

NZGAP SCHEME RULES

CONTENTS

<i>Section</i>	<i>Title</i>	<i>Page</i>
1.0.	Introduction	3
2.0.	Scope	4
3.0	Relevant Documents and Document Control	5
3.1	Relevant Documents	5
3.2	Document Control	5
4.0	Growers Right and Responsibilities	6
5.0	Grower Certification Options (Schemes)	7
5.1	Introduction	7
5.2	Schemes Available	7
5.2a	Scheme A: Individual Business Certification - Central Management	7
5.2b	Scheme B: Individual Business Certification - Multiple Managers	7
5.2c	Scheme C: Group Certification - Multiple Businesses Covered By One Certificate	8
5.3	Production Areas	8
6.0	Requirements to Gain Certification	9
6.1	General	9
6.2	Requirements to Gain Certification Under Scheme A	10
6.3	Requirements to Gain Certification Under Scheme B and Scheme C	10
7.0	Annual Inspection and Auditing Requirements (Internal and External)	11
7.1	Scheme A	11
7.1.a	Self Assessment	11
7.1b	Grower Inspection by Certification Body	12
7.2	Scheme B and Scheme C	12
7.2a	Internal Grower/Site Inspection	12
7.2b	Internal Quality Management System audit	12
7.2.c	External Audits by Certification Body	12
7.2.c.i	Quality Management System	12

CONTENTS

<i>Section</i>	<i>Title</i>	<i>Page</i>
7.2.c.ii	Grower/Site Inspections	13
7.2.c.iii	Number of Production Areas To Be Inspected by CB For Schemes B & C	13
7.3	Unannounced Inspections/Audits	14
7.4	Inspection Timing	14
7.4a	First Inspections	14
7.4.b	Timing of Subsequent Inspections	15
8.0	Non-Compliance	16
8.1	Scheme A	16
8.1a	Non-Compliance	16
8.1b	Suspension	16
8.1c	Cancellation	16
8.2	Scheme B and Scheme C	17
8.3	Contractual Obligations	17
8.4	CB Timeframes once Non-Conformances Resolved	17
9	Certificates	18
Appendix 1		19
Appendix 2		21
Appendix 3		22
Appendix 4		23
Appendix 5		24

1.0 INTRODUCTION

1.0 INTRODUCTION

New Zealand GAP (NZGAP) GlobalG.A.P. equivalent Scheme is a certification scheme which defines and endorses Good Agricultural Practices for the New Zealand Horticulture Industry. Members of the NZGAP programme can demonstrate that they understand and meet the expectations of consumers for the production, packing and distribution of New Zealand grown produce.

- NZGAP is a voluntary programme that is owned and managed by New Zealand Growers.
- NZGAP enables growers to demonstrate that they meet the expectations consumers both in NZ and around the world.
- NZGAP certifies crops to the GLOBALGAP standard
- NZGAP certifies food safety practices
- Members of the programme are able to demonstrate a commitment to social and environmental responsibility.

2.0 SCOPE

This document describes the requirements for certification to the New Zealand GAP (GLOBALGAP Equivalent) Scheme the procedures governing this programme, the duties of the appointed, Certification Bodies and the programme manager. Also, the grower rights and responsibilities within the programme.

Participation in the NZGAP GLOBALGAP Equivalent Scheme is open to any business which operates within the New Zealand Horticulture Industry and produces the crops listed as eligible for certification on the GLOBALGAP website.

Growers can only receive certification for product that is produced by them. Harvesting must be included in the certification scope unless produce is sold before harvest.

Growers that have been successfully certified to the NZGAP GLOBALGAP Equivalent Scheme are recognised as “Approved Suppliers.”

3.0 RELEVANT DOCUMENTS AND DOCUMENT CONTROL

3.1 Relevant Documents

The following are the relevant documents for NZGAP

NZGAP Manual – Oct 2012 Version 5.0

NZGAP Checklist – Oct 2012 Version 5.0

NZGAP Scheme Rules – Oct 2012 Version 1.0

GLOBALG.A. P. General Regulations Part II - Version 4.0 Edition 4.0-1_Feb 2012

3.2 Document Control

Documents are identified with date and version number in the document footer. A change in the version number eg: 5.0 to 6.0 indicates a new version of the NZGAP standard ie: changes in requirements. A change in other digits eg: 5.0 to 5.1 indicates a minor update with no changes in requirements.

With the exception of GLOBALG.A.P General Regulations Part II, all current documents are on the NZGAP website (www.newzealandgap.co.nz) and are available for growers to download. Members and CB's have access via login. Growers are notified in writing if there are changes to these documents including date of implementation. The GLOBALG.A.P General Regulations Part II are available on the GLOBALG.A.P. (www.globalgap.org) website.

Paper copies of all current documents are available to growers on request. All printed copies are uncontrolled documents.

4.0 GROWERS RIGHTS AND RESPONSIBILITIES

See Appendix 1 – Growers Right and Responsibilities

5.0 GROWER CERTIFICATION OPTIONS (SCHEMES)

5.1 Introduction

Growers can apply for certification under 3 options (referred to as schemes) to suit the structure and management of the business. When determining the most appropriate scheme the following apply

- **Only one certificate is allowed per legal entity (ie: grower/company/business).**
- Growers applying for certification must own all product that is produced on the land **AND** be responsible for all activities that take place in relation to that crop.
- For land not owned by the grower eg: lease or management arrangements, signed contractual agreements must be in place that confirms ownership of the crop.

5.2 Schemes Available

Descriptions of the 3 schemes available for certification are detailed below. In addition there is a flowchart in Appendix 2 that will assist growers in determining the most relevant scheme.

5.2a Scheme A: Individual Business Certification - Central Management

Scheme A: Covers businesses that are a single legal entity and have centrally managed production practices with either single or multiple 1 blocks.

Example One: Owner/operator of a single block. Owner/manager is responsible for all decision making and production tasks for the block.

Example Two: Owner/operator of multiple blocks. Owner/manager is responsible for all decision making and production activities for all blocks.

Example Three: Family owned business with multiple blocks where the blocks are managed collectively. Decisions on production activities are made and actioned collectively and/or individuals have specific activity areas of responsibility across all properties.

The criteria for Scheme A are as follows

- Must be a single legal entity ie: grower. The certificate will belong to the legal entity that applies.
- For land that is not owned by the grower eg: lease or management arrangements, signed contractual agreements must be in place that confirms ownership of the crop.
- Grower is responsible for all activities that take place on the block/s they own and/or lease.
- All activities are centrally managed by an individual or management team.
- Where any production tasks are not carried out by the manager (or member of the management team) then staff are working under instruction and are not making decisions.

¹ Block – Clearly identified plantings managed as a single unit that may comprise of one or more varieties and has a unique identifier for records and traceability.

N.B. Where a Grower has a large number of blocks, (e.g. 50 plus) they may wish to implement a Quality Management System (QMS) as part of their Scheme A certification. The suitability and requirements of this option should be discussed with the NZGAP Programme Manager or CB.

5.2b Scheme B: Individual Business Certification - Multiple Managers

Scheme B covers businesses that are a single legal entity and will usually have multiple blocks and more than one manager.

Example: Large and/or corporate growers that have more than one manager, on different blocks who operate and make decisions (relatively) independently.

The criteria for Scheme B are as follows;

- Must be a single legal entity ie: grower. The certificate will belong to the legal entity that applies.
- For land that is not owned by the grower eg: lease or management arrangements, signed contractual agreements must be in place that confirms ownership of the crop.
- Grower is responsible for all activities that take place on the block/s they own and/or lease.
- Activities not all centrally managed ie: decisions not made centrally.

5.2c Scheme C: Group Certification - Multiple Businesses Covered By One Certificate

Scheme C allows for more than one business to apply for certification under the same certificate. The businesses applying for Group Certification must be arranged as a single legal entity.

Example One: A packhouse gaining certification of behalf of its supplying growers.

Example Two: An industry group gaining certification on behalf of its members.

The criteria for Scheme 3 are as follows;

- The organization applying for certification must be a single legal entity and represent a group of growers. Within that legal entity each grower is responsible for their own production location/s.
- The legal entity applying will be the owner of the certificate.
- There must be contractual agreements with all members of the group the legal entity is representing.
- Growers can only sell certified products through the Group. If they wish to sell product outside the Group then the product will no longer be certified.

5.3 Production Areas

Blocks can be grouped into 2²'Production Areas'. Grouping blocks into production areas will allow similar blocks to be grouped with the potential benefit of minimizing the number of external audits carried out by the CB. Refer to Appendix Three - Guidance on Parallel Production and Defining Production Areas for more information and guidance on grouping blocks into production areas.

² Production Area - Blocks that are grouped together for inspection purposes with a view to minimising the number of site inspections required by Certification Bodies. These groupings are determined by the grower following guidelines in Appendix Three.

6.0 REQUIREMENTS TO GAIN CERTIFICATION

6.1 General

Once the scheme that is relevant to the grower has been determined there are inspection and auditing requirements specific to each scheme. These are summarized in the table below. Additional explanations of these requirements are provided in other sections.

Annual Inspection and Auditing Requirements (Internal and External)					
Responsibility	Action	Refer Section	Scheme		
			A	B	C
Grower	Self Assessment	7.1a	✓	x	x
Internal Auditor for Group Certification	Grower/Production Area Inspections	7.2a	Not required	✓ (All sites)	✓ (All growers)
	Quality Management System Audit	7.2b	Not required	✓	✓
Certification Body	Quality Management System Audit	7.2.c.i	Not required	✓	✓
	Grower/Production Area Inspections	7.1b (Scheme A) 7.2.c.ii (Scheme B&C)	✓	✓	✓
	Unannounced Inspections	7.3	10% of certified growers	Not required	Not required
	Unannounced Audits	7.3	Not required	10% of certified Quality Management Systems (growers not inspected)	

6.2 Requirements to Gain Certification Under Scheme A

Questions to achieve and maintain certification are categorized into 3 levels. These are Criticals, Majors and Recommendations. The following are the requirements an individual grower must meet during any internal or external inspection in order to gain and maintain certification under Scheme A

- 100% of the Criticals and 95% of the applicable Majors (refer Table below)
- There are no minimum requirements for recommendations, however all recommendation assessment points will be audited.

Assessment points that are not relevant to the grower will be noted as 'Not applicable' during an audit. For some questions "not-applicable" is **NOT** allowed. (This is denoted by a greyed out area in the checklist). These questions must be answered by all growers.

Number of 'Not Applicable' Majors Found During Audit	Maximum Number of Majors 'Not Met' Allowed
0 to 13	1
13 or more	0

The grower is required to answer all of the questions in the NZGAP Checklist that apply to activities undertaken:

Scenario	Sections of the NZGAP checklist to be inspected
Growing with packing in the field	1 - 11
Growing with packing/storage sub-contracted off-farm	1 - 11
Growing with packing/storage on the farm	1 - 13
Packing/storage at facility with GFSI certification	13 inspected by a CB (only if postharvest treatments are applied)
Packing/ storage at facility without GFSI certification	12 – 13, inspected by a CB with all Minor points inspected as Major
Growing operations that include Greenhouses	1 – 11 and 14

6.3 Requirements to Gain Certification Under Scheme B and Scheme C

In order to gain certification under Scheme B and Scheme C the requirements specified in 6.2 must be met by each individual grower within the group.

In addition a Quality Management System (QMS) must be developed that meets the requirements specified in GLOBALG.A.P. General Regulations Part II – QMS Rules. The documented QMS will detail processes and controls used to assess and manage grower members. When audited externally the QMS and associated activities must be sufficient to demonstrate to the CB that there are sufficient process and controls in place to assess and manage grower members.

7.0 ANNUAL INSPECTION AND AUUDITING REQUIREMENTS (INTERNAL AND EXTERNAL)

7.1 Scheme A

7.1a Self Assessment

A self assessment using the NZGAP checklist must be completed every year by the grower applying for certification. This must be undertaken before the CB inspection. This must cover all certified product and production areas that are to be covered by the certification. The checklist will be completed according to the table below.

	CHECKLIST COMPLETION		
	Not Applicable (N/A)	Met	Not Met
Critical	Justify why N/A	Evidence of how met	Comment why not met and action taken to meet.
Major	Justify why N/A	✓ if met × if not met (no comments required)	Comment why not met and action to taken to meet if relevant.
Recommendations	N/A if not applicable	✓ if met × if not met (no comments required)	✓ if met × if not met (no comments required)

7.1b Grower Inspection by Certification Body

- During annual inspections the CB assessor will use the NZGAP checklist covering all crops to be certified and determine whether or not each point has been met and will also do relevant production area inspections. The checklists will be completed as per the table “Checklist Completion” in 7.1a.
- Where more than one Production Area and/or block is inspected the results will be collated onto one checklist so a non-compliance on one Production Area and/or block will impact on all Production Areas and/or blocks.
- Produce packing will be included in the inspection. This can be packing in the field or in a packhouse. If packing is carried out in a packhouse then the packhouse results must be included as part of the grower inspection whether or not it is owned by the grower. Frequency of packhouse inspections will be determined by a risk assessment but will be at least once every 2 years as determined by the CB.
- CB inspectors will meet the requirements of Annex III.1 GLOBALG.A.P Inspector Qualifications.
- All production processes, products and sites including harvesting and packing must be assessed before certification can be considered.

7.2 Scheme B and Scheme C

7.2a Internal Grower/Site Inspection

- Under Scheme B each defined Production Area and under Scheme C each grower member will be internally inspected each year using the NZGAP checklist. This will be completed according to the table “Checklist Completion” in 7.1a.
- Where more than one Production Area has been identified by an individual grower the results will be collated onto one checklist so a non-compliance on one Production Area will impact on all Production Areas of that grower.
- Produce packing will be included in the inspection. This can be packing in the field or in a packhouse. If packing is carried out in a packhouse then the packhouse results must be included as part of the inspection whether or not it is owned by the grower.

7.2b Internal Quality Management System Audit

- The Quality Management System will be internally audited each year.
- Internal auditors/inspectors will meet the requirements as specified in GLOBALG.A.P General Regulations Part II Rules for Option 2 and Option 1 Multisites with QMS.

NB: Growers gaining certification under Scheme B or Scheme C do not have to complete a self assessment using the checklist unless it is specifically required under the Quality Management System.

7.2.c External Audits by Certification Body

All production quality systems, processes, products and sites including harvesting and packing must be assessed before a certification decision can be made. CB inspectors and auditors will meet the requirements as specified in Annex III.1 GLOBALG.A.P Inspector Qualifications and Annex III.2 GLOBALG.A.P Auditor Qualifications.

7.2.c.i Quality Management System

- The CB will audit the QMS annually using a checklist based on the QMS checklist available on the GLOBALG.A.P website.
- CB Auditors will meet the requirements as specified in Annex III.2 GLOBALG.A.P Auditor Qualifications.

7.2.c.ii Grower/Site Inspections

The CB will complete grower inspections according to 7.1b above. These can be carried out by either a CB inspector or auditor. The number of grower inspections completed by the CB will be determined according to the chart below. Before a certification decision can be made, the square root of the total number of current producer members and Production Areas must have been inspected during the last 12 months.

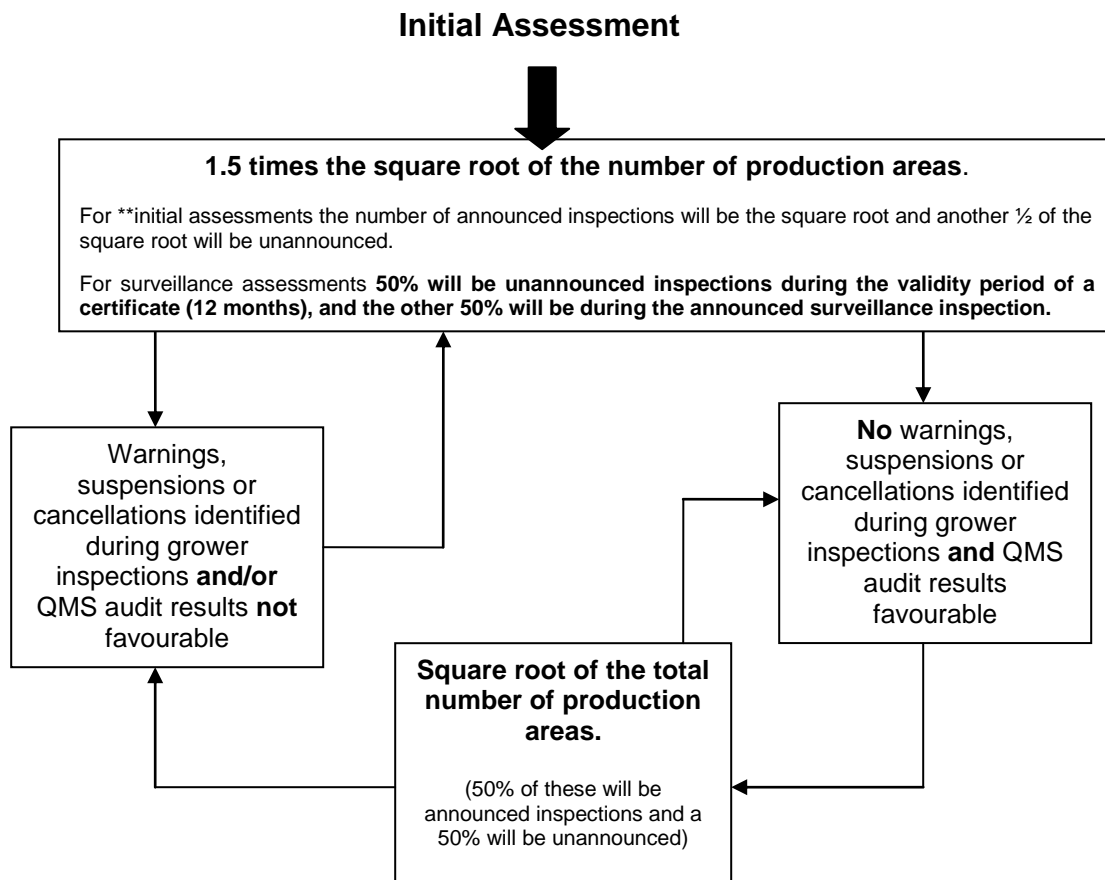
Produce handling (including packing) will be included in the inspection. This can be packing in the field or in a packhouse. If packing is carried out in a packhouse then the packhouse must be included as part of the inspection whether or not it is owned by the company applying for certification.

If there is only one packhouse used by all members covered by the QMS the packhouse will be inspected each year. In the first year it will be inspected while it is operating. In the second year the inspection can be carried out when the packhouse is not packing. This alternating pattern will continue.

If there is more than one packhouse used by the members covered by the QMS then CB will inspect the square root of the total number of packhouses.

It is the responsibility of any applicants with a QMS to ensure that all growers covered by the QMS comply with the requirements of NZGAP. It is the CB's responsibility to determine whether the QMS has adequate processes and controls to assess and manage its grower members.

7.2.c.iii Number of Production Areas Inspected by CB For Schemes B & C



**** For initial assessments a minimum of the square root (or next whole number rounded upwards if there are any decimals) of the total number of the producers or production area in the certification scope must be inspected before a new certificate can be issued (initial certification or inspection by a new CB).**

NB: For justifiable reasons CB's may decide more production areas need inspection. The grower can appeal such a decision.

7.3 Unannounced Inspections/Audits

The CB will carry out unannounced inspection on 10% of the NZGAP certified growers. During this unannounced inspection only the Critical and Major points on the checklist will be assessed. The assessor will go through relevant questions on the checklist and determine whether or not each point has been met and will also do relevant site inspections.

In addition 10% of QMS's (Scheme B and Scheme C) will be audited. This audit will be based on the QMS Checklist available on the GLOBALG.A.P website.

Any non-compliance found during unannounced audits and inspections will result in same actions as during annual inspections (Refer Section 8).

Applicants will be given 48 hours notice of unannounced inspections/audits. If for justifiable reasons the grower cannot accept this date they will be sent a letter indicating the obligation to be available for an unannounced inspection/audit within the next 28 days or a suspension may be applied.

7.4 Inspection Timing

First and subsequent CB inspections will be carried out at times using the guidelines below and always with a view to verifying as many points as possible on site. The flexibility in inspection times as detailed in 7.4a below gives the ability to verify activities and/or crops in situations where multiple crops are grown.

7.4a First Inspections

- Inspections will only take place after the CB registration forms have been completed and the CB has confirmed registration with the grower.
- For first inspections records will be assessed a minimum of 3 months prior to the date of the first inspection or from the date of registration with the CB, if this longer.
- All production processes and products, including harvesting, handling and packing (if included) must be assessed before certification can be considered.

If harvesting (or other relevant fieldwork) is not taking place at the time of the first inspection the CB may defer inspection of relevant sections until this activity is taking place. If this is not possible with respect to harvesting the CB must carry out the inspection as close to harvest as possible to allow them to verify as many points as possible then request documented evidence of the points they were not able to verify on site. The reason for this alternative inspection timing must be recorded by the CB eg: logistics and timing constraints of farmer and/or inspector, variation in harvest dates, etc.

In some circumstances the audit **may** be completed after harvest but certification will only be considered if evidence for ALL relevant control points has been retained by growers. The reason for this alternative inspection timing will be noted by the CB on the grower's inspection report. **Growers must check with certification bodies prior to harvest to ensure this situation cannot be avoided.**

Only after the inspection is fully complete (ie: harvesting activities have been assessed) can a certificate be issued.

CB's will ensure that those growers that did not receive an inspection during harvesting will have a higher likelihood of being selected for an unannounced inspection. They must also make every attempt to ensure the subsequent inspection takes place during harvest.

7.4.b Timing of Subsequent Inspections

A certificate will be valid for 12 months from the 1st inspection. After the first inspection, subsequent inspections will take place no sooner than 8 months before the expiry date of the certificate and no more than 4 months after the expiry date of a certificate (assuming the CB has agreed to extend the certification period). This will allow harvesting activities to be verified for different crops that have the similar production practises eg: summerfruit and apples. There must always be at least 6 months between inspections. Irrespective of the timing of the inspection the anniversary date will always remain the same.

8.0 NON-COMPLIANCE

8.1 Scheme A

If during any inspection a grower falls below the requirements to maintain certification then this will result in either a non-compliance or a suspension depending on the severity of the issue identified.

8.1a Non-Compliance

When one of the critical assessment points is not met or less than 95% of the Majors have not been met a non-compliance will be issued to the grower. This will be given provisionally at the time the audit is completed. The grower may then be given a period of time to correct the non-compliance. The amount of time allowed to correct the non-compliance will depend on the severity as assessed by the CB. Generally this will be up to 28 days. When the non-compliance poses an immediate and serious threat to safety of people, consumers or the environment a suspension will be issued immediately with no time given for corrective action.

NB: For first inspections the time period for dealing with non-compliances is 3 months. If non-compliances are not addressed within 3 months then a complete full inspection is required before certification can be granted.

8.1b Suspension

Suspension will be applied when:

- an applicant fails to carry out acceptable corrective actions within the timeframe given in a non-compliance (as above).
- a non-compliance is identified during an audit that poses a serious and immediate threat to safety of people, consumers or the environment.

During a suspension the grower will not be allowed to use the NZGAP logo and their status will be noted on the website.

The suspension will be applied to **each** crop affected by the non-compliance. **ALL** of the affected crop/s will be suspended eg: **ALL** onions produced under the certification not just one block or variety.

The length of the suspension will be determined by the CB dependent on the reasons for issuing the suspension. If a grower resolves the non-compliance and provides evidence satisfactory to the CB then the suspension can be lifted. If the suspension is not resolved in the required timeframe then the certification will be cancelled.

A grower may ask for a self imposed suspension if they recognize they are not meeting relevant requirements. The length of time they have to correct these issues will need to be agreed with the CB (or producer group). Lifting of the self imposed suspension will be upon provision of satisfactory evidence to the CB (or producer group).

NB: A self declared suspension will not change the renewal date of a certificate nor will it allow the grower to avoid paying relevant fees as they become due.

8.1c Cancellation

A grower's certification will be completely cancelled when:

- satisfactory evidence cannot be provided to the CB to resolve a suspension
- the CB finds evidence of fraud and/or lack of trust with regards to meeting NZGAP requirements
- where there is a contractual non-conformance eg: not paying fees

A cancellation of certification means the grower will not be allowed to use the NZGAP logo and their status will be noted on website. In addition the grower cannot re enter the NZGAP programme for a minimum of 12 months from the date of cancellation.

8.2 Scheme B and Scheme C

In the case of a QMS all actions associated with non-compliances, suspensions and cancellations of grower members will be the responsibility of the QMS **NOT** the CB. This includes:

- imposing non-compliances (associated timeframes and close out of warnings)
- imposing suspensions (scope of suspensions, evaluating evidence to close out suspensions and lifting of suspensions)
- managing self imposed suspensions
- imposing cancellations

In instances where issues are identified by the CB against the QMS the same types of actions eg: non-compliance, suspension and cancellation as detailed in Scheme A (8.1a, 8.1b and 8.1c) will apply. The level of action taken will be at the discretion of the CB based on the severity of the non-compliance and the confidence they have in the system being audited.

8.3 Contractual Obligations

Breach of any NZGAP Certification Rules or contractual obligations by certified growers or QMS's will result in appropriate actions ie: non compliance, suspension or cancellation. Examples of these types of breaches included but are not limited to trading with a product that does not comply with legal requirements, false communication by the grower regarding NZGAP Certification, NZGAP Trademark misuse, payments not made according to contractual conditions etc.

8.4 CB Timeframes once Non-Conformances Resolved

The decision by the certification body on whether or not certification will be granted/maintained once any outstanding issues have been resolved will be made within 14 days.

9 Certificates

Certificates are valid for one year from the date certification is granted (except in instances where suspensions and/or cancellations/extensions have been applied). The anniversary date will remain the same every year irrespective of the inspection date. Certificates may be extended by up to 4 months however the anniversary date will remain the same. All fees must be paid for the next year prior to this being granted. Also the inspection/audit must take place within the extension period that is granted.

If a certificate expires and the inspection is going to take place within 12 months of the expiration date the grower can re-enter the programme without the need for a full inspection if they can provide justification as to why the certificate lapsed. Upon re-entry the date can either be set as the previous anniversary date or a new cycle can start from the date of meeting the NZGAP requirements.

APPENDIX 1 - Growers Rights and Responsibilities

a) Applying/Registering for NZGAP Certification

Growers must choose and register with a CB that is accredited to carry out NZGAP audits. The CB must provide relevant application forms to applicants.

Growers must sign a Horticulture NZ Inc Licence Agreement.

A grower may not register the same product with different CB's, nor register the same product under different options ie: product cannot be certified to an individual organisation (Scheme A) as well as being certified within a group (Scheme C).

b) Areas Required to be Included in Certification

Only product produced by the applicant can be certified.

Harvesting must be included in the certification unless product is sold prior to harvest.

Packing and product storage (whether done by owner/operator or a contracted packhouses/storage facilities) must be included in the certification process unless product is sold prior to harvest. CB's are responsible for determining the best method to ensure this is covered during the certification process based on information provided in the application form.

Part crops can be certified eg: some apple varieties can be certified while others are not. This is known as parallel production. This requires additional information to be provided during the registration and auditing process. Certified and non-certified production areas and product must be identified, traceable and segregated at all times.

c) Ongoing Communications with CB's

If a grower changes CB's or applies to another CB for a different crop to be certified then the original GGN assigned must be communicated to the new CB.

If a grower has warnings or suspensions that have not been closed out the grower cannot change CB's until either the non-compliance is closed out or the suspension period has passed. The same applies to a grower in a Scheme C - Group Certification - ie: they cannot move to another Group if they have outstanding warnings or suspensions. Only the CB or QMS that has imposed a warning, suspension or cancellation is able to lift it once satisfactory evidence has been provided.

Growers must confirm with CB that they will be continuing with certification prior to the expiry date. Not doing this will result in the certification status on websites being changed.

If annual audit times cannot be agreed with the growers after 3 attempts by the CB and the anniversary date has passed the grower will be suspended.

In instances where information is provided to the NZGAP Programme Manager, that may impact on certification status of a certified grower it will be the responsibility of the grower to provide evidence to demonstrate compliance with the NZGAP Standard. Growers will have full traceability in place – this could include mass balance, Chain of Custody Certification and any others records needed to verify and check the case. In case the evidence includes laboratory analyses, accredited laboratories (ISO 17025) and independent sampling (according to the rules as set out in the relevant CPCC) must be included.

The relevant CB in conjunction with the NZGAP Programme Manager will define an appropriate time period by which demonstration of compliance is to be provided to the CB. If information provided does not provide

confidence that the issue has been addressed or resolved the CB will follow the non-compliance procedures detailed in the NZGAP Scheme Rules.

Information provided by the grower must include traceability systems in addition to any other information relevant to the situation. Once all relevant information is provided to the CB the decision will be made to close the issue or issue a sanction appropriate to the situation.

d) Notifications and Appeals

A grower/QMS may appeal a non-conformance in cases they feel they can provide justification for not accepting. This appeal must be lodged as soon as possible in writing in order to allow sufficient time to resolve the issue prior to the original timeframe. If the issue cannot be resolved within the original timeframe the issue may be escalated to the next level of non-compliance as would happen if the appeal had not been lodged.

If a grower/QMS has a complaint/appeal against the CB they must in the first instance contact the CB who will have a complaints/appeals procedure to follow. If the grower considers the issue they have raised has not been satisfactorily resolved the next step is to contact the NZGAP Programme Manager.

e) Transfer of Certificate in the Event of Property Being Sold or Change in Management of the Crop

If a property is sold, or there is a significant change in the Management of the business, the NZGAP certificate is not immediately transferable to the new property owner or manager.

The certificate holder for the property is required to advise the CB of such changes within a reasonable timeframe. The decision to transfer the certificate to a new owner or manager will be made on a case by case basis by the CB in conjunction with the Programme Manager.

f) Suspension from the NZGAP Programme

If a grower is suspended from the NZGAP Programme during the suspension period the grower will not be allowed to use the NZGAP logo and their status will be noted on the website.

g) Use of NZGAP logo, certificate and associated GGN

Growers use the name and trademark logo 'NZGAP' as well as the GGN according to the NZGAP Licence Agreement (see Appendix 5 of NZGAP Scheme Rules).

APPENDIX 2

APPENDIX 3 - GUIDANCE ON DEFINING PRODUCTION AREAS

Introduction

Defining Production Areas enables growers to group blocks with the potential benefit of reducing the number of sites visited by the CB.

Production Areas

Growers may be able to group blocks into 'Production Areas'. Grouping blocks into production areas will allow similar plantings to be grouped for auditing purposes – *potentially reducing the number of site visits necessary by CB's*. Plantings that are grouped into Production Areas **DO NOT** need to be adjoining.

Blocks to be certified can be grouped into one or more Production Area/s if they have **ALL** of the following

- have common management systems.
- are in the same regional council area.
- are governed by the same consent conditions eg: water consents, frost protection if applicable etc.
- have only one type of crop eg: tree crops or field crops or glasshouse crops

NB: ALL product within a defined Production Area must be certified. Certified and non-certified product CANNOT be included in the SAME Production Area.

Blocks within these defined Production Areas that have any of the following will be visited during audits.

- Pesticide store, fertilizer store, filling stations
- Worker accommodation
- Exposed waterways
- Other sensitive areas or specific features as identified on risk assessments or within the scope of the audit eg: erosion prone, protected native area.
- Dependent on the number of blocks in the Production Area the CB may use their discretion to visit other blocks over and above those listed above.

NB: All product must be traceable to the defined Production Area (and origin) with a unique identifier at all times.

APPENDIX 4 - CERTIFICATION BODY SERVICE LEVEL AGREEMENT

- a) CB must have NZGAP included in certification scope.
- b) The CB must provide relevant application forms to applicants. These application forms must cover a minimum of the information detailed in Annex I.2 (GLOBALG.A.P Registration Data Requirements). This application form must also cover points 4.2.2a, 4.2.2b and 4.2.2c, 4.3a) (i), 4.3a) (ii), 4.3a) (iv) in General Regulations Part I – General Rules.
- c) The registration and acceptance of applicants must be finalised by the CB before inspections can take place. With regard to the first registration for a grower this confirmation or otherwise of the application must be provided within 14 working days of the application being received the CB.
- e) The CB will assign each applicant a GlobalG.A.P. number.
- f) The CB will carry out 10% unannounced audits.
- g) CB will refer to the table included in 6.2 of the NZGAP rules to determine compliance with 95% of Majors.
- h) Where the registration of the producer and the proposed products for the relevant scopes has not been re-confirmed with the CB before the expiry date the CB will change product status from “Certified” to “Certificate not renewed or re-registered” in the GLOBALG.A.P database.
- i) CB's must have a complaints and appeals procedure which is communicated to growers and must be used in the event of a complaint or appeal. CB's must notify the NZGAP Programme Manager of any complaints and/or appeals received in regard to the NZGAP Programme. The actions taken and the outcomes must also be available for review upon request.
- j) If a grower requesting registration for certification has outstanding warnings, suspensions or cancellations issued by another CB or QMS these must be resolved by the CB or QMS that imposed them before the new CB will consider the application for registration.
- k) When a critical non compliance is found (ie: one of the critical assessment points is not met) or less than 95% of the Majors have not been met the CB will issue a non-compliance to the grower. This will be given provisionally at the time the audit is completed.
- l) In the case of a 'self declared suspension the CB will ensure this suspension will not delay the renewal date, nor will it allow the grower to avoid paying registration and other applicable fees. The grower's status shall change to “Self-declared Suspension” on product level – What will it change to on NZGAP database.
- m) CB will prepare NZGAP Certificates in accordance with the requirements specified in GLOBALGAP General Regulations I Rules 6.71 a – g. Any certificate extensions must be carried out as per GLOBALGAP General Regulations I Rules 6.7.2 a – b.
- n) Where information is provided to the NZGAP Programme Manager, that may impact on the certification status of a certified grower it will be the responsibility of the grower to provide evidence to demonstrate compliance with the NZGAP Standard. The relevant CB in conjunction with the NZGAP Programme Manager will define an appropriate time period by which demonstration of compliance is to be provided to the CB. If information provided does not give confidence that the issue has been resolved the CB will follow the non-compliance procedures detailed in the NZGAP Scheme Rules. The CB will keep the Programme Manager updated if these situations arise and notify them of the final outcome. In instances where the CB needs to carry out the investigation the results and actions will be notified to the GLOBALG.A.P Secretariat as well as the Programme Manager.
- o) The decision by the certification body on whether or not certification will be granted/maintained once any outstanding issues have been resolved will be made within 14 days.

- p) If a certificate that was not extended and not "re-accepted" expires and the subsequent inspection (to be performed by the same CB) is going to take place in less than 12 months after the expiration date, a valid justification must be given and a new certification cycle shall start. By setting the same "valid to" date as before, the old cycle can be reinstated. The cycle cannot be changed if the certificate was extended and a product "re-accepted" during the old certification period/cycle. The CB shall apply the rules for initial (first) inspection if the certificate expired for more than 12 months.

APPENDIX 5 – LICENCE AGREEMENT

LICENCE AGREEMENT

THIS AGREEMENT is made the _____ day of _____ 20____

BETWEEN **HORTICULTURE NEW ZEALAND INC.**, a society established under the Incorporated Societies Act 1908, of Huddart Parker Building, Post Office Square, Wellington, New Zealand ("HortNZ")

AND ("Licensee") _____

Address: _____

BACKGROUND:

- A. HortNZ works for the best interest / benefit of growers and the horticulture industry.
- B. HortNZ established New Zealand GAP as a proactive move to meet changing customer and regulatory requirements and to ensure market access is maintained or improved.
- C. New Zealand GAP is administered by a Management Committee established for such purposes (the "Committee").
- D. As part of New Zealand GAP, a certified trade mark has been established as the programme's logo (the "Mark").

- E. The Licensee carries out an activity as a supplier, producer or provider of services in the horticultural industry and has become accredited under New Zealand GAP, and wishes to use the Mark.

IT IS AGREED THAT:

1. (a) HortNZ as the proprietor of the Mark, a representation of which is shown in Schedule A, grants to the Licensee the non-exclusive right to use the Mark in relation to its business activity, as specified in Schedule B, ("Activity") subject to the terms of this agreement.

(b) The Licensee acknowledges the Mark is the absolute property of HortNZ.

2. ADMINISTRATION

- a) New Zealand GAP is prescribed and managed by the Committee in accordance with criteria, standards and operating procedures set out in the New Zealand GAP Manual and related documents (the "Manual"). The Manual may be amended and updated from time to time by the Committee.
- b) A checklist is used in the assessment of the users of the Mark (the "Checklist") and may be amended and updated from time to time by the Committee.
- c) The Licensee has become accredited under New Zealand GAP and the Licensee has been awarded a Certificate of Accreditation ("Certificate").
- d) Regulations governing the use of the Mark have been lodged with the Commissioner of Trade Marks (the "Regulations").

3. CONDITIONS OF USE

- a) The Licensee shall use the Mark in a manner which supports and enhances the objectives of HortNZ. HortNZ may use the name of the Licensee as supporting such objectives.

- b) The Licensee shall use the Mark in accordance with the standards prescribed by the Committee.
- c) The Licensee shall at all times comply with the Regulations, Manual and other criteria reflected by the Checklist.
- d) The Licensee shall use the Mark only in a manner, and on or in relation to the Activity that has been included in the assessment to the Checklist.
- e) The Licensee shall notify the Committee of any changes to the Activity, which may have a bearing on its eligibility to use the Mark or which would be likely to cause a review of the grant of a licence under this agreement.
- f) The Licensee is entitled to use the Mark on or in connection with packaging, advertising, direct marketing, public relations and other forms of promotion specifically relating to the Activity.
- g) The Licensee shall allow the Committee or its agents to inspect the Activity premises and records at any reasonable time.
- h) The Mark shall not be used by the Licensee in lieu of any trade mark of the Licensee or be used in conjunction with trade marks of the Licensee in such a manner as to appear to be part of such trade marks
- i) The Licensee shall use and reproduce the Mark as specified in Schedule C. No variation of the Mark is permitted, except with the prior written approval of the Committee.
- j) The Licensee shall, where practicable or as reasonably directed by the Committee, acknowledge the sole and exclusive ownership of the Mark by HortNZ wherever the Mark appears or is used.
- k) The Licensee shall not use the Mark in a manner or circumstances which may damage the reputation of HortNZ or the Committee.

- (m) The Licensee shall immediately inform the Committee:
 - (i) of any infringement or violation of the Mark by third parties - in particular where damage to the reputation or to the prestige of HortNZ, the Committee or the Mark is possible, or where there is use of false names of origin or false descriptions of the Mark, and
 - (ii) of any legal action, pending or threatened, or of administrative procedures which may concern the Mark or produce bearing the Mark.

- m) .Any lawsuit or other action necessary for the purpose of protecting the Mark shall be at the sole discretion of HortNZ. HortNZ and the Committee shall not be liable for any damages suffered by the Licensee due to infringement or violations of HortNZ's rights in the Mark.

4. DURATION

This Licence commences from the date of this agreement and shall continue thereafter unless terminated hereunder.

NON-ASSIGNMENT OR TRANSFER

This agreement is personal to the parties and the Licensee may not transfer, assign or licence its rights to any party whatsoever, without the Committee's prior written approval.

6. CONSIDERATION

The consideration for the granting by the Licensor to the Licensee of the rights conferred by this Agreement shall be the performance by the Licensee of its obligation herein.

7. CANCELLATION

- a) This licence may be terminated upon ninety (90) days written notice given by either party to the other at any time.
- b) this licence may be terminated forthwith:
- (i) if the Licensee ceases or fails to comply with the Programme, the Regulations, or any of the conditions of this licence, or otherwise contravenes any term of this licence;
 - (ii) if the Licensee is convicted of any offence that discredits his/her/its reputation, or the business or services of the Licensee, to the extent that there is potential to damage the reputation of the Mark, HortNZ or the Committee;
 - (iii) the Licensee stops payment to creditors generally or is unable to, or admits inability to, pay debts as they fall due, or shall be adjudicated or found bankrupt or insolvent or shall enter into any composition or other arrangement with its creditors generally.
- (c) Where termination under Clause 7(b) is under consideration, the Licensee shall be informed by the Committee and the reasons for the potential cancellation shall be given. The Licensee shall be given an opportunity to address and rectify the situation to the satisfaction of the Committee, or voluntarily cease using the Mark.
- (d) Upon termination of this licence for any reason, the Licensee shall forthwith cease to use the Mark and will, without limitation:
- (i) withdraw all produce, advertising and promotional material
bearing the Mark, or, with the consent in writing of the
Committee, obliterate or cover the Mark to the Committee's
satisfaction;
 - (ii) not use or apply to register the Mark or any Mark which is similar to the Mark;
 - (iii) sign such notice of cessation of use of the Mark as the Committee may require for its purposes.
- (e) The Certificate, Manual, and Checklist remain the property HortNZ and shall be returned in the event of termination of this licence.
- (f) It is the Licensee's responsibility to ensure all documentation as required by New Zealand GAP is up to date and correct.

8. GOVERNING LAW AND COMPETENT COURT

This agreement shall be governed by the laws of New Zealand. Subject to Clause 11, any dispute shall be submitted to the final and binding judgment of the Courts of New Zealand.

9. INDEMNITIES

Where the Licensee is or becomes liable to any third party in respect of damages, losses, costs or expenses, including solicitor/attorney fees, (the “damage”) arising from or related in any way to the activity or any product or service relating to the activity or the Marks, the Licensee hereby undertakes to indemnify and hold harmless HortNZ and the Committee in respect of the damage.

10. ENTIRE AGREEMENT

Except as expressly provided in this Agreement, or the Manual, no representation or warranty, express or implied, is made with respect to the Manual or use of the Marks by the Licensee.

11. DISPUTE RESOLUTION

(a) If a dispute arises from or relates to this Agreement the parties shall negotiate in good faith and attempt to resolve the matter amicably.

(b) Should negotiations fail to resolve any such dispute within 14 days of the commencement of negotiations, then the dispute may be referred to the mediation of a mediator to be agreed by the parties or, failing such agreement, by a mediator appointed by the Chairman of the New Zealand Branch of LEADR (Lawyers Engaged in Alternative Dispute Resolution) (or any replacement organisation).

(c) If the dispute has not been settled within 28 days (or such other period as agreed by the parties) after appointment of the Mediator the dispute shall be submitted to arbitration by a single arbitrator, in the absence of agreement to be appointed by the President of the New Zealand Law Society, but otherwise in accordance with the provisions of the

Arbitration Act 1996.

(d) Nothing in this clause shall prevent or interfere with:

(i) The ability of the Committee to suspend accreditation of the Licensee.

(ii) A party applying to a Court for urgent relief.

12. SEVERABILITY

If any term, provision, or condition of this Agreement, or the application thereof to any person or circumstance, is invalid or unenforceable, the remainder of this Agreement shall not be affected.

13. NOTICES

Notices may be given, one party to the other, by way of delivery by hand, facsimile or e-mail.

THE PARTIES have signed this agreement on the date noted above.

FOR AND ON BEHALF OF

HortNZ

Business Manager

FOR AND ON BEHALF OF

LICENSEE

Terms, Acronyms and Definitions

Non-Conformity: ISO Guide 61:1996 defines a non-conformity as a: “Deviation of product or process from specified requirements, or the absence of, or failure to implement and maintain, one or more required management systems elements, or a situation which would, on the basis of available objective evidence raise significant doubt as to the conformity of what the supplier is supplying.” (maybe in definitions)

Accredited (certified): Accreditation is given when the participant clearly demonstrates that they understand the requirements of New Zealand GAP and meets the critical and major assessment points of the Assessment.

Production Area: Individual plantings (blocks) or Plantings (blocks) that are grouped together for inspection purposes with a view to minimising the number of site inspections required by Certification Bodies. These groups are determined by the grower following guidelines in Appendix.

CB: Certification Body

QMS: Quality Management System

Grower: A person (individual) or business (individual or grower group) who is legally responsible for the production of the products relevant to the scope, and who has the legal responsibility for the products sold by that farming business.