American Pecan Council

Quality Assurance Program

DRAFT FOR PUBLIC COMMENT
April 2022

American Pecan Council Quality Assurance Program (QAP)
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Introduction

With increasing government regulations, changing consumer and buyer preferences, and various food safety considerations, agriculture continues to evolve to grow safe and quality food. As consumers continue to ask more questions about their food and where it comes from, the U.S. pecan industry has focused on improving transparency across its supply chain.

The Quality Assurance Program (QAP) was developed by the American Pecan Council (APC) to create a consistent set of verifiable quality assurance standards. This industry-wide program provides transparency to pecan consumers about industry practices to produce an exceptional product. The QAP demonstrates the industry's commitment to meet consumer needs while showcasing the exceptional growing and processing practices performed across the country.

The QAP recognizes the U.S. pecan industry's efforts to ensure that food safety practices are being evaluated and implemented to meet regulatory requirements. Through this verified program, consumers are assured that the product they are purchasing is safe and of the highest quality.

Participants of the program meet criteria in four critical areas:

1. Food Safety and Quality
2. Efficient Production and Resource Management
3. Labor and Community
4. Productivity and Economic Viability

These four aspects of the QAP demonstrate the ability of U.S. growers, accumulators, and shellers to produce and process pecans using responsible practices while meeting consumer demands for a safe, quality product.

The QAP is a living standard – the industry will continuously innovate and explore new concepts and ideas. Quality is derived from a collaborative approach that considers both risks and opportunities throughout the supply chain. This program gives consumers assurance that when they purchase U.S. grown and processed pecans, they are purchasing a nutritious product that balances all aspects of social, environmental, and economic stewardship with essential principles of food safety, food security, and sustainability practices.

While the QAP covers the entire U.S. pecan industry, it also highlights the diversity of practices across the various pecan growing regions. Individual producers and processors continue to work closely with state and local industry groups to tell the unique orchard-to-table stories of America's native nut.

How is the program structured?

The QAP is structured as a process-based standard that is relevant to the operational context of growers, accumulators, and shellers across the fifteen U.S. pecan-growing regions.

The standard addresses 17 priority focus areas for the U.S. pecan industry:

FOOD SAFETY AND QUALITY

Food Safety and Quality
Sourcing and Traceability
Transportation and Storage

LABOR AND COMMUNITY

Health and Safety
Working Conditions
Rights and Ethics
Community Relations

EFFICIENT PRODUCTION AND RESOURCE MANAGEMENT

Water Use
Pest and Disease Control
Soil and Nutrient Management
GHG Emissions and Air Quality
Waste
Energy Use
Conservation and Biodiversity

PRODUCTIVITY AND ECONOMIC VIABILITY

Business Ethics
Good Business Practices
Risk Management and Forecasting

To manage desired outcomes, the program contains both indicators and practices. Indicators are the main requirements of the standard – the key components that are met for overall achievement of objectives for the U.S. pecan industry's priority focus areas. Practices are specific processes, procedures, and documentation necessary to demonstrate that an indicator's objectives are achieved.

To be in good standing with the APC QAP, program users must provide evidence for each applicable indicator. Each indicator has a designation on the far left that shows which industry sectors that given indicator applies to – growers, accumulators, or shellers. If the indicator has a "**GFSI**" stamp next to it, that indicator is satisfied by a member currently being in good standing with a Global Food Safety Initiative (GFSI) recognized program over both pecan production and handling, as applicable. Program users that are in good standing with a GFSI-recognized program will be asked to provide the results of their most recent GFSI program audit, including any corrective actions, to satisfy each GFSI-aligned indicator.

American Pecan Council Quality Assurance Program (QAP)
DRAFT FOR PUBLIC COMMENT
April 2022

Table of Contents

2 Efficient Production and Resource Management (*Continued*)

2.4 Greenhouse Gas (GHG) Emissions and Air Quality
2.4.1   GHG Reduction
2.4.2   Proper Maintenance of Equipment
2.4.3   Dust Control

2.5 Waste
2.5.1   Waste Storage and Disposal
2.5.2   Reuse and Reduction

2.6 Energy Use
2.6.1   Energy Efficiency

2.7 Conservation and Biodiversity
2.7.1   Protected Areas
2.7.2   Biodiversity and Habitat Creation

3 Labor and Community

3.1 Health and Safety
3.1.1   Work Environment
3.1.2   Employee Training
3.1.3   Personal Protective Equipment
3.1.4   Emergency Preparedness
3.1.5   Visitor Safety
3.1.6   Health and Safety Noncompliance Reporting

3.2 Working Conditions
3.2.1   Wages and Benefits
3.2.2   Working Hours

3.3 Rights and Ethics
3.3.1   Anti-Discrimination
3.3.2   Anti-Harassment
3.3.3   Grievance Reporting
3.3.4   Third-Party Labor

3.4 Community Relations
3.4.1   Land Rights
3.4.2   Community Engagement and Support

4 Productivity and Economic Viability

4.1 Business Ethics

4.2 Good Business Practices

4.3 Risk Management and Forecasting

American Pecan Council Quality Assurance Program (QAP)

1 Food Safety and Quality

1.1 Food Safety and Quality

	Priority	Subtopic	Indicator	Practice
1.1.1 *All* **GFSI**	Major	Food Safety Plan	The operation's commitment to food safety is supported and communicated through formal policies and procedures.	The operation is certified under a GFSI-recognized food safety program or has a written Food Safety Policy and Food Safety Plan in place, covering all operations. Both documents are reviewed at least annually, with the annual review and any changes documented.
1.1.2 *All* **GFSI**	Major	Food Safety Roles	Individuals have designated roles, responsibilities, and resources for food safety management.	An individual is identified as responsible for food safety compliance of all workers, visitors, contractors, and site personnel in accordance with the Food Safety Plan. 24-hour contact information is provided for the individual in case of an emergency. Food safety roles and responsibilities are communicated throughout the organization. Resources for food safety compliance are provided by management.
1.1.3 *All* **GFSI**	Major	Food Defense Plan	The product is protected from intentional adulteration.	A written Food Defense Plan is in place, including risk mitigation measures. The Food Defense Plan assesses potential risks and threats of intentional adulteration of pecans, specifies measures taken by management to mitigate risks, and addresses both safety and quality concerns.
1.1.4 *All* **GFSI**	Major	Illness or Injury Protection	Procedures are in place to reduce the risk of contamination of the product from illness or injury.	A written Injury and Illness Policy is in place to prevent contamination from illness or injury, including how to handle or dispose of food products or food contact surfaces that have been in contact with blood or bodily fluids.
1.1.5 *All* **GFSI**	Major	Hygiene and Health	Best practices for hygiene and health are promoted to protect the product from contamination.	A written Hygiene and Health Policy is in place and is communicated to all individuals on site.
1.1.6 *Sheller & Accumulator Only* **GFSI**	Major	Pest Control Program	Pest infestations are prevented on site, particularly in production areas.	A written Pest Control Program exists to reduce or eliminate the risk of infestation from rodents and other pests. The Pest Control Program includes procedures covering both the interior and exterior of the facility, pest control measures (such as screening, traps, etc.), and identified and communicated locations of pest control devices to avoid contamination of the product.
1.1.7 *All* **GFSI**	Major	Domesticated Animals	Procedures are in place to ensure domesticated animals do not pose a food safety risk.	If domesticated animals are on site, a domesticated animal risk assessment is conducted.

1 Food Safety and Quality (*Continued*)

1.1 Food Safety and Quality (Continued)

	Priority	Subtopic	Indicator	Practice
1.1.8 *All* **GFSI**	Major	Cleaning Procedures	Cleaning procedures support food safety objectives and reduce the risk of contamination.	If the operation has cleaning equipment on site, written cleaning and sanitation schedules exist. Cleaning equipment used is free from any animal and insect presence. Cleaning procedures are followed for all processing facility surfaces including equipment, floors, drains, walls, ceilings and other surfaces. Buildings and structural materials facilitate cleaning and sanitation activities.
1.1.9 *All* **GFSI**	Major – Handlers Recommend-ation - Growers	Allergen Control	Allergen control mechanisms are in place to prevent cross-contamination.	A written Allergen Control Policy and procedures exist to avoid cross-contamination. The Allergen Control Policy includes a list of allergens in use, stored, or handled by workers on-site, processes to address identification and segregation of allergens during storage, handling, loading, and shipping, and training for workers on how to properly handle allergens. All products that may contain an allergen are labeled according to the allergen labeling regulations in the U.S and the country of destination.
1.1.10 *Grower Only* **GFSI**	Minor	Grower Water Source Risk Assessment	Procedures are in place to prevent potential physical, chemical, and biological hazards caused by water used for production activities.	A documented water source risk assessment is performed to identify and prevent potential hazards related to the water supply. The water source risk assessment includes a description of the water source. The assessment is updated for any changes to the water source that could pose new risks.
1.1.11 *Sheller Only* **GFSI**	Minor	Sheller Water Source Risk Assessment	Procedures are in place to prevent potential physical, chemical, and biological hazards caused by water used for cleaning, drinking, and processing activities.	A documented water source risk assessment is performed to identify and prevent potential hazards related to the water supply. The water source risk assessment includes a description of the water source. The assessment is updated for any changes to the water source that could pose new risks. Water quality meets U.S. water requirements. Antimicrobial treatments can be used to meet water quality requirements but must be approved.

American Pecan Council Quality Assurance Program (QAP)

1 Food Safety and Quality (*Continued*)

1.2 Sourcing and Traceability

	Priority	Subtopic	Indicator	Practice
1.2.1 *All* **GFSI**	Major	Traceback Procedure	A traceback procedure is in place for all products.	A documented traceability procedure exists that includes tracking of bills of lading and production records.
1.2.2 *All* **GFSI**	Major	Recall Procedure	Written procedures are in place to manage and initiate recall or withdrawal of products from the supply chain.	Identify and document the type of events that may necessitate a withdrawal or recall, persons responsible for making decisions on the withdrawal or recall of a product, the mechanism for notifying customers, publicly available emergency contact details of the company, and methods of reconciling stock and final disposition of the product. A mock recall is performed annually to test the procedures. The withdrawal and recall procedure are reviewed annually.

1.3 Transportation and Storage

	Priority	Subtopic	Indicator	Practice
1.3.1 *All* **GFSI**	Major	Storage of Product	Products are stored in a way that avoids contamination.	Buildings and structures are in areas that prevent contamination and cross-contamination. Products are stored in a well-ventilated area, kept dry and clean, stored off the ground, protected from condensation, and free from animal and insect contamination.
1.3.2 *Grower & Accumulator Only* **GFSI**	Major	Storage of Bins and Sacks	Bins, sacks, and other containers are stored in a way that avoids contamination.	Bins, sacks, and other containers that come in direct contact with the product are kept dry and clean, protected from condensation, and free from animal and insect contamination. Container management policies and procedures are in place to prevent contaminants.
1.3.3 *Sheller Only* **GFSI**	Major	Storage of Packaging	Containers and packaging are stored in a way that avoids contamination.	Packaging or containers that come in direct contact with the product are kept dry and clean, stored off the ground, and are protected from condensation, sewage, dust, dirt, chemicals, allergens, or other contaminants. Container management policies and procedures are utilized to prevent contaminants. Single-use containers are designated as such and only used for their intended purpose. Reusable containers have a written cleaning program and are clearly designated for their intended purpose.
1.3.4 *Grower & Accumulator Only* **GFSI**	Minor	Grower and Accumulator Transportation Equipment	Grower and accumulator transportation and shipping units are maintained to prevent contamination.	Transportation equipment between the orchard / grove, cold storage, and sheller is clean, well-maintained, and secure. Shipping units are clean and free of objectionable odors and animal and insect contamination before loading.

1 Food Safety and Quality (*Continued*)

1.3 Transportation and Storage (Continued)

	Priority	Subtopic	Indicator	Practice
1.3.5 *Sheller Only* **GFSI**	Minor	Sheller Transportation Equipment	Sheller transportation and shipping units are maintained to prevent contamination.	Transportation equipment from final product facility to buyer is clean, well-maintained, and secure. Shipping units are clean and free of objectionable odors and animal and insect contamination before loading.
1.3.6 *All*	Minor	Temperature and Lighting	The product is transported and stored with the appropriate temperature and lighting to prevent deterioration of product quality.	Standard Operating Procedures are implemented for transportation and storage, specifying the proper temperature and lighting requirements. Temperatures are maintained and recorded to ensure quality of product. Lighting is sufficient to read labels or other essential information needed for potential traceback or temperature monitoring purposes. A protective shield is installed over any lighting equipment made of breakable glass.

American Pecan Council Quality Assurance Program (QAP)

2 Efficient Production and Resource Management

2.1 Water Use

	Priority	Subtopic	Indicator	Practice
2.1.1 *Grower & Sheller Only*	Major	Water Runoff Prevention	Runoff and infiltration into surface water and groundwater is prevented.	Runoff prevention procedures are utilized to prevent runoff and infiltration. such as the use of buffers, soil moisture sensors, laser leveling, and increased water holding capacity through incorporation of orchard organic matter or cover crops.
2.1.2 *Sheller Only*	Major	Water Use Efficiency	Water withdrawal and discharge are reduced through reuse, recycling, or reduced consumption whenever possible and cost effective.	Available water monitoring technology is utilized for efficient use of water resources when *economically feasible (defined below)*. Processing procedures, such as washing, conditioning, and storing, consider opportunities for recovery and reuse of water throughout the processing facility. Water discharges are monitored and do not pose a threat to water quality.
2.1.3 *Grower & Sheller Only* **GFSI**	Major	Proper Maintenance of Water Infrastructure	Water infrastructure and equipment is inspected regularly.	Operational efficiency of water infrastructure is achieved through regular maintenance procedures, proper training on equipment, physical inspection on site, proper calibration, and timely corrections.
2.1.4 *Grower Only*	Recommend-ation	Water Withdrawal and Use	Water withdrawal is monitored and avoids the depletion of the water source beyond its recharge capacity.	Irrigation water use and total water use is measured and recorded. For *water-stressed areas (defined below)*, an Irrigation Water Management Plan exists to establish best practices for managing water application to meet planned yield and quality levels under local conditions. Water application does not exceed crop uptake and the ability of the soil to hold water. Available water monitoring and irrigation scheduling technology are utilized for efficient use of water resources (flow meters, soil moisture sensors, analysis of required groundwater level, etc.).

Economically Feasible: Able to be done or achieved when economic benefits outweigh economic costs. (Please note, this definition applies across the program.)

Water-Stressed Areas: Areas identified through state, local, or national organizations as having water demands exceeding water available during a certain period, or when poor water quality limits its usability.

American Pecan Council Quality Assurance Program (QAP)

2 Efficient Production and Resource Management (*Continued*)

2.2 Pest and Disease Control

	Priority	Subtopic	Indicator	Practice
2.2.1 *All* **GFSI**	Major	Chemical Use	All chemicals are handled, used, stored, and labeled properly and in accordance with all relevant US, state, and local laws and regulations.	Only EPA-approved agricultural products are used. All agricultural products applied are registered or permitted by the appropriate governmental organization in the location of use and destination. Management regularly monitors for changes to product-use legislation for the U.S. and the destination country. There is access to current Safety Data Sheets (SDS) and labels for all products used on site.
2.2.2 *Grower Only* **GFSI**	Major	Chemical Application	Applications are targeted, avoid damage to beneficials when possible, and are performed with minimal chemical use to eradicate the pest or disease present.	A written Integrated Pest Management Plan is followed and up to date, and chemical application records are kept. Ag chemicals are selected based on the control of specific targets, while considering the ecosystem and economic impact. Technology and management practices ensure minimization of application drift which could have adverse effects on non-targeted plants, soil, water, animals and humans. Product application is informed by scouting reports. Precision agriculture, remote sensing, and variable rate technology are implemented when *economically feasible*.
2.2.3 *Grower Only* **GFSI**	Major	Nonchemical Controls	Nonchemical controls to manage pests have been explored and utilized when *economically feasible*.	Nonchemical controls, such as pheromone traps and predator boxes, are used when appropriate. Beneficials and antagonists are actively managed to reduce pest pressure. Examples include incorporating cover crops and border crops that attract beneficials/antagonists, use of trap crops, etc.
2.2.4 *Grower Only*	Major	Continuous Monitoring	Regular inspections occur to prevent and monitor for pests and diseases.	Scouting is performed regularly and scouting records are kept. Scouting observations inform changes to the Integrated Pest Management Plan.

2 Efficient Production and Resource Management (*Continued*)

2.3 Soil and Nutrient Management

	Priority	Subtopic	Indicator	Practice
2.3.1 *Grower Only* **GFSI**	Major	Soil Loss and Degradation Prevention	Soil loss and degradation are prevented through good management practices and continuous monitoring.	Soil loss and degradation includes erosion, salinization, decreased organic matter, diminished carbon levels, loss of structure (compaction and surface sealing), and contamination. Good management practices and outcomes include, but are not limited to, cover crops, improved carbon sequestration, composting, salinization prevention, laser leveling, consultation with agronomists/CCAs, and use of new science and technology.
2.3.2 *Grower Only* **GFSI**	Major	Nutrient Use	Nutrient applications are based on a holistic approach to managing overall soil heath while meeting the crop's nutritional needs.	Soil health and nutrition are evaluated, protected, and improved through responsible nutrient management practices. Soil and tissue analyses are performed, and the operation's nutrient program is based on results of these analyses. All nutrients are handled, used, and stored properly and in accordance with relevant laws and regulations. Precautions are taken to avoid or protect non-targeted areas from direct overspray or drift. Nutrients applied are based on realistic yield goals, tissue test results, soil and crop nutrient needs, nutrient placement, volume and rate of application, and climatic conditions.

2.4 Greenhouse Gas (GHG) Emissions and Air Quality

	Priority	Subtopic	Indicator	Practice
2.4.1 *All*	Major	GHG Reduction	GHG emissions are measured, monitored, and reduced when feasible.	Equipment and vehicles use low-emission technology or low-emission fuels (hybrids, biodiesel, etc.) when *economically feasible*. All equipment is calibrated and maintained to ensure accurate use. Precision agriculture is implemented when *economically feasible*. Tractor passes and associated energy use are reduced through orchard floor management.
2.4.2 *All* **GFSI**	Major	Proper Maintenance of Equipment	Inspections and maintenance are performed regularly to ensure operational efficiency of equipment.	Maintenance procedures, trainings, and maintenance schedules are followed. Equipment is maintained for optimum consumption of energy.
2.4.3 *All*	Minor	Dust Control	Dust from operations is managed and reduced to avoid safety risks and poor air quality.	Floor management procedures ensure dust is limited throughout the year and may include practices such as grassed rows, well-maintained roads, speed limits posted and enforced, and barriers to block dust from vehicles. Dust control measures consider safety impacts to the public by avoiding visibility issues on public roads and posting caution signs for low visibility when applicable.

American Pecan Council Quality Assurance Program (QAP)

2 Efficient Production and Resource Management (*Continued*)

2.5 Waste

	Priority	Subtopic	Indicator	Practice
2.5.1 *All* **GFSI**	Major	Waste Storage and Disposal	All waste is properly stored and disposed of to prevent pollution and litter.	Waste management procedures are in place and include procedures to avoid contamination from improper storage or disposal of all waste, including hazardous waste and ag chemical containers. Storage areas are secure, marked with appropriate signage, have restricted access, and are located a safe distance from production areas and waterways. Burning waste only occurs with proper permits and follows all relevant legal requirements. Ag chemical containers are triple rinsed and disposed of properly according to label instructions and relevant regulations. Fuel storage is secured from unauthorized access and meets all relevant legal requirements for secondary containment.
2.5.2 *All*	Recommend-ation	Reuse and Reduction	Materials are reused, when possible, to reduce the amount of waste generated.	Reuse and recycling programs are established and maintained to reduce the amount of waste generated when possible and *economically feasible*. Green waste is utilized on site if possible (to create energy, hold down unpaved roads, produce compost, act as ground cover for erosion control, etc.). Packaging use is minimized and made of recyclable, reusable, or compostable materials when possible and *economically feasible*.

2.6 Energy Use

	Priority	Subtopic	Indicator	Practice
2.6.1 *All* **GFSI** Rec.	Major	Energy Efficiency	Consideration is given to improve energy efficiency and minimize nonrenewable energy use on site.	Opportunities are identified to improve energy efficiency and to consider activities that may reduce nonrenewable energy use.

American Pecan Council Quality Assurance Program (QAP)

2 Efficient Production and Resource Management (*Continued*)

2.7 Conservation and Biodiversity

	Priority	Subtopic	Indicator	Practice
2.7.1 *All*	Major	Protected Areas	Protected areas on or near the operation are conserved.	Protected areas include conservation easements, preserves, special ecological sites, cultural sites, and water sources. Conservation includes clearly communicating with employees and workers the proper procedures to avoid negative impacts (chemical drift, runoff, etc.).
2.7.2 *Grower Only* **GFSI**	Minor	Biodiversity and Habitat Creation	Consideration for biodiversity and habitat creation is incorporated for production sites.	A Biodiversity Management Plan is incorporated and outlines biodiversity priorities required maintenance, and improvements over time. Consideration of cover crops includes taking into account biodiversity and soil health during the seed selection process. Native and noninvasive vegetation (grasses, trees, flowers, shrubs, etc.) may be maintained or planted in nonproductive areas to provide habitat for species (including pollinators, beneficial insects, and other wildlife). Management practices in place consider the diversity of animal species. Buffers, food plots, and wildlife corridors are considered and maintained if implemented.

3 Labor and Community

3.1 Health and Safety

	Priority	Subtopic	Indicator	Practice
3.1.1 *All* **GFSI**	Major	Work Environment	A safe, clean, and healthy work environment is maintained.	Individuals have access to potable drinking water and an adequate number of hand washing stations. Sanitary toilet facilities of an adequate number are available and accessible to all workers and visitors. Proper lighting, temperature, and ventilation is provided for structures. Workers are provided designated rest areas and a place to eat and store food. Signage is placed around the operation to enhance safety and reduce liability.
3.1.2 *All* **GFSI**	Major	Employee Training	Access to applicable safety and job-specific trainings, including any legally required trainings, is provided.	A written training plan is established to identify and track required trainings. Training records are maintained and monitored for compliance and attendance. Topics requiring regular retraining are identified and held annually.
3.1.3 *All* **GFSI**	Major	Personal Protective Equipment	Workers are provided with well-maintained personal protective equipment suitable to perform their jobs safely.	Appropriate personal protective equipment (PPE) is provided to workers free of charge for protection against potential safety hazards. Potential safety hazards include, but are not limited to, electrical, structural integrity, machinery, chemicals, toxins, vehicular, and fall hazards. Personal protective equipment may include gloves, goggles, masks, respirators, earplugs, shoes/boots, helmets, and clothing.
3.1.4 *All* **GFSI**	Major	Emergency Preparedness	Emergency procedures are communicated and accessible to all individuals on site.	Implement an up-to-date Emergency Action Plan and provide regular training on emergency procedures. The documented Emergency Action Plan includes an outline of roles, responsibilities, authority contact information for relevant potential emergencies (i.e. spills, fire, severe weather, medical emergencies, facility-related or equipment related malfunctions, etc.), the address of the operation, the location of emergency exits, the location of fire detection and suppression equipment, and emergency cut offs for utilities. Appropriate first-aid supplies are available and a first-aid certified individual is on site during all operational hours. Exits are clear and unrestricted.
3.1.5 *All* **GFSI**	Major	Visitor Safety	All visitors are informed about potential safety hazards and are given proper safety equipment if necessary.	For properties in close proximity to public areas or highly trafficked areas, adequate signage is posted to warn trespassers or provide information on where visitors can check in.
3.1.6 *All*	Minor	Health and Safety Noncompliance Reporting	All instances of noncompliance with health and safety standards are reported.	A written reporting procedure for health and safety issues is in place and includes both how to report the noncompliance and to whom.

3 Labor and Community (*Continued*)

3.2 Working Conditions

	Priority	Subtopic	Indicator	Practice
3.2.1 *All*	Major	Wages and Benefits	Employee compensation includes wages, overtime pay, and benefits that meet or exceed U.S. legal minimum standards. Employees are paid in a timely fashion.	Deductions from wages for disciplinary measures are prohibited. Deductions are not made from employee wages other than those required by law or otherwise given with written employee consent. Working hours, overtime, wages and benefits, and terms of payment are clearly defined in paystubs. Workers have full access to their own personal documents such as passports, ID cards, and work papers.
3.2.2 *All*	Major	Working Hours	The operation meets all applicable U.S. laws and regulations, and collective agreements regarding maximum working hours, overtime, and paid leave.	All overtime hours are voluntary. Appropriate rest time, mealtime, and days off are provided to ensure a safe working environment and are provided in accordance with all applicable laws and regulations.

3.3 Rights and Ethics

	Priority	Subtopic	Indicator	Practice
3.3.1 *All*	Major	Anti-Discrimination	Policies and procedures are in place to prohibit discrimination of any kind.	A written anti-discrimination policy is in place. Employment-related decisions are based on ability, qualifications, and achievements and are not biased based on any protected class.
3.3.2 *All*	Major	Anti-Harassment	No harassment of any kind is tolerated. All workers are treated with respect and dignity.	A written anti-harassment policy is in place. Any instances of harassment are reported in a timely manner, are handled without retaliation, and result in a fair resolution. Violent, threatening or abusive conduct towards others is prohibited, including gestures, language, physical conduct, and sexual harassment.
3.3.3 *All*	Major	Grievance Reporting	Employees are able to report concerns and issues confidentially through an accessible and defined grievance system.	All reported issues are confidential. Incidents that require further investigation result in quick and fair resolution. Prohibited retaliation includes, but is not limited to, intimidation, threats, harassment, and bullying. A designated individual (i.e. HR manager) continuously monitors the grievance system, keeps records of issues raised, and takes appropriate actions.

American Pecan Council Quality Assurance Program (QAP)

3 Labor and Community (*Continued*)

3.3 Rights and Ethics (Continued)

	Priority	Subtopic	Indicator	Practice
3.3.4 *All*	Major	Third-Party Labor	Third-party labor contractors are reviewed for compliance with all applicable U.S. labor and social security laws and regulations	The operation has a regular system for verifying that third-party labor contractors are respecting workers' rights (no child labor, no forced labor, no discrimination or harassment), not holding personal documents (such as passports, ID cards, or work papers), and are not charging excessive fees for recruitment, processing, transport or skills training. Processes are in place to ensure that any payments made to workers through third parties are paid in full.

3.4 Community Relations

	Priority	Subtopic	Indicator	Practice
3.4.1 *All*	Minor	Land Rights	Land rights of the local community, including indigenous peoples, are respected.	Fair negotiations of land transfers occur. Legal rights to use of the land are clearly defined and evidenced (through evidence of ownership, lease, etc.).
3.4.2 *All*	Recommend-ation	Community Engagement and Support	Positive relationships are maintained with the local community through communication and outreach.	Neighbors and local communities are informed in a timely manner of planned activities with significant actual or potential impacts on them, as applicable. When feasible, disturbance of local communities is minimized. Complaints received are documented and action is taken as necessary. Local events and initiatives may be supported through volunteering, donations, or development programs. Information is shared with the community about improved or sustainable agriculture techniques when appropriate.

American Pecan Council Quality Assurance Program (QAP)

4 Productivity and Economic Viability

4.1 Business Ethics

	Priority	Subtopic	Indicator	Practice
4.1.1 *All*	Major	Legal Compliance	All applicable U.S. laws and regulations are complied with and monitored through sufficient oversight.	Processes are in place to stay current on applicable U.S. laws and regulations and to track compliance. A designated individual is responsible for ensuring compliance and communicating relevant U.S. laws and regulations throughout the organization.
4.1.2 *All*	Minor	Fair Competition and Trade Acknowledgement	No illegal cooperation with competitors exists to prevent or limit free trade or fair competition.	Transactions throughout the supply chain are structured fairly regarding free trade and fair competition. This includes, but is not limited to, bid rigging, price fixing, and market allocations.

4.2 Good Business Practices

	Priority	Subtopic	Indicator	Practice
4.2.1 *All*	Major	QAP Internal Audits	Annual QAP internal audits are performed and documented.	Internal audits are performed annually and documented for all locations covered by the QAP and are reviewed by management. Any corrective actions are documented in writing. Internal audit documentation is kept for at least four years.
4.2.2 *All*	Major	Grading System	The grading system used is current, clear, and in compliance with U.S. legal requirements.	Grades and standards are consistently interpreted and follow current U.S. Standards for Grades of Pecans in the Shell or U.S. Standards for Grades of Shelled Pecans, as appropriate. Individuals grading product are certified by an APC-approved organization with relevant expertise to ensure proper application of grading requirements. Product samples are taken and documented to support grades assigned. Samples are kept for at least 30 days and are available to all parties of the transaction upon request.
4.2.3 *Sheller and Accumulator Only*	Major	Traceability of Pecan Suppliers	Traceability procedures exist for pecan suppliers, and product from suppliers that are QAP-certified are identified and separated from non-QAP-certified product.	A current list is maintained of pecan growers and accumulators that are QAP-certified by an APC-approved verification body. Production and storage procedures enable product segregation to avoid commingling of products from QAP-certified and non-QAP-certified suppliers. Procedures exist for shellers accepting pecans from accumulators, brokers, and alternate sources to determine whether the product meets QAP standards. Sheller and accumulator procedures for handling QAP-certified product are reviewed annually.

American Pecan Council Quality Assurance Program (QAP)

4 Productivity and Economic Viability (*Continued*)

4.2 Good Business Practices (continued)

	Priority	Subtopic	Indicator	Practice
4.2.4 *All*	Minor	Retailer, Subcontractor, and Industry Business Transactions	Clear agreements and contracts with retailers, subcontractors, and industry members are maintained.	There are written contracts with retailers, including clear terms of agreement and specifications regarding delivery, price, and quality. Subcontracted production is agreed through a written contract, including fairly negotiated payments. Subcontracts contain clear agreements on requirements for production management including environmental, social, and economic practices. There are written contracts between growers, accumulators, and shellers, including clear terms of agreement and specifications regarding delivery, price, and quality. Contractual agreements include the timing and terms of crop payments. Direct-to-consumer sales do not require contractual agreements.
4.2.5 *All*	Minor	Grading Verification	The grading system is verified by an independent third party qualified to perform the verification.	Proper use of the current U.S. Standards for Grades of Pecans in the Shell and/or U.S. Standards for Grades of Shelled Pecans is verified by an APC-approved organization with relevant expertise for verification.
4.2.6 *All*	Minor	Business Relationships	Stable and mutually beneficial relationships with other components of the value chain are maintained.	Technical support is provided as needed by customers, suppliers, external consultants, government agencies, educational institutions, and NGOs. Mutual understanding of future plans of customers and suppliers are maintained through regular discussion.

4.3 Risk Management and Forecasting

	Priority	Subtopic	Indicator	Practice
4.3.1 *All*	Minor	Operational Planning	The operation has documented long- and short-term planning processes.	Market or cost information is tracked to inform planning, such as prices of inputs, utilities, labor, equipment, permits, training, and technical support. Production results are monitored and reviewed to inform planning.