

**ANNEX I.3 GLOBALG.A.P. Guideline on Parallel Production and Parallel Ownership**

This Annex is clarifying the requirements as set out in Part I, 4.4.3 and CPCC AF.12.

One of the major changes from GLOBALG.A.P. IFA Version 3 to Version 4 is the introduction of the Parallel Production and Parallel Ownership concept. This guideline’s purpose is to define terms and explain the rules that apply to producers, which produce and/or own non-certified products in addition to GLOBALG.A.P. certified products.

*Note: the following text will use the term producer indistinctly for individual producers as well as producer groups. In case rules do not apply to both, this will be mentioned.*

**CONTENT OF ANNEX**

1	DEFINITIONS .....	2
2	CHANGES REGARDING VERSION 3.1. ....	3
3	LIMITATIONS TO THE ELIGIBILITY FOR PP/PO .....	3
4	PP/PO FOR PRODUCER GROUPS .....	4
5	REGISTRATION .....	4
6	RULES FOR PMU AND PHU .....	6
7	IDENTIFICATION OF PRODUCERS REGISTERED FOR PP/PO .....	6
8	ADDITIONAL REQUIREMENTS FOR PRODUCERS WITH PP/PO.....	6

## 1 DEFINITIONS

**Parallel Production (PP):** PP is the situation where a farmer produces the same product partly as certified and partly as non-certified.

*Example: A producer or a producer group member grows apples. Only a part of the apple production will be certified.*

A situation in which a farmer produces one product as certified and another product as non-certified is not Parallel Production (e.g.: apples certified and pears non-certified). This is also true for the case where some members of a producer group do not participate in certification.

**Parallel Ownership (PO):** PO is the situation where producers buy non-certified products of the same products they grow under certified production.

*Example: A producer or a producer group member grows certified apples and buys non-certified apples from other producer(s).*

In the case of producer groups (PG), Parallel Ownership is only applicable when the group or any of its members buy non-certified products from external sources (i.e. to buy non-certified product from other producer groups or from producers who are not members of the group) of the same products as the ones included in the certificate.

It is not considered PO when:

- A producer/producer group buys additional certified products from another GLOBALG.A.P. certified producer(s). However, the chapter of Traceability and Mass Balance of the QMS checklist (QM MB 3) shall be checked.
- Some members of a producer group are not registered for GLOBALG.A.P. Certification of a product that the group certifies.
- A certified producer handles products for non-certified producers as a subcontractor, i.e. the certified producer does not buy the non-certified products. (*This clarifies and overrules GR Intro v4 3.1.2.ii.e.*)

**Production Management Unit (PMU):**

*Production management unit (PMU) is a production unit (can be a farm, field, orchard, herd, greenhouse, etc.) defined by the producer for units where segregation of output (agricultural products) is intended and all provisions have been made and put in place to keep separate records and prevent mixing in the case of parallel production [...] (IFA General Regulations Version 4, Part I, 4.2.1 g)).*

In Parallel Production, the PMUs shall be specified for the GLOBALG.A.P. and the non-GLOBALG.A.P. Production processes and each PMU shall be

administrated so that traceability and segregation is guaranteed at any moment.

Parallel production within a PMU is not possible.

**Product Handling Unit (PHU):** A product handling unit is a unit defined by the producer, where products are stored and handled. Segregation of product at all time (input, process, output) is guaranteed and provisions have been made and put in place to keep separate records.

Handling certified and non-certified own product and handling own certified and sourced non-certified product is possible within a PHU.

**Site:** A production area (e.g. fields, plots) that is owned or rented and ultimately managed by one legal entity, and where the same input factors (e.g. water supply, workers, equipment, etc.) are used.

One site may contain several non-touching areas (areas that do not share a common border; non-contiguous) and production of more than one product on the same site is possible.

In case of multi-site producers with QMS that register for parallel production or ownership, each site shall be registered as a different PMU.

## 2 CHANGES REGARDING VERSION 3.1.

Parallel production allows producers under version 4 to produce one product partly as certified and partly as not certified, while in version 3.1. producers intending to certify the production process of a product had to include:

- Crops: the entire crop (same product) grown by the producer/producer group;
- Livestock: ALL animals of that type present on farm, EXCEPT Grandparents;
- Aquaculture: ALL fish and all stages of that type present on farm.

Parallel ownership allows producers to buy from non-certified sources the same products that are included in the scope of their certificates, while under version 3.1, certified producers could not own (by growing or purchasing) non-certified products of the same ones they had certified.

## 3 LIMITATIONS TO THE ELIGIBILITY FOR PP/PO

3.1. Parallel production is only possible in the following circumstances:

- Parallel production of certified and non-certified sub-species of a product with distinctive visible differences detectable by the average consumer (e.g. cherry tomatoes and roma tomatoes) is possible in one contiguous production area under all options (1&2).

- Parallel Production of certified and non-certified products of the same species (e.g. bananas, salmon or pigs) without distinctive visible differences detectable by the average consumer can only take place in non-contiguous areas with separate recording system for the agronomic activities undertaken.

The non-contiguous areas shall be separated by physical elements (e.g. road, barriers, different ponds) that prevent accidental mixing, spraying, drifting, etc.

NOTE: this point overrules and clarifies the GR v4. Part I. 4.4.3.1. "*Parallel Production (PP) of certified and non-certified products of the same species (e.g. bananas, salmon or pigs) is not possible on a single farm (see farm definition) on individual producer level (Option 1 or Option 2 member)*".

Exception exists for Livestock as described in the relevant Livestock Base CPCC (LB.3.3 and 7.2.3).

3.2. There is no pre-condition for the registration for Parallel Ownership. All producers buying non-certified products of the same products they grow under certified production processes shall register for parallel ownership.

## 4 PP/PO FOR PRODUCER GROUPS

A Producer Group (PG) has to register for PP/PO in the following scenarios:

- When at least one member registers for Parallel Production
- When at least one member registers for Parallel Ownership
- When the group purchases the same products included in its certificate from external non-certified producers or producer groups.

When a producer group registers for PP/PO, the same rules as for individual producers apply.

## 5 REGISTRATION

### 5.1. Registration steps

- i. The producer shall inform its CB/Farm Assurer of his application for PP/PO during the registration process.
- ii. The CB/Farm Assurer shall register the producer in the GLOBALG.A.P. Database for PP and or PO.
- iii. The producer shall identify at least two Production Management Units (PMU): one for all certified processes and one other for all the non-certified processes (see 6.1).

- iv. Those producers who opt for using Sub-GLNs (Option B; see point 8, AF 12.1.2. of this Annex) to increase traceability of their operations, shall register all PMUs (those regarding certified processes and those regarding non-certified processes) in the GLOBALG.A.P. Database by assigning products to the PMU as soon as this is possible. This is not possible for producers who opt for not using Sub-GLNs (Option A; see point 8, AF 12.1.2. of this Annex)
- v. In the event that a producer acquires a GLN and assigns Sub-GLNs to the PMUs and PHUs specified, these shall be registered in the GLOBALG.A.P. Database.
- vi. All products shall be traceable to the respective PMU(s) and certified and non-certified products shall be fully segregated at all times. The traceability and recording system shall reflect the implementation of parallel production. See specific requirements for Livestock (LB.3.3).
- vii. The “Traceability and Segregation” section in the All Farm Module (AF.12) shall be applicable.

## 5.2. Registration timing

Producers can register for PP/PO at any time, but cannot use it as corrective action to a non-compliance detected.

*Example 1. In case the CB detects the production or ownership of non-certified products of the same type the producer has certified without registration for PP/PO.*

*Example 2. When certain part of the production has been found non-compliant and producer wants to segregate it and maintain the certification for the rest of the production.*

When non-compliances are detected, the producer shall be sanctioned accordingly and shall implement corrective actions for the entire production.

In case producers want to register for PP/PO during the validity of their certificates (e.g. because they need to purchase non-certified products, which they did not expect at the time of their registration), Certification Bodies will have to carry out an extraordinary inspection to check the applicable control points and update the information in the GLOBALG.A.P. Database and the paper certificate.

In case producers want to register for Parallel Ownership at the beginning of the season, when they are not sure whether they will buy non-certified products, CBs shall evaluate that the traceability and segregation procedures are available and ready for implementation. When the purchase of products from non-certified sources begins, CBs shall require evidences of implementation (documentary or through on-site assessment).

## 6 RULES FOR PMU AND PHU

### 6.1 Rules for PMUs

- Producers who register for Parallel Production shall identify **at least** two PMUs: one aggregated PMU for all certified processes and one other aggregated PMU for all the non-certified processes.
- One PMU cannot have certified and non-certified production processes for the same product, i.e. parallel production is not possible within the same PMU.
- One PMU can include one or more production areas.
- A PMU can contain more than one product, which may be registered for Parallel Production as long as the same certified and non-certified product is in one PMU.
- Product from a certified PMU shall not be moved to non-certified PMUs (e.g. in aquaculture production) or it would lose its certified status.

### 6.2 Rules for PHUs

- It is possible to handle products with certified and non-certified origin in the same product handling facility. However, producers registering for Parallel Ownership shall identify two PHUs (one for GLOBALG.A.P. Products and other one for the non-GLOBALG.A.P. products).

## 7 IDENTIFICATION OF PRODUCERS REGISTERED FOR PP/PO

All producers opting for PP/PO shall register this feature in the GLOBALG.A.P. Database and it will be visible via online certificate validation.

The information necessary to do the certificate validation is made available via the identification of the final products with the producer's GGN or Sub-GLNs (see AF 12.1.2 Identification of GLOBALG.A.P. Products), which is an obligation for all producers qualified for PP/PO.

Additionally, the registration for PP/PO shall also be specified in the paper certificate.

## 8 ADDITIONAL REQUIREMENTS FOR PRODUCERS WITH PP/PO

All producers registered for PP/PO shall have in place a series of measures to guarantee traceability and segregation and to facilitate the identification of the certified product, which will be checked by the Certification Bodies (CBs) during the assessment.

The additional requirements to be checked by the CBs are all Major Musts and are included in the following Control Points and Compliance Criteria (CPCCs) of All Farm Module. In case of option 2, the Mass Balance, Traceability and Segregation section of the QMS Checklist is applicable:

**AF 12.1.1. Segregation of GLOBALG.A.P. and non-GLOBALG.A.P. products**

Producers must have in place a system that avoids mixing of certified and non-certified products. This can be done via physical identification or product handling procedures. Records shall be available and demonstrate the proper operation of the segregation system.

**AF 12.1.2. / QMS Checklist MB 3.1.2. Identification of GLOBALG.A.P. Products**

Producers or producer groups registered for Parallel Production or Parallel Ownership (PP/PO) need to have a system in place to ensure that all final products originating from a certified production process are correctly identified.

Apart from the internal traceability and identification system that the producer or producer group shall have, they shall also use one of the following 2 product identification options that will facilitate the identification of the certification status:

**Option A: Use of the GGN**

All final, ready to be sold (either from farm level or after product handling), products shall be identified with the GGN of the producer where the product originates from a certified process. Producer groups can use the GGN of the group or the GGN of all those members where the products come from.

Products originated from non certified process (either own non-certified PMUs or purchased to non-certified producers) are NOT allowed to carry the GGN of the producer.

Consignments with products of mixed origin (certified and non-certified) where segregation has not been maintained shall be sold as not certified and are not allowed to carry the GGN.

In case the organization has or acquires a GLN to identify the organization in other contexts or additional applications, it shall replace the GGN assigned by GLOBALG.A.P. at registration.

### Option B: Use of GLN and Sub-GLNs

Instead of using the GGN assigned by GLOBALG.A.P., producers can increase transparency and the accuracy of the traceability system by acquiring a GLN with capacity to generate Sub-GLNs from the national GS1 organization and assigning a Sub-GLN to each PMU and PHU (certified and non-certified) specified by the producer.

In the event of Parallel Production:

- All final, ready to be sold (either from farm level or after product handling), products shall be identified with the Sub-GLN of the PMU where the product originates from a certified process.
- In the event that a consignment originates from several certified PMUs, producers shall use all the corresponding PMU's Sub-GLNs or the Sub-GLN assigned to their certified PHU.
- Products originated from non-certified processes can use the Sub-GLN of the corresponding PMUs, however, this is not obligatory.
- Consignments with products of mixed origin (certified and non-certified) may carry the Sub-GLNs of the corresponding PMUs or the Sub-GLN of the non-certified PHU and shall be sold as non-certified.

In the event of Parallel Ownership, producers shall define two PHUs (one for the certified products and the other one for the non-certified ones) and assign one Sub-GLN to each one of them:

- Consignments with 100% certified origin, shall carry the Sub-GLN of the corresponding certified PMUs or of the certified PHU.
- Consignments with mixed origin (certified and non-certified) may carry the Sub-GLN of the non-certified PHU and shall be sold as non-certified.  
This type of consignments shall not use the Sub-GLN of the certified PMU.
- Consignments with non-certified origing may carry the Sub-GLN of the non-certified PHU, however, this is not obligatory.

#### **AF 12.1.3. Correct dispatching of GLOBALG.A.P. Products**

Producers shall have in place a final check to ensure correct dispatch of certified and non-certified products.

This check shall consist on the verification of the proper operation of the documented identification and traceability systems, the evaluation of the orders placed by the clients and the transaction documents generated indicating the certification status of the products.

**AF 12.1.4. Transparency of the certification status and origin**

Producers registered for PP/PO shall include the GGN (option A) or Sub-GLN (option B) of the certificate holder and reference to the GLOBALG.A.P. Status in all transaction documents (sales invoices, delivery orders, etc.) used with clients.

The use of the GGN or Sub-GLN in transaction documents is necessary for facilitating the consultation of the certification status of the producers and is obligatory even if producers have own traceability codes.

**AF 12.1.5. Identification of purchased products**

Producers shall have appropriate documented procedures in place for identifying products from different sources.

These procedures shall be documented and maintained, appropriately to the scale of the operation, for identifying certified and non-certified products from different sources (i.e. other producers or traders).

Records shall include:

- Product description including sub-species/variety if necessary (e.g. cherry tomatoes)
- GLOBALG.A.P. Certification status
- Quantities of product(s) purchased
- Supplier details (name, identification numbers, address, etc.)
- Copy of the certificates when purchases have been made from other GLOBALG.A.P. certified producers
- Traceability data/codes related to the purchased products (these can be own supplier codes traceable to the GLOBALG.A.P. Certificate owner)
- Purchase orders issued by the producer being assessed and invoices corresponding those orders and issued by the producer's suppliers.
- List of approved product suppliers.

**AF 12.1.6. Records of sales**

Sales documents shall demonstrate a consistent balance between certified and non-certified input and output.

For this purpose, sales documents shall include records of quantities sold and descriptions provided (product description, certification status, GGN or Sub-GLN, etc.).

**AF 12.1.7. Mass balance**

Producers qualified for PP/PO shall have in place a documented system to ensure the proper segregation of GLOBALG.A.P. certified and non-certified products. This system shall be consolidated in mass-balance controls that require the evaluation of the input and output records.

Certified and non-certified incoming, stored and outgoing product quantities shall be recorded independently to facilitate the mass balance verification process that producers shall carry out to verify the proper operation of the segregation system.

The frequency (weekly, monthly, etc.) of the mass-balance verification be appropriate to the scale of the operation, but shall be at least annual.

**AF 12.1.8. Conversion Ratios**

In order to ensure the accuracy of the mass balance results, it is necessary that producers calculate the conversion ratios for each relevant handling process and have them available for inspection.

The product waste and losses generated shall be recorded per crop (not necessarily per shipment) and considered for the mass balance together with the input and output quantities.