Organic Content Standard 2.0 Revision
IWG Call

Date: September 10th, 2019

Topic(s):
Input Verification and Substitution

Attendees
• From Textile Exchange: Lee Tyler, Amish Gosai, Callie Weldon
  o Andrew Bayliss – Soil Association
  o Brittany DiBenedetto - Eileen Fischer
  o Imran Asghar - SIA
  o Megan MeikleJohn – Eileen Fischer
  o Lex Agapinan – Columbia Sportswear
  o Sandeep Bhargava - OneCert
  o Rajesh Selva GCL International
  o Vincent Duret – ECOCERT
  o Mahesh (USB)
  o Mazorra Jose

Call Notes
 Anti-Trust and Chatham House Rules

• This is call number 5 of 11 planned calls. Topic: Input Verification and Substitution

• Please remember to sign and submit the charter if you wish to be a voting member of the IWG

• Potentially canceling the Oct. 8 and Oct. 22 call but will send a note with updates

• We are expanding the IWG areas of coverage to marketing etc. since the IWG is ongoing until the next revision.

Agenda

• Introductions
• Housekeeping & Reminders
• Final suggestion on GMO Screening of Organic Cotton & Organic cotton
• Input Verification & Substitution
• Follow-up and Next Steps
GMO Screening of Organic Cotton → Feedback:

**GMO Screening of Organic Cotton & Organic Cotton**

- GMO Screening of Organic Cotton.

- **No Feedback on Qualitative analysis.**

- ✔ GMO Screening of Organic Cotton – OCS-103-V1.0 (Publish date: August 23, 2019)

- ❌ 2 Feedback on Quantity analysis.
  - * X% Contamination (At farm - due to Cross pollination etc., Supply Chain - Cotton fiber fly at Ginning & Spinning stages).

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**OCS Revision Workplan**

<table>
<thead>
<tr>
<th>Date</th>
<th>Call Number</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2, 2019</td>
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<td>Intro to IWC, Terms of Reference</td>
</tr>
<tr>
<td>July 30, 2019</td>
<td>2</td>
<td>Final Terms of Reference</td>
</tr>
<tr>
<td>August 13, 2019</td>
<td>3</td>
<td>Ginning / Post Harvest Processing / Segregation</td>
</tr>
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<td>August 27, 2019</td>
<td>4</td>
<td>GMO Screening of Organic Cotton &amp; Organic cotton</td>
</tr>
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<td>September 10, 2019</td>
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<td>Input Verification &amp; Substitution</td>
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</tr>
</tbody>
</table>

*subject to change*
Input Verification → Current Version OCS 2.0

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**Input Verification**
**Current Version OCS 2.0**

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**A2.1 Chain of Custody**

**DESIRED OUTCOME:** Organic Material content integrity is maintained through to the final OCS Product.

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**A2.1a** The OCS requires compliance with the requirements of the CCS. For application to the OCS, each reference of “CCS” in the Content Claim Standard shall be understood as “OCS” – with the exception of some labeling requirements.

**A2.2a** Claimed Material, as defined to in the CCS, refers to “Organic Material” in the OCS, which is defined as:

**Organic Material:** any output of organic farms that have been certified by an accredited certification body to comply with the USDA National Organic Program (NOP), Regulation (EC) 834/2007, or any (other) organic standard that is approved in the IFOAM Family of Standards.

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**Input Verification**
**Current Version CCS 2.0**

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**Section B – Operational Requirements**

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**B2. Managing CCS Inputs**

**B2.1 Input Inspection**

**DESIRED OUTCOME:** Claimed Material is verified to have unique traits or properties whose identity will be preserved by the CCS.

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Organizations receiving qualified Claimed Materials or CCS Product as inputs shall inspect the documents accompanying the input goods to confirm that the description, quantity and source described in the document match the goods themselves. If there are any doubts about the validity of the incoming goods, the processing of the CCS Product shall not begin until conformity is proven.

**B2.1a** For Claimed Materials entering the supply chain from an outside source:

For materials entering the supply chain, there shall be documentation including the name and address of the supplier, the quantity and description of the goods, reference to claims being made about the material, and any corresponding verification or Certification.

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B2.1A – What do we do if materials come from outside certified source? What type of documents need to be maintained.? Currently, the language is very generic and not focused on just organic.
How does input verification happen?

Farm certification as per A2.2a – The standard is applied (farmers or group of farmers receive group scope certification).

Scope Certifications occurs, starting with the ginner and ending with the retailer; all B2b transactions obtain a scope certification.

When the ginner buys from the farm, they will buy and ensure the Farm Certification with the Transaction Certificate.

Sometimes the first step is the gin, not the farm. How do we link the farm and ginner?

Input Verification ➔ Invisible Supply Chain
Sometimes, the supply chain can look like this:

- There is one trader between the farm and ginner,
- There are two traders between the farm and ginner
- There are three traders between the farm and ginner
- Etc., etc., more and more traders getting involved

For OCS certification, there is no traceability at the farm level. We want to be able to trace out all the garments to the farm. Most of the time, the Farm Certification CBs and OCS Certification CBS are different.

**FEEDBACK REQUEST** – what can we do as a group to achieve transparency and traceability?

Input Verification

- What we can do make transparent supply chain between farm to first processing stage?
  - Example: Cotton - Farm to Ginning
- How can we do that?
- Transparent Supply chain
  - As recommendation?
  - As requirement?
  - As possibility?
- Suggestions?

**Comment in Chat:**
- Many standards do not need TC for farm products. Can Textile Exchange make it mandatory? Instead, we can use a bale lot number. We will also address this later on in this discussion.
New requirement for OCS as part of User Manual and Certification Procedure.

Section B – Operational Requirements

**B2.1a For Claimed Materials entering the supply chain from an outside source:**
For materials entering the supply chain, there shall be documentation including the name and address of the supplier, the quantity and description of the goods, reference to claims being made about the material, and any corresponding verification or certification.

Extra guideline mention in each standards.

Right now, we don’t have specific guidelines that specifically apply to the OCS. New requirement for OCS as part of User Manual and Certification Procedure. In B2.1a, we are adding the scope from the farm to the first processing step.

- **Input Verification ➔ Proposed solution OCS 3.0 Certification procedures.**

  - **Input Verification - Suggestion**
  
  - **Current requirements:**
    - Raw material (Seed Cotton/Raw Cotton) Original TC
    - Invoice & PO
    - Packing list
    - Logistic document (FCR copy – Forwarder cargo receipted etc.).
    - Bulk segregation – volume reconciliation.

  - **New requirements:**
    - Scope Certification of Farm (Soft Copy).
    - TC of Farm (Original).
    - TC of all Traders 1,2,3,4 (whenever its applicable) (Original).
    - Quantity of material mention in Scope Certificates for Volume reconciliation -(Chain of Custody – Bulk segregation).
    - Maintain Excel file at each CB.
    - ++ Current requirements.

New requirements: need to collect all the information we’ve already been collecting, **plus** a soft copy of the Scope of Certification of Farm, TC of Farm, the original TC of all traders involved, Quality of material mention in Scope Certificates for Volume reconciliation & Maintain excel file at each CB.
The ginning stage TC is linked to the collection of the new documents mentioned that need to be collected at the farm level.

Questions/Comments in chat:
- Need to maintain statistics region wise, season wise harvest, quality, etc.... for those that closely work with agricultural institutes and have those data longer period and reconcile in every respective period... deviations need to be investigated... this would be a long-term monitoring. The excel file previously mentioned will capture all the information, so we don’t need to monitor. The long-term tracking makes sense so we can see if there are long term problems. We will put this in the Central Database as well.

- Why we cannot require the Traders to be certified? The cost of trying to get all traders certified. But all we need is to be given copies of the documents, and CBs will be able to prevent them from being oversold. We will be registering the documents into the system so they can’t be used twice. When the TC comes into the system, it needs to be linked to the farm. The CB needs to provide this info, and the farmer needs to supply it. Certifying the trader would be out of the scope of the OCS. All traders are certified under NPOP/NOP/EU as a buyer from the farm group.

- Which certificate trader would need to issue farm TC? Same as farm like USDA & EU?? Example India – 28 CBs are allowed to do NPOP certification on a farm & processors/traders. Out of 28 only 4 are doing Textile Exchange (OCS) certification. And we do not have visibility of balance 24 CBs. Same 24 CBs are also allowed to issue Farm TC, Trader TC (between farm to Gin).
NOP do not need trader certificate. → We will get to this in later slides

Input Verification without TC → Current Version 2.0

Input Verification without TC
Current Version OCS 2.0

A2.2c All Organic Materials entering the supply chain shall have a Transaction Certificate (TC) issued by the Certification Body.

NOP & EU have TC for imported product & NO Internal trade within EU.

India & China – Mandatory requirements.

NOP and EU have TC for imported product and NO for Internal trade. India and China have mandatory requirements. What else can we do to accept the material without a TC? FEEDBACK REQUESTED

Comment in Chat:
- In France, for Flax, GOTS accepted a derogation not to have a TC from farm as not needed for EU.
- Instead of giving derogation, we can make part of Standards.

Input Verification without TC → Suggestion
**Input Verification**

**Without TC - Suggestion**

**A2.2c** All Organic Materials entering the supply chain shall have a Transaction Certificate (TC) issued by the Certification Body.

- **Purpose solution:**
  - **A2.2C** All Organic materials entering the supply chain Shall have a Transaction Certificate (TC) issue by the Certification Body. Certification Body shall consider Scope Certificates of farm in case of non-availability of TC.
  - **OCS 3.0 Certification Procedures & User manual.**

**New requirements:**
- Scope Certification of Farm (Soft Copy).
- Quantity mention in Scope Certificates for Volume reconciliation -(Chain of Custody – Bulk segregation).
- Maintain Excel file at each CB.
- ++ Current requirements.

**Proposed Solution**

Certification Body shall consider Scope Certificate of farm in case of non-availability of TC and use other documents such as PO for verification. We also plan on writing specific language on what the CB needs to collect: Current requirements plus soft copy of farm scope certificate, quantity mention in SC for volume reconciliation and maintain excel file at each CB.

**Questions/Comments in chat:**
- Why can’t a TC simply be required globally for OCS? → There is extra cost to the farmer. Also, the laws and standards are so different country to country and if you are complying to an international organic standard and then we had it to be required it would be confusing and costly and the farmer would maybe not want to do it.

- If the farmer sells the cotton through different certification bodies, then it can be a problem with sometimes having duplicate sales. The excel maintained by one certification body can’t be seen by the other one → The CB is going to do the work anyways we just want them to maintain it in excel so we can request information whenever we want in a specific format. Once the information is in the system it will cross reference automatically and no need to audit,

- EU/COMM are increasingly preventing certification of out of scope product especially non-food products so a TC/Certificate could not reference the regulation. This is why sometimes there is no TC certificate.

- TC do not have high cost it’s nominal, giving allowances for TC and accepting only Scope Certificate will leave window for fraud. → We agree, its more airtight to have a TC but if they legally won’t issue it there is a bigger problem. It’s not in the current central database configuration that each farm is a different entity, it will just notify us if there are multiple transactions per SC. When the SC is submitted quantity is most often listed on here (if it is a hard copy, sometimes not soft copy)
Do some countries require farmer to trader/gin TC? → 65% of all organic cotton does since it is from India. Not sure about China.

Certificates have estimated quantities, which differ from actual harvested quantities. → Yes this is true, the exact amount won’t be possible but in the CB system you cannot estimate beyond 5-10% up or down. We will follow the same rule in our TC. 5% variance is not what we’re worried about the grand scheme. We’re more worried about traders double selling quantities.

Input verification → In Conversion

Input Verification - In-Conversion

A2.2c All Organic Materials entering the supply chain shall have a Transaction Certificate (TC) issued by the Certification Body.

A2.2b The OCS allows “in-conversion” Organic Material as inputs if the applicable farming standard permits such certification. See the OCS Logo Use and Claims Guide for further guidance on “in-conversion” claims.

No Transaction Certificate (TC) issued by the Certification Body for In-conversion output.

All in-conversion materials entering the supply chain: SC issued by CB shall consider as input verification and for audit report for first year. FEEDBACK REQUESTED
Input Verification - In-Conversion

➢ What we can do make accept material without TC of In-conversion material?

Example: Cotton - Farm to Ginning

➢ How can we do that?

➢ Suggestions?

Input verification → In Conversion Suggestion

Input Verification - In-Conversion - Suggestion

➢ Add: A2.2 b Manual Guidance

All In-conversion materials entering supply chain: Scope Certificate (SC) issued by Certification Body (CBs) shall consider as input verification and for audit report for first year.

➢ Purpose solution: OCS 3.0 Certification Procedures

New requirements:

✓ Scope Certification of Farm (Soft Copy).
✓ Quantity as per Y0,Y1,Y2,Y3, ORGANIC
✓ TC of Farm (Original).
✓ TC of all Traders 1,2,3,4 (whenever its applicable) (Original).
✓ Quantity of material mention in Scope Certificates for Volume reconciliation -(Chain of Custody – Bulk segregation).
✓ Maintain Excel file at each CB.
✓ ++ Current requirements.

OCS 3.0 Certification Procedures

New Requirements
Scope Certification of Farm
Quality as per Y0, Y1, Y2, Y3 Organic
TC of Farm original
TC of all traders
Quantity of material mention in SC for volume reconciliation
Maintain excel file at each CB
+Current requirements

Substitution

➢ No information about organic material quality information in Transaction Certificates or Scope Certificates.

➢ No information about Fiber quality

Transaction Certificates (TC)

Scope Certificates (SC)

Farm Certification

OCS Supply Chain Certification

Quality of material is not available on SC & TC of farm & Traders.

Other specifications such as Yarn count to finish products are capture in OCS TC & SC.
Yarn Count and Yarn Type info is available, but we don’t have info on fiber length since farmers are not capturing this.
There is a conversion chart we can use.

### ORGANIC COTTON FIBER CLASSIFICATION BY COUNTRY

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Fiber Length (mm)</th>
<th>Fiber Micronaire (mic)</th>
<th>Yarn Count (No)</th>
<th>Yarn Type (Spinning Method)</th>
<th>2015 Supply (M)</th>
<th>Product Suitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanzania</td>
<td>Shinyanga</td>
<td>24-30</td>
<td>20-40</td>
<td></td>
<td></td>
<td>930</td>
<td></td>
</tr>
<tr>
<td>Tanzania</td>
<td>Sengida</td>
<td>24-30</td>
<td>20-40</td>
<td></td>
<td></td>
<td>1196</td>
<td></td>
</tr>
<tr>
<td>Ethiopia</td>
<td>Omo Valley</td>
<td>24-30</td>
<td>20-40</td>
<td></td>
<td></td>
<td>795</td>
<td></td>
</tr>
<tr>
<td>Madagascar</td>
<td>Tulear</td>
<td>28-34</td>
<td>30-45</td>
<td></td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Uganda</td>
<td>Ugands Lango (Itra, Apac)</td>
<td>24-36</td>
<td>20-60</td>
<td></td>
<td></td>
<td>795</td>
<td></td>
</tr>
<tr>
<td>Mali</td>
<td>Banikoara (Sikasso, Bougouni)</td>
<td>24-30</td>
<td>20-40</td>
<td></td>
<td></td>
<td>526</td>
<td></td>
</tr>
<tr>
<td>Senegal</td>
<td>Koussanar</td>
<td>24-30</td>
<td>20-40</td>
<td></td>
<td></td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Benin</td>
<td>Glazoue</td>
<td>24-30</td>
<td>20-40</td>
<td></td>
<td></td>
<td>345</td>
<td></td>
</tr>
<tr>
<td>Benin</td>
<td>Banikoara</td>
<td>24-30</td>
<td>20-40</td>
<td></td>
<td></td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>Bobo Dioulasso (Fuanledi)</td>
<td>24-30</td>
<td>20-40</td>
<td></td>
<td></td>
<td>1,067</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>Gansu (Dunhuang)</td>
<td>28-30</td>
<td>3.5-4.7</td>
<td>34-40</td>
<td>Ring spun carded yarn</td>
<td>2,186</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>Xinjiang (Heshitouqogai, Maigalit, Akesu, Hutubi)</td>
<td>28-36</td>
<td>34-50</td>
<td>4.4</td>
<td></td>
<td>10,955</td>
<td></td>
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<tr>
<td>China</td>
<td>Hubei (Shishou)</td>
<td>28-30</td>
<td>34-40</td>
<td>4.7</td>
<td></td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

#### Substitution

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### Table 3: Fiber Length Conversion Chart

<table>
<thead>
<tr>
<th>Fiber Length</th>
<th>mm</th>
<th>inches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short</td>
<td>&lt;25</td>
<td>&lt;26/32</td>
</tr>
<tr>
<td>Medium</td>
<td>25-30</td>
<td>26/32-35/32</td>
</tr>
<tr>
<td>Long</td>
<td>30-35</td>
<td>36/32-42/32</td>
</tr>
<tr>
<td>Extra Long</td>
<td>&gt;35</td>
<td>&gt;44/32</td>
</tr>
</tbody>
</table>

### Table 6: Fiber Staple Length and Yarn Count Range

<table>
<thead>
<tr>
<th>Staple Length</th>
<th>Type</th>
<th>Ne</th>
<th>Nm</th>
<th>Tex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short</td>
<td>Coarse</td>
<td>3-16</td>
<td>5-27</td>
<td>197-37</td>
</tr>
<tr>
<td>Medium</td>
<td>Medium</td>
<td>17-44</td>
<td>28-76</td>
<td>34.7-13.1</td>
</tr>
<tr>
<td>Long</td>
<td>Fine</td>
<td>45-80</td>
<td>77-135</td>
<td>12.8-74</td>
</tr>
<tr>
<td>Extra Long</td>
<td>Very fine</td>
<td>&gt;80</td>
<td>&gt;135</td>
<td>&gt;7.4</td>
</tr>
</tbody>
</table>
Cotton Species
There are four species of cultivated cotton, each with its own characteristics and product suitability.

| Table 2: Cotton Profile and Product Suitability |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cotton          | Fiber Length    | Yarn Count (Ne) | Yarn Type       | Cultivation Country (Organic) | Product Suitability |
| Gossypium Arboreum | Short           | 3-20            | OE, K           | Benin, Burkian Faso, India, Mali, Pakistan, Peru, Senegal, Tanzania, Uganda, USA | Denim/Jeans, Home, Canvas, Non-Wovens, Medical, Industrial textiles |
| Gossypium Herbaceum | Short           | 3-20            | OE, K           | Benin, Burkian Faso, India, Mali, Pakistan, Peru, Senegal, Tanzania, Uganda, USA | Denim/Jeans, Home, Canvas, Non-Wovens, Medical, Industrial textiles |
| Gossypium Hirsutum (Upland) | Medium, Long    | 18-45           | K, C, CK        | Benin, Brazil, Burkina Faso, China, Colombia, India, Madagascar, Mali, Pakistan, Peru, Senegal, Tajikistan, Turkey, Uganda, USA | Denim/Jeans, Home, T-shirts, Yoga wear, Leisure wear, Casual wear, Underwear, Industrial, Smart, Geo textiles |
| Gossypium Barbadense | Long, Extra Long | 40-130          | K, C, CK        | China, Egypt, India, Israel, Kyrgyzstan, Madagascar, Peru, Turkey, USA | High-end (fine apparel, underwear/intimates), High-end Home |

OE - Open end/Rotor yarn | K - Ring spun carded yarn | C - Ring spun combed yarn | CK - Ring spun combed compact yarn
Substitution

Gossypium Arboreum – Non-GMO
Gossypium Hirsutum – GMO

Idea case at Gin

Substitution case at Gin

For GMO testing at Gin

For GMO testing at Gin

Cotton | Fiber Length | Yarn Count (Ne) | Yarn Type
--- | --- | --- | ---
Gossypium Arboreum | Short | 3–20 | OE, K
Gossypium Herbaceum | Short | 3–20 | OE, K
Gossypium Hirsutum (Upland) | Medium, Long | 18-45 | K, C, CK
Gossypium Barbadense | Long, Extra Long | 40-130 | K, C, CK

Substitution - Solution

On sport checking by CB at Ginning

- Use of basic fiber length checking tool - cost 5 USD

With TC:
- Testing report
- IWA 32 GMO report

- USDA – Bale quality test report
- Other country Buyer/Seller contract.

We Confirm having sold to you Indian Cotton of following Parameters at following terms and Conditions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Indian Cotton, Crop 2018-2019 (H.S. Code 5201) Origin Country: India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variety</td>
<td>Indian Organic Raw Cotton 5-6 MIDDLING. CONTAMINATION CONTROLLED.</td>
</tr>
<tr>
<td>Parameters</td>
<td>Staple Length 29 MM, Mic: 3.5 - 4.9 NCL, Strength: 29 GPT MIN, Moisture: 8.5% Max, Trash: 3.50% Max.</td>
</tr>
</tbody>
</table>
Substitution → Suggestion

New requirements: for TC:

✓ Keep record of fiber quality at first point of entry with Test report.
✓ Use basic testing method to verify quality during annual audit by CBs.

✓ ++ Current requirement

Next Steps

- Provide final feedback on Input Verification & Substitute.
- Provide feedback on proposed changes.
- Next Call September 24, 2019 (All Proposed Changes)

Follow up
Requests for feedback

• Please provide written feedback by email to Amish@TextileExchange.org copying Lee@TextileExchange.org prior to the next call by September 27th (the sooner the better!).

Reminders for next call
The next call will take place on October 1st at 2pm BST/9 am EDT.
We will revisit today’s topic and review feedback. We will also look at all of the proposed changes to the OCS 2.0.
Important Dates

✓ September 16, 2019 : Email to IWG with all changes
✓ September 24, 2019 : Proposed Changes Call
✓ September 24 to 1 October 1, 2019 : Voting (over email)
✓ October 1, 2019: Voting close.

Other Updates

✓ RWS 2.0 revision.
✓ OCRT (Oct 18, 2019)