

Managing Your Supply Chain

Humberto Maldonado (00:18):

Organic is not only about your operation, it's about your entire supply chain. So you are responsible not only for yourself, but for the operations that are supplying you with organic product. So it is important to keep the integrity from the farm to the fork.

Nate Powell-Palm (00:41):

Picking your suppliers so that you're getting good, reputable partners is just foundational to being able to stay and make money in organic.

Jessica Jones (01:25):

And you can even just, like, search for particular products that you're looking for in the database. All you see is certified organic things. It's the greatest. Finding, vetting, and establishing relationships with organic suppliers has gotten streamlined and easy.

Nate Powell-Palm (01:43):

I would encourage you all to find those suppliers who have a really good reputation first and use their numbers for what the ingredients cost when you're building out whether or not you're going to get into certified organic, whether or not there's going to be a profit margin left for you after you purchase these ingredients and then make the finished good. If you build out your organic supply chain expecting to use these surprisingly cheap suppliers who are shockingly new to the system, you're probably going to experience a lot more problems than you want, than you need to.

Amanda James-Martin (02:20):

For all of our suppliers, we require organic certificates and organic profiles or addendums, which is basically just the detailed addendum that comes with a certificate. For nonproduce vendors, we also require letters of guarantee. Like for our packaging suppliers, we require that they list that they don't use any prohibited substances and any of their materials. For transportation providers, if they aren't certified, we require that they have a letter of guarantee about the education of their drivers and also about preventing things like commingling or contamination of the load. A letter of guarantee is a list of guarantees that you can ask of your supplier and it will be signed and dated. And basically it's saying that to the best of their knowledge, certain conditions are met. So they can relate to things like food safety. They can relate to organic. Really, they can be whatever you require of your vendors. But they are a really good tool for some things that need a guarantee but might not have a certification.

Michelle Pusateri (03:28):

For filling out your supplier list, you basically have to fill out who your supplier is and then the ingredients that you get from that supplier. And if it's not on there and it's on the receiving log, then they can go back and say, "Well, this supplier isn't approved for your product."



Andra Adams (03:47):

So this is just a supplier list. Again, this changes throughout the year depending on where we're getting our grain from. And we have to update that anytime we would switch suppliers or request new certification for products.

Jessica Jones (04:08):

If you're in communication as your first step with your certifier, everything is going to go smoothly and all your inspections will go great too, because they know that you're doing the best you can.

Aileen Mannion (04:22):

The process goes through several review before we can approve a supplier. So as a head of quality assurance, I'm the one studying the specification what this supplier needs to give to us is their organic certificate, food safety certificate. So from that, once everything is approved, I had to submit it to CCOF, our organic certifying buddy. They also approve the supplier. If they satisfy all that requirement, I'll put that stamp of approval for that supplier. And then we can start purchasing from them.

Laura Anne Sweitzer (05:01):

Obviously, it's ultimately the responsibility of each farmer organization, each processor, each importer to meet the criteria of organic certification for their role in the supply chain. That being said, as the end purchaser of the products, we can save ourselves a lot of headaches if we also verify those things. So the records, the organic certificate has a QR code on the right-hand side that we can scan, and it'll take you to that group's profile on the website. So it'll show the group, the contact details, you know, all the information, and it'll show the anniversary date when they first became organic certified and until when that certificate is valid. So it's really nice. There's no room for error. You have the certificate from the group and then you can verify it on the website.

Johanna Phillips (05:54):

Not always is international a higher risk area, but I would say when you're importing product, you are definitely in a situation where you may be encountering more risk. So in some situations, a handling operation may choose to send a third-party verification company to go and validate the production process, because they consider this such a high risk that it would be catastrophic to their organic business if they determined that the product was not organic.

Humberto Maldonado (06:25):

So, you trust, but you need to have verification activities to confirm that your suppliers, that your system is compliant.

Amanda James-Martin (06:41):

We track documentation associated with vendors in an online portal. Vendors can upload their own documents, but then they still need to be verified and audited by my team, so you have that control point built in. And we do require those to be updated annually.



Debbie Byrne (06:59):

We use RepositTrack right now. And we say, "These are the items we need." And then they actually go out to them, like via the email and say, "You need to upload this. You need to do this." And keeps them all in one place so if I need to find them really fast, I can just go pull them up. Before, I have a black binder that has all their approved vendors and we're printing out everything and putting it there.

Michael Gutschenritter (07:27):

And so I wanted to make a portal for our producers. And that portal is going to have all of our standard operating procedures, ideas for improvement for production, a spot for documents, anything that they need that's going to help them feel better about being part of our brand, and keep them organized for their inspection. As soon as they come on board, they're organized.

Aileen Mannion (08:00):

We've been working with a lot of our suppliers for many years, and then we've developed a really good working relationship with them. And that helps us a lot. If they know, oh, Cho is very strict on the ingredients that they buy. So they're going to accommodate us in terms of labeling or the quality of the product. So it's that mutual relationship I believe that's really helped one another.

Jessica Jones (08:30):

Working with suppliers is always best when you have a relationship, whether it's directly with a farmer, whether it is with someone who's warehousing or importing things because your supplier's practices are part of your organic supply chain and integrity. If the organic integrity of something is compromised before it gets to you, it's no longer organic. And that means you can't make something certified organic with it because like most things, it's people that make the world go round.

Laura Anne Sweitzer (08:58):

Something that works really well with our suppliers is cross-training on organic compliance with other roles in the cooperative. So the agronomy teams are all trained in organic compliance. Heads of quality, cocoa purchasers, anyone that has, you know, their eyes on the ground, their boots on the ground needs to understand what the criteria are so that if they see something that's non-compliant, they can call it out right away before it becomes a problem for the cooperative. So invest early in cross-training all your staff on organic compliance so that they can prevent contamination, they can prevent issues when they're out doing their other daily job functions. It's really helpful.

Abel Sanchez-Valencia (09:42):

Something that I really appreciate, what we do as a company is that we work with lots of different vendors, large ones, small ones, but we can also help develop their organic programs. There's a lot of small growers in Latin America. We have a lot, a big team that goes down there and it provides that knowledge, that support so that we can certify more growers have more farm certified organic.

Laura Anne Sweitzer (10:15):

So we did have a key processor decide not to continue organic certification, and it gave us a kind of fire drill situation where we had a lot of organic certified beans, and we needed to find an alternative supplier in a very short timeline. When you're 100% organic, I always recommend having two options for your sourcing. Two organic certified cooperatives for your Ghana cacao beans, two organic certified cooperatives or suppliers for your cane sugar. You don't just have one option in the unfortunate case that something does come up with someone's certification. So having two options for your key ingredients I think is a really pragmatic way to navigate risk when you're approaching organic sourcing.

Nate Powell-Palm (11:04):

And my recommendation will be to do every single known supplier that you might ever work with, get their organic paperwork. Get all of their information so that they can be an approved organic vendor for you. So that if for some reason one of them doesn't work out, you can pivot very quickly and they're already approved.

Michelle Pusateri (11:21):

And making sure that when you're formulating, if you want to be 100% organic, developing those recipes on what you can actually get. I really think that you have to make sure too, when you're talking to suppliers, like, "Do you see a shortage in a year?" Start talking to your farmers. And that goes back to not treating anything transactional and really getting to know your suppliers like they're your friends.



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