



Designing a Recordkeeping System for Your Operation

The USDA organic regulations tell you what your records must accomplish; they do not tell you how to accomplish it. That flexibility is intentional, and it is an opportunity. A bakery with ten employees and five organic SKUs needs a very different system from a regional grain distributor handling ninety-plus lots per season. This article helps handlers at any scale design a recordkeeping system that is compliant, sustainable, and actually fits the way their business operates.



What You'll Learn

- While there is no prescribed recordkeeping format required, there are some recordkeeping requirements all systems must meet.
- How to map your workflow, identify what gaps exist, and fill those gaps with new or updated recordkeeping.
- Some benefits and limitations of paper, spreadsheet, and software-based recordkeeping systems to keep in mind when choosing which format to use.
- The key system components that support consistent and complete capture of information for inspection.
- Common pitfalls in recordkeeping systems and how to avoid them.

Recordkeeping is a foundational practice for organic handlers. Records provide the evidence that an operation has complied with organic regulations. As such, they are thoroughly reviewed during inspections. Let's look at how to begin designing an effective recordkeeping system, including the key elements it needs to include and the components organic handlers have found most important for long-term recordkeeping success.

FORMAT IS FLEXIBLE

The USDA organic regulations intentionally do not prescribe a specific format for your recordkeeping. Records must be "adapted to the particular business that the certified operation is conducting."¹ This flexibility recognizes that recordkeeping needs will differ significantly between operations.

For handlers, this means two things. First, there is no single recordkeeping format that every operation must use. Second, certifying agents cannot require you to use their specific forms.

Flexibility, however, does not mean that anything goes. While the regulations allow you to design your own recordkeeping system, they are very specific about what your recordkeeping system must accomplish. Your records must fully disclose activities and transactions in sufficient detail to be readily understood and audited, span the product flow from receipt through sale, record evidence of organic critical control points, and support traceability.¹

“I’ve inspected folks who have a calendar and a three-ring binder and they have complete and compliant records. Other folks have a completely electronic system ... All it needs to do is be complete and compliant and you need to be able to show your inspector how it works.”

Lynne Haynor
Organic Conservation Specialist
Organic Trade Association

When designing your organic recordkeeping system, the key question to keep returning to is: What forms, records, and processes will reliably capture the information needed to demonstrate compliance for my operation?

BUILDING YOUR ORGANIC RECORDKEEPING SYSTEM

One of the most common mistakes new organic handlers make is assuming they need to create an entirely new record-keeping system for organic compliance. In reality, most operations already maintain many of the required records for inventory management, food safety, quality control, accounting, or traceability purposes.

Rather than building a separate system for organic recordkeeping, start by identifying the records you already maintain and evaluating whether they can be adapted to meet organic requirements.

“I would encourage a handler to start by evaluating what do you have in existence that ... is already a recordkeeping practice that could be tweaked or actually just already fit the need for the National Organic Program. Not creating a new layered process for recordkeeping, but actually weaving the organic requirements into the production type that that operation is already following.”

Johanna Phillips
Director of Business Development and Regulatory Affairs
Strengthening Organic Systems

This is especially sound advice for operations that handle both organic and nonorganic product. Creating two parallel systems, instead of one integrated system, can often lead to mistakes. If organic production requires additional forms, do production staff remember to pull them out of the binder and fill them out? If lot codes only get recorded for organic production runs, will staff consistently remember where to find those lot numbers and when they need to document them? Every additional exception, special form, or alternative process creates another opportunity for records to be missed.

Step 1: Map Your Product Flow

A good starting point is to map out the movement of organic products through your operation. Begin with the moment an organic ingredient, processing aid, or product arrives and continue through every stage until it leaves your control.

- What activities take place here?
- What information needs to be documented?
- Where is that information currently recorded?
- Who is responsible for completing and reviewing the record?
- How does this record connect to the records from the previous stage? How does it connect to the next stage?

It's important to note that records don't connect to each other just because you say they do. For example, at an inspection, an olive oil mill can't say that they know a specific date of production used olives from a given organic ranch because they always mill olives the day they arrive. Instead, the records must show that those olives were the ones used, by, for example, including a lot code ascribed to the olives on the olive oil processing form which would inherently capture the same "mill on same day they arrive" data only this time with linking evidence.

For most handlers, a product flow map will include receiving, ingredient storage, production/processing, finished product storage, and outgoing shipment/sale. Each of these phases will involve the creation of records that build a complete traceability record, and some phases also include key control points where records are used to confirm that organic requirements have been followed.



HANDLER TIP

Download [Map Your Organic Product Flow for Recordkeeping Worksheet](#) to work through each stage of your operation and identify what records may be useful at that stage.

Step 2: Identify Gaps

Once you have mapped your product flow, compare your existing records against the recordkeeping requirements discussed in article [Recordkeeping Requirements for Organic Handlers](#).

Ask yourself:

- Is this record adapted to my business?
- Does it fully disclose the activity or transaction?
- Does it identify the products, ingredients, and/or materials as organic as required?
- Can it be retained for at least five years?
- Does it demonstrate compliance?
- Does it capture evidence of organic critical control points when needed?
- Is there a clear way that it links to other records in the product's audit trail?

Write down any gaps you identify. Addressing these gaps will help you build a fully compliant organic recordkeeping system.

For example, a small sauce producer may already maintain production batch records for food safety purposes. Those records may include ingredient names and quantities but not identify which ingredients are organic or record supplier lot numbers. Rather than creating a separate batch record specifically for organic products, the producer can modify the existing form to capture this additional information.

Step 3: Look to the Requirements and Fill the Gaps

Once you've identified the gaps in your system, take time to review the requirements of [7 CFR §205.103](#) and understand what evidence an inspector needs in order to verify compliance. The goal is not to create more records than necessary. The goal is to create records that clearly demonstrate compliance.

Keep in mind that this area of the regulation is intentionally vague to offer you flexibility. Different certifiers may have their own interpretation of what is meant by keeping records in "sufficient detail." Do your best to create a system that both fits your operation and documents compliance. Then, stay open to feedback from your certifier when they review it. Ultimately, you will land on a compliant recordkeeping system with your certifier.

CHOOSING A FORMAT

Once you know what changes you'll need to make to your current system in order to comply, you'll have to choose how to keep your records. Most often handlers use a paper system, a digital spreadsheet system, a digital software system, or a hybrid system.

Paper Systems

Paper records are fully acceptable under the USDA organic regulations and remain common among smaller operations. Many certified handlers successfully maintain compliant recordkeeping systems using various combinations of paper forms, clipboards, binders, and filing systems.

“There’s folks that really still like paper records. They are much more comfortable having a paper record than having a whole spreadsheet that’s online. And if that’s you, then stick with that ... I don’t think there’s any reason, especially depending on ... your size, to not use paper records.”

Ellen Rawley
Lead Consultant
Ellen Rawley Creative & Strategy

If you choose a paper-based system, spend time thinking through the practical workflow. Where will records be completed? Who is responsible for filling them out? How will they be collected and filed? And if an inspector asks for a specific document, how quickly can you find it? Are records readily available for at least five years?

Spreadsheets and Cloud-Based Systems

For many operations, digital spreadsheets provide a useful middle ground between paper records and dedicated software. Programs such as Excel and Google Sheets can make records easier to search, link together, and analyze while remaining relatively inexpensive and easy to implement. Spreadsheets can be especially valuable for inventory tracking and mass-balance calculations.

“Our recordkeeping system is all in Google Drive, which is super easy and can be shared with other people ... We have a receiving log online, and in that receiving log we have a little tab and links ... a link to our COA and we also have a link to our invoice ... When you’re looking at the receiving, all you have to do is go down one line. That’s probably the biggest thing we’ve done, and the best thing we’ve done last year, it made the whole audit a breeze.”

Michelle Pusateri
Owner
Nana Joes Granola



HANDLER TIP

Clarkson Grain addressed audit challenges by consolidating information about organic grain bins, dates, farmers, amounts, and variety totals into a structured spreadsheet that automatically calculates running inventory totals. The result is a clearer picture of inventory movement for mass-balance and traceability audits.

ERP and Inventory Management Systems

As operations grow, many choose to implement inventory management or Enterprise Resource Planning (ERP) systems. These systems can automate lot tracking, link records across receiving, production, inventory, and sales, generate reports, and make information easier to retrieve during inspections.

At Janie's Mill, implementation of an ERP system replaced a patchwork of spreadsheets, binders, and separate software tools. Grain arriving from farms is entered into the system with farm lot numbers, production activities are tracked against those lots, and outgoing sales can be traced back to the original source.

However, these systems do require significant investment in setup, training, and customization. So before choosing an ERP or inventory management system, consider a few practical questions:²

- Does the system integrate with the tools I already use?
- Will it simplify an existing process or create additional work?
- What training and support does the software company provide after implementation?
- Are other operations similar to mine successfully using it?

Larger operations often evolve through several recordkeeping systems before finding the right fit. Amanda James-Martin of Organically Grown Company described moving from a large SharePoint-based document system to inventory management software and eventually to a platform that automatically links vendor documents with purchase orders.

"The takeaway from that story is that the first thing you try might not be the best thing, but don't be discouraged. There's still gonna be a better thing down the road. You just have to keep trying and eventually you'll find the right fit."

Amanda James-Martin
Food Safety Specialist
Organically Grown Company

As she notes, the most effective recordkeeping system is not necessarily the most sophisticated one. It is the system that fits your operation, supports your daily workflow, and consistently produces the records needed to demonstrate compliance.

Comparing Recordkeeping System Formats			
	Paper	Spreadsheet/Cloud	ERP
Cost	Low	Low to Medium	High
Setup Time	Fast	Moderate	Slow (months)
Retrieval Method	Manual	Search/Filter	Automated Reports
Company Size Best Fit	Small to medium, or large with low complexity	Small to large	Medium to large
Inspection Experience	Navigate physical files	Share screen or export	Pull up reports

All three formats can be compliant. Match the system to your scale, complexity, and staff skills.

Hybrid Systems

Many certified handlers use a hybrid recordkeeping system that combines the strengths of both paper and digital tools. For example, production staff may complete paper forms on the processing floor, receiving personnel may use printed receiving logs at the dock, and warehouse staff may conduct inventory counts on paper worksheets. Key information is then entered into spreadsheets, databases, or inventory management software on a regular schedule.

This approach can be especially effective when paper forms are the most practical tool for collecting information during day-to-day operations, but you also want the searchability, reporting capabilities, and backup benefits of digital systems.

One important consideration with hybrid systems is making sure paper records are routinely reviewed and transferred into the digital system. Ellen Rawley recommends establishing a regular transfer schedule, at least once a week to start, and assigning the responsibility to a specific individual. Regular review helps identify missing signatures, incomplete fields, illegible entries, or other issues while they can still be corrected.

COMPONENTS OF A SUCCESSFUL RECORDKEEPING SYSTEM

Regardless of whether you use paper forms, spreadsheets, software, or a combination of tools, the most effective recordkeeping systems share a number of common characteristics. These elements help ensure records are completed consistently, maintained accurately, and able to provide the evidence needed to demonstrate compliance during an inspection.

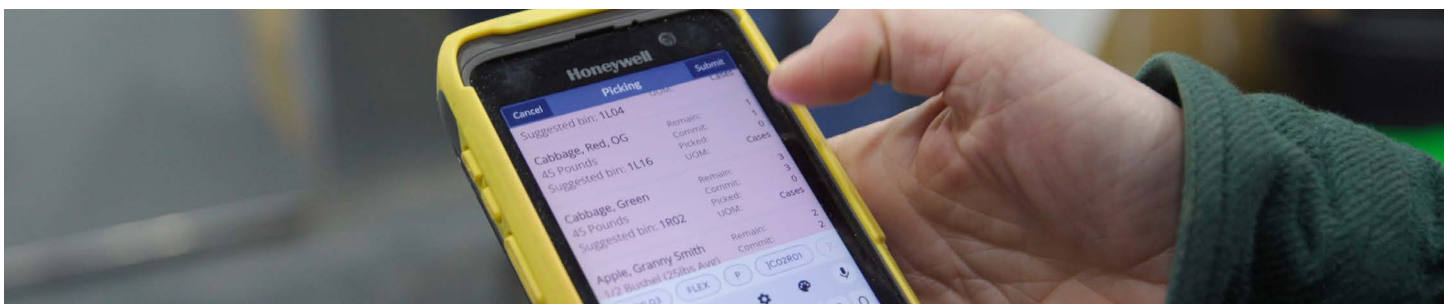
Covers the Entire Product Flow

Make sure your system captures information throughout the entire product flow (from receiving through to sale/release of product, depending on your role) and has a clear way for a third-party to connect records from different stages. One common weakness is having strong records at the beginning and end of the process, but inadequate records connecting those stages. Another is having great records throughout, but nothing that ties the records together.

For example, a spice blender may maintain supplier certificates and receiving records for incoming ingredients and detailed sales records for finished products. However, if production records do not identify which ingredient lot numbers were used in each batch, the connection between receiving and sales is lost. Similarly, if the spice blender assigns in-house lot codes at receiving, but there is no log that ties a manufacturer's lot code to that in-house lot code, the connection between receiving documentation and production is lost.

“Make sure that you don’t lose the links between the sets of documents. If a product or ingredient comes in with a certain lot number and it changes to a different lot number as you go through processing, make sure that’s accounted for in your records because in the end, your inspector is gonna need to trace it through your operation.”

Lynne Haynor
Organic Conservation Specialist
Organic Trade Association



Completed During Operations, Not After Them

Records must be completed as activities occur, not reconstructed later from memory. A compliant recordkeeping system is part of routine operations rather than a fabrication reserved for inspection preparation.

Waiting until annual inspection season to organize records often leads to missing information, incomplete logs, and unnecessary stress. Instead, establish a regular process for reviewing records and identifying gaps.

Ellen Rawley recommends conducting an internal review at least weekly to start. This allows missing signatures, incomplete entries, or other issues to be corrected while the information is still fresh and supporting documentation is readily available. If something is being missed regularly, she recommends first trying to understand why it is happening, rather than assuming it is simply due to a lack of attention to detail on the part of employees. Getting information recorded might be as simple as making the field on a form bigger or putting it in a different location so employees are cued to fill it out at the appropriate step of production.

Store Records Where They're Usable

Records should be accessible where the activity occurs. A form that is difficult to access is less likely to be completed consistently and accurately. For example, don't store a receiving log for a busy loading dock in a manager's office. Instead, somewhere accessible such as hanging it on the wall on a specific hook with a pen tied to it right where receiving activities occur.

"Our harvest equipment cleaning log is hanging up on a clipboard in the cleaning area because we're cleaning our harvest equipment right outside the door ... Our harvest record ... is on a clipboard hanging on the cooler."

Griffin Berger
Owner
Sauk Farm

Think about where information is generated and make sure the record is available at that location. The same logic applies to how records are stored overall: a recordkeeping system is only effective if records are safely retained and can be located when needed, and the storage itself needs to be secure enough that records survive until you need them. The goal is to make compliance part of the workflow rather than an additional task employees must remember to complete later.

Clear Responsible Parties

A strong recordkeeping system also assigns clear responsibility for every record. Each record should have at least one designated owner responsible for completing it, and in many cases a second person responsible for review and verification.

Assigning responsibility for both record creation and review helps ensure accuracy and prevents small issues from becoming ongoing compliance problems.

Designed to Work With Your Production Staff, Not Against Them

The most consistent constraint on any recordkeeping system is not the software, the forms, or the filing method. It's the people who use it. No matter how sophisticated a system may be, it only works if staff complete records correctly, consistently, and as part of their normal workflow.

A beautifully designed system that employees struggle to use is ultimately a compliance risk. In contrast, a simple system that staff understand and complete accurately every day is far more likely to produce the records needed during an inspection. When evaluating any recordkeeping process, ask not only whether it captures the required information, but whether the people responsible for using it can realistically maintain it over time. And if you are not sure, involve those people in the discussion.

Safely Retained and Organized For Quick Retrieval

Finally, a recordkeeping system is only effective if records are safely retained and can be located when needed. Records can be lost due to poor storage conditions. More often, the question during inspection is not always whether a record exists, but whether it can be found quickly and connected to the rest of the audit trail.

The specific organization method will vary by operation. Some handlers organize records by supplier, others by lot number, production date, or Organic System Plan section. What matters is that employees know where records are stored and can retrieve them efficiently.

INVENTORY RECONCILIATION

In addition to documenting what happened to a product, your records must document how much product moved through your operation. This is essential for mass-balance audits. Mass-balance audits may be performed on both ingredients and finished products. In either case, you will be asked to show how much product was on hand at a defined starting date, then account for how much was added (through production or receiving) and how much was removed (through use or shipment) over a specified time period. The resulting calculation is then used to determine the expected inventory at an end date, which is compared against your actual recorded inventory count to verify that the records and physical stock align.

At a minimum, records for ingredients and processing aids should capture quantities received, quantities used in production or otherwise disposed of, and quantities in inventory. For finished products, records should at least capture quantities produced, quantities in inventory, and quantities shipped or otherwise disposed of.

Records may use weight, volume, count, case, or another appropriate unit of measure when capturing quantities. It's often best if the unit of measure stays the same across records. If not, be prepared to convert units for an accurate mass-balance. For example, if you receive vinegar by the drum, but use it by the ounce, there will be extra math involved in a mass-balance audit.

LEARN MORE

Take a deeper dive into [The Mass-Balance Audit](#) article to learn more about this useful calculation.

HANDLER TIP

At Traditional Medicinals, quantities are documented throughout the production process, including product losses due to sampling, retains, and waste. This allows the company to reconcile inventory and demonstrate where product went at every stage.

RECORDKEEPING WILL EVOLVE

No operation builds its ideal recordkeeping system on the first attempt. As your operation grows and your understanding of organic compliance deepens, your records, forms, and workflows will likely evolve. Changes in organic requirements will periodically call for a shift in your recordkeeping as well.

Operations that approach recordkeeping with a mindset of continuous improvement often develop stronger systems than those that try to create the perfect solution from the start.

Therefore, Ellen Rawley recommends that when first building an organic recordkeeping system, operations run mock traceability and mass-balance audits at least monthly for a period of time. This practice helps identify gaps early, before they become recurring compliance issues or are discovered during an official inspection.

HANDLER TIP

The Good Acre experienced this challenge as its sales increased. After reaching approximately \$1 million in annual sales, its existing inventory processes were creating administrative burden and limiting efficiency. Implementing a scanning-based inventory system ultimately allowed the organization to move substantially more product without adding staff.

The goal is not perfection. The goal is to create a system that works for your operation today while remaining willing to improve it over time. A recordkeeping system that works well for a small operation may become strained as production volume, product lines, or staffing increase. So scale your system as your operation grows.

For example, a spreadsheet-based system that works well for a business with a few products and limited inventory may become difficult to maintain as transactions and inventory movements increase. As operations grow, recordkeeping systems can become a bottleneck if they are not adapted to support the additional complexity.

When moving from one recordkeeping system to another, it is often wise to run both systems in parallel for a period of time. Maintaining the old system while testing the new one provides a backup if unexpected issues arise and helps ensure important records are not lost during the transition.

HANDLER TIP

Organically Grown Company managed a system transition by maintaining its previous process as a backup throughout an entire growing season before fully transitioning to its NetSuite system.

OSP AND THE RECORDKEEPING SYSTEM

The regulations require certified operations to include a description of their recordkeeping system in their Organic System Plan (OSP).³ Most certifier forms ask questions such as:⁴

- How do you maintain records?
- What types of records do you maintain?
- Who is responsible for maintaining them?

This description is more than an administrative requirement. It establishes the system your certifier has approved and provides the framework inspectors use when evaluating your operation.

During inspection, the inspector will compare your stated procedures with the records you actually maintain to determine whether your system is functioning as described. So as you tweak your recordkeeping system, make sure to update your OSP along with it.

If you, for example, transition from paper records to cloud-based spreadsheets or start recording final counts weekly on a pack log instead of daily on the production batch sheet itself, update your OSP accordingly. A well-maintained OSP accurately describes the recordkeeping system currently in use, not the system you used last year.

LEARN MORE

Download the [Steps to Creating Your Organic Recordkeeping System Checklist](#) to get started with designing your unique system.

CONCLUSION

A compliant recordkeeping system is not defined by its format, but by its ability to consistently provide evidence that a product was handled in accordance with the regulations while at your facility. In this way, it tells a complete story that starts with “on the day it arrived” and ends with “on the day it was shipped out.”

Whether you use paper logs, spreadsheets, or fully integrated software, the system must capture activities as they occur, connect records across the full product flow, and provide enough detail for an inspector to verify critical control points, traceability, and quantities.

Just as importantly, recordkeeping is not a separate function from operations. The strongest systems are those that fit naturally into daily workflows, assign clear responsibility, and are reviewed regularly so gaps are caught early rather than discovered during inspection.

Finally, effective systems are not static. They evolve as operations grow, regulations or processes change, and new tools become available. Building a system that works today, while staying attentive to how it can be improved tomorrow, is what allows recordkeeping to remain both compliant and practical.

With a clear understanding of the requirements and a system designed around how your operation actually functions, you can maintain a complete, continuous, and auditable record of organic products from receiving through final sale.

ACTION ITEMS

- Map your current product flow from receiving through sale.
- Assess the records used at each stage against the recordkeeping requirements.
- Re-read The Guide to Organic Handling & Processing, this time with the goal of documenting what records your operation needs to keep for each topic.
- Evaluate whether a paper, spreadsheet/cloud, or ERP format is best for your situation.
- Run a mock traceability audit and a mock mass-balance audit to confirm that your records provide the information needed for inspection.
- Update your Organic System Plan (OSP) to accurately describe your recordkeeping system and submit to your certifier for review.

SOURCES CITED

1. USDA National Organic Program, [7 CFR §205.103\(b\)](#).
2. Organic Trade Association. (2023). *Organic Fraud Prevention Guide: Ensuring Global Organic Supply Chain Integrity*. Retrieved from https://ota.com/sites/default/files/legacy/indexed_files/OrganicFraudPreventionGuide_OrganicTradeAssociation%20-%202023%20Update.pdf
3. USDA National Organic Program, [7 CFR §205.201\(a\)\(4\)](#).
4. U.S. Department of Agriculture, Agricultural Marketing Service. (2026). *Organic System Plan Template: OSP for Handling*. Retrieved from <https://www.ams.usda.gov/reports/organic-system-plan-template>

DIG DEEPER

1. Midwest Organic Services Association. *Recordkeeping Requirements for Handlers*. Retrieved from <https://mosaorganic.org/assets/forms/Master-Cert-Forms/Recordkeeping-Requirements-for-Handlers.pdf>



United States Department of Agriculture
Agricultural Marketing Service
National Organic Program

