



AUDIT REPORT

Peoples Company
12119 Stratford Drive
Clive, IA 50325

Date of Audit : March 19- 20 (remote) and April 9-11, 2024 (onsite)
Date of Report: April 14 2024
Auditors: Laura Fitzpatrick, Lead auditor
Ugo Lapointe, witness auditor

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Assessment/Certification Audit



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Introduction

This public version of the audit report presents the summary of the results of the Assessment conducted by SmartCert of Peoples Company's compliance with the Leading Harvest Farmland and Management Standard (hereafter Leading Harvest Standard). Detailed findings, indicator by indicator, are documented in the confidential version of the report.

The report is comprised of the findings in relation to the 13 Principles, 13 Objectives, 33 Performance Measures and 71 Indicators of the Leading Harvest Standard. They address economic, environmental, social and governance issues and include measures to efficiently use water, agricultural chemicals and energy to grow crops for useful agricultural products; minimize waste; and conserve soils, water resources and biodiversity. The standard also takes into consideration the well-being of farmland tenants, employees, contract management company employees, contract farm labor and local communities.

The results of this audit were drawn based on a sample of sites and documentation chosen by SmartCert.

Scope and Objective of the audit

The objective of this audit is to review Peoples Company's management system and onsite implementation of the Leading Harvest Objectives and Indicators. The scope of the audit is Peoples Company's record keeping, policies/procedures (planning, review, and surveillance), and implementation activities applicable to meet Leading Harvest requirements at the Iowa central office and on the 13 properties selected for sampling in Louisiana during this 2024 audit.

Client Portrait

Description of the Certified Program User's farmland included in the audit:

Peoples Company (hereafter PC) is a farm management, brokerage, appraisal, and agricultural advisory company based in Iowa, USA. The company does not own farmland. This audit focused on the farm management portion of the business as this is the scope of activity relevant to Leading Harvest certification.

PC farm managers have a fiduciary duty towards the landowner and manage farmland under a variety of lease agreement types. The approximately 100,000 acres under PC's management are located primarily in the midwestern United States, although there are some groups of clients outside of that region (including the farms visited in Northern Louisiana). Crops grown on the land in the scope of this certificate are largely commodity crops -- corn, soybeans, and rice. SmartCert finds that PC uses careful tenant selection, farm lease language, and frequent communication between certified Farm Manager and tenants as their primary methods of ensuring good land management consistent with the Leading Harvest standards and PC's own goals for land management.

There have been no major management changes since the last re-certification audit. This is the first audit of PC by SmartCert. Previously, PC was certified by Averum.

Auditor Team

Auditor Name	Laura Fitzpatrick	Auditor Role	Lead auditor
Auditor Qualifications	Laura Fitzpatrick has performed audits in the USA and Canada for USDA NOP, Regenagri, Roundtable on Sustainable Palm Oil and Farm Sustainability Assessment since 2014. She is ISO 9001 trained, and has provided consultancy for the development and improvement of the sustainability standards US Cotton Trust, Sustainable US Peanut Initiative, and the Farm Sustainability Assessment. She has worked as the compliance manager for an accredited certifier that certifies clients to USDA NOP and the Canada Organic Regime.		

Auditor Name	Ugo Lapointe	Auditor Role	Witness auditor
Auditor Qualifications	Ugo Lapointe is an entrepreneur and biologist specialized in forest ecology. Since 2008, he has been helping private sector companies improve their social and environmental practices through certification. Ugo is a senior auditor with international experience using multiple sustainability standards. He has a Master’s degree in forest ecology, a Bachelor’s degree in biology, university-level training in civil and corporate mediation and an Executive Master’s of Business Administration.		

Audit Plan

Date and time	Activity Description
March 19 - 20, 2024	Remote Audit of Records
April 08 – 12, 2024	Onsite farm visits in Louisiana
April 23, 2024	Closing Meeting

Description of the Audit Process

Description of the audit process	
<p>During the remote audit, the auditor reviewed records, policies, and procedures associated with the indicators as provided by PC, and remotely interviewed PC’s Leading Harvest certification manager as well as the Louisiana Farm Manager, on PC’s implementation of Leading Harvest objectives. The auditor emailed PC representatives with a list of additional documents needed to confirm compliance, which were provided.</p> <p>During the onsite visits in Louisiana, 6 parcels were viewed. 8 parcels were not able to be physically examined by the auditor due to significant flooding in the area. These parcels were either viewed from a distance via the nearest road, or via 2023 crop year photos taken by the Farm Manager. The auditor conducted 7 in person interviews with tenants and one remote (phone) interview after fieldwork.</p>	
As part of the audit process, the audit team met or corresponded with the following affected stakeholders (incl. government agencies, community groups, affected indigenous peoples and conservation organizations)	Certification Manager Louisiana Farm Manager Tenants

Total number of auditor days	5 days (2 days remote, 3 days onsite) + report writing and reviewing
Audit schedule in the certification cycle	Re-certification

Audit sampling

The sampling prescribed by Leading Harvest procedures for a re-certification audit is the square root of the number of farms in the scope of the certificate. Exceptionally, when management has shown consistent compliance the certification body can choose to audit only 80% of that sample. Based on Peoples Company’s compliance record, SmartCert implemented this reduction for this audit. With 249 farms in the scope at the time of the audit, SmartCert determined a sample of : $80\% \times \sqrt{249} = 13$ sites in total (Iowa HQ + 12 sites in Louisiana).

Audit Summary

Audit Outcome

Certification Recommendation
<p>The auditor recommends the continued certification of Peoples Company under the Leading Harvest Standard.</p> <p>There were many areas of excellence as well as some areas of potential improvement/minor nonconformance in the sample of sites visited as part of the 2024 audit. None of the issues noted appeared to be widely systemic or an imminent threat to the compliance of the management system as a whole, so they are classified as Minor or Areas of Improvement (according to the frequency and severity of the issue observed).</p> <p>The sites visited by SmartCert in 2024 were concentrated in Louisiana, a region which is new to the concept of farm management by Peoples Company, and to farm management by third parties in general. The vast majority of Peoples Company’s managed farms are located in the Midwest, which has an established tradition of third-party farm management. The southeast United States has relatively poor soils compared to the Midwest, and the climactic conditions during the growing season are humid and prone to flooding. It is acknowledged by the auditor that this situation presents specific challenges for farm management in this region. Nonetheless, the few non-conformances identified by SmartCert on the sampled sites were all minor in nature. Peoples Company representatives Mollie Aronowitz, Julie Boggs and tenants sampled by SmartCert demonstrated a strong commitment to the objectives of the Leading Harvest program.</p> <p>The total number of Leading harvest certified acres under PC management is now 107,414 spread across 416 farms and 16 states. This is an increase of 13,583 acres from the previous audit.</p>

Exceptional practices

Requirement	Exceptional Practices
7.2.1 Native Habitats and Natural Communities	On the sites sampled, SmartCert found lush farm borders, as well as plenty of natural areas and field corners. Tenants spoke passionately about conservation efforts on their farms.
12.2.1 Support for Agricultural Research	Excellent support for agricultural Research demonstrated by PC hosting Australian ag-business students for a multi-day workshop about regional ag practices and the Leading Harvest standard.
12.1 Farm Review and Continual Improvement	Good general open mindedness displayed (both from PC and from tenants) about new technologies, efficiencies, and practices.
13.2 Leased-Land Monitoring	Excellent Farm Manager/Tenant relationship demonstrated between the Farm Manager and tenants in the Louisiana sample.

Non-Conformance Reports

This section identifies the non-conformances found by SmartCert during this audit. Non-conformances must be closed within the allocated time for the certificate holder to maintain its certificate.

Minor NCR # 4.2.1/24	Requirement: Indicator 4.2.1
Description of the nonconformity and associated evidence:	
<p>Requirement: Application and storage of crop protectants according to label instructions and regulatory requirements and application of practices to protect employees, farm workers, public health, and the environment and avoid the drift of crop protectants offsite.</p> <p>Finding: During a visit to one of the properties, it was observed that full pesticide jugs were left outside of a locked containment area while not actively in use. This is a minor NC because there is no evidence that it is a systemic problem.</p> <p>Evidence: Onsite visit</p>	
Corrective Action Request:	<p>The organisation determines the corrective actions to be implemented to achieve compliance with the requirements referenced above.</p> <p>Note: Effective corrective actions focus on resolving the specific items described in the finding above, as well as addressing the root cause of the nonconformity and preventing the recurrence of the nonconformity</p>

	not only at this specific site but on all farms in the scope of the certificate.
Timeline to achieve conformance:	Corrective action plan must be submitted within 3 months of the report finalisation - implementation will be confirmed during the next audit.
Evidence provided by the Organization:	PENDING
Findings for Evidence Assessment:	PENDING
NCR status:	OPEN
Comments (optional):	

Minor NCR # 6.1.3/24	Requirement: Indicator 6.1.3
Description of the nonconformity and associated evidence:	
<p>Requirement: Management, use and storage of agricultural chemicals and equipment gases, fluids and fuels according to regulatory requirements and application of practices to manage spills and protect employees, farm labor and the environment.</p> <p>Finding : Fuel tanks viewed at one property were missing identification markings as prescribed by OSHA Hazardous Communication Standard. This is a minor NC because there is no evidence that it is a systemic problem.</p> <p>Evidence: Onsite visit</p>	
Corrective Action Request:	<p>The organisation determines the corrective actions to be implemented to achieve compliance with the requirements referenced above.</p> <p>Note: Effective corrective actions focus on resolving the specific items described in the finding above, as well as addressing the root cause of the nonconformity and preventing the recurrence of the nonconformity not only at this specific site but on all farms in the scope of the certificate.</p>
Timeline to achieve conformance:	Corrective action plan must be submitted within 3 months of the report finalisation- implementation will be confirmed during the next audit.
Evidence provided by the Organization:	PENDING
Findings for Evidence Assessment:	PENDING
NCR status:	OPEN
Comments (optional):	

Minor NCR # 8.1.1/24		Requirement: Indicator 8.1.1
Description of the nonconformity and associated evidence:		
<p>Requirement: Use of information such as existing natural heritage data or expert advice in identifying or selecting Special Sites.</p> <p>Finding: Peoples Company does not have company-wide best practice or policy for identifying / protecting Special Sites on enrolled land. Because SmartCert found during site visits that sensitive sites or sites of importance for biodiversity had indeed been identified and preserved, this is considered a minor non-conformance.</p> <p>Evidence: Document review of policies and procedures.</p>		
Corrective Action Request:	<p>The organisation determines the corrective actions to be implemented to achieve compliance with the requirements referenced above.</p> <p>Note: Effective corrective actions focus on resolving the specific items described in the finding above, as well as addressing the root cause of the nonconformity and preventing the recurrence of the nonconformity not only at this specific site but on all farms in the scope of the certificate.</p>	
Timeline to achieve conformance:	Corrective action plan must be submitted within 3 months of the report finalisation implementation will be confirmed during the next audit.	
Evidence provided by the Organization:	PENDING	
Findings for Evidence Assessment:	PENDING	
NCR status:	OPEN	
Comments (optional):		

Minor NCR # 13.2.1/24		Requirement: Indicator 13.2.1
Description of the nonconformity and associated evidence:		
<p>Requirement: Use of a verifiable monitoring system with:</p> <p>(a) A process for monitoring the agricultural practices used by farmland tenants; and</p> <p>(b) A process for evaluating application of agricultural practices by farmland tenants and identifying and communicating areas where farmland tenants can improve their performance and achieve greater consistency with the regional agricultural best management practices and the Principles and Objectives of the Leading Harvest Standard.</p> <p>Finding : Although tenants are regularly visited by Farm Managers and their data is collected annually, there is no company wide procedure/documentation for the process of formally identifying and communicating areas where tenants can achieve greater consistency with regional best practices and</p>		

Leading Harvest objectives. This is a minor non-conformance as the tenants interviewed as part of the audit generally did demonstrate a good understanding of best management practices.

Evidence: Interviews and review of tenant Business Plans

Corrective Action Request:	The organisation determines the corrective actions to be implemented to achieve compliance with the requirements referenced above. Note: Effective corrective actions focus on resolving the specific items described in the finding above, as well as addressing the root cause of the nonconformity and preventing the recurrence of the nonconformity not only at this specific site but on all farms in the scope of the certificate.
Timeline to achieve conformance:	Corrective action plan must be submitted within 3 months of the report finalisation- implementation will be confirmed during the next audit.
Evidence provided by the Organization:	PENDING
Findings for Evidence Assessment:	PENDING
NCR status:	OPEN
Comments (optional):	

Opportunities for Improvement

Requirement	Finding
2.1.1 Soil Quality	There may be additional opportunities for PC to invest in cover crop education or programs for growers based in Louisiana (similar to the Stine Seed program available in the Midwest).
2.1.1 Soil Quality	All growers interviewed state they take regular soil tests, and some testing data was available for the auditor to view. However, PC does not currently collect soil test data from all Louisiana tenants. Since this is the main way PC verifies LH compliance with principle 2, an opportunity for improvement is for Farm Managers to directly review and evaluate soil test information.
7.1.2 At-Risk Species	PC Farm Managers investigate and report on threatened and endangered species in the region for annual reporting to landowners, but this information is not currently shared with tenants. There may be opportunities for at-risk wildlife protection beyond what is enforced by state Wildlife & Fisheries services if tenants are informed and encouraged to act in that regard.

Focus areas for the next audit

The next audit will take place in a different region of the country, so a primary focus will be confirming that management is consistent across regions and property types. Auditors will verify next year that nonconformances identified in Louisiana are not occurring elsewhere. This will require PC to apply corrective actions throughout and not only at the sampled Louisiana sites.

Audit result summary (performance measures)

Objective 1. SUSTAINABLE AGRICULTURE MANAGEMENT To practice sustainable agricultural stewardship to improve crop production and ensure long-term agricultural sustainability.	
Requirement	Findings
1.1 Sustainable Agriculture Stewardship: Standard users shall demonstrate their commitment to sustainable agricultural sustainability.	Finding: PC policy manuals, handbooks, and client facing literature adequately describe the company’s commitments to sustainability.
1.2 Critical External Factors: <i>Standard users</i> shall manage for potential impacts of <i>critical external factors</i> to help ensure long-term profitability and sustainability of each farm or farm management unit by the <i>Standard user</i> .	Finding: PC representatives identified the following critical external factors: political issues affecting international trade and agricultural regulations, grain markets, and crop insurance issues.

Objective 2. SOIL HEALTH AND CONSERVATION To maintain or enhance soil health to optimize crop yield and protect long-term soil productivity on agricultural lands.	
Requirement	Findings
2.1 Soil Health: <i>Standard users</i> manage nutrients and apply practices to achieve <i>crop yield</i> and maintain or enhance <i>soil health of cropland</i> .	Finding: Growers in the sites visited take soil tests every 3 years. The Louisiana Farm Manager provided examples of soil testing and variable applications of fertilizer from FieldAlytics. Adequate measures are in place to conform to Objective 2. Opportunities for Improvement Highlighted below.
2.2 Soil Conservation: <i>Standard users</i> shall implement <i>agricultural practices</i> to <i>minimize soil erosion</i> and avoid degradation of <i>agricultural lands</i> .	Finding: Land management Best Practices and Farm Lease Exhibit D stipulate sustainable agriculture principles including soil productivity and health. These practices are being implemented according to interviews and visual observation. No areas of crop land erosion observed during field visits. Evidence : Tenants interviewed were knowledgeable about good agricultural practices as described in Louisiana State University (LSU) Ag Center.

Objective 3. WATER RESOURCES To protect water resources and manage water efficient agricultural productivity.	
Requirement	Findings
3.1 Water Use: <i>Standard users</i> shall conserve water resources and manage water use to avoid long-term depletion and maintain <i>crop productivity</i> .	Finding: Farm leases stipulate water management expectations. PC reviews considerations regarding natural resources (including water) when PC initially consults with a landowner (see Desktop Review).

<p>3.2 Water Quality: <i>Standard users shall apply program to properly manage the use of fertilizers and other soil amendments, crop protectants, and other inputs and avoid release of sediment and nutrients from agricultural lands into groundwater and surface water.</i></p>	<p>Finding: Tenants apply nitrogen in multiple applications, and pesticides are applied by licensed applicators according to IPM (Integrated Pest Management) techniques. Adequate water quality protection measures are in place.</p>

<p>Objective 4. CROP PROTECTION To achieve crop protection objectives while protecting people and the environment.</p>	
<p>Requirement</p>	<p>Findings</p>
<p>4.1 Integrated Pest Management: Standard users shall protect crops against pests by implementing an Integrated Pest Management program that uses regional agricultural best management practices to achieve crop protection objectives.</p>	<p>Finding: Lease stipulates that IPM must be used to manage pests. All tenants interviewed use IPM practices, including the use of experienced scouts to identify pest issues during the growing season. All tenants interviewed rotate their crops and rice growers flood fields to reduce weed pressure. Good use of preventative measures, variety selection, and threshold identification practices.</p>
<p>NOTES: (NCRs/Opportunities for improvement): Minor NCR # 4.2.1/24</p>	
<p>4.2 Crop Protectant Management: Standard users shall select, use and store crop protectants in accordance with label instructions and regulatory requirements.</p>	<p>Finding: Lease agreements specify that pesticides must be used and stored per regulatory requirements. Only one visited site had onsite storage (John Danley), minor issue with storage noted in 4.2.1.</p>

<p>Objective 5. ENERGY USE, AIR QUALITY, AND CLIMATE CHANGE To conserve energy used by agricultural operations and minimize adverse impacts to the atmosphere and the global climate.</p>	
<p>Requirement</p>	<p>Findings</p>
<p>5.1 Agricultural Energy Use and Conservation: Standard users shall conserve energy resources, especially fossil fuels, used by agricultural operations.</p>	<p>Finding: Tenants use reduced tillage and minimize pesticide applications through IPM. Most tenants have modern, high-tech equipment that includes precision ag capabilities and maximum fuel efficiency.</p>
<p>5.2 Air Quality: Standard users shall minimize adverse impacts to air quality from agricultural operations.</p>	<p>Finding: Modern equipment provides the maximum level of emissions control possible for the activities undertaken.</p>
<p>5.3 Climate-Smart Agriculture: Standard users shall apply the principles of climate-smart agriculture to reduce adverse impacts to the global climate and adapt to climate change.</p>	<p>Finding: Tenants use some conservation till methods, good nutrient management, and forested field borders.</p>

Objective 6. WASTE AND MATERIAL MANAGEMENT

To manage waste, agricultural chemicals and other materials from agricultural operations to minimize their adverse impacts to agriculture and the environment.

Requirement	Findings
<p>6.1 Management of Waste and Other Materials: Standard users shall minimize solid waste and hazardous waste from agricultural operations and manage waste and agricultural chemicals in compliance with applicable laws, statutes and regulations.</p>	<p>Finding: Farmers use bulk pesticides/inputs which reduces waste. Overall there is little waste and it is properly disposed of. A minor nonconformance was found with regards to fuel tank markings.</p>
<p>NOTES : (NCRs/Opportunities for improvement) Minor NC # 6.1.3/24</p>	
<p>6.2 Food and Agricultural Waste Resource Recovery: Standard users shall ensure efficient handling and recovery of agricultural products and agricultural waste.</p>	<p>Finding: Auditor inspected farm storage facilities and found them to be in good condition. There was no evidence of excessive loss of food crops. Auditors also found farm tenants leave crop residues on field and recover tailwater.</p>
<p>NOTES: (NCRs/Opportunities for improvement)</p>	

Objective 7. CONSERVATION OF BIODIVERSITY

To manage farmland in a manner that maintains agricultural production while conserving biodiversity where appropriate or legally required.

Requirement	Findings
<p>7.1 Species Protection: Standard users shall protect threatened and endangered species and viable occurrences of at-risk species.</p>	<p>Finding: Information on the presence of threatened/endangered species shows no occurrence on enrolled farmland. PC asks managers to list these and other at-risk species. PC uses IPM to limit damage to non-target insects. Auditors have viewed some Conservation Reserve Program land within PC lands. Opportunity for improvement: While PC Farm Managers investigate and report on threatened and endangered species in the region for annual reporting to landowners, this information is not currently shared with tenants.</p>
<p>NOTES: (NCRs/Opportunities for improvement) OFI- 7.1.2</p>	
<p>7.2 Wildlife Habitat Conservation: Standard users shall conserve native habitats, wildlife habitat, natural communities and Ecologically Important Sites on enrolled farmland.</p>	<p>Finding: Auditors found PC tenants to be passionate about protecting natural areas and biodiversity on their farms. More importantly, auditors found that PC does protect field borders, wetlands, natural areas, and well vegetated field corners on the sites visited. Two Conservation Reserve Program sites were inspected by the auditor during the audit. Auditors also found tenants use manure applications, grassed waterways, tailwater recovery, and water-level management of rice fields for waterbirds.</p>
<p>7.3 Avoided Conversion: Standard users shall avoid conversion of natural forests, other natural communities and Ecologically Important Sites.</p>	<p>Finding: PC policy states that conversion of habitat areas must be avoided. Auditors found no evidence of conversion of land in the sites visited. PC has a written deforestation policy in place and auditors found managers and tenants do their due diligence in farmland selection.</p>

7.4 Crop Diversity: Support crop diversity on cropland.	Finding: Auditors found that crop rotations and variety trials are used by all tenants in the audited sample.
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Objective 8. PROTECTION OF SPECIAL SITES To manage Special Sites on farmland that are geologically or culturally important in a manner that recognizes and respects their unique qualities.	
Requirement	Findings
8.1 Special Site Management: Standard users shall manage Special Sites in a manner appropriate for their unique qualities	Finding: Auditors found that PC’s Summer Report Template asks operator/manager to identify special sites. No special sites identified on or near the enrolled sites in the selected sample. However, auditors also found that PC does not have a company wide best practice for identifying or managing those special sites. This is a non-conformance. Minor NC # 8.1.1/24 is issued.
NOTES: (NCRs/Opportunities for improvement) : Minor NC# 8.1.1/24	

Objective 9. LOCAL COMMUNITIES To operate safely and responsibly; contribute to the economic well-being, social networks and health of local communities; and to recognize and respect the rights of local communities and Indigenous Peoples in regions of agricultural operations.	
Requirement	Findings
9.1 Economic Well-Being: Standard users shall foster the economic vitality of local communities through business practices that support sustainable agriculture and the local economy.	Finding: Auditors found that PC lease agreements require payment of taxes by the tenant. Auditors also found that tenants have good relationships with local suppliers, agronomists, and other third-party services.
9.2 Community Relations: Standard users shall engage local communities to increase community awareness and support for the practice of sustainable agriculture and maintain or enhance Standard user reputation.	Finding: Auditors found that PC participates in land investment expo, webinars, newsletters, and chooses an annual tenant of the year. The PC farm manager teaches a course in sustainability during American Society of Farm Managers and Rural Appraisers courses, thereby raising awareness.
9.3 Local Communities and Indigenous Peoples: Standard users shall recognize and respect rights of local communities and the treaty rights of Indigenous Peoples.	Finding: PC has its written policy in place to recognize and respect local communities and indigenous treaty rights, inquiries and concerns. Land is surveyed prior to PC management. Owners must present deed of clear ownership prior to PC management.
9.4 Public Health: Standard users shall apply measures to protect public health from adverse impacts of enrolled farmland.	Finding: Auditors conducted multiple interviews, consulted lease agreements and safety training material and found that a large number of safety trainings are available to tenants on topics from Child Safety on the Farm to Harvest Safety. Farm Managers visit farms and alert tenants to possible safety issues, and check on them during the harvest season to make sure they are not overworking themselves. Pesticide licenses required by lease agreement.

Objective 10. PERSONNEL AND FARM LABOR

To provide a safe and healthy working environment, fair compensation and training for Standard user personnel, contract management company employees and contract farm labor necessary to improve the practice of sustainable agriculture.

Requirement	Findings
<p>10.1 Safe and Respectful Working Environment: Standard users shall foster a culture of safety and respect among Standard user personnel and contract management company employees to minimize injuries, help establish safe routines and enhance employee productivity.</p>	<p>Finding: SmartCert finds PC fosters a culture of safety and respect among its team of managers, tenants and staff.</p>
<p>10.2 Occupational Training: Standard users shall provide training for Standard user personnel and ensure adequate training for contract management company employees necessary to improve the knowledge and practice of sustainable agriculture.</p>	<p>Finding: The auditor consulted the agendas for Winter and Summer 2023 trainings, PC Policy Manual and the PC Land Management Handbook, and found that PC employees are trained at semi annual company trainings, as well as webinars and Continuing Education Requirements related to professional organizations.</p>
<p>10.3 Supporting Capacity for Sustainability: Standard users shall require appropriate training of Standard user personnel and contract management company employees so that they are competent to fulfill their responsibilities under the Leading Harvest Standard.</p>	<p>Finding: The auditors consulted training agendas, job openings, job requirements and PC policies and found that training to ensure competent fulfilling of responsibilities under the LH standard is taken seriously at PC. In effect, in the field during interviews, auditors found PC personnel to be sufficiently trained.</p>
<p>10.4 Compensation: Standard users shall ensure adequate livelihood for employees and contract management company employees to attract and retain a stable workforce.</p>	<p>Finding: Positions sampled at PC (administrative and internship) pay a living wage for Iowa according to the MIT living wage calculator.</p>
<p>10.5 Farm Labor: Standard users shall monitor contract management companies or farm labor contractors to help ensure farm labor working conditions consistent with the Principles and Objectives of Leading Harvest Standard.</p>	<p>Auditors found that no Farm labor contractors are employed by PC.</p>

Objective 11. LEGAL AND REGULATORY COMPLIANCE

To comply with applicable federal, state and local laws, statutes, and regulations.

Requirement	Findings
<p>11.1 Legal Compliance: Standard users shall comply with applicable federal, state and local agricultural and related social and environmental laws, statutes, and regulations.</p>	<p>Finding: Auditors found that PC has an internal legal department and general council and conduct weekly team meetings about relevant legal/market/commodity information. Permitting, surveying, and due diligence is performed for all farms prior to PC management.</p>
<p>11.2 Legal Compliance Policies: Standard user shall take appropriate steps to comply with all applicable social laws at the federal, state and local levels in the jurisdictions where the Standard user operates.</p>	<p>Finding: A written policy demonstrating commitment to comply with the law. PC demonstrated adequate commitment to ILO conventions. PC farm managers make a significant effort to respect the privacy and time of tenants by meeting with tenants on the tenant’s schedule, and allowing the tenants to farm as they choose without excessive interference.</p>

Objective 12. MANAGEMENT REVIEW AND CONTINUAL IMPROVEMENT

To promote continual improvement in the practice of sustainable agriculture by conducting management reviews and monitoring performance.

Requirement	Findings
<p>12.1 Farm Review and Continual Improvement: Standard users shall establish a management review system to examine findings and progress in implementing the Leading Harvest Standard, improve resource-use efficiency of agricultural production, make appropriate improvements in programs, and inform their employees of changes.</p>	<p>Finding: PC tracks the performance of tenants and farm managers, and conducts weekly meetings on progress updates. Farm business plan progress is monitored annually and auditors found that PC actively considers opportunities for improved efficiency and new technologies.</p>
<p>12.2 Support for Sustainable Agriculture: Standard users shall individually and/or through cooperative efforts support science-based agricultural research programs or partnerships or other efforts by associations to improve soil health, agricultural productivity and sustainable agriculture.</p>	<p>Finding: Tenants are using test plots for seed trials. Farm Manager hosted 40 Australian students and educators interested in Leading Harvest practices and farm business education. PC participates in annual land expo.</p>

Objective 13. TENANT-OPERATED OPERATIONS

To promote the use of regional agricultural best management practices on farmland leased by farmland tenants to broaden the practice of sustainable agriculture to promote the efficient use of agricultural inputs and the management of adverse environmental impacts.

Requirement	Findings
<p>13.1 Leased-Land Management: Standard users shall clearly define and implement strategies to ensure that farmland tenant activities adhere to the principles of sustainable agriculture.</p>	<p>Finding: Auditors found that PC’s Land Management Handbook and Farm Leases outline expectations of sustainability and best practices and specifically mention Leading Harvest. Auditors consulted the written agreements. Leases are adequately detailed regarding expectations of management practices and tenant responsibilities, and include a statement by farmland tenants requiring their commitment to operate safely and responsibly; provide a safe working environment; and comply with applicable federal, state and local laws, statutes, and regulations.</p>
<p>13.2 Leased-Land Monitoring: Standard users shall monitor agricultural practices used by farmland tenants to ensure their consistency with regional agricultural best management practices.</p>	<p>Finding: Good regular monitoring of practices used by farmland tenants through PC’s annual business plan and regular farm visits. There is a process for monitoring the performance of Farm Managers in their annual reviews and personal business plans.</p> <p>Auditors found a non-conformance with regards to PC’s monitoring system: Although tenants are regularly visited by Farm Managers and their data is collected annually, there is no company wide procedure or documentation of the process for identifying and communicating areas where tenants can achieve greater consistency with regional best practices and LH objectives.</p>

NOTES: (NCRs/Opportunities for improvement) Minor NC- 13.2.1/24