

## **Guide to fee structure for licensees selling loose / bulk organic products with no further processing**

Operators who place organic products on the market, whether pre-packaged or otherwise, (with the exception of retailers selling pre-packaged product to the consumer) must hold organic certification.

The organic regulations recognise the lower risk to organic integrity where an operator is selling only pre-packaged\* organic products with no further processing, and allow an inspection on application and subsequently every third year. To reflect this, we run a 'wholesalers' scheme to provide certification for the sale of pre-packaged products, operators under this scheme are charged a set fee as outlined on our fee sheet.

**However**, for operators:

- processing / transforming or re packing products in any way,
- handling / wholesaling loose/bulk (non pre-packaged\*) products,
- importing products or
- who own the brand of the products in question

an inspection is required every year, and either the Soil Association Organic Food & Drink scheme or the EU organic scheme are required. Both of these schemes are invoiced using our core fee & levy based fee structure.

Up to now such operators who sell loose products (e.g. wholesale open trays of fruit & vegetables, bulk milk or grain) have been charged in the same way a company who processes the products they sell. This is something we have sought to make fairer and will address by implementing a new fee structure.

### **NEW - Fees for loose / bulk organic products**

For operators\*\* who sell **loose / bulk** (non pre-packaged) organic products:

- without carrying out any processing, labelling or re-packing (excluding breaking down bulk, e.g. selling a ½ tray of fresh produce, instead of a whole unit),
- which do not bear your company branding in any way

the following fees will apply:

### **Fees for wholesale of loose/bulk organic food or drink products**

If you sell loose/bulk organic products without carrying out any processing, labelling or re-packing (excluding breaking down of bulk), which do not bear your company branding in any way, the following fees will apply:

|   | Fee before VAT | Fee including VAT |
|---|----------------|-------------------|
| Application fee – covering your first year with us                                    | £ 868          | £ 1,041.60        |
| Annual renewal fee – organic certified sales of £2,000,000 and under                  | £ 868          | £ 1,041.60        |
| Annual renewal fee – organic certified sales between £2,000,001 and under £7,000,000  | £1,276         | £1,531.20         |
| Annual renewal fee – organic certified sales between £7,000,001 and under £14,000,000 | £1,920         | £2,304            |
| Annual renewal fee – organic certified sales above £14,000,001                        | £2,220         | £2,664            |

If you have a combination of processor and wholesale of loose/bulk sales, you will be charged as follows

- If the processor sales figure is below £263,000 then the wholesale of loose/bulk fee structure applies
- If the wholesale of loose/bulk figure is below £263,000 then the processor fee structure applies
- If both sales figures are below £263,000 then whichever sales figure is greater that associated fee structure applies
- Once both sales figures are £263,001 or above you will be charged by the respective processor and wholesale of loose/bulk fee structures

### Examples:

A brand holder who purchases finished retail packed products from a Soil Association certified manufacturer, and sells directly into retailers - **declares the difference between the purchase and sales costs of the products, as per the current fee structure**

A trader who sells loose ingredients (such as open trays and fruit and vegetables) or bulk ingredients (such as bulk raw milk or grain) –**declares the sales under the new loose/bulk structure as described above.**

A company who sells loose / bulk products but also packs or processes – **declares the sales of packed / processed product under the current fee structure, and the loose / bulk sales under the new fee structure.**

*\* Whether a product is pre-packaged is defined in EC no 2000/13 art 1.3 (b) - Pre-packaged is defined as any single item for presentation as such to the ultimate consumer and to mass caterers, consisting of a foodstuff and the packaging into which it was put before being offered for sale, whether such packaging encloses the foodstuff completely or only partially, but in any case in such a way that the contents cannot be altered without opening or changing the packaging.*

*\*\* this applies only to food & drink product and not to textiles, cosmetics or health and beauty products, or restaurant & catering – these are outside the scope of the EC organic regulations and SA Organic Food & Drink scheme.*