



Pacific Agricultural Certification Society

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2021 PACS Annual Fees & Cost Recovery – Billing Details

Timing of Applications

Part 13 Organic Products of the Safe Food for Canadians Regulations requires that the application for the organic certification of crops grown in fields, gardens or pastures be filed at least 15 months before the day on which the food is expected to be sold. During that period of time, compliance with this standard will be assessed by the certification body and this assessment must include at least one inspection of the production unit, during production, in the year before these crops may be eligible for certification and one inspection, during production, in the year these crops are eligible for certification (CAN/CGSB-32.310-2020, 5.1.2).

ANNUAL RENEWAL FEES

You will find the **2021** fees for certification by the PACS on your **RENEWAL FEES invoice** emailed to you from the PACS admin 4-8 weeks before the due date.

COABC Fees: (see *COABC and PACS Annual Certification Fee on the PACS website*) This fee is collected by PACS on behalf of the Certified Organic Association of BC (COABC). All fees collected are forwarded directly to COABC. COABC has informed PACS that these fees cover the cost of receiving the BC Organic Grower magazine, membership in the Organic Materials Review Institute, COABC accreditation and the COABC office administration. COABC programs are operated through grants and the use of volunteers. For more information on the COABC fees collected by PACS please contact the COABC office at office@certifiedorganic.bc.ca or call 250-260-4436.

PACS Fee: This fee includes **PACS** certification services such as office administration, the processing of annual certifications and maintaining accreditation, but **does not cover PACS Certification Committee fees, extra billing fees and/or inspection fees.** PACS fees are based upon an applicant's gross organic sales and/or services (in the case of handlers this is the gross organic receipts) of the previous fiscal year of the enterprise. Gross Organic Sales are the total sales of the products listed on the enterprise's Organic Product Summary (OPS), regardless of whether they were sold with or without an organic claim. For new applicants, the first year of certification will default to Category 1.

Verification of Gross Organic Sales (GOS) at inspection: The Verification Officers (VOs) will ask for proof of gross organic sales during each annual inspection and will provide this information to the PACS. During your site inspection, you are required to provide one of the following to the VO for verification of GOS from your previous year's income.

Please note: this includes all sales and/or services before expenses, packing house fee or cost of goods.

- Revenue Canada tax form – Gross Farming Income (if all organic sales); or
- Account year end – Gross Organic Sales and/or Services; or
- Accounting Software – Income Statement showing 'total revenue'.

ANNUAL COST RECOVERY (charges – users pay system)

You will be billed post certification review for the **2021 cost recovery charges** (as defined below) on your **2021 Inspection Invoice**, which will be emailed to you from the PACS admin with your current organic certificate.

PACS Certification Committee (CC) billable hours

The charge for CC billable hours recoups the cost of evaluating certification files by our independent committee (\$40/hr.). Certification Committee time is accrued for the following activities: Review of application forms; identifying incorrect or missing information; responding to operator enquiries; reviewing/processing additional information, such as new product profiles, label reviews, export certificates etc. Operators are required to provide a \$60 Certification Committee fee deposit which will be credited towards the total Certification Committee fees on your final invoice. *You will be billed for your 'annual' Certification Committee hours incurred on your annual inspection invoice upon completion of your Certification Review.*

Helpful Hints (saving on CC billable hours):

- Complete your plans fully and accurately.

- Respond to the CCs promptly when pre-review questions are asked. Note: the majority of PACS CC correspondence will be via email to ensure traceability to our Accreditation Board.
- When inquiring about inputs, provide accurate and complete information to streamline the input assessment process (*when possible, contact the manufacturer yourself and provide the CC with the information on all ingredients and input processing*). We encourage clients to submit input requests for approval via the PACS website.
- To avoid asking the same questions over and over, keep responses in a safe place for future reference.
- Try communicating all your questions in one communication, rather than numerous emails.
- Always identify your enterprise name and topic in the email subject line (i.e. ABC Farms – XYZ input approval).

Inspection/Verification Officers billable hours

Western Canada (Alberta west) Inspection costs will be charged to all enterprises at the same rate of **\$65/hour** for time billed to PACS by the Verification Officer (VO).

Eastern Canada (Saskatchewan east) Inspection costs will be charged to all enterprises at the same rate of **\$105/hour** for time billed to PACS by the Verification Officer (VO).

VO Billable hours include time spent reviewing enterprise applications (or renewals), performing inspections and writing Verification Reports. Also included is time spent by the VO tracking down missing documents or making follow-up visits or phone calls. Operators are required to provide a \$100 inspection fee deposit which will be credited toward your inspection fees on your final invoice. *You will be billed for your 'annual' Verification Officer's (VO's) billable hours incurred on your annual inspection invoice upon completion of your Certification Review.*

Helpful Hints (saving on VO billable hours):

- Be ready and organised!! Organise your records and have them ready and available for the VO to review.
- Ensure your plans have been completed accurately.
- Be able to provide all labels and receipts.
- Provide an input inventory sheet.
- If you sell bulk commodities, keep accurate harvest totals and sales records for each crop.
- If you are a market gardener or if you sell products directly to consumers, keep daily or weekly sales totals, along with accurate input and production records.
- Ensure your storage areas only have products currently in use.
- Have your financial records available to confirm Gross Organic Sales (GOS).
- Drive around your property (as opposed to walking) when possible, to reduce time on-site (you will be billed for the whole time the VO is on your site inspecting).
- Keep the VO on task and avoid unnecessary 'non-inspection' conversations. You will be invoiced for all VO time spent on-site.
- Avoid post-inspection follow-up visits, calls and/or other communications by having all documents readily available during the time of the inspection.

Inspection Expenses for VO Expense Recovery

VO expenses recovery, including mileage, flights, travel time, meals, and accommodations, will be billed on a cost-recovery basis over and above the time-related inspection costs. Efforts are made to arrange inspections to require the least amount of travel and use the most efficient mode of transport. Organic farming organisations have traditionally arranged billeting for VOs at the enterprises they inspect in order to reduce travel expenses. This will be continued whenever possible. *You will be billed for your 'annual' VO Expenses on your annual inspection invoice upon completion of your Certification Review.*

VO Expenses Recovery: Is based on the previous year's total VO expense costs. PACS will average its VO travel fees over all enterprises (except Low-Risk non-inspection years, stand-alone inspections and unannounced inspections). Therefore, the VO Expense charge on inspection invoices for 2021 will be **\$95/enterprise**. This provides fair access and equal costs for all PACS clients. PACS clients may be charged for a stand-alone inspection if renewals are submitted late or the client has not made themselves available for the VO during a scheduled inspection run. VO Expense Recovery is for Western Canada inspections only. Eastern Canada inspections will be charged for actual expenses incurred. *You will be billed for inspection fees on your annual Inspection Invoice after your Certification Review has been completed.*

Administration Fees

Administration fees go toward the maintenance and support of ongoing updates of organic regulations and standards, included but not limited to website postings, inputs evaluations, newsletter distribution, mailing, etc. Fees are scaled per category as

follows: C#1 – C#4 \$50; C#5 – C#9 \$75; C#10 – C#14 \$125; C#15 – C#17 \$175; C#18– C#21 \$225; C#22 & C#23 \$525 annually. You will be billed for your ‘annual’ Administration Fee on your annual inspection invoice upon completion of your Certification Review.

ANNUAL COST RECOVERY (OTHER charges – user pay system)

You will be billed following your Certification Review for the **2021 cost recovery ‘other’ charges** (as defined below) on your 2021 inspection invoice, which will be emailed to you from the PACS admin with your current organic certificate.

Private Label Agreement Fee

PACS clients entering into a private label name and certification mark agreement (PLA) will be charged an annual registration fee of \$200 for up to five (5) recipe/labels per private brand. An additional \$40 fee will be charged for each additional receipt/label beyond the first five. Please note this does not include applicable Administration/Certification Committee billable hours incurred. If you wish to have a breakdown of CC billable hours per PLA you must notify the PACS office on, or before, January 31 annually. If applicable, you will be billed for your ‘annual’ PLAs on your annual Inspection Invoice upon completion of your Certification Review.

ECO Fee

The PACS office is now paperless. Clients requesting to send or receive information via mail will be charged an annual Eco Fee. The rate will be based on a cost recovery user-pay system. Therefore, the fee will be determined according to how many correspondences are requested annually. If applicable, you will be billed for the ECO fee on your annual inspection invoice upon completion of your Certification Review.

LATE Filing Fee

A four (4) to eight (8) week reminder will be given before your annual renewal forms and fees are due. Your renewal due date will be listed on the renewal invoice, as well as the second page of your current organic certificate. Renewals received after the deadline date for filing (indicated at the time the forms were forwarded to the member and on the previous year’s organic certificate) will be assessed a **\$200 late filing fee for each month late. You will be billed for your late fee before PACS proceeds with your enterprise’s annual inspection cycle.** Notices of Non-Renewals will be issued 10 business days following the enterprise’s renewal due date.

LATE Filing Fee (Low Risk – only)

In addition to the above “late filing fee” statement: Late submissions of forms and fees (past the due date on your renewal quote) eliminates your ‘Low Risk Status’ and you will be scheduled for an annual inspection.

NOTE: For more information on Certification Fees please refer to the PACS Handbook section 2.5.