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PRINCIPAL PORTS IN THE WORLD



OVERSEAS MERCHANDISE INSPECTION CO., LTD.

INDEPENDENT INSPECTORS, SUPERINTENDENTS, CHEMISTS AND CONSULTANTS

To whom it may concern

September 20, 2011

OCD-58/ 043

Re : Announcement on Organic Certification Service as per EU Program

We are pleased to announce that we are going to commence an Organic Certification Service as per EU Organic Program as follows.

1. Our status for performing Organic Certification as per EU Program

OMIC is accredited for "EU Equivalent assessment" by the International Organic Accreditation Service (IOAS), which is an international organization providing certifying bodies with various kinds of accreditation service based on many different standards.

In accordance with EU Organic Regulations, Organic products certified as EU Equivalent are allowed to be distributed into the EU market, as far as complying with the conditions mentioned in below "2" goes, although its certifying body is not recognized by the EU Authority.

2. Conditions required by EU Organic regulations

(1) Conditions specified in regulation

EU Regulation specifies the conditions required for organic products certified as EU Equivalent as follows;

- EC 1235/2008 Article 19.1

In accordance with Article 40 of Regulation (EC) No 834/2007 the competent authority of a Member State may authorise importers in that Member State, where the importer has notified his activity in accordance with Article 28 of that Regulation, to place on the market products imported from third countries which are not included in the list referred to in Article 33(2) of that Regulation, provided that the importer provides sufficient evidence showing that the conditions referred to in Article 33(1)(a) and (b) of that Regulation are satisfied.

- EC 834/2007 Article 33.1 (a) & (b)

A product imported from a third country may also be placed on the Community market as organic provided that:

(a) the product has been produced in accordance with production rules equivalent to those referred

to in Titles III and IV;

- (b) the operators have been subject to control measures of equivalent effectiveness to those referred to in Title V and such control measures have been permanently and effectively applied;

(2) Requirements for complying with the above conditions:

As specified in the above articles, Importers in the EU who intend to distribute organic products certified as EU Equivalent by OMIC, are required to receive authorization by submitting the following documents as sufficient evidence to the competent authority of a member state. You will be able to provide the importers with all necessary documents from your file and/or from OMIC.

- Copy of "Accreditation Certificate" and/or "EU Equivalence Assessment Report", which OMIC will receive from IOAS shortly
- Copy of "Certificate" certifying your operation as EU Equivalent by OMIC
- Documentary Evidence (OMIC to issue as per EC 834/2007 Article 32 & 29)
- Other documents (It is very rare, but your internal regulations, production records, etc, might be required by the Authority)

The Authorization is valid for one year and the competent authority who grants the Authorization is required to inform the other member states and the Commission of each authorization granted. Therefore, the importers are not required to receive Authorization if same product is exported to the EU within 1 year.

* For your Information

Main Organic regulations in the EU are as follows.

- Council Regulation (EC) No. 834/2007 of 28 June 2007 on organic production and labeling of organic products and repealing Regulation (EEC) No. 2092/91 (EC 834/2007)
- Commission Regulation (EC) No 889/2008 of 5 September 2008 laying down detailed rules for implementation of Council Regulation (EC) No 834/2007 on organic production and labeling of organic products with regard to organic production, labeling and control (EC889/2008)
- Commission Regulation (EC) No. 1235/2008 of 8 December 2008 laying down detailed rules for implementation of Council Regulation (EC) No. 834/2007 as regards the arrangements for imports of organic products from third countries (EC 1235/2008)

3. NOTEs when applying OMIC's EU Equivalent Organic Certification

As mentioned in the above "1", the importers are required to receive Authorization prior to distributing the organic products, if the products are certified as EU Equivalent by an unrecognized certifying body such as OMIC. Since Authorization will not be required once OMIC becomes a recognized certifying body, OMIC will endeavor to be recognized as soon as possible.

In order for you to explain our present status and the required conditions to your buyers in the EU, this English version has been prepared. Please pass this paper to buyers for better understanding among the parties concerned.

4. OMIC's Certification Categories and Tentative Special Inspection Fee

As per the Annex to this announcement.

5. Contact

Overseas Merchandise Inspection Co., Ltd. (OMIC)

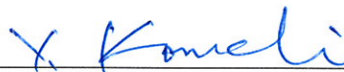
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Annex to OCD-58/043 - Inspection Fee Plan for EU Equivalent Certification

1 Certification fee

1.1 Structure of certification fee

The certification fee consists of the following;

- (a) Basic fee (basic certification fee for initial certification in 1.2 below, and basic certification fee for supplemental inspection in 2.1 below);
- (b) Actual amount of traveling and accommodation expenses of inspector;
- (c) Per diem allowance for inspector; and
- (d) Other additional inspection fees in case they are required.

1.2 Basic certification fee for certification

(Unit: US\$)

<div style="display: flex; align-items: center; justify-content: center;"> <div style="transform: rotate(-45deg);">Fee</div> <div>Category</div> </div>	Initial certification inspection				Annual audit inspection		
	Application fee	On-site inspection + Judgment	Certification Management	Total	On-site inspection + Judgment	Certification management	Total
P1	600	1,200	600	2,400	1,000	600	1,600
P2	300	600	600	1,500	500	600	1,100
H1	300	600	600	1,500	500	600	1,100
H2	600	1,200	600	2,400	1,000	600	1,600
P1H1	800	1,600	1,200	3,600	1,200	1,200	2,400
P1H2	1,000	2,000	1,200	4,200	1,400	1,200	2,600
P2H1	500	1,000	1,200	2,700	600	1,200	1,800
P2H2	800	1,600	1,200	3,600	1,200	1,200	2,400

[Explanatory notes]

- P1 An entity that seeks certification of plants and plant products from farm fields, including producer groups.
- P2 An entity that seeks certification of plants and plant products of wild harvest
- H1 An entity that seeks certification of preparation of products without processing (screening, packaging, etc.).
- H2 Preparation of products with processing.

- P1H1 An entity that seeks double certification of P1 & H1
- P1H2 An entity that seeks double certification of P1 & H2.
- P2H1 An entity that seeks double certification of P2 & H1
- P2H2 An entity that seeks double certification of P2 & H2)

[Remarks]

- 1) Certification is given on the basis of a complex of farm/farm facility for a producer. Where an application is submitted for plural farms/farm facilities, it is treated as a single certification, provided that they are located in the same locality and controlled under the same management.
- 2) Certification is given on the basis of a factory/warehouse/office for a handler. Where an application is submitted for plural ones, it is treated as a single certification, provided that they are located within the same locality and controlled under the same management.
- 3) In case a special audit inspection is required based on external information, etc. to investigate the appropriateness of the business performance of the certified entity, the same amount for the audit inspection fee above is charged.

1.3 Actual expenses

Actual traveling expenses incurred for on-site inspection includes accommodation fee, traveling expenses and rental car charge.

1.4 Per diem

Inspector's per diem is US\$75/person/day.

1.5 Other additional inspection fees

- (1) A lecture fee of US\$400/lecture is charged, when an applicant requests OMIC to hold an explanatory lecture course for the better understanding of the organic scheme concerned at the inspection site.
- (2) The on-site inspection fee is set on the assumption that the on-site inspection is completed in one day. An extra inspection fee of US\$350/person/day in addition to actual expenses and inspector's per diem is charged, when more than one day is required for the on-site inspection due to multiple business locations, etc.

2 Supplemental certification fee

2.1 Substantial Change of Certification

- (1) Supplemental certification inspection is required for an increase in farm fields, production/processing lines or a substantial change of production/handling facilities or

operation methods. The supplemental certification fee is shown in the table below. For the on-site inspection, actual expenses (1.3 above) and inspector's per diem (1.4 above) are also charged. (Fee for P1&H1, P1&H2, P2&H1 and P2&H2 is applied only in case supplemental certification inspection is required for both categories. In case supplemental certification inspection is required for either certification, fee for the corresponding category is applied.)

- (2) No supplemental certification inspection fee is charged in case the supplemental inspection is carried out during the annual audit inspection as long as the inspection is completed within the time frame of the normal audit inspection. However, an additional on-site inspection fee of US\$350/person/day is charged, in case extending the number of on-site inspection days for the supplemental inspection of the production site(s) is required due to the remote location, etc.

(Unit: US\$)

Category	Supplemental certification inspection fee		
	Document inspection	On-site inspection + Judgment	Total
P1	1,000	600	1,600
P2	500	600	1,100
H1	500	600	1,100
H2	1,000	600	1,600
P1H1	1,200	1,200	2,400
P1H2	1,400	1,200	2,600
P2H1	600	1,200	1,800
P2H2	1,200	1,200	2,200

2.2 Minor Change in Certification

- (1) A supplemental certification fee of US\$100/item is charged for the certification of minor changes in certification, such as an increase of the items of agricultural products of production or handling.
- (2) In case the application for change is judged without performing on-site inspection, only a document inspection fee is charged.

3. Discount Certification Fee for Collateral Certification

3.1 With on-site inspection

The certification fees on the tables in 1.2 and 2.1 above are discounted at 50% for the

applicants of certification, and certified operations, who fall under the following:

- (a) Entities seeking collateral organic certifications of EU Equivalent & JAS and/or NOP.
- (b) Entities certified with JAS and/or NOP organic certification by OMIC.

[Note] JAS: Japanese Agricultural Standards, Japan

NOP: National Organic Program, USA

3.2 With on-site inspection

Among applications complying with the above 3.1, for those which are able to be confirmed to be in compliance to EU Organic Equivalence based on on-site inspection report for JAS and/or NOP certification, on-site inspection will be omitted and the following fees will apply..

(Unit : US\$)

Category	Initial Certification Inspection			
	Document Inspection	Judgment	Certification Management	Total
P1	300	200	300	800
P2	150	200	300	650
H1	150	200	300	650
H2	300	200	300	800
P1&H1	400	400	600	1,400
P1&H2	500	400	600	1,500
P2&H1	250	400	600	1,250
P2&H2	400	400	600	1,400

4 Issuance Fee for Document Copy

(Unit: US\$)

Documents	Issuance fee
Certification certificate	20.00/certificate
Transaction certificate (As per EU format)	50.00/certificate

5. Payment of non-refundable Inspection Fee

- (1) The application fee is nonrefundable, even if the applicant withdraws the application, once OMIC has accepted an application with required documents and begun examination of them.
- (2) When an applicant withdraws their application at any stage of the certification process, the applicant must pay the chargeable on-site inspection fees, including items (b), (c) and (d) in above 1.1 as applicable.