

USDA PEER REVIEW OF TAIWAN'S ORGANIC PROGRAM

REPORT DATE: September 4, 2024

DATES OF ONSITE AUDIT: April 29 – May 3, 2024

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1. INTRODUCTION

The U.S. Department of Agriculture (USDA), Agricultural Marketing Service (AMS) National Organic Program (NOP), in conjunction with the American Institute in Taiwan (AIT), established an equivalence arrangement with Taiwan's Ministry of Agriculture (MOA) Agriculture & Food Agency (AFA) and the Taipei Economic and Cultural Representative Office (TECRO) in 2020. The arrangement allows organic products produced under Taiwan's organic regulations, as defined under the terms of the arrangement, to be sold, labeled, or represented as organic in the U.S. As part of ongoing maintenance of this organic equivalence arrangement, USDA National Organic Program (NOP) representatives conducted an onsite review of Taiwan's organic accreditation, certification, and production/handling systems. This report is an account of those activities and findings of the review.

2. OBJECTIVES OF REVIEW

The objectives of the review were the following:

- To verify that the Ministry of Agriculture (MOA), Taiwan Accreditation Foundation (TAF), and domestic accredited certification bodies are carrying out the requirements of Taiwan's Organic Agricultural Promotion Act and its regulations.
- To evaluate MOA/TAF and the domestic certification bodies' continuing adherence with the provisions of this organic equivalence arrangement.

3. SCOPE OF REVIEW

The scope of the audit included activities related to the following:

- Taiwan's Ministry of Agriculture (MOA) and Taiwan Accreditation Foundation (TAF) accreditation and oversight of certification bodies.

- Certification and oversight of operations certified under Taiwan’s organic program by certification bodies approved/accredited by MOA and TAF, including operations verified to be meeting the terms of the AIT/TECRO-NOP/AFA Organic Equivalence Arrangement.
- Taiwan’s system for conducting organic surveillance and investigations and taking enforcement actions when violations of the Taiwan organic regulations or this equivalence arrangement are identified.
- Taiwan’s approval of organic imports and exports, including exports under this equivalence arrangement.

4. BASIS FOR THE REVIEW

The 2020 AIT/TECRO-NOP/AFA Organic Equivalence Arrangement provides for representatives of USDA, following advance notice, to conduct onsite evaluations to verify that the relevant regulatory authorities and certification bodies of the Taiwan organic program are carrying out the requirements of the program. The onsite evaluations include visits to offices of relevant regulatory authorities, certification body offices, and certified production facilities and farms within Taiwan. On June 21, 2022, AMS NOP informed AFA of its intent to conduct an onsite review on Taiwan as part of the ongoing requirements of the equivalence arrangement. Equivalence arrangements are provided for pursuant to USDA organic regulations at 7 CFR § 205.511.

The following statutes, regulations, and standards were considered in the review:

- Provisions of the AIT/TECRO-NOP/AFA Organic Equivalence Arrangement
- Taiwan’s Organic Agricultural Promotion Act and its regulations, enforcement rules, and operating guidelines.
- ISO/IEC 17011:2017 Conformity assessment — General requirements for accreditation bodies accrediting conformity assessment bodies.
- ISO/IEC 17065:2012 Conformity assessment — Requirements for bodies certifying products, processes, and services.
- U.S. Organic Foods Production Act of 1990
- U.S. Code of Federal Regulations (CFR) Part 205, National Organic Program

5. PROTOCOL

The review was accomplished in three parts: a review of oversight and accreditation activities at AFA and TAF offices; a review of certification activities at the offices of two certification bodies accredited by TAF to certify operations under the Taiwan Organic Promotion Act; and visits to three certified organic operations. In selecting certification bodies and operations to be reviewed, the AMS NOP reviewers worked with representatives of AFA to choose operations representative of organic products produced on Taiwan which are being exported to the United States. The one exception was the livestock processor; no processed livestock products are exported to the U.S. at this time, however livestock and livestock products remain included under the equivalence arrangement.

AMS NOP reviewers conducted an opening meeting with officials from MOA (the Agriculture & Food Agency, the Fisheries Agency, and the Department of Animal Industry), TAF, and two representatives from the American Institute in Taiwan (AIT) at AFA's regional office in Taipei on April 29, 2024. At the TAF office, the AMS NOP reviewers assessed TAF's accreditation process and management system, with input from the AFA staff in attendance. The AMS NOP review team reviewed various phases of the organic production, certification, and accreditation system to determine if the responsible authorities had the necessary controls in place to ensure traceability and compliance with the referenced organic standards.

At the offices of the two selected certification bodies, the AMS NOP review team reviewed each certification body's policies and procedures for inspecting and certifying operations under the Taiwan organic regulations; process for investigating complaints of operations/products exported or imported under the AIT/TECRO-NOP/AFA Organic Equivalence Arrangement; procedures for NOP import certificate issuance; and certification staff and inspector training requirements.

The AMS NOP reviewers observed TAF's witness audit of an inspection by a certification body (CB). The inspection was of a crop production and handling operation; this operation exports their products to the U.S. The second operation visited was a handler of organic livestock products, and

the third operation was an organic crop producer and processor. These latter two operations were only marketing their products in Taiwan at the time of the peer review.

The AMS NOP reviewers were accompanied by representatives of AFA throughout the review. During the witness audits and visits to each certified operation, the reviewers were accompanied by at least one representative of the operation's CB.

A closing meeting of the onsite review was conducted with MOA (the Agriculture & Food Agency, the Fisheries Agency, and the Department of Animal Industry) and TAF officials, and one representative from AIT, on May 3, 2024, at AFA's headquarters office in Nantou. At the closing meeting, the reviewers presented a summary of the findings and discussed other observations from the peer review, which are included in this report

6. OVERVIEW OF TAIWAN ORGANIC SYSTEM

General

Taiwan's Ministry of Agriculture (MOA) is the Central Competent Authority on Taiwan. Several subordinate agencies under MOA, namely the Agriculture & Food Agency (AFA), the Fisheries Agency, and the Department of Animal Industry oversee sectors falling under their respective jurisdiction. However, AFA is the primary authority executing the organic program since most certified organic operations fall under their oversight. The Organic Agriculture Promotion Act authorizes MOA to set additional regulations for organic production. The AFA leads this regulatory process, consulting with the other two subordinate agencies as needed.

MOA is responsible for issuing the official permit to Taiwan's accreditation body, Taiwan Accreditation Foundation (TAF), to conduct accreditation of organic certification bodies. However, AFA is principally responsible for oversight of TAF's organic accreditation activities and conducts regular assessments of this work. AFA also conducts periodic reviews of certified operations and regular sampling of retail products for both testing of prohibited residues and for review of label compliance. Companies wishing to import organic agricultural products must register directly with the Central Competent Authority.

TAF is a nonprofit organization founded by Taiwan's Ministry of Economic Affairs and provides third-party accreditation services to various international standards. TAF has two offices in Taiwan but all staff that work with organic certification are based in the Taipei office. TAF takes on the primary role of accrediting and overseeing the certification bodies (CBs) involved with the production, processing, labeling, storage, and import of organic products. At the time of the peer review, TAF had 8 senior accreditation assessors, 7 junior accreditation assessors, 1 provisional assessor, and 6 assessor candidates that work with the organic CBs. In addition, there are 7 management positions that oversee this work (with one also serving as a junior assessor and one as a provisional assessor), for a total of 27 TAF employees that work at least in part on organic accreditation. TAF is required to submit an annual report to MOA, as well as attend the annual training hosted by MOA, and must communicate to MOA to report any procedural changes related to organic accreditation criteria for review and approval. MOA may conduct assessments of TAF, and between 2019 and 2024, TAF has been reviewed by MOA approximately every two years. In 2024, MOA conducted a review of TAF's offices and accreditation documents as well as four randomly selected CBs accredited by TAF.

There are currently nineteen certification bodies accredited by TAF to conduct organic certification activities both on Taiwan and abroad (five CBs are approved to provide certification in countries outside Taiwan). CBs are accredited for three years, with TAF conducting at least one office assessment and an average of 2.3 witness assessments for each CB annually. TAF uses an online platform that stores all relevant information about each CB and their certified operations.

At the close of 2023, Taiwan had over 5,600 organic operators and 17,365 hectares of land certified under Taiwan's organic regulations. Vegetables were the most widely cultivated organic crop in Taiwan in 2023, followed by rice, fruit, and tea. The top three Taiwan organic exports to the U.S. are grain-based processed food (i.e., crackers), mushrooms, and tea.

NOP Observations of Certification Bodies and Operations

- Certification body #1 –The CB has been providing organic certification since 2019 and currently certifies over 300 operations. It holds accreditation from TAF for organic certification of crops and processing/packaging/distribution and offers certification to other

schemes under other accreditations. The CB is approved to provide certification in several other countries, but to date only certifies a few organic operations in mainland China (PRC). The CB does not have any overseas certification offices.

- Certification body #2 – The CB has been in operation since 2019 and certifies over 500 operations. It holds accreditation from TAF for certification of organic crops and processing/packaging/ distribution and offers certification to other schemes under other accreditations. The CB provides an annual training for inspectors, and each inspector must have an annual performance appraisal. The CB conducts a minimum of 5% unannounced inspections annually, as required by the regulations.
- Observations from Certified Operation #1 – The operation is a processor of organic dairy products. The business has been certified organic for just over a year and manufactures a variety of dairy products, plus repacks other imported products into retail packaging. This operation also subcontracts to another certified operation to repack an organic powdered dairy product. The operation imports organic milk for the manufacture of its products. The operation does not currently export to the U.S. or outside of Taiwan. While onsite, the AMS NOP reviewers assessed production documentation, import records, and interviewed the operators and employees regarding the organic certification process and CB oversight.
- Certified Operation #2 – This operation grows and processes black tea for the local market. This operation was chosen as a replacement for another tea producer, where an inspection had been cancelled due to road closures and dangerous travel conditions. The owner/operator has been working in the field of organic tea production for more than 20 years and has been certified organic for four years. The operation recently purchased land and is currently undergoing the transition process, so the tea picked from their land is not being sold as organic. Organic tea from other operations is custom dried and packed into bulk bags, but the operation only provides the processing service and does not take ownership of the tea. While onsite, the AMS NOP reviewers examined production documentation, processing records, and interviewed the operators regarding organic practices and CB oversight.

- Certified Operation #3 –This operation grows and packs mushrooms. The organic mushrooms are exported to the U.S., though most of their production is sold locally and not always with an organic label. The operation’s records were well organized and readily available. The inspector performed a thorough inspection, including a mass balance and product tracebacks. The TAF auditor conducted a comprehensive witness audit. The TAF auditor possessed the knowledge and training required to conduct the witness audit.

Traceability Exercise

NOP reviewers visited a local Taipei store and selected an organic product certified by one of Taiwan’s CBs. NOP asked AFA to complete a traceability spreadsheet to trace the product’s ingredients back to the source. AFA worked with the CBs of the operations that were part of the supply chain of ingredients for the final product and they were able to successfully trace each organic ingredient back to the certified organic supplier or producer.

7. SUMMARY OF REVIEW FINDINGS

Finding 1 - Accepted. ISO/IEC 17011(2017): 7.6.4 states, “The assessment team shall analyze all relevant information and objective evidence gathered prior to and during the assessment to determine the competence of the conformity assessment body as determined through its conformity with the requirements for accreditation.”

Comments: *The NOP reviewers’ observations during witness inspections and interviews with certification bodies indicated that AFA/TAF did not identify issues with a certifier’s lack of policies and principles relating to the impartiality of its certification activities as required by ISO 17065 5.2.1(a) and the Taiwan organic regulations. During a witnessed inspection, the CB inspector failed to verify all critical organic control points of the operation. When NOP reviewers questioned why the points were not verified, the inspector stated that they already knew this information from several previous inspections that they conducted. During NOP’s interview of the CB two days prior, the representative stated they did not have any policies or procedures to ensure the same operation did not have the same inspector year after year. The NOP reviewers found this lack of a mechanism for safeguarding impartiality resulted in inadequate rotation of inspectors and incomplete verification of the operation’s compliance.*

AFA's response:

1. TAF will review the systems used by assessed certification bodies to maintain impartiality, ensuring compliance with the impartiality requirements outlined in ISO/IEC 17065.
2. TAF will review the comprehensiveness of the impartiality check items listed in its accreditation checklist, aligning them with the impartiality requirements of ISO/IEC 17065 (including appendices). If any amendments are made to the checklist, TAF shall: a) share this information with its assessors or organize a training session to ensure consistency in assessments; and b) notify all certification bodies of the changes.
3. TAF will enhance its assessors' ability to evaluate practical considerations that impact certification impartiality.
4. TAF will incorporate this reinforced assessment process into its annual performance evaluation.
5. AFA will integrate this finding into the curriculum of its annual training program for certification body (CB) personnel, requiring CBs to review and strengthen their impartiality-ensuring mechanisms.
6. AFA will include findings from organic peer reviews in its supervision of TAF and require TAF to conduct performance evaluations accordingly.

8. OBSERVATIONS

1. Taiwan's Ministry of Agriculture operates an organic program with robust oversight and enforcement. The staff at AFA are knowledgeable, dedicated, and professional. There is transparent and frequent communication among AFA, TAF, the CBs, and the certified operations. The Taiwan organic team deftly accommodated an intensive peer review schedule and were responsive to requests for more information when questions arose during the review. TAF manages accreditation for multiple schemes and has a long history providing independent third-party accreditation services.
2. TAF has rigorous oversight and accreditation processes that cover various compliance verification activities. For example, TAF implements additional oversight activities on higher risk CBs, based on a rubric to annually evaluate CB against multiple risk factors.

AMS NOP reviewers observed TAF reviewers conduct a thorough witness assessment of a CB and provide objective feedback based on regulatory requirements.

3. The staff at both CBs were knowledgeable and accommodating. The CBs have systems that allow for comprehensive client management, tracking, and oversight. The inspectors the peer review team observed and interviewed were proficient, courteous, and professional. The peer review team also found that the organic operators were transparent about their processes, records, and overall organic system plans.
4. In one case, AMS NOP reviewers observed that TAF and AFA officials had conflicting perspectives on the requirement for agricultural inputs in mushroom production. These differing perspectives could result in inconsistent application of the Organic Act.
5. AMS NOP reviewers noted that not all organic operations clearly indicated the organic status of products when issuing invoices or other trade documents, particularly for exports to the U.S. Audit trail documentation that fails to identify the organic status of the product does not allow for complete supply chain traceability, which is a requirement of USDA-certified operations and a sound organic fraud-prevention practice for all organic businesses.

9. CONCLUSIONS

AMS NOP accepts the Taiwan Organic Team's response to the findings. AMS NOP will assess implementation of the Taiwan Organic Team's response during the next onsite review of the Taiwan organic certification program. AMS NOP will post the final report on its website.

END OF REPORT