

# ICAR Certificate of Quality – The Experiences of an Auditor and Applicant



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## Outline / agenda

- Introduction of Czech Moravian Breeders' Corporation, Inc.
- Experience of an applicant and auditor
- Benefits for my organisation from the audit
- Benefits from my Holstein UK audit
- Potential use of the Certificate of Quality in our practice and benefits for our customers
- Commentary on how to improve audit's process and how to increase its value for our customers
- Conclusion – selective comments and recommendations



## Brief overview of the history

- The first official model of milk recording was introduced in 1905
- In 1955 the unified system of breeding work was introduced
- Between 1969 and 1992 breeding work for all livestock animals was managed from one center for the whole Czech Republic
- In 1991 the Czech Republic became a member of ICAR and in 1994 new member of Interbull
- In 1992 the National Breeding Company was privatised. The organisation and management was changed; some of the activities were excluded and covered by new subjects in the market
- In 1996 Czech Moravian Breeders' Corporation, Ltd was founded. Then in 1999 the company was transform into an incorporated company - Czech Moravian Breeders' Corporation, Inc.

## Czech Moravian Breeders' Corporation, Inc. – core services

- Identification and registration
- Performance recording, milk recording, data processing, breeding value estimation, publishing, conformation (data collection, data processing, analysis of results)
- Laboratories for milk analysis and DNA laboratory
- Supervision of milk and beef performance recording and identification
- Training activities and advisory services
- Analysis for the Ministry of Agriculture



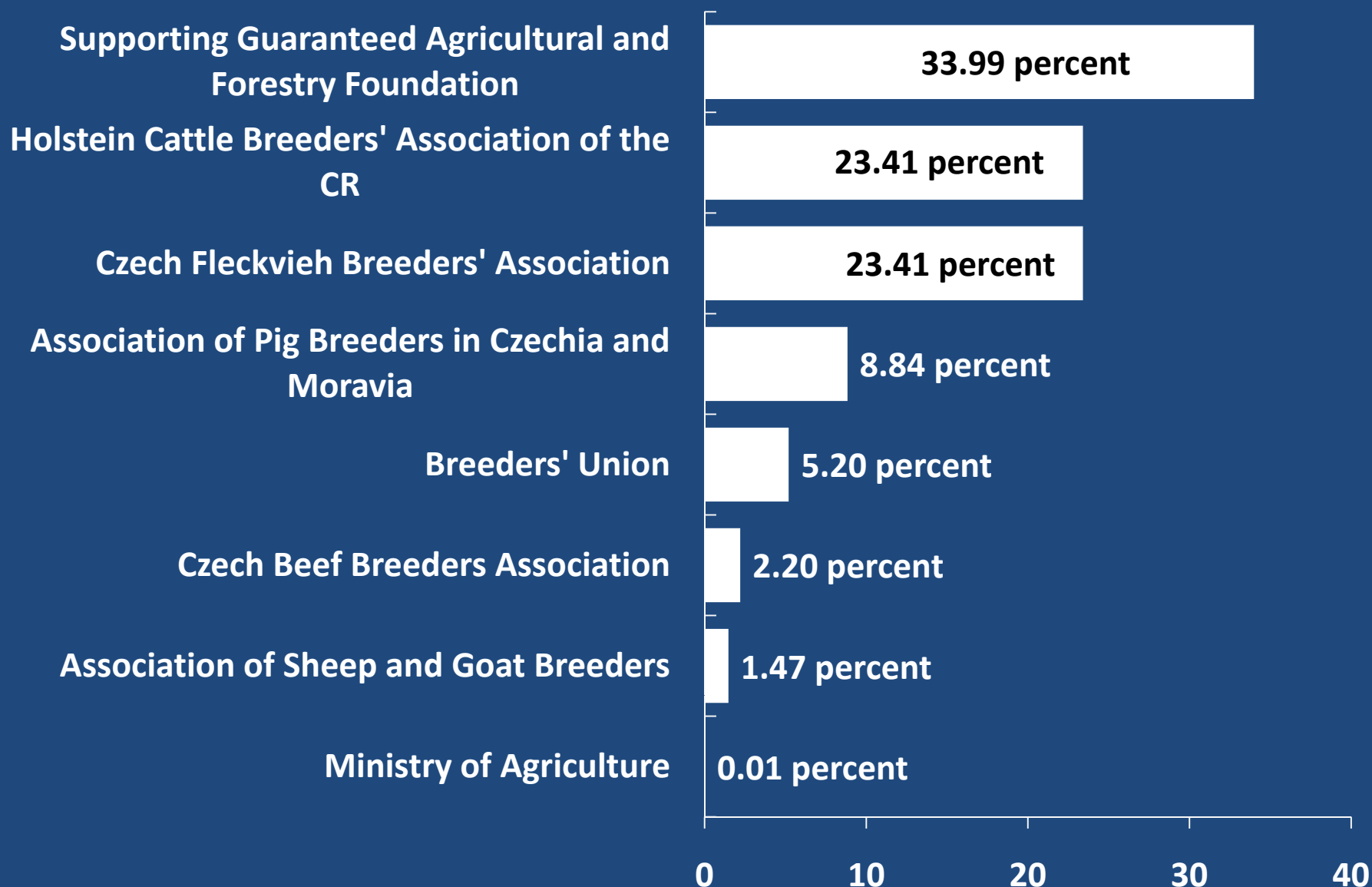


## Czech Moravian Breeders' Corporation, Inc. – core services

- Classifiers for type classification
- Recalibration of TRU-TEST milk meters, service
- Eartag printing
- Subsidiary company Plemdat, Ltd. is owned (60% share) by Czech Moravian Breeders' Corporation. Plemdat responsibilities include data processing, advisory, software development and sales, BVE



## Czech Moravian Breeders' Corporation, Inc. shareholders:





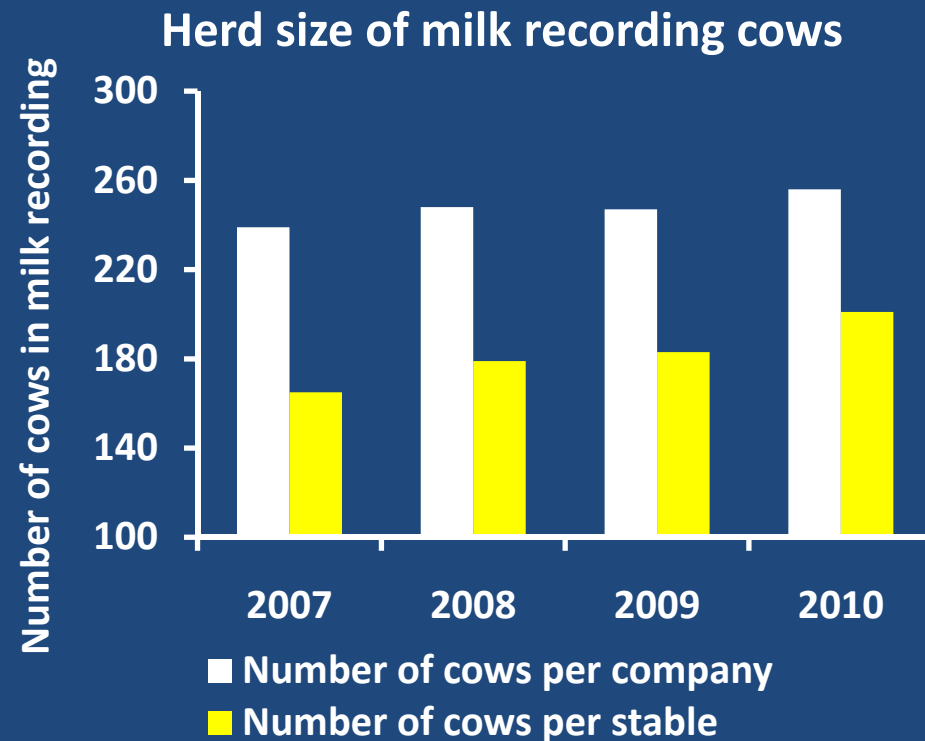
## The reasons for our involvement in the audit



- Quality of work is essential in the Czech Moravian Breeders' Corporation, Inc.
- To compare the quality of our work with international benchmarks
- To maintain high-value services for the customer
- To strengthen our position in the Czech Republic and in internationally
- To receive an independent perspective about our business
- Marketing
- Consolidation of our services
- International cooperation



## Dairy cattle milk recording (MR) in 2010 – customers requirements



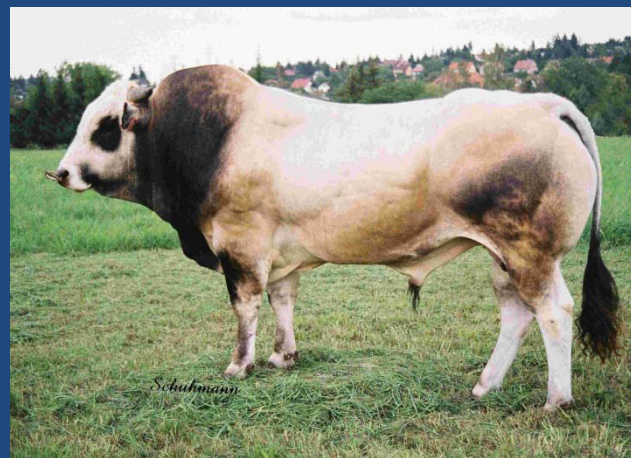
- 357,658 cows in MR (94.5% cows)
- Number of companies in MR 1,399
- Number of stables in MR 1,782
- Method of MR A4 = 99.4%
- Milk production 7,726 kg
- 41% of companies have more than 500 cows

- Accurate, accesible and reliable data
- Do not follow individual approach to the particular cow
- Key point - understanding of milking herd
- Request for new services – new analyses, value added services
- Consolidation – herd size increase, number of cows decrease



# Beef performance recording in the Czech Republic (12 beef breeds)

| Year | Beef cows |                            |      | Herds | Cows per herd |
|------|-----------|----------------------------|------|-------|---------------|
|      | Total     | Beef performance recording | %    |       |               |
| 2005 | 141,146   | 23,980                     | 17.0 | 360   | 67            |
| 2006 | 139,706   | 23,676                     | 16.9 | 353   | 67            |
| 2007 | 154,337   | 22,436                     | 14.5 | 402   | 56            |
| 2008 | 163,163   | 23,669                     | 14.5 | 418   | 57            |
| 2009 | 160,285   | 22,322                     | 13.9 | x     | x             |



## System of quality in Czech Moravian Breeders' Corp. Inc.

|                    |  |
|--------------------|--|
| Supervision        | Czech Moravian Breeders' Corporation, Inc  |
|                    | Czech Breeding Inspection – external audit   |
| Guidelines         | ICAR and Czech guidelines, legislative sources   |
| Laboratories       | National and international comparison tests, ISO accreditation   |
| Data processing    | Logical checks in software – data is not processing or error messages, data validation, Interbull, etc.  |
| BVE                |  |
| Training           | Relevant information for stakeholders in system  |
| Other measurements | Supercontrol – repeat sampling, on-line application<br>Inspector for management of supervision, ICAR benchmarking project, and many other measurements |



**ICAR CoQ – an independent international peer review,  
that evaluates and improve the quality of our work**



## Selective remarks from about the audit

| Area  | Comments   |
|---|--|
| Internal audit  | Internal audit was highly harmonized   |
| Moderation of Frank Armitage and administrative support of Elena Couto from ICAR administration | <p>This moderation was well prepared and valuable for the applicant and for the auditor</p> <p>It represented control of auditor work and objectivity of the audit</p> |
| Auditor visit   | Auditor's visit – is there any need to harmonize auditor visits?   |

## Question for our discussion



- Do we need larger harmonization of auditor visits in audited organisation?
- There are some advantages and disadvantages
- If yes, what level of harmonization of auditor's visit is valuable for the practice? Is it necessary?
- ICAR Guidelines cover most important part of our work
- But in some specific cases different terms are still used for the same things in different countries
- ICAR audit could be an interesting source of information and ideas for the new edition of the ICAR Guidelines
- Through repeated audits, auditors build expertise

## Harmonizing auditor visits – one possible design

- One way is to limit the list of key areas and issues relevant for auditor visits that must be checked in all cases
- Other areas and issues could be chosen by the auditor
- If we harmonize auditor visits, it is very difficult to find an optimal level during the auditor visit
- The most important question is: is it valuable and necessary to harmonize an auditor's visit?



In all cases auditors recommendation must be appropriate and independent with or without harmonisation



Risk analysis – some of the points are risky for the quality of our work; some are less important

## Benchmarking and the role of advisory

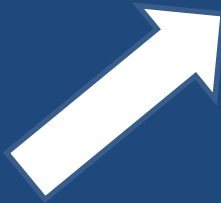
- The most important issue during the audit is to check if work in the applicant organisation is in conformity with the Guidelines
- For both parties, during the audit, it could be useful to receive a comparison (benchmark) how a particular problem is solved in auditor countries
- It means that during the initial communication before an auditor visit or during the general communication during the audit, the auditor could mention how the particular methodology in his/her country is designed
- Advisory work is another benefit
- Even if an applicant organisation is in conformity with the ICAR Guidelines, it is valuable to propose new ways how to solve different problems



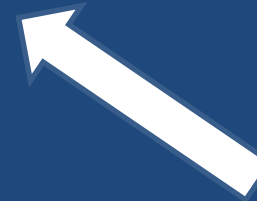


## Experiences with ICAR Certificate of Quality

- Motivation of staff is increased
- Communication with relevant stakeholders in the company is increased; knowledge and experience is shared
- For auditors and applicants it is a chance to gain experience and knowledge
- Big picture of how our business is run outside the Czech Republic. This allows for the comparison of different management practices



The ICAR Certificate of Quality audit is valuable for both applicant and auditor



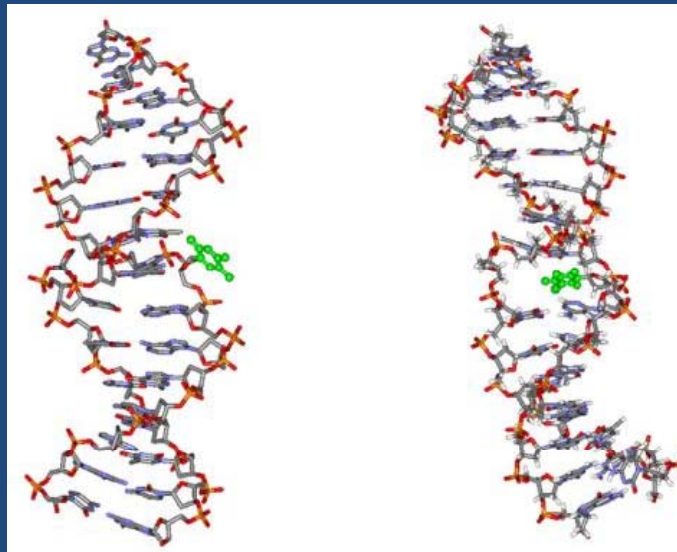
Improved quality of our work

## **Improving the position of Czech Moravian Breeders' Corporation with the Ministry of Agriculture**

- Certificate of Quality for our company creates the perception of credibility and trust from the perspective of the Ministry of Agriculture
- Our company is an expert source for the legislative process in the DHI sector
- Czech Moravian Breeders' Corporation, Inc. is a participant of the tender in the Ministry of Agriculture
- Also during the tender for identification and registration an independent peer review discovered we had the Certificate of Quality and this strengthened our position during the negotiation with the Ministry of Agriculture
- Official documents in the identification and registration department (for traceability purposes) include the mark with the Certificate of Quality; this improve the quality of our brand

## Benefits of the Certificate of Quality for the DNA laboratory

- ICAR Approvals - Accredited laboratory for parentage testing in 2007, and ICAR Certificate Quality for dairy and beef cattle which partly included relevant details about parentage verification
- Only laboratories that received this accreditation were invited to take part in Bovine SNP comparison tests (ICAR and ISAG project)
- Czech Accreditation Institute respects ICAR accreditation during the ISO evaluation



## Benefits of the Certificate of Quality for the DNA laboratory

- International recognition of laboratory work and marketing activities
- Our DNA laboratory is a participant of research projects. ICAR certification gives the lab better positioning in the case of research tenders
- The Ministry of Agriculture uses the Certificate of Quality for the approval process for DNA analysis and parentage verification in the Czech Republic
- More competitive



## **International trade – practical case: how the ICAR Certificate of Quality was used**

- Guarantee of above standard requirements for beef in trade organisation in the field of identification and registration
- An example Cattle Market – subsidiary company of the Czech Fleckvieh breeders association
- The Certificate of Quality was used as an additional information by negotiation with OSI Food Solutions, GmbH
- OSI Food Solutions is responsible for the deliveries of beef for different end users with specific requirements
- Contract about delivery of MAAP beef meat – in this case it is necessary to meet additional criteria above standard measurements (it means extra costs)
- The ICAR Certificate of Quality shows the criteria was met

## Certificate of Quality improves the position of our genetic exporters – an example

- Turkish Ministry of Agriculture requested various source of information in case of export of semen to Turkey (PTAM value, production reliability, foot and legs score, fat and protein percentage value)
- Veterinary requirements - should not be CV, BLAD, BRUCELLA (TL and TV expressions have to be at pedigree)
- IBR vaccination should not have been used apart from Marker vaccination
- **The Turkish government trusted our performance recording more because of the ICAR Certificate of Quality**





## Conclusion

- Certificate of Quality (CoQ) represents an excellent independent peer review which is valuable for our practice
- CoQ became an industrial standard
- Opportunities – benchmarking, standardization of auditor work, risk analysis
- CoQ helps with the growth of quality of the auditor and his/her competencies
- Potential tool in international trade with semen and livestock animals – opportunity to increase position of CoQ
- **For all above reasons the Certificate of Quality increases the value of our business and we will continue to support it in the future**



# Thank you for your attention!

