

Quality Management Systems and the New Agriculture

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New Agricultural Markets

- Movement from commodity to products
- Defining products
- Quality Systems Assessment

Product Definition

- Commodity markets
 - One item - one price
- Value-based markets
 - Measured, graded, and sorted at harvest
 - Price difference based on measured traits
 - Produce to impact measure/grade

Product Definition

- Certified marketing programs
 - Typically a product specification
 - Determined at harvest
 - USDA lists over 40 “certified” beef programs
 - Over 60% are Angus programs

Product Definition

- Certified production programs
 - Certify process
 - May prescribe standards
 - Example: Organic, Non-hormone treated beef
- Certify the capacity to produce to spec
 - ISO9000
 - Process Verified
 - Quality System Assessment

Quality System Assessment

- This Procedure provides the requirements of a USDA Quality System Assessment (QSA) Program.
- It also provides the criteria used in the objective evaluation of USDA QSA Programs that are submitted for approval.

QSA Purpose

- Evaluations are conducted by the Agricultural Marketing Service (AMS), Livestock and Seed (LS) Program, Audit, Review, and Compliance (ARC) Branch

QSA Scope

- This Procedure applies to marketing programs for agricultural products, including services, that are submitted to the ARC Branch for verification and monitoring
- It is limited to programs or portions of programs where specified product requirements are supported by a documented quality management system

QSA Scope

- Programs may include
 - All phases of production and marketing
 - Any portion in the scope of the program
 - Exclusion of portions of the process are possible if well defined

QSA Frequency

- All approved programs will be audited at least twice per fiscal year (Oct-Sept).
- However, more frequent audits may be conducted for any of the following reasons:
 - If either numerous major or minor non-conformances are identified during an audit;
 - If customer complaints indicate an ongoing problem;
 - To satisfy specific requests as declared by customers, trading partners or other financial interested parties;
 - As directed by the ARC Branch Chief.

QSA Internet Listing

- Approved programs will be listed on the applicable Program website or on the USDA QSA Program website at <http://www.ams.usda.gov/lsg/arc/qsap.htm>
- Information about the approved program will be in accordance with the applicable Program Procedure.

QSA Internet Listing

The approved program listing on the USDA QSA Program website will include the following information:

- Company name;
- Company contact information;
- Program requirements;
- Report reference number
- Renewal date.

Examples of Certified Programs

- **Prairie Grove Farms (Feb 2002)**
 - **Program Requirements**
 - Color score, NPPC Color and Marbling Standards
 - Fat trim levels
 - pH values
 - Blood splash
- **Montebello Premium Pork (June 2002)**
 - **Program Requirements**
 - Hogs of Puerto Rico origin, only
 - USDA Grade No. 1

QSA Program Requirements

Companies must submit a documented program that addresses the program requirements outlined in the following clauses

1. Quality Management Systems
2. Management Responsibility
3. Human Resources - Competence, Awareness, and Training
4. Product Realization
5. Measurement, Analysis, and Improvement

QMS General Requirements

A QMS must be established, documented, implemented, and maintained which ensures that products conform to the requirements of this *Procedure*, the applicable *Program*

Documentation Requirements

The company must prepare and maintain a QMS that includes:

1. Documented specified product requirements;
2. A quality manual;
3. Documented procedures required by this Procedure;
4. Documents necessary to ensure the effective operation and control of its processes; and
5. Records required by this Procedure.

Quality Manual Requirements

The quality manual must be controlled and available for review at all associated sites where activities are conducted.

1. Organizational chart with all personnel in managerial positions within the program;
2. Define the scope of the QMS, including details of and justification for exclusions;
3. The specified product requirements;
4. Documented procedures established for the QMS;
5. A master document list showing all current QMS procedures, forms, tags, and labels used to track or demonstrate conformance; and
6. All other documentation required by this Procedure.

QSA – Management Responsibility Within the Company

- Establish specified product requirements at relevant functions and levels
- Communicate and define QMS authorities and responsibilities
- Organizational chart/document listing all personnel assigned to managerial positions and their responsibilities and authorities outlined in an auditable method.

QSA – Human Resources - Competence, Awareness, and Training

- Personnel performing work affecting product quality must be competent on the basis of appropriate education, training, skills, and/or experience
- The company must
 - Provide training
 - Document properly training

QSA - Product Realization

- Receiving Process
- Identification and Traceability
- Preservation of Product
- Control of Monitoring and Measuring Devices
- Evaluating suppliers
- Corrective action

QSA - Measurement, Analysis, and Improvement

- The company must plan and implement the monitoring, measurement, analysis, and improvement processes needed:
 - To demonstrate conformity of the product;
 - To ensure conformity of the QMS; and
 - To continually improve the effectiveness of the QMS.

QSA - Measurement, Analysis, and Improvement

Customer Satisfaction

- The company must monitor information relating to customer perception as to whether the company has met customer requirements.

Summary

- New opportunities in new products
- Keep them from becoming new commodities
- Quality management systems are tools for profit by better managing the operation
 - They also assure consistent quality
 - Protect from competition
 - Flexible to fit any market target
- USDA provides third-party credibility