

## **PCO Certification Fees-2025**

This fee schedule is effective January 1, 2025 and supersedes any prior fee schedule.

PCO envisions a world where agriculture systems prioritize health, ecological balance, fairness and care. We support this vision by streamlining the certification process and upholding our high level of customer service so your business can continue to grow and impact our communities. The certification fees uphold our commitment to maintaining a simple fee schedule, expanding our service offerings to meet client requests, and remaining competitive within the industry. Transparency is important to us, so you will find that all fees related to certification are outlined below.

	Organic Certification Program Fee:	Amount:	Description
	Basic Certification Fee - Renewing Client	\$835	Annual fee which covers your basic certification services for the upcoming certification season
	Affiliate Certification Fee - Renewing Client	\$500	Annual fee which covers your basic certification services for the upcoming certification season. This fee is for renewing livestock affiliates with one central administration and sales exclusive to one operation.
	New Applicant Fee	\$935	Includes processing of application for all new applicants (including new affiliates) and the basic certification services for the upcoming certification season.
	Sales Assessment	see chart below	This fee is calculated on your annual gross organic sales for farming, handling and processing operations in the previous year.
န္	Type of Organic Operation/Scope Fee:	Amount:	Description
Fe	Livestock	\$250	Applies to operations certifying any type of livestock
ogram	Processor / handler / broker / distributor / importer	\$350	Applies to processors and/or handlers (including brokers, distributors, and importers) certifying under the Handling scope.
ےّ	Additional Organic System Plan (OSP)	\$300	Applies to operations with more than one OSP of the same scope
4	International Export	\$250	Applies to operations exporting organic products or that request verification that organic products meet the terms of an equivalency arrangement
	Other Certification Program Fee:	Amount:	Description
	Organic Plus Trust (OPT) Certified Grass-fed Organic Livestock Program	\$300	Applies to operations requesting certification to the OPT Grass-fed Program
	Non PCO Certified Organic Client OPT	\$750	Certified Organic client with another agency but applying to PCO for OPT Grass-fed certification; annual fee for the upcoming season
	Material Review Fee:	Amount:	Description
	Material Review Fee (for reviews beyond two	\$100	Single-ingredient material review
	new submissions annually for each operation or beyond ten new submissions annually for affiliate	\$250	Multi-ingredient material review up to 20 ingredients.
	poultry group):	\$500	Multi-ingredient material review 20+ ingredients

## **Sales Assessment Tiers:**

Tier	Gross Organic Sales	Fee	Tier	Gross Organic Sales	Fee
1	\$0 - \$5,000	\$0	14	\$750,001 - \$1,000,000	\$3,300
2	\$5,001 - \$25,000	\$70	15	\$1,000,001 - \$1,500,000	\$4,650
3	\$25,001 - \$40,000	\$210	16	\$1,500,001 - \$2,500,000	\$6,000
4	\$40,001 - \$55,000	\$300	17	\$2,500,001 - \$3,500,000	\$8,500
5	\$55,001 - \$75,000	\$390	18	\$3,500,001 - \$5,000,000	\$9,000
6	\$75,001 - \$100,000	\$540	19	\$5,000,001 - \$7,500,000	\$11,070
7	\$100,001 - \$130,000	\$660	20	\$7,500,001 - \$10,000,000	\$13,200
8	\$130,001 - \$165,000	\$750	21	\$10,000,001 - \$15,000,000	\$16,730
9	\$165,001 - \$210,000	\$830	22	\$15,000,001 - \$20,000,000	\$22,000
10	\$210,001 - \$275,000	\$1,075	23	\$20,000,001 - \$30,000,00	\$25,000
11	\$275,001 - \$400,000	\$1,400	24	\$30,000,001 - \$50,000,000	\$32,000
12	\$400,001 - \$500,000	\$1,740	25	\$50,000,001 - \$100,000,000	\$40,000
13	\$500,001 - \$750,000	\$2,420	26	\$100,000,001 and up	\$45,000

Pennsylvania Certified Organic (PCO)

	Fee:	Amount:	Description	
Fees	Inspection Hourly Rate	\$85 / hour	Hourly rate includes time spent pre-inspection, onsite, and post inspection	
Ę	Inspection Travel time	\$45 / hour	Hourly rate includes time traveling to and from inspection location	
Inspection	Inspection expenses	Actual cost	Examples include mileage, rental car, airfare, meals, overnight mail, and any other inspection related expenses	
B. Ins	Inspection refusal or cancellation	Expenses incurred up to the time it was canceled plus \$175 administrative fee	For inspection refusal, including non-response to scheduling inquiries, violations of PCO's code of conduct, non-cooperation, and cancellation	
	Fee:	Amount:	Description	
	Administrative Oversight Surcharge	\$2,500 / occurrence	Operations that require additional administrative capacity, monitoring, or oversight in the context of violations of PCO's code of conduct or other administrative related process. Charged annually thereafter.	
	Application Forms	No charge		
	Expedited Application	\$3,000	Additional fee for top priority application processing (including OPT Grassfed Certification); this includes new affiliate operations. If more than one scope is being applied for, the additional scope(s) are charged the expedited additions fee below	
sees	Expedited Addition	\$1,500	Additional fee for existing clients requesting top priority to add a new scope, field/land, new site, and/or new facility location or for new applicants requesting expedited certification in more than one scope	
ē.	Expedited Product Review	\$350 per product	Review within 5 business days	
aţi.	Expedited Export Certificate	\$175 per certificate	Review within 2 business days	
Administrative Fees	Late / No Response Fee	\$150 / occurrence	Fee per occurrence for any requests that are not responded to by the communicated deadline	
	Late payment	1.5% interest per month	More than 30 days past due date	
ပ	Credit Card Processing Fee	3% of balance	Charged on payments made with debit or credit card	
	Returned Check Fee	\$30 plus bank fees	For each time a check is returned as unpaid, for any reason	
	Payment Plan	5% of balance	Assessed on balance to be paid over extended period	
	Postal Processing Fee	\$400	Annual fee to cover the additional document processing, transcription, and mailing services for clients electing for postal correspondence	
			For Circumstances not otherwise covered in this fee schedule; Minimum of 1 hour is billed - Examples Include but are not limited to: Pre-Application OSP Review,	
	PCO Hourly Rate	\$175 per hour	Document Transcription, Bulk Mail Requests, PCO staff attendance at events	
	Reinstatement	\$2,000	For operations with suspended NOP organic certification who are requesting reinstatement	
8	Fee:	Amount:	Description	
Adverse Action & Compliance	Compliant, Investigation, and Adverse Action Surcharge	Actual costs	Hourly rates to be billed for each type of service rendered. May include increased inspection fees or other services at PCO's hourly rate, including applicable legal and consultant expense. See Adverse Action & Compliance section below for more information.	
	Compliance Oversight Surcharge	\$2,500 +	These fees are based on four basic tiers starting at \$2,500 and increasing by \$2,500 increments (e.g. \$2,500, \$5,000, \$7,500 and \$10,000). These charges facilitate costs associated with oversight of ongoing compliance efforts.	
D. Adverse	Mediation	Informal: \$225 (non technical); \$550 (technical) Formal: All costs assumed by applicant / certified client	For mediation resulting from a proposed suspension or other adverse action	

# **Description of Fees and Refund Policy**

#### A. Organic Certification Program Fees:

• Basic Certification Fee - Renewing Client: This fee covers your basic certification services for the upcoming certification season, including review of your certification documents for compliance with the regulations. It includes the PCO certification manual, material lists and 2 annual material review requests, newsletter, and educational events & materials at no additional charge. You also have direct access to a certification specialist's expertise via phone, mail or email. This fee is invoiced at the beginning of each calendar year. If your certification is not surrendered before the invoice is issued, you will be charged the renewal fee. Once the invoice is issued, you may be eligible for a partial refund, as outlined in the refund policy.

## Pennsylvania Certified Organic (PCO)

- **Affiliate Certification Fee Renewing Client:** This fee is for renewing livestock affiliates with one central administration and sales exclusive to one operation. It covers the basic certification services for the upcoming certification season as listed above.
- **New Applicant Fee:** This fee is applicable to all new operations applying for organic certification with PCO regardless of scope or production type. It covers the processing of the application for all new applicants and the basic certification services for the upcoming certification season as listed above. New applicants will be billed after application screening and payment must be submitted before the application will be reviewed.
- Sales Assessment: The sales assessment fee is calculated on your annual gross organic sales of all certified products or activities in the previous year. You will receive an invoice for these fees after we receive your application or annual update. No sales assessment is charged to operations with \$5,000 or less of organic sales. Organic sales will be verified at the time of inspection or upon request of PCO. PCO reserves the right to adjust the sales assessment charge based on information gathered at any time. If you are an operation with multiple activities listed below, report the figure for the activity that makes up 50% or more of your organic sales.
  - 1. If you are an operation that purchases and sells organic product(s) but you do not further process it, calculate the difference between the purchase and sales price of the organic products that you are certifying with PCO, and report that value.
    - a. For example, broker/distributors and operations that only re-package organic product
  - 2. If you are an operation who requires certification for purchased product(s), but is claiming an exemption from certification for product sold, record the purchase price of product that you are certifying with PCO, and report that value.
    - a. For example, a brand owner that purchases bulk retail packaging provided to co-packers who only sell the sealed retail label packages.
  - If you are an operation that is paid a fee for services related to an organic product, report the income from the service fee
    - a. For example, operations that co-pack, handle, import and/or produce organic product, and do not "sell" products but are paid a fee for the service, this fee is assessed on the gross income obtained from handling or processing organic products
- **Type of operation:** Additional fees are assessed to cover the extra time, paperwork, complexity, inspector assignments, and reviewer expertise required for certifying operations beyond the crops scope. These fees apply to livestock operations, processors, handlers, brokers, distributors, importers, operations with more than one Organic System Plan (OSP) of the same scope, and those involved in international export or requiring verification for equivalency arrangements.
- Material Review Fee: The fee will be charged for each new material review requested beyond the two free reviews allowed per calendar year for each certified operation or applicant. Affiliate poultry groups are alloted ten free reviews per calendar year; requests beyond the ten free per calendar year will be assessed this fee. This fee applies to input materials that have not been previously reviewed by a PCO or the following Material Review Organizations for the intended use:
  - Organic Materials Review Institute (OMRI): <u>www.omri.org/omri-lists</u>, (541) 343-7600
  - Washington State Department of Agriculture (WSDA):
     <a href="https://agr.wa.gov/departments/organic/input-material-registration">https://agr.wa.gov/departments/organic/input-material-registration</a>, (360) 902-1800
  - California Department of Food and Agriculture (CDFA): <a href="https://www.cdfa.ca.gov/is/ffldrs/fertilizer\_OIM.html">https://www.cdfa.ca.gov/is/ffldrs/fertilizer\_OIM.html</a>, (916) 900-5022

## **B. Inspection Fees:**

Annual and Initial Inspections: Operations are required to have at least one inspection per calendar year as part of their certification. The final cost for inspection can be highly variable from year to year. Part of the variance is based upon the complexity of the operation inspected and the ability to group with other nearby inspections. Operation complexity may consist of things like operation size, number of scopes to be certified, length of time certified, number of certified products and whether your operation has open compliance issues. Other factors that may affect inspection length include, but are not limited to, whether the operation takes part in organic international trade, whether uncertified production or handling also takes place onsite, or whether on-farm post-harvest handling occurs onsite, etc. PCO works hard to coordinate inspections in geographic regions to minimize travel time and expenses. You can lower your costs by promptly communicating with your inspector to schedule your inspection, organizing records and materials prior to the inspector's arrival, and offering your full attention to the inspection while the inspector is onsite with you.

The inspection fee includes the inspector's time spent in preparation for, execution of, and final production of the inspection report. In addition, travel expenses including time, transportation costs, lodging, meals, etc. will be assessed. Inspections may be announced or unannounced. PCO reserves the right to send multiple inspectors to complete inspections for large-scale or high risk operations.

To help provide an estimate for inspections, scope specific inspection averages are listed below. Note that actual inspection time and travel expenses may be outside of the range due to the factors mentioned above.

Inspection Based on Type of Scope(s)	Average Inspection Range
Producer - Single Scope	\$500 - \$900
Producer - Multiple Scopes	\$575 - \$1025
Processor/Handler - Single Scope	\$650 - \$1,400
Processor/Handler - Multiple Scopes	\$775 - \$1,600

• **Supplemental Inspections:** Supplemental inspections may be required through the year for different reasons: As compliance verification: Additional inspections may be required for operations unable to demonstrate adequate compliance during the annual inspection for any reason including incomplete forms or inadequate recordkeeping. These inspections may be scheduled or unannounced. Operations will be responsible for the additional inspection costs.

<u>To add certifications to existing certified operations</u>: Additional inspections required to add new fields, sites, or facilities outside of the annual inspection will be billed to the certified operation. These inspections will be scheduled with an assigned inspector. Operations will be responsible for the additional inspection costs.

- Unannounced Inspections and Residue Testing: All certified operators are subject to unannounced inspections and/or testing for residue detection. Typically, no fees are assessed for unannounced inspections and/or residue testing. However, unannounced inspection and/or residue testing fees may be charged to the client in the following situations:
  - o If terms of a settlement agreement require that unannounced inspections and/or residue testing are conducted over a specified period of time.
  - If the operation requires additional oversight based on ongoing investigations, noncompliances noted in Certification Reports, or adverse actions.
  - If the operation was unable to demonstrate adequate compliance during the annual or initial inspection, as documented by the inspector in the most recent inspection report.
     In the above situations where unannounced inspection and residue testing fees are charged to clients the Complaint, Investigation and Adverse Action Fees may apply and PCO's hourly rate may be used.
- Inspection Refusal or Cancellation: Inspection refusal includes but is not limited to non-response to scheduling inquiries, violation of PCO's code of conduct, lack of cooperation, and cancellation of a scheduled inspection with less than 5 days' notice from the date of the scheduled inspection. If a certified operation refuses inspection they are responsible for the costs incurred for the planned inspection. Costs include preparation time, travel expenses, travel time, and an administrative fee as stated in table above. Certified operations are responsible for rescheduling the inspection and paying all additional associated inspection and travel fees.

## C. Administrative Fees:

- Expedited Certification: PCO offers a nonrefundable expedited certification service for those operations who have critical timing needs. This expedited fee is in addition to any applicable organic certification program fees and inspection fees as described above. Applications must be complete upon submission. Payment for expedited services must be submitted before the application will be reviewed or the inspection will be coordinated. While expedited services do not guarantee certification will be granted by a specified date, your certification request will receive priority processing and inspection assignment. The success of the expedited service lies in your ability to comply with the National Organic Program and your timely responses to requests for information. If you enroll in the expedited services program, PCO provides the following:
  - O Application/Updated certification information receives expedited attention for initial review.
  - Inspection will receive prioritized attention for assignment.
  - The inspection report will be submitted within five (5) business days of the Exit Interview.
  - PCO will review the inspection report within five (5) business days of receipt of the inspection report and identify any outstanding issues to grant certification.
  - Expedited fee is per scope. If more than one scope is being applied for, the additional scope(s) are charged the expedited addition fee.

PCO has the right to refuse service for expedited requests if we do not have the administrative capacity to do so. In these cases, PCO will communicate if we are unable to meet your request of expedited service. Expedited Services are not available with reinstatement applications.

- **Expedited Product Review:** Rush review does not guarantee approval. PCO staff will review each product requested for review within five (5) business days. This fee is charged per product. A product review includes new products including labels and revisions to existing products including labels. Non-expedited product review requests are typically reviewed by PCO staff within ten (10) business days.
- **Expedited Export Certificate:** Rush review does not guarantee approval. PCO staff will review your export certificate request within two (2) business days. This fee is charged per export certificate request. This includes EU COIs, Korea NAQS, Japan TM-11, Transaction Certificates, etc. Any product reviews needed for export certificate approval will also be charged an expedited product review fee. Non-expedited export certificate requests are typically reviewed by PCO staff within ten (10) business days.
- Late / No Response Fee: To manage the administrative costs associated with missed deadlines, PCO will charge a late or no response fee for each occurrence where a request is not addressed by the specified deadline. This fee applies to various scenarios, including but not limited to the failure to submit the Annual Update on time, non-payment of fees resulting in a Noncompliance, and not responding to Adverse Action or Compliance requests. The fee also covers any other instances where a response to a deadline-driven request is not provided. Clients are encouraged to adhere to all deadlines to avoid these additional charges.
- **PCO Hourly Rate:** Where possible, PCO strives to list all of our standard fees within this fee schedule; however, there may be rare situations in which we need to apply an hourly rate for our services. Examples include, but are not limited to, reviewing a new client's organic system plan prior to the client submitting an application, transcribing paper documents to electronic format, bulk mail requests, and requesting PCO staff attendance at events.
- **Reinstatement Fee:** A reinstatement request often demands the dedication of considerable staff hours. Therefore, those operations who have been suspended from USDA NOP and are in need of reinstatement to the National Organic Program are assessed a Reinstatement Fee which covers staff time that is not considered part of a normal certification request. This fee is in addition to all other certification and inspection fees. Expedited Services are not available with reinstatement applications.
- Administrative Oversight Surcharge: Operations that require additional administrative capacity, monitoring, or
  oversight in the context of violations of PCO's code of conduct or other administrative related process may be charged
  an initial oversight surcharge and annual charges based on the additional monitoring and administrative requirements.
  Additional hourly rates may apply.

## D. Adverse Action and Compliance

• Complaint, Investigation and Adverse Action Fees: Applicants and clients are responsible for reimbursing PCO for all costs incurred by PCO as a result of adverse actions, investigations, and/or legal issues involving the applicant or client. Adverse actions may include but are not limited to: sanctions, adverse actions, complaints, appeals, mediation, litigation, or enforcement actions. When PCO performs an investigation, which may or may not include inspection(s), the applicant or client may be responsible for the associated costs of the investigation. The costs that the applicant or client must reimburse include, but are not limited to: the PCO or contractor costs of conducting mediation, investigations, conducting additional inspections, attorney consultation, conducting discovery, responding to subpoenas or other discovery requests, and review of investigation related evidence, inspection reports, and meetings. Costs are billed at the PCO hourly rate above. The associated costs are billed monthly, or when PCO discloses or closes an investigation, or when a proposed adverse action(s) is issued.

A Mediation Fee (see below) is also assessed to cover the cost of arranging and facilitating mediation. If PCO prevails in a mediation, dispute, proceeding, or other contested action against the applicant, certified operation or client, the applicant, certified operation or client is responsible for paying all costs incurred by PCO, including PCO reasonable attorneys' fees, expenses and costs.

• Compliance Oversight Surcharge: Operations that require additional administrative capacity, monitoring, inspections, or oversight in the context of a settlement agreement or other compliance related process may be charged an initial oversight surcharge and annual charges based on the complexity and duration of the additional monitoring and administrative requirements. These charges facilitate costs associated with scheduling, management and oversight of ongoing settlement agreement or other compliance efforts such as ongoing reporting, increased communication and coordination, additional inspections, or testing oversight. Annual cost will be decided based on the complexity and nature of the issues, frequency of required monitoring and numbers of additional monitoring inspections required. PCO may increase or decrease the fee tier in cases of need or extenuating circumstances.

- Mediation Fees If a client has progressed toward the proposed suspension, proposed revocation, or denial of their
  certificate, a mediation is formally offered to the client. If the client would like to participate in the mediation process to
  work towards resolution of the adverse action, they will be obligated to pay a mediation fee. There are two levels of
  mediations and corresponding charges.
  - 1. Informal: with a PCO staff representative
    - i. non-technical mediation is a short mediation, often by phone or email, for smaller first time administrative offenses, such as non-payment of fees or failure to submit the annual update.
    - ii. technical mediation is required for all other types of adverse actions and for repeat notices of the same issue.
  - 2. Formal mediation is formal mediation with a third party mediator, which must be mutually agreed upon. All costs for these are assumed by the applicant/client.

If PCO prevails in a mediation, dispute, proceeding, or other contested action against the applicant, certified operation or client, the applicant, certified operation or client is responsible for paying all costs incurred by PCO, including PCO reasonable attorneys' fees, expenses and costs.

**Refund Policy:** Currently certified operations wishing to surrender their certification may be eligible for a partial refund. Refunds for certified operations are based on fees paid in the current calendar year and due date of annual update paperwork. Only Organic Certification Program fees (section A) may be eligible for a partial refund. All Inspection fees (section B) and Administrative fees (section C) are non-refundable.

Scenario:	Client / Applicant Refund:
Surrender of Certification before March 1	50% of Organic Certification Program fees (section A)
Surrender of Certification after March 1	No refund
Withdraw of Application	No refund
Certification is Denied, Suspended, or Revoked	No refund
PCO unable to fulfill expedited request	PCO will apply payment to future invoices.

**Non-Payment of Invoices:** If an operation has an invoice that becomes greater than 60 days past due and has not arranged or is not abiding to a payment plan, the operation will be issued a noncompliance. If the Non-Compliance is not resolved, a Notice of Proposed Suspension would be issued. If you are issued a Notice of Proposed Suspension for non-payment of fees, you may not correct the issue by simply paying the past due balance. Additional paperwork and information will be required in order to avoid suspension of your certification (e.g. Mediation Request Form to PCO or Appeal to NOP). PCO reserves the right to turn over uncollected fees to a third-party collection agency in the event of non-payment. The operation is responsible for any collection agency fees.

**Cost Estimate:** Using the information provided in this fee schedule, the below table can be used to create an estimate for your operation each year as required by regulation \$205.642.:

Fee Type:	Amount:
Application Fee (New Applicant Only)	\$
Basic Certification Fee - Renewing Client	\$
Affiliated Livestock Operation - Renewing Client	\$
Sales Assessment (if previously or currently certified)	\$
Program Fee(s) if applicable (e.g. scope type, export, etc.)	\$
Inspection Fee (based on averages for similar operations)	\$
Administrative Fee(s) if applicable (i.e. postal fee, reinstatement, etc.)	\$
Total	\$

**Organic Certification Cost Share Program:** Certified clients are eligible for reimbursement of up to 75% of certification fees per each scope. For example: If certified for crops and dairy, each of which is considered a category (or scope) you would qualify for up to 75% reimbursement for each scope, not to exceed \$750 per category, per year. Contact your local FSA office or participating state agency to apply for the Organic Certification Cost Share Program.