \$750 annually as long as the funds remain available in the Cost Share Program offered by USDA. Several states also offer a smaller reimbursement (approximately \$75) for a portion of your fees that are eligible for reimbursement.

As you can see, it is an ongoing process, and it can be a bit complicated which is why we recommend you getting help. You can get help from anyone.

One of the most common questions I get is, Vickie, will you help me get my certification? And the answer is, Yes! Many people ask me, Vickie, do you help

individual companies get this? And, the answer is, Yes! And I do offer one-on-one consulting, but, honestly, it costs more and the course covers the necessary steps to become certified. Other people are charging thousands of dollars to do this for you. But I think these things can be taught to you in a simple online course that would get you fully prepared for your organic certification audit.

The simple online course that I offer will walk you step by step through the process. In the course, I provide the fill-in-the-blank and customized to your need's paperwork. I guide you each step of the way and take all the guesswork out of it. It will be very easy. And, I am also available directly as part of the online course.

This course is a go at your own pace course and is \$_____ either payable all at once or there is also a monthly payment plan of four payments of \$_____.

In order to get an idea of what the full course will be like, I offer a free sample of the course on product formulation. It includes a completed product formulation as an example as well. This will guide you step-by-step through completing a form that self-calculates your product formula to show you if your product meets the requirements of being certified organic. I also teach you how to adjust your formula in order to make it meet the criteria if it does not.

If you have any questions, you can set up a brief complimentary call with me to discuss your situation and to ask any questions you may have. The link for the free course and for the call is also on the website. And, if you still feel that you just want this done for you, we can talk about that during our call.

Just think about the doors that will open for you with your certification. What would the value of your first order from Whole Foods be if you had the organic certification? That would pay for the course right there. What would having access to 6,000+ buyers through RangeMe looking for certified organic products do to your business? That will pay for the course multiple times.

Could you do this on your own? You could try but let me tell you about Hannah.

I was talking with Alicia a few months ago about this and she said that she wanted to get her business certified. And I said, you should do that. I can help you! And she said, well, I will try to do it by myself. And, I just caught up with her a week ago and I asked her if she got the certification. And, she said, no, no, that got a little frustrating and overwhelming. And, its true, this is a frustrating and overwhelming process when you don't have help, when you don't have a guide. And so, I want you to get through this. I want you to get the help that you need.

Unfortunately, that is the story for way too many people. That they think they can do it on their own. A year later and they still haven't done it. They get busy because they

are running a business. They think they can do it on their own but the first roadblock they hit, they have no one to ask and they quit. I don't want that to be you. I care about your business and have a personal desire as well to have more USDA Certified Organic choices out there that I want you to get this certification. I want your business to grow and I know that this certification is the key to getting your business to grow.

Whether you have a brand-new business, a business that has been in business for a few years but you want to get your certification now or a business that has been around forever and you know it is the time to get certified. I believe that the help you can receive from this online course is the solution for you to get you prepared for the organic certification that your business needs and deserves. And it comes with side benefits as well. You will be able to operate much more efficiently. Each time you make a batch of products, purchase materials, etc., you will be doing it with an organized system that saves you time and money.

Picture a day when you don't wish you had organic certification, but you have the certification. Picture a day when the auditor looks at you and says, "Wow, that was one of the fastest certification approvals we have ever had." Picture a day when your business blows up with new customers, new business, new revenue, and you have the freedom to have the business you have always wanted.

Sign up for this course, and together we are only weeks away to that day.

You know, I had an old laptop and only a quarter of the screen was visible because the rest of the screen was broken and I lived that way for a year, and I got by. I tried to do it with one hand tied behind my back. I had to shrink everything down to fit in the 25% of the screen that was visible. And I lived that way for a year. But then I spent the money on a new laptop and it was a whole new world, it made everything easier.

And that is how organic certification is going to be too. Some of you have been getting by with one hand tied behind your back without the certification. Some of you have been getting by with a quarter of the potential that you could have in your business if you had this certification. And some of you are hesitant to spend the money and invest in yourself. But I am telling you just like with me and the laptop, it is worth it.

You know I think that is the way it is with our businesses too. There are some of you right now who are looking at this and saying, "You know, I think I can get by without the certification, or I think I can get by without the help getting the certification." But I am telling you, just like me and my laptop, if you invest in this valuable certification process, you are going to look back and say, I am so glad that I did. It made my life so much easier and the results are so much better."

All we do is help people get organic certification. We are very good at it. Most people only do this once in the life of their business. We do it every single day.