



**NRCS ORGANIC INITIATIVE 2009:
NSAC'S MOST UP-TO-DATE INFORMATION AS OF MAY 5, 2009**

GENERAL

On May 5, 2009, NRCS announced the set-aside of \$50 million for its new 2009 Organic Initiative through its Environmental Quality Incentives Program (EQIP).

The program is administered by USDA's Natural Resources Conservation Service (NRCS) and will be available in all States and all counties through Conservation District offices. To find your local office, go to: <http://www.nrcs.usda.gov/about/organization/regions.html>.

The Initiative will provide EQIP conservation payments to:

- farmers just beginning to transition to certified organic production;
- farmers already in the process of transitioning to certified organic production;
- existing certified organic farmers who are transitioning additional acres or herds;
- existing certified organic farmers who need to adopt additional conservation measures to fully address particular natural resource and environmental concerns; and
- existing certified organic farmers who want to both transition additional production and adopt additional conservation measures on existing certified organic ground (a combination of the third and fourth bullet point).

SPECIAL FUNDING POOLS

Farmer applications to this special Initiative will be treated as two separate ranking pools, one for transitioning farmers without any current certified organic production, and one for existing certified organic farmers who are either adding new transitional production or adopting new conservation measures on existing organic production. In both cases, those in these special funding pools will be competing only against others in the special pool rather than in the much, much larger general EQIP pool.

As provided by law, there is a \$20,000 per year (\$80,000 over 6 years) payment limit for applications within this special pool.

PRODUCER OPTIONS

Existing organic farmers and newly transitioning farmers who have already applied for EQIP funds this year separate of this special Initiative may choose to move their application into one of the two funding pools set-aside under this Initiative or keep it within the general EQIP application pool. If farmers stay in the current general EQIP pool, their contracts are ranked with non-organic farmer contracts and have a payment limitation of \$300,000 per any 6-year period (with no annual sub-limit). If farmers choose to move their applications, they will be ranked against other organic special initiative applicants, be eligible to receive the higher payment rates

for the “Core 6” practice standards, and be subject to the \$20,000 per year (\$80,000 over six years) payment limitation.

TIMING AND DEADLINES

This Initiative is in its pilot year. To apply for funds this year under this special \$50 million pool, farmers must sign up between May 11 and May 29, 2009. The Initiative will have an initial cut-off of May 29 for ranking purposes. This timing will make these organic EQIP contracts occur at the same time that regular FY 2009 EQIP contracts are being awarded.

EQIP is a continuous sign-up program. That means farmers may submit applications to the program at any time. During the course of the year, NRCS establishes cut-off dates for ranking and award purposes. Applications that come in after cut-off dates go into the hopper for the next round.

NRCS has not yet developed a time-line for additional iterations of this special organic Initiative, and farmers should not assume that there will be another special funding pool again this fiscal year. NSAC’s best guess is the Initiative will be repeated again in future years, but that is simply our best guess.

FUNDING AND ALLOCATIONS

The 2009 Organic Initiative is funded at \$50 million. Funding to states has been determined through the regular EQIP allocation formula; as a result, not all states will receive the same amount of funds. The funds have already been sent to the states.

As of today, the amount allocated to each state for the 2009 Organic Initiative is not available electronically. If you need to know the allocation for a specific state immediately, call the NSAC office as we have a document with those numbers not yet available in the electronic version. The range is from Rhode Island and Alaska, at just over \$150,000 each, to Texas and California at \$4.3 and \$2.8 million, respectively. Mississippi and New Mexico are the two states closest to the \$1 million per state average.

If a state does not use all of the funds, but has made an active good faith attempt to reach out to farmers in the state who could make use of the program, they may be allowed to use the funds for other applicants not in the special initiative pools. If states do not make the effort, however, NRCS may re-pool the money to the national level and redistribute it to states that may have more farmers requesting more funds under the special initiative than the state was allocated originally.

Funds for technical assistance to implement the practices will be in addition to the \$50 million. NRCS has set-aside \$5 million for technical assistance to get this initiative started, and additional technical assistance dollars as may be needed will be drawn from regular EQIP technical assistance funding.

Individual State Conservationists can add funds from their general EQIP allocation to this special Initiative at the state level at their discretion.

PAYMENTS IN GENERAL

Payments for practices will be determined based on the EQIP rates established in each state. All six “Core 6” practices (see below) will have higher payment rates than the EQIP standard rate in a particular State. “Facilitating Practices” (see below) will be paid at the standard EQIP state rate.

To find the basic rates for your state, go to your state’s NRCS website (you can reach it through the link in the second paragraph of this document), click on programs, then click on EQIP, then click on FY 09 EQIP Practice Descriptions and Payment Rates.

“CORE 6” CONSERVATION PRACTICES AND PAYMENTS

For the 2009 Organic Initiative, there are six “Core” practices that farmers can apply to implement. These are all available on a nationwide basis. A farmer can choose to implement any number of the following practices, and the more practices that a farmer plans to implement the higher priority the application will be. These practices address the NRCS resource concern categories of soil quality, soil erosion, domestic animals, plant condition, water quality, and fish and wildlife. The practices are the following (link to conservation practice standard listed for each; link to job sheets are included where available):

1. Conservation Crop Rotation
Code: Practice Number 328
Rate Increase: 34% bump up over regular State EQIP payment rate
NRCS Conservation Crop Rotation Practice Standard: <ftp://ftp-fc.sc.egov.usda.gov/NHQ/practice-standards/standards/328.pdf>
2. Cover Crop
Code: Practice Number 340
Rate Increase: 46% bump up over regular State EQIP payment rate
NRCS Cover Crop Practice Standard: <ftp://ftp-fc.sc.egov.usda.gov/NHQ/practice-standards/standards/340.pdf>
3. Nutrient Management
Code: Practice Number 590
Rate Increase: 30% bump up over regular State EQIP payment rate
NRCS Nutrient Management Practice Standard: <ftp://ftp-fc.sc.egov.usda.gov/NHQ/practice-standards/standards/590.pdf>
Job Sheet: <ftp://ftp-fc.sc.egov.usda.gov/NHQ/practice-standards/jobsheets/590js.pdf>
4. Pest Management
Code: Practice Number 595
Rate Increase: 60% bump up over regular State EQIP payment rate

NRCS Pest Management Practice Standard: <ftp://ftp-fc.sc.egov.usda.gov/NHQ/practice-standards/standards/595.pdf>

Job Sheet: <ftp://ftp-fc.sc.egov.usda.gov/NHQ/practice-standards/jobsheets/595js.pdf>

5. Prescribed Grazing

Code: Practice Number 528

Rate Increase: 2% bump up over regular State EQIP payment rate

NRCS Prescribed Grazing Practice Standard: <ftp://ftp-fc.sc.egov.usda.gov/NHQ/practice-standards/standards/528.pdf>

6. Forage Harvest Management

Code: Practice Number 511

Rate Increase: 2% bump up over State EQIP payment rate

NRCS Forage Harvest Management: <ftp://ftp-fc.sc.egov.usda.gov/NHQ/practice-standards/standards/511.pdf>

FACILITATING PRACTICES AND PAYMENTS

States that came up with practices for organic transition prior to this Initiative that are not one of the Core 6 will be able to count those practices as “Facilitating Practices” under this Initiative. In addition, states are encouraged to offer and fund implementation of additional facilitating conservation practices under this Initiative in order to address particular types of farming or particular resource needs specific to a state or region. These facilitating practices do not have rate increases associated with them, but cover a broader range of practices that count under this Initiative and may prove quite useful to particular producers or groups of producers.

States must develop their facilitating practice list quickly since sign-up begins on May 11. We would guess that most states will be posting their lists on the State NRCS website.

CONSERVATION ACTIVITY PLAN AND PAYMENT

Farmers who are transitioning to organic production are encouraged to take advantage of the opportunity to develop a conservation activity plan (CAP). A “Conservation Plan Supporting Organic Transition” CAP will provide financial assistance to pay for the conservation planning portion of the Organic Systems Plan required for organic certification. The CAP option does not apply to existing certified organic producers.

NSAC is not sure, as of this writing, what the payment amount will be for a CAP. We do know, however, that the value of the CAP payment will count against the \$20,000 per year payment limit.

HOW THE APPLICATION PROCESS WORKS

TRANSITIONING FARMERS

Farmers wanting to access the funds for transition to organic production through EQIP must apply through their local District County offices. Farmers should go into the offices and speak with a staff person there.

The staff person will fill out a “screening worksheet” that determines basic eligibility and priority of the application for NRCS’ business tool, ProTracts. The screening worksheet will be available from the District County offices. See page 8 of the NRCS eDirective (attached) for an example of the screening worksheet.

In order to complete a screening worksheet, transitioning farmers must provide a “written self-certification” (i.e., a document stating their intent to transition to organic production) to develop an Organic Systems Plan (OSP) and implement one or more of the Core 6 practices and/or facilitating practices (see section below on Core 6 and facilitating practices). A template of a written self-certification is included as Attachment D in the NRCS eDirective.

For priority determination the categories are as follows:

High: Application will result in implementation of at least three of the “Core 6” conservation practices; OR, application will result in implementation of a suite of three or more “Core 6” conservation practices”; OR, application is for development of an EQIP Conservation Activity Plan (CAP) Supporting Organic Transition. (A CAP will pay for the planning part of an Organic Systems Plan.)

Medium: Application will result in implementation of at least two of the “Core 6” Management Practices.

Low: Application will not result in implementation of any of the “Core 6” Management Practices.

The application will then be ranked according to National Ranking Criteria (see page 10 of the NRCS eDirective). If a farmer is awarded a contract, s/he will be in contact with NRCS and other technical service providers to determine how to implement practices.

ORGANIC FARMERS

Existing certified organic farmers wanting to access funds to implement further conservation practices through EQIP must apply through their local District County offices. Farmers should go into the offices and speak with a staff person there.

The staff person will fill out a “screening worksheet” that determines basic eligibility and priority of the application for NRCS’ business tool, ProTracts. The screening worksheet will be

available from the District County offices. See page 9 of the NRCS eDirective for an example of the screening worksheet.

In order to complete a screening worksheet, certified organic farmers will have to provide a copy of their current Organic System Plan (OSP) and agree to implement conservation practices.

For priority determination the categories are as follows:

High: Application will result in implementation of at least three of the “Core 6” conservation practices; OR, application will result in implementation of a suite of three or more “Core 6” conservation practices.”

Medium: Application will result in implementation of at least two of the “Core 6” Management Practices.

Low: Application will not result in implementation of any of the “Core 6” Management Practices.

The application will then be ranked according to National Ranking Criteria (see page 10 of the NRCS eDirective). If a farmer is awarded a contract, s/he will be in contact with NRCS and other technical service providers to determine how to implement practices.

TECHNICAL ASSISTANCE AND TECHNICAL SERVICE PROVIDERS

Information will be added in the next iteration of this document. Please check back.

GENERAL THINGS TO KEEP IN MIND

NRCS District County offices received Guidance from headquarters today. This is a pilot program, and many NRCS offices have limited experience working with organic farmers. For this to be a successful Initiative, we need to be willing to work with NRCS staff and go through a learning process together. Be mindful of this.

Farmers and organizations should make sure to thank their Senators – specifically, Senators Harkin, Leahy, Tester, and Gillibrand – and Representatives for this program.

NSAC will continue to provide information as it becomes available.