Annual Report July 2022
Providing International Organic and Sustainable Accreditation
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President's introduction

Dear Friends and Colleagues,

2022 is the 25th anniversary of our formal incorporation, and we are proud and honored to continue to serve and grow with the organic movement.

Our goals remain to increase organic and ecologically sound production, which respects the environment and the rights and welfare of people around the world. Our top priorities are to continue to strengthen organic integrity while more proactively addressing and preventing fraud.

The IOAS currently assesses over 80 certification bodies working in over 130 countries with over 38406 operators. We thank all of our partners, staff, committee and board members for your faithful service and continued commitment.

However, just as the on-going pandemic has changed our modes of doing business and continues to challenge our patience and abilities to carry out daily activities, the unprovoked and on-going attacks on Ukraine have shattered hopes of quick and lasting peace and again has pushed all of us into uncharted waters.

We stand in solidarity with the people of Ukraine and our hearts go out to the families that have already suffered so much. Ukraine is an emerging organic “bread-basket”, with great potential, which is now derailed and further set back.

These challenges of COVID, war, inflation, climate change, fraud and supply chain disruptions add much additional stress and complexity to all businesses, however organic remains one of the fastest growing areas of agriculture despite these challenges, in fact - organic represents one of the saving graces that is so needed in these perilous times.

We must continue to raise our levels of sophistication to meet these future challenges through increasing greater strategic cooperation, deepening timely communications across our community, and recruiting, training and passing on lessons learned to the next generation, so we can all continue to build our shared brighter futures together.

For peace in our times,

Michael Sligh
IOAS President
Our Focus is Organic, Sustainable and Social Responsibility

Our client Certification Bodies (CBs) are required to demonstrate competence in the certification process that they offer to producers and traders. We check that the certification is performed according to agreed rules and standards set by the regulator or scheme owner. Accreditation is an essential step to help protect the certification process and ensure the integrity of approved products. Consumers can have trust in the certified products they buy and producers can obtain a fair price for higher standards.

The IOAS is a not for profit organisation dedicated to the promotion of a better more sustainable world and our focus is organic, sustainable and social.

Accreditation creates a world which is more prosperous, fair and sustainable.

IOAS accreditation supports internationally recognized standards that help address social imbalances.

IOAS accreditation promotes organic standards that improve diversity and our environment.

25 years
Cultivating Organic Trust
Director's message

Growth, change and constancy

25 years ago in March 1997, the International Organic Accreditation Service was formally established in the USA as a non-profit entity independent from IFOAM. At that time there was one staff member, the Executive Director, supported by a Board with 12 accredited certification bodies (CBs), all under the IFOAM accreditation scheme.

Today, IOAS has 22 permanent staff members plus 7 freelance assessors, a Board of Directors, an Accreditation Committee and an Impartiality Committee and the number of CBs we now work with has increased significantly within 8 different schemes in the organic and sustainability field. Several CBs that we still work with have been with us since the very inception of IFOAM accreditation; Bioagricert of Italy (then Bioagricoop), IBD Certificações Ltda. (then Instituto Biodinamico of Brazil), NASAA Certified Organic of Australia, Where Food Comes From Organic Inc. of USA (previously International Certification Services Inc. (ICS) but then known as Farm Verified Organic) and Organic Crop Improvement Association of USA. This is an amazing achievement. Many other CBs were accredited by IOAS for some years and have since moved on as the regulatory and market environments have changed. Over the course of our 25 years, I calculate we have assessed over 130 CBs on all five continents. IOAS has touched nearly every major CB working in the organic sector today.

I have had the honour to be part of IOAS development for 22 of these 25 years and had the pleasure and fascinating experience of conducting around 140 assessments in that time all over the world. As an accreditation body we sometimes must deliver bad news and issue sanctions, but the overwhelming majority of CBs and their personnel are clearly dedicated to constant quality improvement and the development of the organic/sustainability sector. I would like to salute and thank all CB personnel for their diligence and commitment over many years.

Added to the work of the CBs is the constant work and good collaboration of the regulators and scheme owners that IOAS works with. They provide the framework and requirements that we implement.

Similar commitment is evident within IOAS through the long-term contribution of many of our Board, Committee members and staff which, in retrospect were, or have gone on to be, key players in the organic movement globally. Special mention must go to Boudewijn van Elzakker who was a member of the original IFOAM Accreditation Programme Board (IAPB) which pre-dated the formation of IOAS. Bo was IOAS’ first President and now still serves on the IOAS Accreditation Committee. A heartfelt thank you to you Bo but also to all our volunteers and staff (current and past) that have made IOAS the amazing organisation it is today.

Throughout 25 years, change and adaptation of IOAS has been understandably continuous but our mission of ‘Cultivating integrity and trust across the organic community’ is always constant – and I trust will ever be so.

David Crucefix
Executive Director
Our Core values are improvement, quality, integrity, innovation and respect.

We are experts in the field of organic and sustainable agriculture, environmental management, social justice and fair trade, and the scope of our work covers many categories. From the production of seeds and plants, to feed, animals, and fish, to processed food, textiles, and makeup, all the way through to the recycling of plastics and metal into new consumer products.

> Objective
> Transparent
> Expert
IOAS was founded by organic experts and we are fortunate that many of them are so committed to their belief in organic certification that they have been a part of the IOAS Board and its committees for many years. We are extremely grateful for their support in helping to build IOAS into the successful international accreditation body it is today.

We asked Bo Van Elzakker for his reflections on the past 25 years of IOAS history. Bo began by serving on the IFOAM Accreditation Programme Board (IAPB) in 1993, moving on from that position to become the President of the first IOAS Board of Directors. He had these words to say:

"Well done IOAS for continuing to endeavour to deliver on the promise of organic; providing a level playing field which rewards better farmers and operators, addressing fraud problems by supporting the formation of the Alliance for Organic Integrity (AOI). It remains a great bonus to continue to work with such an interesting ecosystem of people and I cherish all such physical meetings. I look forward to the next 25 years!"

Bo continues to be an active member of the IOAS Accreditation Committee, and more recently has joined the AOI board as well."
IOAS past and present

We wouldn’t be where we are now without our past and present employees, board and committee members. This picture includes two previous Directors, Jan and Ken, who each made substantial contributions towards helping the IOAS become what it is today. From left to right: Ken Commins, David Crucefix, Francis Blake, Jan Deane, Michael Sligh and Bo van Elzakker.

What do we look like now...

Our team are located all over the world. As of June 2022 we have 8 Board members, 8 accreditation committee members, 4 Impartiality Committee members, 22 employed staff and 7 external contractors.

Details of our current employees, board and accreditation members are available on the IOAS website. Our structure is designed to deliver the same integrity, transparency, representation and accountability that we require from our clients.

We come from 21 different countries.

54% of our Board, Committee members, staff and external contractors are women.
IoAS Facts and Figures

- We are working with a total of 81 CBs.
  - 11 in Applicant status.
  - 70 in Accredited status.

- The CB’s we accredit have 38,438 operators, distributed in 135 countries around the world.

- Our clients currently have 166 accreditations with the IoAS divided among 6 Schemes.

IoAS Accredited Client CB Operators by Country:

- North America: 9
- Europe: 31
- Asia: 25
- Central and South America: 7
- Africa: 1
- Oceania: 8

Data as at 1 June 2022
Focusing on integrity and quality

At its simplest, quality can be defined as a level of excellence, and an organisation’s commitment to quality has always been something of which I am keenly aware. As such, I am continually heartened by the fact that “Quality” is the second of IOAS’s five core values, behind only “Improving the life of our planet and its people”. As a company evolves, there are common hurdles that can jeopardise quality, such as rapid growth in number of staff and clients, changes in leadership, expansion into new areas, and adoption of new technologies. When faced with such fundamental changes, some organisations may begin to cut corners, overlook infractions, and put quality on the back burner.

IOAS is currently facing quite a few of these changes, but maintaining a high level of excellence remains paramount. The IOAS team has been working diligently to ensure that our policies, procedures and communications are accurate, concise and clear. A thorough examination of every possible risk to impartiality has been completed and reviewed by an independent committee – a process that will be repeated regularly in the future to ensure that any new risks are identified and mitigated. More attention than ever is being paid to concerns expressed by our clients and the end users of our clients’ services, as we never want to lose sight of the principal reasons for what we do. Internal processes for training, demonstrating ongoing competence, safeguarding compliance, and identifying opportunities for improvement have all been strengthened and are at the forefront of each team member’s mind as we encounter each hurdle.

Quality is never a static concept. It must adapt and evolve as the organisation does, always striving for that highest level of excellence. Change can be scary and overwhelming, but it is also exciting and presents so many opportunities to excel. To quote Albert Einstein, “The measure of intelligence is the ability to change.” I am privileged to be the steward of quality for IOAS and to work with a team that is truly committed to excellence even in times of transformation and change.

Summary of Complaints

In 2021:
• 23 complaints regarding our CBs, four of which were rejected as invalid.
• 2 complaints regarding IOAS.
• No instances of misuse or abuse.
• 5 appeals, one of which was upheld.

Summary of Sanctions

In 2021:
• 6 warning letters.
• 15 notifications of Intent to suspend.
• 4 suspensions (partial or entire scope).
• 3 withdrawals (partial or entire scope).
• No terminations.

"We are always striving for that highest level of excellence"

Teresa Barnett
Quality Director
Accreditation and assessment schemes

As an independent organisation we provide rigorous assessment and continual surveillance for private and public sector schemes, thereby helping to ensure trust in food, farming, textiles, cosmetics and clothing labelled and certified as organic or sustainable, is maintained.

**ISO/IEC 17065** is often used as the basis for conformity assessment schemes for bodies certifying products, processes and services. Using this standard, IOAS provides accreditation for private schemes, as well as Freshcare - Food Safety & Quality Standard, GlobalG.A.P., Ley N° 20.089 Sistema Nacional de Certificación de Productos Orgánicos Agrícolas - Chilean National Certification System for Organic Agricultural Products, Ley de Productos Organicos (LPO) - Mexican Regulation for the Operation of Organic Agriculture Activities, and the National Standard for Organic and Bio-Dynamic Produce of Australia.

**Canada Organic Regime (COR)**

The IOAS is an approved Conformity Verification Body and able to assess the competence of Certification Bodies both inside and outside of Canada as specified under the Safe Food for Canadians Regulations (SFCR). The IOAS makes recommendations for accreditation to the Canadian Food Inspection Agency (CFIA).

**EU Organic Regulations**

IOAS performs assessment and makes a recommendation to the European commission for compliance to the European regulation EU 848/2018, and will continue surveillance of CBs for Equivalence to (EC) 834/2007 until the transition to EU 848/2018, which must occur before December 31, 2024.

**The COSMetics Organic and natural Standard (COSMOS)**

A voluntary accreditation for organic and natural cosmetics operated by COSMOS-standard AISBL, an international non-profit association. The standard sets out innovative, challenging and progressive criteria that consumers can trust, and that are clear for the industry and good for the environment.

**IFOAM**

IFOAM was the very first international verification of competence for certification bodies active in organic agriculture. IFOAM accreditation is awarded to certification bodies that comply with "IFOAM Accreditation Requirements" (IAR) and use compliant or equivalent standards as per the IFOAM Standards Requirements.
Global Organic Textiles (GOTS)

The GOTS voluntary standard ensures the organic status of textiles from the harvesting of the raw materials through ecological, environmental and socially responsible manufacturing all the way to labelling in order to provide credible assurance to the consumer.

NATRUE AISBL

NATRUE has worked with IOAS since 2012 and has developed an independent accreditation scheme to ensure the availability of quality natural and organic cosmetic products. There are now 31 countries around the world actively using the NATRUE label and over 5800 products from more than 250 brands.

GLOBALG.A.P.

A voluntary worldwide standard for the certification of agricultural products for safe and sustainable agriculture practices. Producers comply with widely accepted criteria for food safety, sustainable production methods, worker and animal welfare, and responsible use of water, compound feed and plant propagation materials.

Textile Exchange

A comprehensive range of voluntary standards and requirements recognised worldwide to support the textile industry on Content, Organic Content, Recycled, Global Recycled, Responsible Down and Responsible Wool Claims. The IOAS has worked with Textile Exchange since 2010.

In my first year of working for IFOAM - Organics International we had two major reasons to celebrate: while IFOAM completed its 25th anniversary, IOAS was founded the same year. I remember a small contract signing ceremony at the Hofgut Imsbach in Germany, near to where the IFOAM International Office was located.

Since then the IOAS has been on an amazing journey, starting with IFOAM Accreditation as first service and widening the scope to many other schemes and areas. Completing its 25th anniversary it is an highly acknowledged organisation, known for its quality performance all over the globe, with motivated and engaged staff in many countries. Trade partner trust requires a well organised and reliable quality assurance system. This is what IOAS stands for.

I congratulate in the name of the founding organisation and wish you all the best for the challenges and opportunities ahead.

Organically yours
Thomas Cierpka
Clients

IOAS clients as at 1 June 2022
Client Spotlight

NASAA Certified Organic Pty. Ltd. also known as NCO

NASAA Certified Organic (NCO) is a fully-owned subsidiary of the National Association for Sustainable Agriculture Australia (NASAA), and provides certification services to the organic industry, in Australia and internationally. NCO Certified Operators gain access to organic markets in Australia and around the world including the regulated organic markets of China, USA, Europe, South Korea, Switzerland and Japan.

They have been a client of IOAS since 1994 and are currently assessed / accredited by IOAS for EU Equivalence, IFOAM and ISO/IEC 17065. Here is what NASAA had to say when asked to reflect back over the past years together.

“Being part of the early development of the IOAS client base included a yearly meeting to discuss issues and find solutions to the production and movement of organic products.”

NASAA continues to be at the forefront of organic industry development. It was the first organic industry association in Australia, the first to develop an Organic Standard, and the forerunner in establishing strong international trading ties for organic exports, playing a critically important role in educating, supporting and promoting the adoption of sustainable organic practices that lead to safer and more sustainable food production systems.

Alex Mitchell
General Manager
NASAA Certified Organic
Financial Income

The graph below shows the change in income over the last few years. Overall, we see the same patterns in terms of percentages of income in each category.

In 2021 we completed many surveillance and re-assessment visits that were delayed from 2020. This along with the prior change to the annual fee schedule which reduced base fees for CBs, and placed more weight on fees for service, reflects the marked increase in surveillance and evaluation fees.

This year we have also been able to accredit several new CBs which increased our overall annual fee income.

Looking forward, we have made several further changes to our fees which will affect our income in the future.

The base application fee was reduced, and the discount for additional schemes was removed. This was done to ensure fair and consistent fees for the work done to assess each applicable scheme.

The fixed portion of the annual fee was tiered to reflect the increasing oversight required for the textiles and cosmetics speciality programs, compared to the core organic and sustainable agriculture and food schemes.
Financial Expenditure

Expenditure

It is always useful to review our costs. In this report we have combined some of the categories to make it easier to have an overview. Operational expenses, called ‘Office and company overheads’ include all IT systems and software, accounting, legal, insurance and licence fees. Quality improvement and training covers external evaluations and assessments, as well as all internal training and personnel development. Marketing and association fees include web development, annual report publication, attendance at trade shows and any associated promotional materials.

Additional costs have been incurred by IOAS investing in a new database, as well as supporting the Alliance for Organic Integrity (AOI) and IFOAM, with the common goal of improving organic integrity around the world. These items are included under ‘other’.

As a result of COVID and travel restrictions, IOAS staff did not meet in person in 2021, so there are no expenses to report in this category.

2021 Expenditure

Future security

For financial security we have established a reserve fund, a portion of which we have decided to invest. At the end of 2021 the IOAS has engaged with eCIO, an investment firm based in Wisconsin, USA that specialises in asset management and growth for non-profit organisations.

With eCIOs guidance, we have established an investment policy, and selected limited ETFs (Exchange Trade Funds) that are classified within acceptable MSCI ESG ratings, and which include a focus on developing international and emerging markets, as well as global clean energy investments.

Personnel
Office and company overheads
Quality improvement and training
Marketing and association fees
Other
Alliance for Organic Integrity

The Alliance for Organic Integrity was formed as a result of the 20th Anniversary IOAS Seminar in Delhi in 2017, to help tackle integrity issues in the organic guarantee system that are outside the scope of IOAS as an accreditation body.

The five Board Members are Francis Blake (President), Michael Sligh, Bo van Elzakker, Paula Aberasturi, and its most recent appointment, Gabriela Soto, Professor of Agroecology at the University of Costa Rica, founder of EcoLOGICA Certification Agency and long time organic activist in Latin America. In March we appointed Georgina Thomas as Coordinator, who previously managed the Soil Association’s textile scheme.

The Alliance works with Partners that share its aims of ‘strengthening organic assurance globally’. Aside from founding Partner, IOAS, these are: Anti-Fraud Initiative, Global Organic Textile Standard, IFOAM Organics International, IOIA (International Organic Inspectors Association), Organic Arable, Organic Services, Organic Processing and Trade Association (OPTA) Europe, Skal Bio Controle, Verum Control, and ASEAN Organic Federation (representing the national organic associations from Cambodia, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam).

In 2021, the Alliance has continued to deliver training to organic professionals, including the US Accredited Certifiers Association, and South Korean Inspectors. It is also working with IOIA to build on their existing training program to develop a full E-learning course for inspection, certification and accreditation personnel with credentialed qualifications and ongoing professional development. This is a major project for which we are currently seeking external funding.

Alliance for Organic Integrity

Plans are also progressing for our other major project, the Organic Supply Chain Observatory. Robin Fransella (previously International Policy Lead in the Organic Team at the UK’s Department for Environment, Food and Rural Affairs) has been appointed as Program Manager. He has been developing the infrastructure and systems that will underpin the operation of the Obervatory: collecting market data from participating companies and organizations, analyzing this and then sharing resulting intelligence on current and emerging risks to organic integrity with participants, with the option of wider dissemination and taking other action as appropriate. Two test cases are shortly to be used as pilots for the system: Cotton from India, and Bananas from Ecuador.