

Verifier Guidance Update-Verifier Reporting System

Dear Verifiers,

This document is intended to provide guidance on technical aspects of the Verifier Reporting System (VRS). It will be updated on a recurring basis and include specific guidance on entering and modifying information on applications and reports. Each guidance note will be marked by a sub-heading that identifies standard operating procedures (SOPs) for particular aspects of the VRS system.

Update Number 2.0–2/2008

Pre-onsite Verification planning on the VRS

Verifiers should remind their clients to contact Starbucks Coffee Agronomy Company (SCAC) at least one week prior to the start of the verification to ensure that their application information is available for verifiers to access in the VRS. Because applications can no longer be created manually, verifiers will need the application security code located in the letter your client receives from Starbucks after submitting their application. After entering the security code to claim the application, verifiers should then review the information in the VRS prior to the start of field work. Following this procedure will allow verifiers to accurately calculate farm entities to be sampled and cross-check farmer, mill, and Producer Support Organization (PSO) information listed on the application. Farm sampling is based on the automatically uploaded approved application in the VRS but the Processor “Sample required” isn’t updated until the flows (green coffee volumes) of sampled farm entities have been entered into the VRS because only mills used by farms in sample need to be verified.

Supply Chain Discrepancies

If an inspector or verifier during the verification finds that the entities comprising the supply chain does not match what was described in the application, the verifier should refer to the following standard operating procedure (SOP). This SOP applies to addressing problems with missing entities, deleting entities, or changing how entities are classified according to farm size or mill type. Please see pages 3 and 4 of the 08/2007 VGU-VRS for this SOP.

Entry of Flows in the VRS

See page 4 of the 08/2007 VGU-VRS for updated information on the entry of flows between mills.

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***Important Reminders:** 1) PSOs should never be included in the flows. 2) All volumes listed in the flows should be in green coffee pounds (lbs.) weight rather than in parchment or cherry weight.

Timeline for Reporting in the VRS

Verification reports need to be submitted to client for review within 20 business days of the last field verification visit or 30 business days for complex networks. Clients can provide the verifier with feedback; after review, if report was changed, the latest version should be sent again to the client for review and then “submitted to Starbucks”. For all 2008-9 reporting on the VRS, timelines for report submittal will be enforced by SCS. In the event that verifiers do not adhere to the timeline for VRS reporting, Corrective Action Requests (CARs) will be issued.

New Fields in the VRS for General Application-level Information

1) “Verification conducted during harvest? Yes/No”: As a result of the C.A.F.E. Practices Updated Timeline and Validity Status Communication, Nov 2007, the verifiers’ determination of whether the application is verified during harvest is critical to VRS reporting activities. If the verification of at least 90% of the entities in the supply chain occurs during harvest/processing, the verifier should indicate Yes to the field “Verification conducted during harvest” at the application level.

***Important Reminder:** All mill- and farm-level coversheets still require a verifier to indicate whether entities were “Inspected During Harvest?”

2) In addition to the field “Planned verification date,” “Start of verification” and “End of Verification” have been added to the application general information. Verifiers should accurately complete these fields, using the drop down menu of dates. Under the “Start of verification” enter the date of the field verification of the first entity in the application and for “End of Verification” when the field verification of the last inspected entity in the application was completed.

Qualifying “Inspected During Harvest” Status in VRS Coversheets

In harvest verifications should provide verifiers and their inspectors with an opportunity to interview a sufficient number of workers for quantitative assessment of SR-HP criteria. To qualify an audit of a farm and mill as an in-harvest verification, verifiers should observe that, at the time of inspection, enough workers are present to meet the 15% stratified sampling requirement outlined on page 22 in Section 7.5.4.2B of the Verifier Operations Manual. The 15% sample should be stratified between full-time, part-time, and temporary workers as indicated in the Verifier Operations Manual. During harvesting and processing periods, all attempts should be made by verifiers and their inspectors to visit farms and mills during normal working hours and working days to allow for this stratified sample to be met. If verifiers observe that a sufficient number of

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each type of worker to meet the 15% stratified sampling requirement is not available at the time of inspection, this information should be noted in the qualitative evidence for SR-HP criteria and the coversheet should indicate that the entity was not inspected during harvest. If the 15% stratified sampling requirement is not met for a farm or mill, but the coversheet indicates that the verification occurred during harvest, verifiers will be asked to explain this inconsistency and CARs will be issued as necessary. Qualifying entities as “Inspected During Harvest?” in accordance with the guidance presented above is effective immediately following receipt of this guidance update.

***Important Reminder:** The flows between mills should only represent volumes that originated from the sampled farms. This is further explained below in the “Reporting of Volumes in Green Coffee in the Flows section of the VRS” in the most recent Verifier Guidance Update-VRS 1.0.

Update Number 1.0–8/2007

Procedure for Applications/Reports Returned by Starbucks and SCS

Upon review of completed submitted reports on the VRS, Starbucks or SCS may return the application for various reasons. The reasons will be explained in the message at the top of the application when it is accessed in the VRS. When an application is returned, it will appear in a “Returned by Starbucks/SCS” section of your interface. Starbucks and SCS also have the ability to submit comments and questions in reference to the scoring and interpretation of specific indicators within entity reports, or in reference to incorrect entries of entities, flows, or worker days at the level of the overall application. Entity reports which have comments attached to them are identified by “Rejected by Manager” report status in the right-hand column of the application overview that lists the entities in the supply chain. Verifiers should review these specific entity reports with their inspectors and make any necessary revisions or clarifications before resubmitting the application to Starbucks.

If an application is returned to the verifier, the verifier must select “Send to Starbucks” again for it to be considered for Approval. Your prompt attention to returned reports is appreciated. Please re-submit the report within a maximum of five business days from the date that Starbucks or SCS returned it.

Supply Chain Discrepancies

If an inspector or verifier during the verification finds that the supply chain does not match what was described in the application, the verifier should refer to the following standard operating procedure (SOP). This SOP applies to addressing problems with missing entities, adding entities, or changing how entities are classified according to farm size:

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- The verifier should notify both the Farmer Support Center (FSC) in Costa Rica and the applicant/client that the application is not in accordance with what was observed in the field.
- The FSC will send the most recent version of the supply chain application to the applicant/client and request that they make the changes suggested by the verifier.
- The applicant/client will return the modified application to the FSC.
- The FSC will send the applicant a new ID# and security code; however, the farm and mill codes previously assigned to entities in the previous application will remain unchanged, unless an entity was removed.
- The original ID will be made inactive in the VRS by the system administrator. Once the original application ID is made inactive, the verifier will have the option in the VRS “Actions Menu” to quickly move any completed or in-progress reports from the inactive ID to the new ID.

Reporting of Volumes in Green Coffee in the Flows section of the VRS

The flow of coffee describes the volume (in pounds) of “green coffee” that each farm delivers to the mill, or a wet mill delivers to a dry mill. It is important to remember that *flows are the total of all green coffee production*, even if entities are not selling the entire coffee harvest exclusively to Starbucks. Start by entering the flow from each sampled farm to the mill entity that processes its coffee. For flows between mills, the mill inflow should equal the outflow. The flows between mills should only represent volumes that originated from the sampled farms. The VRS will require that any mills identified in the flows are sampled and included in individual reports within the application.

Verifying Green Coffee Volumes

Inspectors should verify volume amounts as part of field verification taking into consideration production area of farm. As part of the internal report review process, verifiers should confirm that volume amounts recorded by inspectors are accurate. If any anomalies are discovered when examining the reported volumes, Suppliers should be contacted by verifiers to provide clarification. In the event that verifiers are unable to resolve an issue pertaining to reported volumes, please communicate with the SCS auditor team for further assistance.

Please contact the SCS auditor team with any specific questions pertaining to the guidance covered in this update or any other questions related to technical aspects of the VRS.

Sincerely,

Nathan Phillip Smith

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