

June 30, 2016

Dear GFSI Board of Directors

During the recent GlobalGAP TWG Meeting following the Annual United Fresh Convention information was introduced to the attendees outlining a proposed pilot to allow for individual producer group members to distribute outside of the group. This would be for the GlobalGAP Option 2 or Option 1 Multisites with QMS. During the discussion of the proposed pilot something concerning came to light that we wanted to share with you.

Currently under the bench-marked GlobalGAP Scheme (Edition 4.0-2-MAR2013 Section 1.1.2.1(iii)) this practice would not be allowed hence why we believe GlobalGAP submitted the proposed pilot. This section states:

**The producer cannot sell own products that are certified under the group option except through the group.**

The concern that we have that came out of the discussion at the meeting is that this is already occurring and has been for the better part of 5 years with the knowledge of GlobalGAP and the CBs. If this practice is not part of the bench-marked scheme how can any of the subsequent certifications be considered valid?

The main issue is transparency. Traceability is done at the Packing House level. This is where the auditor reviews all of the QMS documentation. How would the auditor know if the grower did or did not share this information with the entity being audited? If the grower doesn't share the information with the Packing House regarding who else they have supplied their product to traceability is not maintained.

Costco takes exception to the fact that a GFSI Scheme is being used outside of the approved bench-marked process and that there are CBs that are carrying out this practice knowingly. We feel this calls into question the integrity of the certification. Costco is seeking guidance from the GFSI board as to whether or not we should consider these certifications valid?

We look forward to your reply.

Sincerely

Costco Wholesale Food Safety Team