**QCS Simple Handler Fee Structure**

**This fee structure applies only to those handlers who qualify and submit the Simple Organic Handler Plan (OHP).** The following options are intended to provide a cost-effective certification for operations of various sizes and types. Please select the qualifying option that represents the best value for your operation(s).

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|  |  | **Annual Certification Fees****NOP, COR or EU 834***Due with Application/Annual Update* | **Annual Inspection Fees** |
| **Option** | **Description** | **Annual Gross Sales\*** | **Annual Certification Fee** | ● Cost varies: see below. ● $95 QCS service fee per inspection.● Unannounced inspection may occur (see below). |
| **OPTION 1****Basic Handler** | Certification of an individual Simple Handler operation | <$150,000 | $1,200 |
| $150,001-$300,000 | $1,400 |
| $300,001-$600,000 | $1,675 |
| $600,001-$900,000 | $1,975 |
| $900,001-$1,500,000 | $2,300 |
| $1,500,001-$2,250,000 | $2,725 |
| $2,250,001-3,000,000 | $3,300 |
| $3,000,001-$4,500,000 | $3,975 |
| $4,500,001-$6,000,000 | $4,775 |
| $6,000,001-$7,500,000 | $5,725 |
| $7,500,001-$9,000,000 | $6,850 |
| $9,000,001-$12,000,000 | $8,250 |
| $12,000,001-$15,000,000 | $9,825 |
| $15,000,001-$22,500,000 | $11,575 |
| $22,500,001-$30,000,000 | $14,325 |
| $30,000,001–$45,000,000 | $19,825 |
| > $45,000,000 | Contact office for quote |
| Data Entry Fee | First year only, $1.50 per item seeking certification |
| \*How to determine ***Annual Gross Sales:***Certified operations – use the annual gross sales of organic products for the previous calendar year.Applicants for certification – estimate the expected annual gross sales for the first calendar year following certification.  |
| **OPTION 2**Multi-UnitUmbrella (Primary operation pays all certification fees) | Certification of a Primary Operation and Additional Associated Unit(s)*(Each unit requires a separate Organic System Plan and inspection).* | **Annual Gross Sales** | **Annual Certification Fees** |
| < $50,000,000 | $25,000 + $1,850/unit |
| $50,000,001 - $250,000,000 | Flat rate: $80,000 (Maximum 30 production units) |
| >$250,000,000 | Contact QCS for a quote |

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| **Additional Certification Options (ADD-ONS): Fees due with application and upon annual renewal.** |
| Grass Fed-Organic | Certification to the Organic Plus Trust (OPT) Grass-Fed Organic Livestock Program for Grass-Fed Organic Meat and Dairy Products | $325  |
| International Add-ons for EU 834 | Great Britain Organic Certification | $300 |
| Bio-Suisse Certification | $350 |
| International Verifications for NOP | US-Japan, US-EU, US-UK or US-Switzerland Organic Equivalence  | $70 each |
| US-Canada Organic Equivalence, US-Korea Organic Equivalence  | $150 each |
| US-Taiwan Organic Equivalence (requires laboratory testing at cost) | $150 (+ testing) |
| COR: Organic Equivalency Arrangements | $150 each |
| Expedited CertificationAdd $200 for additional scopes (grower, livestock, etc.) | **Contact the QCS office if you seek expedited review.** |
| 30-40 working days | $1875 |
| 15-20 working days | $3750 |
| International Verification | $550 each |
| Expedited Inspections | Fee for Canceled Expedited Inspections – please see our Expedited Service Agreement for terms and conditions. | $600 + all expenses incurred |
| ***Other Fees: As applicable*** |
| Renewal Late Fee | $100 |
| Finance Fee | $25 first 30 days past due, 1% of balance for every 30 days thereafter. |
| Update Fee | Applies to Additional Products, Label Reviews, and other OSP updates outside of annual renewal that do not require inspection. $70/hour for 15-20 working days. Expedited: $200/hour for 3-5 working days; $450/hour for 1-2 working days. The application and supporting documentation must be complete and compliant to ensure these timelines. Please contact the QCS office to determine availability of expedited review.  |
| Organic Percentage Statement | $50 per document  |
| Transaction Certificate | $150 each for 5-7 working days. $250 each for 3-5 working days. $460 each for 1-2 working days. The fee for domestic mailing (shipping and labor) will be at least $50, and international mailing (shipping and labor) will be at least $75. The application and supporting documentation must be complete and compliant to ensure these timelines. |
| Reinstatement Fee | $500, due with initial application. |
| Mediation Fee | $300 for mediation resulting from an administrative noncompliance (e.g., failure to renew), $500 for mediation resulting from technical noncompliance; due upon QCS acceptance of request for mediation. |
| State Registration Fees | For states that require certifier registration, the additional fees apply: CA $25; NJ $25; and UT $100. |
| Azzule Platform | $80 per client audit upload; $15 per client audit share/sent |
| Use of FOG logo  | $100 contributing fee. |
| **Fee credits**  |
| Early renewal discount | A $50 non-transferrable discount will be awarded to operations whose annual update renewal application and fee payment are received 1 month or more prior to the operation’s anniversary date. |
| Referrals | A $50 non-transferrable credit will be awarded for each referral which results in an application to QCS for certification. |
| QCS Logo | A $25 non-transferrable credit will be awarded to operations using the QCS logo on new retail labels. |
| Switching to QCS | 10% discount for operations who are switching to QCS because their current certifier is reducing administrative capacity or ending accreditation, provided that there are no open noncompliance’s or settlement agreement. |

\*QCS reserves the right to charge additional fees, as applicable, for all other administrative and certification related services not specifically listed. Administrative time is billed at $70/hour.

**DESCRIPTION OF FEES AND REFUND POLICY**

**Certification Fees** Certification Fees are the base annual fees due each year for certification. The amount of fees to be paid depend on the fee option chosen from the above table, and are in addition to the inspection fees charged. Certification fees are due at the time of initial application (1st year) and on anniversary date in subsequent years. A flat rate fee may be negotiated at QCS’s discretion. Certification fees take into account the requirement for QCS to conduct additional inspections (primarily unannounced) and sampling at a percentage of QCS certified operations, as described in the organic standards. Certification fees may be higher when needed to ensure compliance (including additional document review and pesticide residue testing) for what has been determined to be a high risk region or a high risk commodity; if this applies, QCS will notify the applicant/client and provide a quote of the additional compliance fees. QCS reserves the right to not review an application until all fees are received. Use of Net 15 terms above refers to the terms for payment within 15 calendar days of invoice.

**Inspection Fees** The final cost for inspection varies based upon the complexity of the operation inspected, the ability to group with other nearby inspections, the individual inspector assigned, and how long the inspection takes. In addition to fees for the inspector’s time, all travel expenses are paid by the party to be inspected. This may include travel time, gas, mileage, car rental and/or airfare, meals, lodging, tolls, etc. We strongly encourage clients to submit their application in a timely manner so that inspections can be coordinated as to save on travel expenses.

Operation complexity is determined in the initial review phase using a standardized formula taking into account things like production processes in use, length of time certified, number of certified products, whether certifying multi-ingredient vs single ingredient products, number of suppliers, whether any international equivalencies are requested, whether there’s parallel uncertified production, past noncompliances, past inspection length, etc.

The chart below indicates the minimum cost and the expected total price range of an inspection based on the operation’s assigned complexity. For example, a moderate processing/handling inspection is going to cost a minimum of $885 and is expected to fall within the range of $855 to $1,140 when travel expenses are taken into account. Note that actual inspection time and travel expenses may increase the inspection cost above the anticipated range. However, QCS greatly strives to keep inspection costs within these ranges.

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|  | **Operation Complexity** |
| **Operation Type** | Simple | Moderate | Complex | Very Complex |
| Simple Handler | $655 - $855 | $855 - $1140 | $1140 - $1450 | Varies based on site specific requirements (please contact the QCS office). |

Clients will be invoiced after the inspection for the inspection fees: total inspection cost, inspector accommodations, and the inspection service fee**.** The inspection service fee is retained by QCS to cover administrative costs associated with our inspection program.

**Follow-up Inspection Fees** The operation will be billed $500 plus travel expenses, as described above, for each follow-up inspection that is conducted in addition to the initial or annual inspection when the follow-up inspection is needed to evaluate the effectiveness of corrective actions following noncompliance before certification is granted or continued; in the case of newly certified COR operations to verify input/output and conduct a trace back audit of organic product at first run; except that an additional fee of $85/hour will be billed for follow-up inspections that exceed 4 hours.

**Unannounced Inspections and Sampling:** Unannounced inspections and sampling occur in accordance with organic standards. Unannounced inspections are not billed unless they are combined with your full renewal cycle inspection, and the costs of random sampling is not billed to you. However, when an operation incurs a technical noncompliance, or has a positive pesticide residue/GMO contamination test, the operator must cover the cost of any follow-up unannounced inspections and/or associated sampling required to complete our investigation into the issue. This cost is capped at $600 per investigation of each technical noncompliance and/or positive sampling result. Investigations may be carried over from your previous certification cycle, but the billable window for any investigation activity shall not exceed 365 days since the technical noncompliance was issued or since QCS was made aware of the positive sampling result.

**Expedited Certification** Expedited certification is intended for clients that are seeking priority review of their Organic System Plan (OSP) of 15-20 working days or 30-40 working days for certification. QCS defines working days as weekdays (Monday-Friday) provided the weekday(s) does not fall on a holiday. QCS’ ability to complete the certification process in this time frame depends on submittal of a completed application/organic system plan, supporting documentation and fees, a willingness to respond quickly with any additional information requested by QCS, inspector availability, and availability of client to be present at inspection. Expedited certification fees are in addition to certification fees. Additionally, to ensure that inspectors and QCS are compensated for potential disruptions to inspection schedules when accommodating expedited requests, inspector-hours will be billed 100% higher for 15-20 working day and 50% higher for 30-40 working day expedited requests. The inspection service fee will increase from the standard $95 per inspection to $190 for 15-20 days and $145 for 30-40 day.

**Canceled Expedited Inspections** When working on an expedited timeline, QCS needs to secure the time of one of our qualified inspectors on very short notice. This may require inspectors to reschedule previously planned inspections, block off adequate windows of time for your inspection that may otherwise be filled with other assignments, and incur expenses making necessary travel arrangements. Much of this work may, by necessity, occur concurrently with your initial review, which must be completed before an inspection can take place.

Because of this, inspectors can incur significant costs only to have the inspection date change due to delays attributable to the client, including but not limited to: an initial review that’s been extended by prolonged requests for information required to correct the submission of an incomplete application, delayed client responses to requests for information, and/or cancellation due to personnel availability and unforeseen plant/farm closures.

To ensure inspectors are compensated for all expenses, lost revenue, and lost opportunity costs when delays of this nature occur, there will be an additional $600 + expenses fee charged for all cancelled/delayed inspections of expedited applications, provided the situation meets these conditions: 1) Application and expedited fees have been submitted to QCS, 2) QCS assigns an inspector, 3) The inspector and client have settled on an inspection date, and 4) The inspection is then delayed for one of the reasons cited above.

**Refund Policy** If the application is withdrawn before inspection, one half of certification fee(s) may be refunded. If withdrawn after inspector has been assigned, the certification fee(s) are nonrefundable. Expedited certification fees are nonrefundable. If you are denied certification, suspended or revoked, certification fees are nonrefundable and all invoices must be paid according to terms; inspection charges must be paid if the inspection was conducted.

**Referral Policy** If an existing client refers a new client to QCS, provided the new client provides an application, fees and a statement they were referred by that existing QCS client, a $50 non-transferrable credit will be awarded to the existing QCS client.

**US-Taiwan Organic Equivalence** QCS is required to test 1/3 of the clients verified to the US-Taiwan Organic Equivalence annually. As this is a requirement of Taiwan, the cost of laboratory testing is the client’s responsibility. If QCS collects and submits a sample for testing the actual costs will be billed.

**Transaction Certificates** QCS expects the transaction certificate request to be submitted before shipping the product. For COIs through the TRACES system for the European Union (EU) the COI must be issued before shipping product, as required by EU regulation (EC 834/2007 Article 33, EC 889/2008 Article 84, EC 1235/2008 Article 13, and EC 2020/25). For TM-11 or NAQS requests, QCS expects the transaction certificate request to be submitted before shipping the product in order to verify compliance. If a TM-11 or NAQS request is submitted after the product has shipped, the TM-11 or NAQS document will not be issued if the product composition or labeling is found not to be in compliance with the regulation, or the equivalency or export arrangement. The transaction certificate request and supporting documentation must be complete and compliant to ensure the timelines above.