

Issue Backgrounder – June 2015

Third Party Audits

Overview

Third party auditing has existed in the agriculture community for some time. Most of these audits previously existed for fruit and vegetable farms and address food safety and handling.

As consumers become more informed, they are engaging in the process that their food takes from farm to fork. They want to know more and have a voice in how their food is produced; however, consumers are more removed from the farm and production practices more now than any other time in history.

This lack of knowledge about how food is produced comes with an increasing need to know that the farms and animals raised for food or to make food products are cared for in a humane and environmentally sustainable manner.

Third party audits are becoming more common in all sectors of agriculture.

Consumers are engaged in their food and how it is produced. They want to know that it is safe, wholesome and nutritious. They ask about the carbon foot print, humane animal welfare handling practices, sustainable farming practices and about other techniques used on the farms where their food comes from.

One way food retailers have responded to consumers' demands is third party auditing. Some nationally recognized third party audits include:

- GAP: Good Agricultural Practices Audit Verification Program
- GHP: Good Handling Practices Audit Verification Program
- FARM: Farmers Assuring Responsible Management Audit Verification Program

Two categories of third party audits are more prevalent in Wisconsin agriculture including conservation certification of farming practices within specific watersheds and animal welfare and management practices.

Specific watershed conservation certifications, such as the Yahara Pride Farms Certification Program, focus on conservation practices designed to reduce the loss of phosphorus within the Yahara Watershed.

There are four major incentive programs offered within the Yahara Pride Watershed program including (1) Farm Certification Program, (2) Cover Crop Assistance, (3) Vertical Manure Injection and (4) Strip Tillage. Each of these programs has unique benefits from the phosphorus reduction standpoint, as well as educational and confidence-trust building within the watershed.

The program SNAPPlus (soil nutrient application planner) is used throughout the process to help arrive at phosphorus reduction numbers. There is an annual report summary that provides an update on the number of acres and farms involved in the Yahara Pride Farms Certification Program, as well as an estimate of the number of pounds of phosphorus prevented from entering the Yahara Watershed. This is an opportunity to

direct county conservation department staff to spend time on farms and focus on implementing conservation practices.

The National Dairy FARM (Farmers Assuring Responsible Management) Program was created to show consumers that dairy farmers have a caring relationship with their animals.-Since this program's creation three years ago, the enrollment of 70 percent of the U.S. milk supply demonstrates the success and adoption of the program's practices.

There is tremendous value for the dairy industry to show verifiable animal well-being programs that provide consistency and uniformity to best practices in animal care. In addition, there are ongoing changes to the program that represent continuous input from dairy farmers, veterinarians and animal care experts. The guidelines in this program continue to be updated as the latest research becomes available. The FARM program is a tool many dairy farmers use to demonstrate their commitment to animal care and quality.

Third party audits are offered by a variety of organizations, companies and governmental agencies. With certification from these groups, incentive programs may be available for farmers. These may take the form of qualifications for government programs, private-public partnerships and other specialty group goals and benefits.

Additional benefits include meeting requirements mandated by clients, verification of farmer commitment to producing a safe food product, evaluation of processes and programs by a professional, opportunity to strengthen good agricultural practices and enhance marketing possibilities with recognition from clients.

The focus of these audits is evaluation of existing practices and the opportunity to implement more efficient methods, not policing and compliance. Data collection will be part of the analysis but should not be the main focus.

In many instances, food processors are requiring these types of audits before they purchase farmers' products. These may be audits for food safety and handling, farm conservation practices or animal welfare-handling practices.

As subjects of these audits, farmers need to be included in discussions and provide input regarding the real-world application of requirements. Further discussion among farmers as stakeholders needs to occur.

Questions to Consider

Are third party audits a positive or negative thing for farmers? Why?

What are the potential benefits or draw backs from third party audits?

Who should control the requirements within the third party audits?

Should Farm Bureau be involved in these third party audit discussions-criteria-requirements? If so, how? Local, county, state or federal?

Should third party audit certification be mandated in some sectors of agriculture or voluntary?

Who can access the information or data provided by farmers from the third party audits?