

# **Cost & Fee Structure**

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### 1.0 Introduction

The Regenerative Organic Alliance (ROA) has established competitively priced fees for the Regenerative Organic Certified® program. The ROA values our global community of regenerative organic producers and aims to establish a transparent fee structure. All available resources will be utilized to support farmers on the journey to regenerative organic.

This document outlines the fees and certification costs for producers, brands, and processors. The ROA may charge additional fees for expedited services, unexpected international compliance issues, currency/exchange rate costs, or specialized shipping documents.

We want to ensure that both producers and brands are charged fairly, and that Regenerative Organic Certified® remains accessible. Brands are essential in paving the path forward in this movement by committing to pay premiums and license fees and ensuring that increases in Regenerative Organic Certified® product costs are not pushed back onto the farmer. Farmers should not be made to pay for the other actors in the product supply chain making Regenerative Organic Certified® claims. This means that brands and finished goods manufacturers should not devalue a farm's commodity to offset their costs for Regenerative Organic Certified®.

The Regenerative Organic Certified® Cost & Fee Structure is subject to change. Any changes will be submitted to the trademark registrar for assessment and approval. Any operations applying for Regenerative Organic Certified® and Regenerative Organic Certified® Licenses will be subject to the fees and costs associated with the published document at the time of their certification, renewal, or licensing.

## 2.0 Regenerative Organic Certified® Producer Fees

A producer will incur the following fees when applying to become Regenerative Organic Certified®:

- One-time, non-refundable application fee
- Any associated Certifying Body (CB) fees
- Annual ROA Producer Fee
- Annual ROA License Fee, if applicable
- Additional fees, if applicable

## 2.1 Application Fee

Applicants are responsible for a one-time, <u>non-refundable</u> fee paid directly to the ROA at the time of initial application. See the chart below.

Operation Type/Size	Application Fee
less than 5 distinct parcels*	\$350 USD
5 or more distinct parcels*, not a grower group	\$550 USD
Grower groups	\$1,000 USD

<sup>\*</sup>Distinct parcels are defined as readily distinguishable from each other with no adjacent or touching borders.

#### 2.2 CB Audit & Certification Costs

The applicant will select a ROA-approved Certifying Body (CB) for the certification process. The fees assessed by the CB will be charged directly to the applicant and are **in addition to** the one-time application fee and annual fees assessed by the ROA. The CB fees are not regulated by the ROA. We strategically select certifying bodies to approve for our program to ensure that a region is served by at least two organizations.

#### 2.3 Annual ROA Producer Fee

The annual ROA fee for Regenerative Organic Certified® is a flat fee due upon certification or renewal of certification each year. The fee is based on the estimated value of all Regenerative Organic Certified® eligible crops harvested during the calendar year.

Estimate value of crops is less than \$1,000,000: \$250 Fee
 Estimate value of crops is \$1,000,000 or greater: \$500 Fee

#### 2.3.1 Annual Producer Fee Waive

The ROA will waive the Annual Producer Fee for 501(c)(3) non-profit farms who donate a significant portion (>50%) of their production to support and feed the community. Farms that advance the return of historically marginalized farmers to the land or have established educational internship programs teaching regenerative organic practices are encouraged to inquire about fee waivers. Please inquire about your eligibility by reaching out to info@regenorganic.org.

### 2.4 Annual ROA License Fee for Producers with Processed Products

Producers who are processing their Regenerative Organic Certified® crops into products and selling the **processed** product(s) will be licensed through the execution of the Producer License Agreement. The licensed producer is required to pay a fee on the revenue made from processed products making Regenerative Organic Certified® claims. This fee is in addition to the annual Producer Fee.

#### First Year Fee

The first-year License Fee for Producers with processed product is a flat fee based on **estimated** gross revenue, for the calendar year, from processed products making Regenerative Organic Certified® claims.

•	Estimated annual gross revenue \$0 – \$500,000:	\$250 Fee
•	Estimated annual gross revenue \$500,001 – \$1,000,000:	\$500 Fee
•	Estimated annual gross revenue \$1,000,001 - \$2,500,000:	\$1,000 Fee
•	Estimated annual gross revenue \$2,500,001 - \$5,000,000:	\$2,500 Fee
•	Estimated annual gross revenue greater than \$5,000,000:	\$5,000 Fee

#### **Renewal Fees**

The fee for all subsequent years is 0.1% of the previous calendar year's **actual** gross revenue from processed products making Regenerative Organic Certified® claims. Revenue from the previous year must be reported in the certification renewal application each year. The minimum annual fee due is \$250 and the maximum annual License Fee for Producers due is \$20,000.

#### 2.5 Additional Fees

Eligible operations in the Global North seeking Regenerative Organic Certified® Bronze and Regenerative Organic Certified® Silver certification are not required to obtain an additional Social Fairness certification and instead will be audited to the Social Fairness Pillar of the ROC Framework. For these operations an additional annual ROA Social Fairness fee *may* be assessed on a case-by-case basis depending on the complexity of the operation and an assessment of the level of risk associated with the operation. Operational complexity is based on number of locations, number of workers, employment types, and employment arrangements.

This fee will range from \$500-\$1,000 annually.

## 3.0 ROA License Fees

#### 3.1 Annual Brand License Fees

Any organization, including but not limited to brand owners, private label brand owners, and finished goods manufacturers selling Regenerative Organic Certified® products, will pay the ROA an annual licensing fee. The fees outlined in this section are not applicable to textile brand licensees. See section 3.2 for textile specific license fees.

#### First Year Fee:

The first-year fee is a flat fee based on **estimated** gross revenue, for the calendar year, from products making Regenerative Organic Certified® claims.

Estimated annual gross revenue of \$0 – \$500,000: \$500 Fee
 Estimated annual gross revenue of \$500,001 - 2,000,000: \$2,500 Fee
 Estimated annual gross revenue of \$2,000,001 - \$5,000,000: \$7,000 Fee
 Estimated annual gross revenue of \$5,000,001 - \$10,000,000: \$15,000 Fee
 Estimated annual gross revenue greater than \$10,000,000: \$20,000 Fee

#### **Fee for Subsequent Years:**

The fee for all subsequent years is based on the previous calendar year's **actual** gross revenue from products making Regenerative Organic Certified® claims. The fee assessed is dependent upon the percentage of Regenerative Organic Certified® ingredients in the product:

- For products with 70% or more Regenerative Organic Certified® ingredients\*: Fee is 0.2% of previous year's Regenerative Organic Certified® gross revenue.
- For products with less than 70% Regenerative Organic Certified® ingredients\*: Fee is 0.1% of previous year's Regenerative Organic Certified® gross revenue.

The minimum annual fee due is \$500 and the maximum fee due is \$100,000.

When submitting the annual license renewal application, all licensees are required to report the revenue earned, during the previous calendar year, from products making Regenerative Organic Certified® claims.

#### 3.2 Annual Textile Brand License Fees

Any organization, including but not limited to brand owners, private label brand owners, and finished goods manufacturers selling **textile** products making Regenerative Organic Certified® claims, will pay an annual licensing fee. See Regenerative Organic Certified® Textile Guidelines for additional information and requirements.

<sup>\*</sup> As measured by weight or volume excluding water or salt.

#### **First Year Fee:**

The first-year fee is a flat fee based on **estimated Free on Board (FOB) value** to be paid for the calendar year, for textile products making Regenerative Organic Certified® claims.

Estimated gross FOB value of \$0 - \$2,000,000: \$1,500 Fee
 Estimated gross FOB value of \$2,000,001 - \$5,000,000: \$5,250 Fee
 Estimated gross FOB value of \$5,000,001 - \$10,000,000: \$11,250 Fee
 Estimated gross FOB value than \$10,000,000: \$15,000 Fee

#### **Fee for Subsequent Years:**

The fee for all subsequent years is based on the previous calendar year's **actual FOB** value paid for textile products making Regenerative Organic Certified® claims and the percentage of Regenerative Organic Certified® content in the product:

- For products with 50% or more Regenerative Organic Certified® content\*\*: Fee is 1.5% of previous calendar year's Regenerative Organic Certified® FOB value.
- For products with less than 50% ROC content\*\*: Fee is 1.0% of previous calendar year's Regenerative Organic Certified® FOB value.

The minimum annual fee due is \$1,500 and the maximum annual fee due is \$100,000.

All textile brand licensees are required to report the FOB value paid the previous calendar year, for textile products making Regenerative Organic Certified® claims, when submitting the annual license renewal application.

## 3.3 Annual Membership Fee:

Brands, private label brand owners, and finished goods manufacturers with \$2 million or more in gross annual sales (Regenerative Organic Certified® and non-Regenerative Organic Certified® sales combined) will pay a \$1,000 annual membership fee.

#### 3.4 Desk Audit

We no longer require Supply Chain Actors to register with the ROA. Brands are required to submit the full supply chain map with examples of traceability and in-out audits. The ROA assesses a fee to conduct a desk audit. Because the location, size, and scope of an operation determines the complexity and time required for record review, the ROA assesses a fee of \$75/hour to conduct a desk audit to issue a product license for brands, with the first hour free of charge. Client preparedness plays a key role. If records are organized and accessible, this can decrease the amount of time our staff need to verify integrity of the Regen Organic Certified crops/ingredients through the Supply Chain.

<sup>\*\*</sup> As measured by weight or volume excluding the weight of trims or accessories.

## 3.5 Annual Fee for Handlers/Processors/Brokers/Textile Manufacturers

The ROA requires any supply chain actor who comes into ownership of Regenerative Organic Certified® product and sells products with Regenerative Organic Certified® claims **to more than one entity** to sign a license agreement and pay an annual license fee.

#### First Year Fee

The first-year License Fee for Processors is a flat fee based on **estimated** gross revenue, anticipated for the calendar year, from processed products making Regenerative Organic Certified® claims.

Estimated annual gross revenue of \$0 – \$500,000: \$250 Fee
 Estimated annual gross revenue of \$500,001 – \$2,000,000: \$1,250 Fee
 Estimated annual gross revenue of \$2,000,001 - \$5,000,000: \$3,500 Fee
 Estimated annual gross revenue of \$5,000,001 - \$10,000,000: \$7,500 Fee
 Estimated annual gross revenue greater than \$10,000,000: \$10,000 Fee

#### **Fee for Subsequent Years**

The fee for all subsequent years is 0.1% of the previous calendar year's actual gross revenue. All licensees are required to report previous year's revenue from certified products in the annual license renewal application.

The minimum annual fee due is \$250 and the maximum annual License Fee for Processors due is \$20,000.

### 4.0 ROA Label Review Fee

Labels carrying any Regenerative Organic Certified® claim must be reviewed and approved by the ROA prior to use. This includes retail and non-retail (wholesale) labels. There is no charge for the first five (5) labels reviewed annually per Licensee. If more than five (5) labels are submitted in one calendar year, there is a \$50 fee per additional label.

## **Document Revisions**

Version Number	Date Approved	Description of Changes
		<ul> <li>Removal of the farmer cost share program section 2.6</li> </ul>
		<ul> <li>Removal of requirement to submit cost and fee worksheets for fee reporting</li> </ul>
5.2	08 January 2024	<ul> <li>Correction of copy to read FOB value instead of FOB revenue in section 3.2</li> </ul>