Basic concepts and requirements for the management of an Internal Control System in the UTZ CERTIFIED program
The document at hand has been developed by UTZ CERTIFIED in close co-operation with SOLIDARIDAD Coffee Support Network.

It is an example of how to set up and manage an Internal Control System (Quality Management System) for certification against the UTZ CERTIFIED coffee standard. Although this document includes all UTZ CERTIFIED criteria for certification in an ICS, it does not replace the code. It is an EXAMPLE of how to implement an ICS and a guidance document which in some points is more specific or even goes further than the requirements in the UTZ CERTIFIED protocol. It does not necessarily reflect UTZ CERTIFIED’s ICS position, but it is a guide of how to incorporate the requirements of the UTZ Code of Conduct in an ICS system.

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Introduction

An internal control system (ICS) is a quality management system that indicates the necessary measures that producers should take to improve their organizational skills, management and efficiency. Moreover, it provides a template for good administration and continuous improvement. However, when trying to implement an ICS and take it to the operating stage, a clear and concrete approach to the concept is required. Through the use of an internal control system, coffee producer organizations can improve their performance.

UTZ certification places the internal control system as a central part of its process of certification of producer groups. This guide has been drawn up to assist in its modalities and to clarify any issues that may arise during implementation.

It is very important for the UTZ CERTIFIED Foundation to emphasize that there are different levels of developing the ICS, the success depends on how the organizations use these tools. This being a common concept to different types of certifications, the ICS accommodates implementations carried out by other certifications. The objective of this guide is to show an example of how an ICS can be used and improved in different ways. The UTZ CERTIFIED Foundation invites everyone to contribute in the improvement of this guide. The ICS can be used for the UTZ certification or in combination with other certification programs in a way which best represents continuous improvement. It is also an instrument which facilitates the organized producers access to the certification program in an efficient and low cost manner.

The Internal Control System show producers and their management how to reach their objectives; carefully consideration must be given to the suggestions of people and organizations who have worked with these tools, in order to adapt the tool with the characteristics of each group. This is not only important for maintaining the ICS but also for the traceability and the chain of custody. These concepts are explained in the UTZ implementation Guide as well as the Code of Conduct. The correct adaptation of these concepts will mean optimum use of resources promoting continuous improvement within producer organizations.
A number of ideas and examples drawn from producer organizations from different regions have been included in this document so that other producer organizations can benefit from their support and cooperation. Please note that references made in the guide to “he” also means “she”.

Record or document: it is recommended that each compliance of a control point of the Code of Conduct be recorded. In this guide a “record” means an update is provided by the producer every time a task is performed. A “document” refers to external documents that are only made once.

ICS criteria and requirements are discussed thoroughly in a participatory manner within the producer group. It is possible that requirements will change from time to time. Information can be found on the UTZ CERTIFIED homepage www.utzcertified.org.
The Internal Control System - Definition

The Internal Control System (ICS) is a documented system of quality management that addresses all aspects of the UTZ CERTIFIED Code of Conduct. It also controls the producer groups achievement of the UTZ CERTIFIED Code of Conduct according to the internally defined procedures¹.

The objective of the ICS is to ensure that the producer groups are organized in a way that easily detects the errors or non compliances of the production systems. It also includes preventive or corrective measures to eliminate any weaknesses or shortcomings, before the external audit.

An ICS gives a clear definition of the responsibilities of individual members and the organization as a whole. An ICS requires the effective use of regulations, records and documents. It is a system with inputs such as information from certification requirements e.g. UTZ CERTIFIED Code of Conduct and has internal processes, like internal inspections, training and product management. Further to these internal processes, the ICS has outputs or results, i.e. information of the internal inspections and external audits.

The minimum requirements for an ICS are:

- The list of the group members.
- The agreement between the producer and the group or ICS management, specifying the rights and obligations of both parties.
- The internal standard of the group, which is an adapted interpretation of the Code of Conduct which is applicable for the specific situation of the group, indicating the applicable control points.
- The results of the annual internal inspection.

¹ ISEAL has introduced the term “Internal Management System (IMS)”: A documented set of procedures and processes that a group will implement to ensure it can achieve its specified requirements. The existence of an Internal Management System allows the certification body to delegate inspection of individual group members to an identified body within the producer.
An ICS contains different elements:

- An analysis of the situation of the group members identifying the risks and management.
- Procedures for data collection and documentation of each group member.
- Procedures for internal inspections.
Organization

The basis of group certification is the organization of the producers. The type of organization can differ according to the current needs of the producers. In groups, producers can obtain results in having better access to the market, economies of scale in coffee commercialization and an improvement in production and their social aspects.

Organizations answer to the needs of those who build them, they evolve and adapt to the prevailing conditions. That is why for each case the organization changes in type and structure. The structure depends on aspects such as the management styles or activities that are practiced by the group, the number of producers/groups and the determined legal structure within each country. As a result, there are local organizations in direct contact with the producer or producer at a regional or national level.

The group shall have a defined and documented structure and an internal management system with established procedures. The scope and objectives of the internal management system shall be defined and the system shall reflect the unique characteristics of the group. Group management and members shall each understand their responsibilities within the group.

*Note: Recognizing that legal frameworks and traditions vary significantly, this requirement does not necessarily mean that a group has to be legally registered. However, failing legal registration, the group needs to have some organizational documents and show its relationship with the internal management system. A group can also be a private company, contracting producers.*

The central document of the ICS is the Internal Standard. The Internal Standard is an adapted interpretation of the Code of Conduct which is applicable for the specific situation of the group, preferably indicating the applicable control points. The Internal Standard can be included in different documents of the group. Some ICS have included the Internal Standard in the agreement with the producer, others set up a separate document which is distributed to the producers.

In the example of this guide, the group has chosen to include the requirements for the producers (i.e. the Internal Standard) in the Production Plan.
An organigram is an effective tool to illustrate how the group works, what the relations are with the producers and their responsibilities. It is important to define who is in charge of the internal inspection, the technical assistance, the maintenance of the ICS functions, product management and quality control.

For every role, there must be a person in charge with a responsible, attitude and good level of knowledge. In order to maintain the ICS it requires attention, therefore the person in charge must know how to manage the concepts of the certification process. Training activities for these members must be in accordance with their roles and be documented in order to keep records of their competence.

Further, financial resources need to be assured in order to implement a well functioning ICS.

In this Guide examples of these documents are presented. Please note that this is not the only form of writing of the documents; they serve purely as a guide. The actual verification of the use and quality depend on the criteria of the Certification Body. Below is an example of the Internal Control System Regulation.

ANNEX 3 - REGULATION OF INTERNAL CONTROL SYSTEM

Transparency is key to monitoring producers that join and stay in the group. Some organizations formalize the application by clarifying that the program is entirely voluntary. In this regard it is suggested that a survey with basic information to explore the level of knowledge and compliance of the producer about the UTZ CERTIFIED program be carried out at the beginning.

ANNEX 1 - APPLICATION TO CERTIFICATION PROGRAM
3.1 Contractual Agreement

The contract/agreement is an important document in the ICS, as it formalizes the relationship between the producer and the group and specifies the rights and obligations of the producer and the group within this relationship.

The contract has to include the following elements:

- Name (and fiscal identification) of the producer.
- Contact Address.
- Location of the individual farm(s).
- Agreement to comply with the UTZ CERTIFIED Code of Conduct.
- Agreement to comply with the documented procedures of the group, its policies and technical advice, as well as the requirements of UTZ CERTIFIED.
- Sanctions that could be applied in case of non-compliance of UTZ CERTIFIED requirements.
- Commitment and acceptance of the producer to participate fully in internal inspections and (external) audits.
- Terms and conditions of termination of the contract (the producer must have the right to terminate the contract).

The producer and the group must keep a copy of the contract/agreement. Its content can be more specific or detailed depending on the legal status of the relationship between both parties.
3.2 Organizational Management.

Next to implementing a management system for producer groups, UTZ CERTIFIED also invites the organizations to introduce a philosophy of Total Quality Management in their groups. This philosophy of management by the group enables them to fulfill their obligations to their members and to their clients. There are four main objectives that an ICS should achieve within a producer organization:

Continuous Improvement.

Continuous improvement gives the producer groups and their members the opportunity to be as efficient as possible and with the allowed resources. In order to prevent future problems and rectify any mistakes that hinder efficiency of the groups, an adequate ICS is needed. General approaches are the Deming’s wheel or PDCA cycle which constitutes the following logical steps: Plan, Do, Check and Act. This will help detect problems, propose improvements and verify the implement the plan. This cycle is used in all types of organizations all over the world as a tool for continuous improvement and total quality management.

Risk based approach.

In order to operate efficiently the ICS has to develop a risk based approach. This means that the ICS has to identify the risks and define the management of these risks in the following ways:

1. Risks need to be identified at all stages of the production process that may jeopardize the UTZ CERTIFIED certification or quality of the product, i.e. on farm and post-harvest level (e.g. food safety risks, environmental degradation) as well as on the ICS level (e.g. risks during the buying, quality of the internal control, level of the traceability etc.).

2. Development of a management plan where strategies are defined in order to eliminate or minimize the identified risks. The necessary measures to address the risks need to be implemented in the ICS and the ICS needs to centralize its resources around these risks.
3. The ICS needs to check whether the measures taken have been successful in eliminating or minimizing the identified risks (see also PDCA-cycle). It is recommended that the risk analysis is done at least once a year.

I Client focus.

There are two types of clients:

The internal client is the client who uses the ICS and requires services such as business evaluation, environmental, social and productive management. Also inspections are needed to verify compliance with UTZ CERTIFIED Code of Conduct and Chain of Custody as well as with the internal requirements of the group. Focusing on the internal client permits the improvement of the organization through the continuous improvement of the individual member.

The external client is the person to whom the organization offers its products and services like product information, quality of product, adequate deliveries and planning, etc. If the ICS is constructed based on the needs of both internal and external clients, the use of resources will be optimal and therefore, well managed. Failure to focus the organizational resources on the needs of the clients will make it difficult for the organization to determine clear objectives.

I Teamwork.

There is no doubt that when people work as a team, they become more efficient in their operations and obtain better and faster results. Teamwork will develop from adequate planning of activities that arise from an initial assessment.

The structure of the ICS should define the roles of inspection and administration, who will define the plan of activities such as handling the action plans in case of non-conformities recorded in the internal inspection report. The ICS should also define the working groups, assign dates and the responsible persons for each activity.
The control of the group members, assigned, certified or in the process of being certified, is one of the responsibilities of the ICS. There must be accurate information in order to know who is going to be checked.

The registry or list of producers must include:

- Producer name and identification.
- Contact details (physical address, mailing address, phone number, email, etc).
- Location and area of the individual farm and the processing sites of the coffee.
- Variety of the coffee and the post harvest processing sites.
- Date of the internal inspection.
- Certification status.

**ANNEX 1-REGISTRATION OF PRODUCERS**

The list of producers must also include the status of the certification for each producer; is the producer compliant with the UTZ CERTIFIED Code of Conduct (see Chapter 5). Therefore, although the list of producers is established during the application of the producers, this can only be finalized after the first internal inspection. The list of producers needs to be updated at least once a year.

It is very important to know the location of the production unit or the contact details of the producer. A map with the location of production units and processing facilities is required, including access and location points, processing zones and other facilities. This helps the technicians and internal inspectors and gives clarity to the (external) auditors.

It is recommended that a map is developed showing the location of each property including the farm code and the area of the land. The map can also include the location of the non certified farms, the key roads and important topographic characteristics.
Producer information must include the record and the management of their identification information as well as other technical aspects that will enhance the effectiveness of the ICS. It is recommended to use a record for each producer as part of the information that must be kept (Annex 7). This record must contain the basic information of each producer, an individual map of the farm and other aspects of crop management with the focus on the estimated volume of production. This aspect should be verified with the producer and with the productive conditions of the farm. It is recommended to file these records in individual folders along with copies of the contracts, sales reports, inspections and recommendations for each producer of the group.
5.1 Objectives

The internal inspection is a responsibility of the organization carried out by trained and competent inspectors. This task is carried out in order to detect the non-compliances on time and recommend corrective measures. The internal inspection prepares the producers for the (external) audit.

The ICS must select and assign its internal inspectors. This function can be developed internally by the producers themselves, by employees of the organization or outsourced from external suppliers of this service. In all cases, it is necessary to maintain a training and evaluation program for consistency and quality of the methodology. This training program must also include the latest version of the Code of Conduct and the regulations of the standard.
5.2 Requirements for internal inspectors

The ICS assigns an internal inspector in order to conduct the internal audits for each member of the group. Below a transcript is included from chapter 4.4 and 4.5 from the UTZ CERTIFIED Good Inside Certification Protocol version 2009:

The internal inspector needs to be qualified to conduct internal inspections on all group members and of the Internal Control System (ICS) of the organization. Internal inspectors have to be competent for their task. It is the responsibility of the group management to determine the necessary competences for its internal inspectors and to provide training for them. Records of education, training, skills and experience have to be maintained by the group management. New internal inspectors have to receive appropriate training before carrying out their tasks. Internal inspectors are not permitted to carry out any activities which may affect their independence, impartiality or confidentiality.

The roles of the internal inspectors include the following:

- To prepare a plan for internal inspections (this can also be done by the ICS coordinator).
- To gather evidence of farm visits: visuals, interviews, records, etc.
- To prepare inspection reports for each producer and the ICS.

The internal inspector must at all times avoid conflicts of interest. In the group several members and workers of the ICS execute numerous functions. It is therefore important that there is transparency within each function and that there is a clear identification of the internal inspectors who cannot execute the function without affecting their independence and impartiality. An inspector cannot inspect a producer to whom he/she is related to or do business with.

Further it is recommended that the internal inspector is not the technical assistant of the producer. This is only possible in justified cases, e.g. when the group management ensures and monitors the neutrality of the internal inspector.

Priority should be given to the topics in accordance with the requirements of and the level of development of the internal inspectors. While it is acknowledged that it is difficult to find groups that meet all the internal inspector requirements, their preparation should be a process of training and continuous improvement within the group.
5.3 Internal inspection process

The internal inspection is carried out on two levels:

**Self inspection (central level of organization):** This is an analysis that is performed to establish the level of compliance against the requirements of the UTZ CERTIFIED Code of Conduct. The document to be used for self-inspection is the UTZ CERTIFIED Code of Conduct Checklist. This desktop analysis should be delivered to the Certification Body and serves as a starting point for the assessment of the group.

**At the Producer level:** the compliance of the producers must be verified with the UTZ CERTIFIED Code of Conduct. This verification must be done with all group members at least once a year, using a basic tool e.g., the UTZ CERTIFIED Code of Conduct Checklist. Inspections should take place at different times of the year and should not be so regular as to become predictable. If the ICS verifies and justifies that some control points are not applicable, an adopted checklist can be made to suit the local situation.

The ICS must define a procedure for reviewing the results of the internal inspection and set up an action plan. These findings need to be documented in an internal inspection report. The internal inspection report includes the corrective actions in case a member has non-compliances.

Every year the management of the group will take a decision concerning the status of every member. This decision shall be based on internal inspections and other relevant information. Safeguards shall be in place to ensure that internal inspectors are not unduly influenced in their findings by group management or group members.

*When a new member enters the group, a farm inspection must be carried out before including the new member in the list of registered producers of UTZ CERTIFIED coffee. It is important to mention that the number of members, the area of production and volume of production can grow up to 10% under the ICS without an additional (external) audit. If the growth is higher than 10%, an additional audit needs to be requested with the Certification Body.*

This is conforming to the UTZ CERTIFIED Certification Protocol version 2009, chapter 6.7

*Changes in certification information Up to 10% of new members of a producer group may be added to the certificate annually by registering the additional members with their production area and volume with the CB without further verification by the CB. If the increase in the number of members of a producer group is more than 10% in*
one year, an additional audit of the ICS and of the square root of the number of new members will be required during that year before the expansion may be added to the existing certificate.

Regardless of the number of new members of a producer group in one year, if the group as a whole increases the production area and/or volume by more than 10% in one year, an additional audit of the ICS and of the square root of the number of new members will be required during that year before the expansion may be added to the existing certificate.

The CB must notify UTZ CERTIFIED about all changes and send a new certificate containing the changes. If an additional audit has been performed, a summary report must also be sent.

ANNEX 6 - REPORT OF INTERNAL INSPECTION

ICS inspects all group members. The external audits review the ICS administration and a sample of the production units.
INTERNAL INSPECTION: Consists of the formal review of the documentation and processes required for compliance of the Code of Conduct, which are reviewed directly in the field and/or in places where the documents and processes have been implemented.

During this verification, compliance is verified in order to set up corrective actions and should preferably be done prior to the (external) audit.

At the level of individual farms, this inspection should be done by the person assigned as responsible for implementation or through a third party that is not engaged by the Certified Body contracted for the certification.

In the case of producer groups, the ICS establishes the procedure for conducting the inspection in a way that does not create any conflicts of interest for the internal inspectors appointed.

SELF-INSPECTION OF THE GROUP: It is an analysis that is done to establish the level of compliance with the current requirements of the Code of Conduct. The document to be used for self-inspection is the UTZ CERTIFIED Code of Conduct Checklist. This desktop analysis should be delivered to the Certification Body and serves as a starting point for the assessment of the group. This document does not replace the internal inspection.

(Please note, the internal inspection checklist can of course be adapted by the Group. The self-inspection which is done once for the whole group is done using the original UTZ CERTIFIED Code of Conduct Checklist).
Sanctions and Penalties to Members

The ICS must document procedures to manage the non-compliances and the corrective measures as identified in the internal inspections. These aspects can be established in the general regulations or in the Internal Control System Regulations.

The sanctions established in the ICS Regulation must be clear and known by the producer from the time of joining the group. When issuing a sanction, the relevant procedure must be clearly stated to the producer as provided in the ICS administration. The sanctions imposed must be documented with the producer information showing the compliance status clearly indicated in the list of the group members. Group members should have the right to appeal findings of non-compliance.

In order to obtain the certificate, the member must comply with the requirements of the Code of Conduct.

Below find the structure of the UTZ CERTIFIED Good Inside Code of Conduct version 2009:

The Code of Conduct consists of 175 control points, divided into 11 chapters.

1. The chapters follow the order of the different stages of coffee growing and processing.

2. There are two types of control points:

1. Mandatory control points (shaded in green)
2. Additional control points (not shaded)
There is a separate column from year 1 to 4.

It is clearly indicated which mandatory control points need to be complied with in which year, e.g. there is a separate column to assess compliance for year 1 to year 4. From the structure the certificate holder can see the control points that become mandatory in the next year. When compliance is reached, the column is ticked.

- **Mandatory control points**: From year 1 to year 4 the number of mandatory control points increases.

This means that the number of total control points required for certification increases per year per part (group of chapters). This is clearly indicated in the columns of year 1 to 4.

- **Additional control points**: Besides the mandatory control points, a defined number of additional control points (not shaded) have to be complied with in every year.

In part 2 (chapters 3 – 9) and part 3 (chapters 10 – 11) the number of additional control points to be complied with differ according to the production system.

The time-scale for corrective actions to be carried out is clearly determined by the ICS. When an exclusion sanction is issued, the product must be removed. This procedure must be clear and operative and it has to be tested once a year to verify its effectiveness.

Additionally the following transcript from chapter 6.8 of the **UTZ CERTIFIED** Certification Protocol version 2009 refers to non-compliances and the Certification Bodies:

*CBs must have systems in place to identify non-compliance to the Code of Conduct or the Chain of Custody as described below. An organization may be suspended, cancelled or warned for non-compliance with mandatory and/or additional control points, and/or with UTZ CERTIFIED contractual agreements.*

1. **Non-compliance with a mandatory control point**: the certificate holder must report any non-compliance with a mandatory control point to the respective CB. The organization must take appropriate corrective actions to correct this non-compliance.

   a. If the CB detects that the organization did not report the non-compliance, the CB issues a written warning requesting compliance with the respective control point not later than within 6 weeks time. If the corrective actions have not been undertaken
and checked by the CB within this timeline, the CB has to immediately suspend the organization for a period of 3 months. In case of several non-compliances with mandatory control points detected by the CB, the CB may decide to directly suspend the organization. While the organization is suspended, it may not sell its produce as certified. The produce that has been contracted and harvested before the date of suspension is still considered **UTZ CERTIFIED**. Before the end of the suspension period, the CB must re-inspect the organization. If the same non-compliance with the same control point(s) is detected, the certificate of the organization is cancelled. The organization may not apply for re-certification for one year.

b. If the organization did report the non-compliance to the CB and its clients and took corrective actions, the CB arranges for an audit to verify fulfillment of the corrective actions not later than 6 weeks after the non-compliance was reported. During that period, the organization continues to be considered certified and may sell its produce as such. At the end of the corrective action period, the CB must re-inspect the organization to verify compliance with the mandatory control point(s). If the same non-compliance with the same mandatory control point is detected, the organization is suspended and may not sell its produce as certified.

2. **Non-compliance with an additional control point:** If the CB detects during the audit or if the individual producer or producer group reports that the requested number of additional control points is not complied with (anymore), the same measures apply as for non-compliances with a mandatory control point.

The CB must record any suspension, cancellation or warning and inform the Certification Department of **UTZ CERTIFIED** accordingly in writing. The organization must inform its **UTZ CERTIFIED** customers on the status of any suspensions. If a suspension leads to decertification, the status of the organization in the **UTZ CERTIFIED** member portal and website will be changed to “decertified” and will not appear anymore on the website and member portal.
Training of Producers

Training is one of the most important components of good management of a producer group and also for success of the certification process. Within the ICS, an inclusive training plan must be executed incorporating both the internal inspectors and the producers.

The main goal of the training plan is to provide tools for the producer in order to implement what they have learned. A realistic approach to the circumstances, environment, practices and knowledge of the producers is imperative for the successful implementation of the training plan and its effective follow-up.

In this respect, the organizations must adopt creative training approaches for working with adults, creating motivation towards a positive change of conduct. Training should be adapted to the level of language, education and knowledge of the producer group. The training may be provided by private companies, government departments or NGOs, if there are near the farm or organization.

Every producer needs to undergo initial training or an advisory meeting on the principles of Integrated Crop Management. The participants and content of the training must be documented. The producers need to be aware of the requirements for certification and be familiar with the appropriate methods of production.

Training can include topics of general farming information as well as certification requirements. Also specific topics such as knowledge and skills of production, good agricultural practices or coffee quality management and other relevant topics can be included.

There are two fundamental aspects that need to be taken into consideration in the training plan for the producers as well as for the internal inspectors. The first aspect is the management philosophy of the group. As mentioned this management is based on three fundamental principles of total quality management: client focus, continuous improvement and teamwork. Next to group management, there is a second fundamental aspect, which is quality assurance. This assurance is based on traceability and standardization of the procedures and can be set
up in a way that unifies work procedures, as proposed by UTZ CERTIFIED in line with the actual necessities, strengths and limitations of the group. Referring to these aspects, the Code of Conduct demands documented and visual evidence or proof in the field.

The topics of group management, internal regulations and planning of the inspections also need to be managed in a training plan as mentioned. The UTZ CERTIFIED Code of Conduct can be used as a reference and as an analysis of the training necessities with regard to several control points as well as a basic training plan.

A good training plan should ensure that all personnel with key responsibilities in the ICS should be adequately trained in line with their roles. All aspects of training of internal inspectors, administrative and technical staff must be documented in their individual files.
Production Plan

ANNEX 8 - PRODUCTION PLAN

For the producer group of UTZ CERTIFIED coffee, it is recommended that a production plan is provided to the producers. If the production plan is part of the internal standard of the group, then this should be a mandatory document.

The production plan includes:

- An appropriate fertilization plan.
- List of recommended fertilizers with application instructions.
- Recommended pest control measures.
- IPM/ICM methods that will be used.
- Storage of products.
- Instructions for pesticide use.
- List of recommended crop protection products with application instructions (in terms that can be understood by the producers).
- Instructions for harvest and post-harvest management.
- Instructions for the worker’s health and safety.
- Other aspects such as environmental management and seed use.

The plan can include aspects that, according to the organization criteria, are of technical importance for the whole group and particular comments can be made in the specific production plan for a group member.

The production plan is also a planning and management tool, which can help to visualize the program activities in relation to the farm management and can define the most appropriate time to undertake the work. Based on this plan, it is possible to schedule the best time for the internal inspection according to the tasks that will be performed in a certain month.
Internal control manual, management of documents and claims

ANNEX 9 - INTERNAL CONTROL MANUAL

The internal control manual contains the operating procedures related to the UTZ CERTIFIED Code of Conduct. This document includes the ICS administration, organization and certification management.

It can also contain information regarding the storage processes, product handling, traceability and chain of custody handling. Its content needs to be updated periodically to ensure conformity with changes to the UTZ CERTIFIED Code of Conduct and other regulations referring to the UTZ CERTIFIED standard.

This document will be available to all the stakeholders e.g. producers, the ICS administration, clients, Certification Bodies and the UTZ CERTIFIED Foundation. The ICS must pay attention to the control, management and updates of documents. Due to the importance of these internal documents, the ICS has to include mechanisms to review and approve them.

Documents such as contracts and internal standards which the group members need to understand should be written in a way that is adapted to their language and level of understanding.

The internal control manual includes a description of the most common operational processes:

- Roles, responsibilities and competencies of staff, elected persons and committees.
- Procedure for approval of new members and annual decision-making on status of each member in the group.
- Chain of custody / product flow.
- Group and group member record keeping requirements.
- Procedure for internal inspection.
- Procedure for sanctions and appeals.
When issuing a new version of an ICS document it is necessary to withdraw or destroy the previous versions of the documents. These procedures should be written with a clear identification of the people in charge of the approval and distribution. A master record of all updated versions in use must be kept.

The activities of the internal control must be registered and together with the documents of the certification process need to be kept for a minimum period of two years or as required by local laws.

The information must remain in its original form and accessible. New technologies, for instance computer programs, allow for information to be managed.

Large amounts of information can then be kept up to date which makes it still necessary to also keep back-up copies to avoid the risk of losing information.

Group management shall manage potential and actual conflicts of interest in a manner appropriate to its scale and conditions. Individuals shall disclose potential conflicts of interest and shall not take part in work or decisions in the internal management system process that is a their potential conflict.

The management of the ICS should have a documented complaint handling, management policy, procedures and recording form which clearly defines roles and responsibilities. The overall aim is to provide a manual that enables the ICS to give a suitable service to the clients and stakeholders, at the same time acting as a tool for gathering information and data for internal inspectors. It is a component of real self-assessment control and continuous improvement.

The complaint handling helps to improve product quality and the organization’s relationship with its partners, clients and suppliers. Preventive or corrective actions originate from the complaint handling and are applied and followed up respectively. The complaint handling management is a role which is appointed to the ICS administrator. Formats can be used in order to handle the whole process, from receipt, analysis and feedback to monitoring the corrective action that adresses the claim.

The procedure to handle the claims must be documented separately or in one of the sections of the Internal Control Manual (as proposed in the example).
The organization holding the certificate is responsible for the producers’ compliance to the Code of Conduct, the regulations of the Chain of Custody and the ICS management although some of the processing activities are done by subcontractors or service suppliers.

Therefore, the certificate holder should have procedures for contracting subcontractors, monitor and record their work/services as well as their competences. The relationship with subcontractors need to be formalized through a contract or another legal document (service request, purchase invoices etc). The roles of subcontractors need to conform to the Code of Conduct and other regulations of UTZ CERTIFIED as well as the internal regulations of the producer group.
Use of the UTZ CERTIFIED Logo

The use of the UTZ CERTIFIED Good Inside logo on coffee bags or containers holding certified coffee must be documented and in accordance with the conditions specified in the UTZ CERTIFIED Good Inside Logo Use Requirements.

This information is available upon request at communications@utzcertified.org.

The producer group is responsible for the use of the logo in its sales and commercial products.
Traceability Management

Traceability is one of the most important aspects in any market or supply chain, therefore UTZ CERTIFIED considers traceability management as one of the main components of the certification program. Traceability consists of several clear procedures which show the origin of the product and traces it through the supply chain. These procedures consist of product handling and registration resulting in the trace of the product from origin to the client and vice versa.

The rules to trace the UTZ CERTIFIED coffee are included in the UTZ CERTIFIED Chain of Custody and in the Code of Conduct for producers. The Chain of Custody requires UTZ coffee to be processed, stored and transported separately from non-UTZ CERTIFIED coffee. Each organization in the coffee chain needs to have a system in place which separates the UTZ CERTIFIED coffee physically and administratively. This is the only way to assure the final buyer that the coffee is UTZ CERTIFIED.

Traceability is achieved through a combination of practices at the farm and group level, storage and processing level. For producers, the Chain of Custody requirements are integrated into the Code of Conduct.

Group management shall be responsible for the sales of certified product up to and including the final stage in the production chain for which the group has ownership. The group members can only sell their certified produce if such sales are approved by the ICS and then the ICS document and control the traceability of these products.

Physical Traceability

The producer needs to assure that the site where the coffee is processed has a registry system which monitors that the certified UTZ coffee is never mixed with other coffee during delivery, de pulping, fermentation tanks, drying beds, patios, hulling and storage. The processing facility needs to manage registries and be able to establish ownership of the certified UTZ coffee during each step of the process.
Samples of coffee need to be taken from the sold coffee in case of future recalls.

The bags which contain the certified UTZ coffee need to be clearly marked in order to avoid mixing with other coffee. It is recommended to use the UTZ CERTIFIED Good Inside logo.

The bags and other types of containers with certified UTZ coffee can be of a specific color, with a number or code, ID, marked sign, or other distinctive sign in order to differentiate them from non-UTZ CERTIFIED coffee.

UTZ CERTIFIED Good Inside is a registered trademark and can only be used by the certified members.

It is important for the coffee of the producer or group to be easily identified through the use of a logo or marked sign on the bag.

For storage, records are needed to identify the type of coffee (cherry, parchment or green), date, and quantity of entry and exit, documented weight, commercial invoice number, method and name of transporter and destination of product.

It is possible to use the same area of the store for all the coffee, taking into consideration that there is need to have clear division, visible and physical, of the types of coffee. This division is done through identification of areas for each type of coffee. It is also possible to separate the coffee by time, using the store for the certified coffee for a period of time and using the same storage for non-certified coffee at another time period.

**Administrative traceability**

For every activity of the certified organization, adapted forms are used. Such documents should cover all certified activities and transactions with detailed information comprehensible for auditors at any time.

Forms should be signed by the corresponding area representatives.

Also the documents should be filled out according to the following stages:

1. Harvest
2. Wet and dry processing
3. Storage
4. Dispatch to external processing facilities
5. Distribution among cooperatives or buyers
6. Registration of stored and dispatched volume
7. Records of sales announcements
8. Records of seedbed or tree nurseries
9. Registration of field work

Producers or the group are responsible for their coffee from its harvest until it is delivered to the buyer. Therefore all stages of the process must have traceability tracking. This can be accomplished when all the links of the supply chain identify and classify the product at every moment complemented with proper information and records.

In case of using external processing or milling facilities for service and sales, it is the producer’s/group responsibility to watch that coffee has passed through all the control and classification processes, to assure that the coffee is delivered to the facilities.

The responsibility of these aspects, such as making sales announcements and offering information about UTZ CERTIFIED, must be assigned and identified. The person responsible should be able to explain and demonstrate how the traceability system works through all the steps of production and processing of the coffee.
### Annex 1

**INTERNAL CONTROL SYSTEM - ICS**

**PRODUCERS' REGISTER**

**CODE OF DOCUMENT ICS 01**

**NAME FARMERS GROUP**

<table>
<thead>
<tr>
<th>No.</th>
<th>Location</th>
<th>Surname</th>
<th>Name</th>
<th>Identity card No.</th>
<th>Entry date to the UTZ CERTIFIED program</th>
<th>Farm name</th>
<th>Total Farm Area (Hrs)</th>
<th>Total coffee area (has)</th>
<th>Production Green coffee Kg.</th>
<th>Average last 3 years</th>
<th>Next harvest estimated</th>
<th>Internal control</th>
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<td>15 - Ago</td>
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<td>Aprobado</td>
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<td>Anserma</td>
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<td>30278560</td>
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<td>La congoja</td>
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### Annex 2

**INTERNAL CONTROL SYSTEM - ICS**

**REGISTER OF SANCTIONED OR DISMISSED PRODUCERS**

**CODE OF DOCUMENT ICS 02**

**NAME FARMERS GROUP**

<table>
<thead>
<tr>
<th>No.</th>
<th>Location</th>
<th>Surname</th>
<th>Name</th>
<th>Identity card No.</th>
<th>Entry date to the UTZ CERTIFIED program</th>
<th>Farm name</th>
<th>Total Farm Area (Hrs)</th>
<th>Total coffee area (has)</th>
<th>Production Green coffee Kg.</th>
<th>Average last 3 years</th>
<th>Next harvest estimated</th>
<th>Internal control</th>
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<td>01- 009</td>
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0. INTRODUCTION
In the present regulation the general guidelines, standards, codes, and norms are established by each Certification Program that the Cooperative of Coffee Growers has. They are based on traceability, Chain of Custody and the responsibility in coffee production, and also they give support to the Certification Body regarding the assurance compliance to the standards.

The UTZ CERTIFIED certification promotes coffee production with responsibility and product traceability, that is, to be able to trace the coffee to the farm where it was produced. This is done under the criteria of the UTZ CERTIFIED Code of Conduct.

This project is intended for small, medium and large producers; cooperatives and organizations that have an efficient and appropriate administrative and financial management.

1. ICS FUNCTIONS
The ICS objectives include:
1.1 To meet and to monitor the fulfillment of economic, social and environmental criteria and standards that are internationally recognized for the production of certified coffees which that belong to the program of Specialty Coffees, based on the traceability, the Chain of Custody and the responsibility towards the best coffee culture.
1.2 To generate and file all documents required for providing a high confidence level for certified coffee.
1.3 To allow the access to all the documents and places related to production and management of certified coffee to the external auditor of each certification.
1.4 To train and inform the program associates about all the aspects related to coffee production, especially about certifications programs.
1.5 To take responsibility of the certification of all the producers taking part in the projects, by means of the control system and internal and external audits.
1.6 To insure that producers who later join the project meet all the requirements of standards and codes of each certification.
1.7 To approve the admission and retirement of producers according to the decisions of the internal control of the program. The admission is and will be voluntary and the retirements can be voluntary or decided by the ICS.
1.8 To establish the quality and price criteria of certified coffee in different programs.
1.9 To collect the certified coffee of different projects according to the mechanisms established between the ICS and the associates.

2. SCOPE
This regulation is applied in areas of production (including harvesting and wet processing), collecting and transportation of parchment coffee up to the arrival and supervision for dry milling. The coffee is produced by farmers who are registered in the UTZ CERTIFIED program and is open to any other farmer who may later join the program.

The Producer Organization is a legally constituted institution within the respective legal structure of the country in which it operates. Its members are coffee producers, who are committed to the organization, looking for its good social development. The organization always strives to produce an excellent quality coffee that can be offered in the international markets and that leaves the good name of this coffee community at a high level.
3. GENERAL FUNCTIONS OF THE INTERNAL CONTROL AND SYSTEM MANAGEMENT COMMITTEE - ICCC

This Committee is the body in charge of taking decisions about certifications, registration and sanctions of members. It is made up of producers or representatives of the groups of certified producers. Its functions are:

3.1 To hold periodic meetings to discuss, make decisions, solve members' problems and give support to the certification program and assuring compliance to standards and criteria of different certification programs.
3.2 To set the internal regulations and ensure they are implemented.
3.3 To have an effective communication with members, especially on any changes, updates and innovations.
3.4 To accept or reject the registration of new coffee growers in the group, as well as to dismiss and to sanction the producers who do not comply. They also have to keep an updated record of current producers in the program.
3.5 To define the sanctions to impose on producers who have not complied with the standards.
3.6 To organize the internal inspections, evaluate and discuss the results of each inspection, issue the correspondent report, communicate the results to the producers and define the improvement actions.
3.7 To monitor that training and technical consultancy programs are executed for the good operation of the group.
3.8 To monitor compliance to standards and codes of different certifications and ICS regulations.
3.9 To update the documents that are under its responsibility.

4. FUNCTIONS OF LEGAL REPRESENTATIVE

The ICS Legal Representative will be the Manager of the Organization of Coffee Growers. The assigned duties are:
4.1 Management and coordination of contractual relations with the Certification Bodies.
4.2 To be in charge of the commercialization of certified coffees.
4.3 To manage certified and specialty coffee positioning in national and international markets.
4.4 To carry out Inter-institutional agreements with companies of the coffee sector.
4.5 To take part in different events in order to show the benefits of ICS.

5. FUNCTIONS OF THE ICS MANAGER

The manager of the Internal Control System is the person in charge of the specialty coffee and certification area within the structure of the Organization. The Manager is in charge of the coordination of all the operations for the adequate operation of ICS and attending all aspects related to certification programs. Other functions are:

5.1 To describe the tasks and responsibilities of each member.
5.2 To schedule internal inspections and take control of the schedule.
5.3 To prepare reports and submit them to the ICS management, when requested.
5.4 To schedule the training, technical assistance and control the schedule.
5.5 To update the producers' register.
5.6 To ensure compliance to standards and criteria of certification programs in coffee production.
5.7 To assure the fulfillment of ICS regulations and sanctions of the certification programs.
5.8 To analyze the results of self inspection and external audits.
5.9 To evaluate and propose actions for ICS operation.
5.10 To update the documents and files related to the ICS.
5.11 To train group members in the management of documents under their responsibility.
5.12 To train the Internal Inspectors and external advisors.
6. FUNCTIONS OF THE COFFEE QUALITY ANALYST
This is the person in charge of assuring the quality of coffee produced by coffee growers that belong to the different certification programs. The functions are:

6.1 To give recommendations for maintaining or improving coffee quality of the different certification programs. 
6.2 To carry out trainings and workshops directed to the certified producers. 
6.3 To perform cup tests with coffee growers of the Certified Programs. 
6.4 To answer the external audits about traceability and Chain of Custody management.

7. FUNCTIONS OF INTERNAL INSPECTORS
The internal inspectors must sign a commitment with ICS management accepting the following responsibilities:

7.1 To perform at least one internal inspection a year for the productive units based on the practices, standards and criteria of each certification program. 
7.2 To inspect the producing, collecting, processing, storage and purchase points in order to verify that ICS regulations are being observed.

8. FUNCTIONS OF PROMOTER FARMERS AND TRAINERS.
8.1 To carry out periodic training for the producers, giving advice and training about the practices and principles, on environment, technical management, quality and the ICS of the Specialty and differentiated Coffee Programs.
8.2 To prepare updated reports about the certified group, for use by the ICS Manager in decision-making. 
8.3 To support the producers in developing maps for project’s area and production units. 
8.4 To keep records about the training programs implemented. 
8.5 To offer technical assistance to the producers.

9. EXTERNAL ADVISORS
The external advisers must coordinate the following actions according to the needs of the producers:
9.1 To ascertain that there is democracy and participation at ICS in the different certified groups.  
9.2 To offer technical assistance to the producers of certified groups. 
9.3 To offer technical and social mentoring to the project. 
9.4 To hold trainings about quality and good agricultural practices. 
9.5 To coordinate the environmental management plan. 
9.6 To monitor the quality substance and improvement. 
9.7 To take part in meetings of the ICS management, when required.

10. ORGANIZATION CHART
The ICS organization is shown in the following structure:
11. PRODUCERS’ OBLIGATIONS TO THE INTERNAL CONTROL SYSTEM

11.1 To register as a member of the producer organization.
11.2 To meet the economic, social and environmental criteria, that is internationally recognized for certified coffee production.
11.3 To generate and file all the required documents in order to provide a high level of confidence between the ICS and the groups of certified coffee.
11.4 To deliver to the producer organization the coffee in the agreed amounts and quality (physical parameters and clean cup established by the producer organization according to the agreement with the miller - exporter). The amount has to match with the projections of production submitted annually to the ICS.
11.5 To give unlimited access to the internal inspectors and the external auditors of the Certification Body contracted by the producer organization and to the ICS personnel to the farm areas including plantations, processing facilities, drying, storage, houses, etc.
11.6 To make available to ICS inspector or the external auditor of the Certification Body the required documents, especially about the purchase and use of agricultural products; as well as those related to the activities carried out in the farm, harvesting and selling of certified coffees.
11.7 To accept the sanctions, for non-compliance to the established rules or to the practices, standards and codes of the certification programs.
11.8 To use only agricultural products recommended by a technician who can approve their quality.
12. REQUIREMENTS FOR PRODUCERS FOR JOINING CERTIFICATION PROGRAMS.
12.1 The producers that want to be part of the Specialty Coffees program will have to observe the practices, standards and codes established for the UTZ CERTIFIED program.

13. TRANSITION PERIOD
13.1. This period will consist of six months before receiving the external audit of the certification body. During that time, the producer must demonstrate to the ICS the accomplishment of the norms, standards and codes established by each certification program.

14. TERMINATION OF PRODUCERS FROM THE PROGRAM
The causes for the termination of a producer are: voluntarily, whenever the producer requests it, and involuntary, when there is a serious non-compliance, according to ICS criteria.

15. DOCUMENT MANAGEMENT

15.1 Productive unit – farm level
In the productive unit of the organization it is necessary to keep a folder with the following documents:
15.1.1 Copy of the registration form of the different Certification projects and ICS Resolution
15.1.2 Registration and other documents required and suggested by the technicians or ICS inspectors, according to the practices of the certification programs.

15.2 Producer organization level
In the producer organization it is necessary to have a folder for each member with:
15.2.1 ICS Documents.
15.2.2 registration form to the project in which the producer belongs to and ICS resolution.
15.2.3 Producer information form.
15.2.4 Inspection report form.

15.3 Certified Groups
Certified groups that belong to the Coffee certification program must keep the following documents:
15.3.1 Location maps of the project, identifying the plots of all the producers associated to the project (country, District, Division, Location, Area/Village).
15.3.2 Organization list of the project, with the total of their coffee-cultivated area, and received and projected production.
15.3.3 Coffee deliveries of the registered productive unit to the producer organization.
15.3.4 Copies of receipts issued by the producer organization to the members when receiving the coffee from them.
15.3.5 List of producers that delivered coffee to generate a certain coffee lot.
15.3.6 Payment for the coffee to the members.
15.3.7 Coffee flow chart from the farm until up to its delivery to the producer organization.
15.3.8 Receipt issued by the warehouse to the producer organization.
15.3.9 Records of training activities, the topics discussed and the list of people in attendance.
15.3.10 Mailbox of suggestions and complaints.
15.3.11 Report of internal inspections and external audits.
16. REQUIREMENTS FOR INTERNAL INSPECTORS

The following is a description of the requirements for internal inspectors set forth by the ICS, which are part of the different positions and functions of the ICS.

16.1 The promoters and trainers cannot be Internal Auditors in the same productive units they visit.
16.2 The internal inspectors must demonstrate knowledge about coffee production and of the practices, standards and criteria of each certification program.
16.3 The internal inspectors can not audit farms when any of the following situations appear:
   The farm is located in their zone or village; the farm is property of their relatives or; the advisor has an economic interest to the farm (owner, adviser, etc.)
16.4 Internal inspectors cannot be members of the ICS management.

17. SANCTIONS FOR NON COMPLIANCE TO UTZ CERTIFIED PROGRAM.

This regulation is based upon the criteria of the UTZ CERTIFIED Code of Conduct and the ICS of the producer organization.

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<tr>
<th>CAUSE</th>
<th>SANCTION</th>
</tr>
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<tbody>
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<td>1. Documents presented to carry out product traceability are not enough.</td>
<td>Suspension until documents are complete.</td>
</tr>
<tr>
<td>2. The amount of coffee delivered to the producer organization is higher than projected.</td>
<td>Expulsion, if there is no technical justification, after verification.</td>
</tr>
<tr>
<td>3. There are no records either of the activities carried out or of agricultural products used.</td>
<td>The cause will be evaluated. According to the results, a suspension of up to a year can be imposed.</td>
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<tr>
<td>4. Not allowing the internal inspection or external audit or that from UTZ CERTIFIED personnel.</td>
<td>A letter of voluntary exit will be given to the producer or is expelled from the project.</td>
</tr>
<tr>
<td>5. Not taking corrective actions resulting from inspections.</td>
<td>Suspensions until the corrections are carried out and verified by an internal inspector.</td>
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<tr>
<td>6. Not registering the crop protection treatments during the propagation period.</td>
<td>Suspension for one year.</td>
</tr>
<tr>
<td>7. Not informing in writing to the technician about the use of genetically modified plants.</td>
<td>Definite dismissal from the project.</td>
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<tr>
<td>8. To establish new coffee plantations in recently deforested areas without the corresponding institutional permission.</td>
<td>Suspension until an area equal to the deforested one is reforested with the same trees species. In case of primary forest deforestation, definite dismissal from the project.</td>
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<tr>
<td>CAUSE</td>
<td>SANCTION</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
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</tr>
<tr>
<td>9 Lack of records for every plot or seedbed, with their respective label.</td>
<td>Suspension until the corresponding records are generated.</td>
</tr>
<tr>
<td>10 The activities carried out and agricultural inputs used are not registered.</td>
<td>Suspension until the fault is corrected.</td>
</tr>
<tr>
<td>11 There is no fertilizer inventory or it is not updated.</td>
<td>Suspension until the mentioned inventory is created or updated.</td>
</tr>
<tr>
<td>12 The fertilizer is stored together with the crop protection products, in open areas, in dirty and humid places, where it contaminates the water sources, close to coffee or other foodstuff or without labels in the areas of storage.</td>
<td>Suspension until all these faults are corrected.</td>
</tr>
<tr>
<td>13 Organic waste is not stored appropriately and it is contaminating the environment.</td>
<td>Suspension until it is correctly stored.</td>
</tr>
<tr>
<td>14 Human waste is used on the farm.</td>
<td>Suspension until the fault is corrected.</td>
</tr>
<tr>
<td>15 The crop protection products used are not justified in writing, specifying the objective and the intervention threshold and other alternatives for pest management have not been considered.</td>
<td>If the product was recommended by a technician, stop application in writing, with a copy to the certifying entity and if it was used by decision of the farmer, suspension during one year.</td>
</tr>
<tr>
<td>16 There are no clear instructions indicating that fertilizers or crop protection products must not be applied to less than 5 meters away from water sources.</td>
<td>Suspension until the fault is corrected.</td>
</tr>
<tr>
<td>17 The technician recommends crop protection products that are not officially registered in the country, or are forbidden in the European Union, United States or Japan.</td>
<td>Stop application in writing to the technician, with a copy to the Certification Body and UTZ CERTIFIED.</td>
</tr>
<tr>
<td>18 Application of banned chemical products not allowed in the coffee crop, without technical recommendation.</td>
<td>Expulsion.</td>
</tr>
<tr>
<td>19 The producer does not have the right equipment to exactly measure the agrochemical products.</td>
<td>Suspension until the right equipment is acquired obtaining the adequate equipment.</td>
</tr>
<tr>
<td>20 The inventory of agrochemical products is not updated; they are not stored in their original containers; the powders are not stored above the liquids, the door key is not in a secure place and the absorbent material for liquids spill is out of reach.</td>
<td>Suspension until the control point is met.</td>
</tr>
<tr>
<td>21 The disposal of the expired products is not documented.</td>
<td>Verbal warning.</td>
</tr>
<tr>
<td>22 Transport regulations are not met, and cleanliness of equipment is not observed for coffee harvesting, processing and transportation.</td>
<td>Suspension for 6 months.</td>
</tr>
<tr>
<td>CAUSE</td>
<td>SANCTION</td>
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<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>23 The measurement equipment is not calibrated.</td>
<td>Suspension until the calibration is performed.</td>
</tr>
<tr>
<td>24 There is an evident wastage of water or water is not treated before its disposal into the water currents.</td>
<td>Give warning and a specific period of time is given to solve the problem.</td>
</tr>
<tr>
<td>25 Contact of coffee with sources of fungi contamination is not minimized.</td>
<td>Suspension until the corrective measures are implemented.</td>
</tr>
<tr>
<td>26 Facilities and the post harvest equipment and its surroundings are not kept clean.</td>
<td>Suspension until this point is met.</td>
</tr>
<tr>
<td>27 Coffee by-products are not recycled.</td>
<td>Suspension until this point is met.</td>
</tr>
<tr>
<td>28 Producers do not arrange for the internal and/or external inspections.</td>
<td>Issue warning in writing.</td>
</tr>
<tr>
<td>29 Declining to provide the information required by the internal and external inspectors.</td>
<td>Issue warning in writing.</td>
</tr>
<tr>
<td>30 Coffee is not commercialized through the organization or the producer organization.</td>
<td>Suspension for 1 year.</td>
</tr>
</tbody>
</table>

17.2 The coffee producer will be able to appeal against any of these sanctions before the ICS management and will have a period of 15 days from the date of sanction notification to file the appeal.

ICS management Committee (ICCC)
Cooperative of Coffee Growers of Anserma
Mr/Mrs.  

I ____________________________ as a producer and member, identified with citizenship card No._________________, issued in ___________________

1. Request the inclusion of my name in the group of coffee producers that follows the ______________ and procedures of UTZ CERTIFIED Code of Conduct. For that purpose I declare that:

   • I know the obligations and requirements for the accomplishment of UTZ CERTIFIED Code of Conduct and Chain of Custody
   • I am the owner of the farm(s) _______________________________ located in _______________ with a total area of ___________ Hectare and with ___________ Hectare planted with coffee

2. Average coffee production of the last three years
   • Cherry coffee: ________ kg
   • Parchment coffee: ____________ kg
   • Green coffee: ______________ kg

   Please avoid filling the last two items if you do not know the information.

3. Obligations and training. I promise to accomplish the following points:
   • To accomplish the organization and Internal Control administration regulations,
   • To keep the required records for the fulfillment of UTZ CERTIFIED Code of Conduct
   • To attend training sessions and activities for the benefit and fulfillment of guidelines to guarantee coffee traceability and safety and also the adequate implementation of UTZ CERTIFIED Code of Conduct, according to my production conditions of the organization.

4. Admission request information
   Place and date_________________________________
   Signature or fingerprint__________________________

APPROVAL OF REGISTRATION

Approved: ______________
Not approved: ________________________________________________________________________________________
____________________________________________________________________________________________________
Assigned Producer Code :______________ if the producer was accepted in the certification process.
Date and place of approval_____________________________________________
Name of designation of authorized person :______________________________
Signature: ___________________________________________
AGREEMENT BETWEEN:       Represented by:
AND THE PRODUCER
ADDRESS:  .............................................................................................................................
FARM OR PLOT NUMBER: ...........................................................................................................

Signing this agreement becomes an obligation between the parties, for the fulfillment of management conditions of UTZ CERTIFIED program, and states the acceptance of the following commitments:

1 COMMITMENTS OF THE ORGANIZATION
To administer the Internal Control System (ICS) and keep its adequate operation to gain access to and to maintain the UTZ CERTIFIED certification.
To organize a training program in coordination with institutions of support in the coffee sector.
To promote the use of Good Agricultural Practices and the Environmental and Social responsibility of the UTZ CERTIFIED program.
To manage the processes of collecting, quality control, coffee processing and selling, applying the regulations of the UTZ CERTIFIED Code of Conduct and the regulations of the Chain of Custody.
To handle the group information with confidentiality, honesty and transparent criteria.
To define the Certification Body that will perform the external examination and to control all the aspects derived from the service.

2 COMMITMENTS OF THE COFFEE PRODUCER
To know the regulations of the Group of producers and the ICS
To meet the criteria with the UTZ CERTIFIED Code of Conduct regarding the production and management of its productive unit.
To apply the technical recommendations issued by the ICS.
   To give correct and updated information to the internal and external inspectors, and also to authorize their entrance to the production unit.
To attend the training sessions scheduled by the ICS.
   To accept and comply with the sanctions derived from the internal regulation and other ICS requirements.
To report about any variation or change in the production conditions of the farm.

3 TERM OF THE AGREEMENT
The present agreement has an indefinite duration and can be considered invalid by the non-compliance of the commitments by any of the parties, by voluntary resignation of the producer or by termination of the ICS, with the adequate communication to the other interested parties.

In witness of_________________ this document is signed in (place)__________________________, on ______________.

__________________________________________  __________________________________________
REPRESENTATIVE OF THE ORGANIZATION    COFFEE PRODUCER
REPORT OF THE INTERNAL INSPECTION

DATE
INTERNAL INSPECTORS
ANNEXES
REMARKS

CORRECTIVE AND PREVENTIVE ACTIONS

DATE

FOLLOW UP CORRECTIVE AND PREVENTIVE ACTIONS

DATE

INTERNATIONAL INSPECTOR COFFEE PRODUCER
Date: _____________________________   Area/Village: _______________________________

1. GENERAL INFORMATION

Producer Name: ___________________________    Identity Card: __________ From:________________
Village_______________________  Farm ________________________  Code  __________________
Total Area   ___________Hectares.      Area in Coffee    _________ Hectares.  Production Kg green coff ee
_______________ Harvest distribution: ______% and _______%.              Coff ee ID: Yes _________   No __________

COFFEE CERTIFIED PROGRAM
Organic        UTZ CERTIFIED    Other: ______
Rain Forest    Fair Trade

2. FAMILY COMPONENT

<table>
<thead>
<tr>
<th>Name</th>
<th>Relationship*</th>
<th>Age</th>
<th>Gender</th>
<th>Does he/she work on the farm?</th>
<th>Does he/she have social security?</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

* Relationship: 1 – Husband/Wife ; 2 – Son/Daughter ; 3 – Grandson/Granddaughter ; 4. Other

Do you hire permanent workers for the farm?       Yes _____ No_____        How many?   ___________
Do they have social security?      Yes _____ No_____
Do you hire workers in the harvest season?   Yes _____ No_____   How many? ___________
Number of coffee trees ____________

3. DETAILED DESCRIPTION OF HOW ARRIVE TO THE FARM

Indicate visible points in order to locate the farm; cross way, neighbors’ houses, village school, rivers, ravines and others. If it is located on the side of a road way, or ways, mention the kilometers from a marked point nearby. Example: square, nearby school.

4. SKETCH OF THE FARM

Locate the farm in relation to the cardinal points (North - South), slope, facilities, (Housing, coffee processing, stable), crops, roads, rivers, farm limits, adjacent, forests, pasture ground, natural drainages, etc.

Farm Limit
Plot Limit
Road ways
Housing
Constructions
Ravine
Pond
Native Vegetation
Recycling Site
Pulp processing
5. AGRICULTURAL PRACTICES

Do you fertilize coffee plantations? Yes______ No______  What do you use? __________________________
What chemical product did you use recently? __________________________ Date: ______________________
Do you perform soil analysis? Yes_____ No______ Date: ________________ Deficiencies _________________
Does the farm have a warehouse for chemical and biological products? Yes______ No______
Do you have an inventory? Yes_____ No______
Do you make coffee seedbeds? Yes______ No______ Do you disinfect substratum Yes_____ No______
Do you grow coffee plantlets? Yes______ No______ Bag Size __________________________
Substrate used: ___________________________________________________________
Do you use soil conservation practices? Yes_____ No______ Which one? ______________________________
Do you use plant covers? Yes_____ No______ How? ________________________________
Do you prepare terrain? Yes_____ No______ How? ________________________________
Do you control weeds? Yes_____ No______ How? ________________________________
Do you control pests and diseases? Yes_____ No______ How? ________________________________
Have you renovated your coffee plantation? Yes_____ No______ Date of renovation: _______________
Renovated area ________________________________

6. COFFEE PROCESSING, DRYING AND STORAGE

<table>
<thead>
<tr>
<th>EQUIPMENT</th>
<th>TYPE</th>
<th>CONDITION</th>
<th>CLEANLINESS</th>
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<td>GOOD</td>
<td>MEDIUM</td>
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<td></td>
<td></td>
<td>GOOD</td>
<td>MEDIUM</td>
</tr>
</tbody>
</table>

7. ENVIRONMENTAL PRACTICES

Do you depulp with water? Yes______ No______  What do you do with coffee pulp? __________________________
For how long do you ferment coffee? __________________________ hours: __________________________
What is the source of water for processing?
Where are waste-water and the mucilage discharged?
Do you use fences and live barriers? Yes______ No______ Which type?
Do you protect water sources? Yes_____ No______ How?
Do you have shade trees? Yes_____ No______ Which species?
Is garbage recycled? Yes_____ No______ How?
Do you have a forest protection area? Yes_____ No______ Ha?
What do you use for cooking? Firewood ____  Gas Stove ____  Petroleum ____  Gas ____ Electricity ____
With what frequency do you cut trees for firewood? ________________________________
8. COFFEE COMMERCIALIZATION

Do you store coffee? Yes_______ No_______ For how long do you store it?________________________

Where? _______________________________

How do you sell coffee?
Dry: ________ Cherry: _____ Depulped (humid) ________ Why? ________________________________

Who do you sell coffee to?
Cooperative ___________ Private ___________ Both _____________ Other ______________

I hereby confirm that the above mentioned information is true.

__________________________________________  ________________________________
Place and date                              Farmer signature and ID

ICS Official name                           ICS Official signature
INTRODUCTION
The technical Department of the producer organization, has the objective of fulfilling the field work within a sustainable agriculture framework.

The proposed annual work plan, will allow the continuity in the sustainable production process, which is structured in accordance with the requirements of the UTZ CERTIFIED Code of Conduct. It requires that coffee growers keep records which are updated and available in order to demonstrate that all production activities meet the requirements.

The people responsible for implementation of the production plan are:
1. Technicians from the Technical Department
2. Producers of Responsible Coffee.

1. BASIC RECOMMENDATIONS ON PLANTING MATERIAL AND NURSERIES
1.1 Seed selection: The objective of this task is to obtain guaranteed seeds and ensure that the farmer knows the importance of the management of seed producing plants. The farmers will harvest 1 kg of seed from selected mother plants, with characteristics of resistance to pests and diseases, abundant production and good foliage. It is advisable to obtain seeds of the best coffee variety.
1.2 Seed quality: The harvested seeds must be processed and dried carefully. Germination tests of seeds must be carried out. The seed will be planted in the seedbed one week after its harvest in order to take advantage of the period of highest germination rate.
1.3 Pest and diseases resistance/tolerance: the farmer has to know the pest and disease resistance or tolerance and susceptibility level that the cultivated varieties offer and select seeds from the best plants.
1.4 Nurseries: The seeds will be sown directly in a bed at a spacing of 10 x 10 cm, one seed per hole, in order to guarantee a good formation of roots. A good substratum of 30% of compost and humus will be utilized.

2. RECOMMENDATIONS FOR COMPOST FERTILIZERS
According to climatic conditions, the composting places will be built on soil surface with local materials, such as stone and mud, or wood with roof of calamine or straw, with a height of at least 1.70 m.

2.1 Construction of pits or boxes to gather material for composting. It is necessary to build pits, for each one of the materials to use: manure, ash, kitchen wastes, and coffee pulp. The collection of materials can take between two or three months. The recommendation is to build two pits measuring 4m by 1.5m by 1m to facilitate easy and efficient turning of the compost.

2.2 Vermiculture. With the purpose of improving compost quality, all the farmers that belong to the group of producers of sustainable coffee may have to install modules for vermiculture, that must be built with local materials (wood, adobe or cement), having a calamine roof of 1.70 m height. Characteristics of the two pits to be built are: Length: 4.00 m or more; Width: 1.00 m; Height: 0.40 m.
3. BASIC PLANTING RECOMMENDATIONS

3.1 Digging of holes and/or planting. Holes must be dug considering the gradient and contour lines; the spacing will depend on the topographic conditions of the area (slope and depth). They can be of 1.50 m X 1.50 m; 2.0 m X 2.0 m; 2.50 m X 2.50 m; 2.74 m or 2.74 m or 2.50 m X 3.00 m.

The planting system will be one plant per whole along the terraces.

The planting system will be one plant per whole along the terraces.

The dimensions of the hole will be 25 x 25 cm to 60 x 60 cm, depending on soil conditions. Compost and humus will be used as substratum, according to the availability to each farmer.

4. SOIL CONSERVATION

To ensure sustainable production, farmers will have to adopt good soil conservation techniques that lower soil erosion such as:

4.1 Construction of terraces. The construction of terraces will be done using local materials such as stones, grass strips, trash lines, bench terraces etc. The spacing between terraces will be from 6 to 8 m depending on the slope.

4.2 Installation of live barriers. Every farmer will continue with the practice of the use of live barriers of appropriate shrubs like *Leucaena* and *real pineapple*. The distance between barriers will be from 6 to 8 m depending on the slope.

4.3 Installation of organic barriers. The leftovers from pruning will be used as material for this work. They will be installed in areas with slopes lower than 30% and the distance between barriers will be variable, between 8 to 12 m.

4.4 Weeding. The weeding within the established coffee plantations and new plantations will be carried out by means of a minimal tillage along the terraces.

4.5 Use of cover crops. Suitable varieties of plants are used as cover crops.

**OTHER PRACTICES AND TECHNICAL RECOMMENDATIONS ….. CONTINUED**

<table>
<thead>
<tr>
<th>ACTIVIDAD</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sept</th>
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<tbody>
<tr>
<td>Seed Germination</td>
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<td>Seedbeds</td>
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<td>Control of coffee berry borer</td>
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<td>Shade Regulation</td>
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Preparation plan date: ________________________________

**REPRESENTATIVE OF THE ORGANIZATION**

**TECHNICAL ASSISTANT**

**COFFEE PRODUCER**
1. SCOPE
This Manual will be used to define the operation parameters of the Internal Control System (ICS) that will apply to coffee farms belonging to a GROUP of responsible coffee producers under the UTZ CERTIFIED requirements established in the Code of Conduct and in the Chain of Custody.

2. INTRODUCTION
The Internal Control System is a documented system that assures the fulfillment of the Code of Conduct and the Chain of Custody in group production. The ICS helps to organize the groups in order to plan and execute the required measures to prepare the group for the external audit of the Certification Body.

3. COMPONENTS OF THE INTERNAL CONTROL SYSTEM
For the normal functioning of the ICS, it is necessary to take into account the following elements as part of the Internal Control:

3.1 Admission Request of the Producer to the Group
It consists of an agreement form, in which the interested coffee grower states his desire to belong to the group and whereby he voluntarily accepts to commit himself with the fulfillment of all the standards for the production of UTZ CERTIFIED coffee. Also, he adheres to the internal rules of the group, agrees to allow internal inspection and to comply with the sanctions if necessary.

3.2 Producer information form per Producer
This form is completed once the coffee grower is accepted into the group. It contains basic information such as:
- Name of the producer.
- Identification number.
- Village
- Area planted with coffee.
- Annual production.
- Family composition.
- Map with farm location (access roads).
- Date of entrance to the program.
- General remarks.

3.3 Updated List of registered and sanctioned Coffee Growers
It is a record where the information of every coffee grower is systematically organized. The information is obtained from the producer information form in order to know the total number of coffee growers that belong to the program, the area of cultivated coffee, the approximate production, the location by village, etc. It is also important to have a list of sanctioned or dismissed coffee growers for control purposes in the external audit, as well as the report of the Internal Control System Management Committee explaining the reason for the sanction.

3.4 Organization Chart of the ICS
This is a graphic representation of the positions existing within the ICS that helps to identify the levels of the positions, the authority lines and responsibility, and the communication channels. It must include an updated list
with the names of the persons that hold the positions within the ICS and their functions.

3.5 Adapted check list.
It is possible to use the checklist suggested by UTZ CERTIFIED or an adaptation for the organization with the control points that apply to its situation. The adapted checklist will be used to undertake annual self inspections.

3.6 Training and Consultancy Program
The Persons in charge of the ICS must at least every year review the certification requirements of UTZ CERTIFIED, in addition to the procedures of Certification Bodies and the changes in the Internal Control System.

It is also required to plan the organization aspects as well as the consultancies schedule and training that must be given to the coffee growers of the group and other persons interested in the project, in order to guarantee the good fulfillment of the UTZ CERTIFIED rules.

3.7 Production Plan
The coffee production process is made up of different stages or steps that are needed to achieve, a product of good quality, respecting the environment with an integral use of the available resources. This process comprises a series of activities that are established by means of observation and analysis of the conditions under which the activity is performed and that later are complemented with the follow up and monitoring. In the case of coffee, it is very important to completely describe the way in which the different plans (fertilization, soil management, pest management, harvesting) are carried out at different stages of the culture.

3.8 Documentation Management
It is necessary that the ICS collects all the evidences required to help the process of improvement and to prove to the Certification Body the follow up is made to verify the fulfillment of the Code of Conduct and the Chain of Custody. Such evidences include records, documents, photos, surveys, etc, that give satisfaction about the real execution of the programmed events and activities in the farm and by the group of coffee growers.

3.9 Production criteria
Set of rules that make up the UTZ CERTIFIED regulations which are the Code of Conduct and the Chain of Custody. It is also required to take into account the Certification Protocol and the Requirements for the Use of the UTZ CERTIFIED Good Inside logo.

3.10 Internal Control Regulation
This document contains the rules of obligatory fulfillment that are established for normal and group effective group operations that every coffee grower commits to comply with. The requirements that make up the Regulations are a basic element for the inspections programmed by the ICS. Their non compliance result in sanctions.
4. MANAGEMENT OF THE CHAIN OF CUSTODY FOR UTZ CERTIFIED COFFEE

One of the main criteria taken into account, and perhaps one of the most important for the consumers of responsible certified coffee is the traceability of the certified product. This process allows one to know at any moment all the different aspects related to the production of certified coffee.

Within this context, the traceability of the coffee means that the end product served to the client is the same coffee compliant with the standards, norms and criteria of UTZ CERTIFIED coffee. The Chain of Custody will be administered by the ICS in association with the Quality Office of the producer organization. It will serve the internal control of the program and trace parchment coffee from its origin at the farm, going through the reception of certified coffee, its separated storage and milling, until the packaged product is obtained. It will also monitor the quality and quantity of parchment coffee delivered to the agencies according to the agreed projection of production.

The Quality Office will have to implement action plans for every farm when coffee rejections emerge due to quality reasons. In this case, the producer must implement the corrective actions to fulfill the ICS guidelines of the program. Sanctions for non-compliance will be issued by the ICS.

4.1 GENERAL OBJECTIVE
To implement and to start the Chain of Custody for certified coffee under the program.

4.2 SPECIFIC OBJECTIVES
4.2.1 To assure that every farm linked to the program has an Internal Control System that guarantees its fulfillment, before the Certification Body, of the Chain of Custody. In this way UTZ CERTIFIED coffee is managed from the farm to the producer organization.
4.2.2 To have a reliable forecast of production for each quarter (kg Green coffee) that corresponds with the historic information of the production record.
4.2.3 To have a separated place for certified coffee on each farm, if necessary. This place must meet the requirements for the good storage of coffee at the producer organization.
4.2.4 To classify by farm, at the moment of delivery to the producer organization, the coffee that meets the quality standards stated by the client.
4.2.5 To carry out plans for quality improvement to the farms.
4.2.6 To monitor regularly the internal control system of the chain of custody, the quantity and quality of coffee delivered to the producer organization by farm; and to notify in writing to the internal control system management if any inconsistencies in previously mentioned aspects are found.

4.3 METHODOLOGY
4.3.1 Each farm linked to the program will be ruled by the ICS model of the Chain of Custody, described in the present document and which will be adapted to the needs, requirements and restrictions of every productive unit.

4.3.2 Production Forecast of Parchment coffee.
Based on the record and forecast system that every farm uses, the production forecast and quantity per year must be submitted in writing, with the signature of the person responsible for the administration system. This will serve as a basis for ensuring the traceability system and to serve as information for the commercial management of coffee.
4.3.3 Storage Conditions.
Good coffee storage conditions include:

- Coffee must be stored separately in its different stages.
- Rejected coffee must be stored separately from the approved coffee and must be clearly identified.
- The storage place must not have water leaks, be free of condensation and with good ventilation.
- Clean and dry bags must be used for packaging.
- Coffee packaged in bags should be placed on pallets and not get into contact with the floor or the walls.
- Temperature of 25 °C maximum and Relative Moisture of 60 % maximum should be maintained. (Code of Conduct Point 9. C.2).
- Coffee must be separated from propagation materials, fertilizers, food and from any packaging material.

4.3.4 Identification of packaged coffee
The bags should be tagged with the following information
- Producer name.
- Producer code.
- Production period (year).
- Certification Program.
- Gross/net weight.

4.3.4.1 Quality Parameters for collection of UTZ CERTIFIED parchment coffee:
Coffee berry borer: Maximum: 4 %, real coffee berry borer without compensation.
Pasilla of hands: up to 1 %.
Moisture: Homogeneous between 10 and 12 %.
Parchment coffee with typical smell and color.
Cup: without defects.

4.4 PLANS FOR QUALITY IMPROVEMENT
Every farm within the quality administration system will have to control the handling of certified coffee. This handling will be performed through the correct processing of coffee, separating at all stages the certified coffee.

Whenever coffee is delivered to the producer organization and the quality analysis is carried out for its classification and collection, a response letter will be sent to the producer with improvement or follow up recommendations. The recommendations will have to be observed by the administration of the productive unit.

4.5 MONITORING
The Internal Control of the program must supervise that every productive unit complies with a control system in all the points of the Chain of Custody, identifying the person responsible for each stage of the processes (harvest, post-harvest, storage, transportation).

5. CLAIMS

5.1 CLAIMS RECEPTION
The claims about products and the certification program will be received at the office of the producer organization, through their mail address, e mail or telephone.
The producer organization has a set form for claims record. However, if other means are used to send the claim, the person that receives the claim must complete the form to follow the procedures and in order to solve the complaint.

5.2 CLAIMS MANAGEMENT
The manager of the ICS is responsible for the processing and responding to the received claims.

Within 8 working days, a written response must be delivered to the person who made the claim. It is necessary to verify that the response has been received on time.

In order to address the claims in a timely way, it is necessary to have the support and advice of other responsible persons of the organization.

5.3 INFORMATION MANAGEMENT
The producer organization and the ICS guarantee an absolute confidentiality of the complaints received. It is necessary to have adequate file management of the claims.
COMPLAINTS FORM
CODE OF DOCUMENT ICS 10

CLIENT

DATE

COMPLAINT (PRODUCT OR UTZ CERTIFIED STANDARDS)

COMPLAINANT SIGNATURE

SIGNATURE OF THE PERSON RECEIVING THE COMPLAINT

POSSIBLE CAUSE OF THE COMPLAINT

CORRECTIVE ACTION IMPLEMENTED

DATE

PERSON IN CHARGE

FOLLOW UP OF THE CORRECTIVE ACTION IMPLEMENTED

DATE

PERSON IN CHARGE
Dear user,

Through facilitation of the implementation of the certification program UTZ CERTIFIED – Good Inside, we recognize the need for farmers for a broader and more practical support towards sustainable and professional farming and processing. Our team dedicated SOLIDARIDAD - Coffee Support Network / UTZ CERTIFIED representatives combined with about 400 Trained Agronomists from different organizations all have experience at the local level with practical solutions for challenges that many coffee farmers around the world are currently facing.

The guide at hand ‘Establishing an Internal Control System’ is one of many documents that not only supports farmers in reaching compliance with the UTZ CERTIFIED Code of Conduct but also is a practical tool to improve the management practices within the agricultural production system. Improved management practices both in the actual farming practices but also in producer group management are key for sustainable production and continuous improvement – the goals of the UTZ CERTIFIED program which are also supported by our Code and certification system. Another example of a support tool is the UTZ CERTIFIED Good Agricultural Practices (GAP) guide which, like this document, is available on the UTZ CERTIFIED homepage (www.utzcertified.org).

These Tools are living documents and audio/visual material that are constantly updated and improved according to the practical implementation and experience of the users. The goal is to have a centralized source of practical knowledge which is locally applicable and easy accessible. We hope that with these tools and the linked SOLIDARIDAD - Coffee Support Network we can seriously contribute to improving your coffee production and related business.

On behalf of the UTZ CERTIFIED network,

Britta Wyss Bisang
CERTIFICATION MANAGER
UTZ CERTIFIED

www.utzcertified.org
www.solidaridad.nl