



United States Department of Agriculture



# Growing Organic with USDA

FARM PRODUCTION AND CONSERVATION  
FSA | NRCS | RMA | Business Center

# Today's Speakers and Agenda

## Welcome

**Toby Cain**, RMA Chief of Staff & **Riya Mehta**, FSA Chief of Staff

## Farm Service Agency Programs

**Christopher Vazquez**, Organic Cost Share Certification Program Manager

**Kim Kempel**, Farm Storage Facility Loan Program Manager

## Natural Resources Conservation Service Programs

**Lindsay Haines**, National Organic and Pest Management Specialist

**Donna Hopwood**, Financial Assistance Programs Division

## Risk Management Agency Programs

**Lane Webb**, Risk Management Specialist

## Agricultural Marketing Service

**Penny Zuck**, Agricultural Marketing Specialist

## Question and Answer

**Sean Patrick**, RMA Director of Outreach and Education





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# Farm Service Agency



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# Organic Certification Cost Share Program (CCSP)

- Congress authorizes USDA to provide organic certification cost share assistance to producers who are obtaining certification under the National Organic Program
- FSA provides cost share assistance in the following two ways:
  - Producers and handlers may apply directly to an FSA County Office for cost share payments or
  - State agencies may provide cost share payments to producers and handlers through grant agreements with FSA



# Overview of OCCSP

**What:** Provides Organic producers and handlers financial assistance to reduce the cost of organic certification.

**Who:** Reimburses producers and handlers for a portion of their paid certification costs.

**How:** Once eligible, cost share reimbursements for up to 75% of certification costs each year, not to exceed \$750 per certification scopes or categories:

- Crops
- Wild Crops
- Livestock
- Handling (defined as selling, processing, or packaging)



# Eligible Scopes

## **USDA organic certification scopes include:**

- Crops
- Wild crops
- Livestock
- Processing/handling
- State organic program fees

**Certified organic operations can receive cost share assistance for the scopes above only if they are listed on the organic certificate**



# Eligible Applicants

**National OCCSP funding is available for:**

- All 50 states
- District of Columbia
- Commonwealth of Puerto Rico
- Guam
- American Samoa
- U.S. Virgin Islands
- Commonwealth of the Northern Mariana Islands



# Application Process

**Certified organic operations can apply for OCCSP at any FSA county office or USDA Service Center State Agencies can apply to administer OCCSP:**

- Participating State agencies will be posted on OCCSP's webpage (<https://www.fsa.usda.gov/programs-and-services/occsp/index>) once grant agreements are in place
- State agencies may have a different application process than FSA; applicants should refer to their State agency's requirements and ensure they are using the correct application form.
- Both FSA and the State agency will accept applications and make payments in these states
- Applicants cannot receive duplicate benefits from both FSA and a State agency



# Items to have Before Applying

- Must have received their first certification or have incurred expenses related to the renewal of certification.
- Provide an application, using instructions from the State Department of Agriculture or Farm Service Agency

**Application is simple and easy to fill out and involves sharing total costs and allowable costs for each scope**



# Farm Storage Facility Loans

The FSFL program provides low interest financing to build or upgrade permanent or portable, new or used:

- Storage and handling facilities
- Drying and handling equipment
- Storage and handling trucks.



# General Information

- Heavy FSFL activity months for loan requests - March through November...
- \$100 application fee per FSFL applicant.
- A credit report is pulled for all FSFL applicants.



# General Information

## To date:

- Over 35,000 FSFL's have been disbursed since 2000 totaling \$2 billion.
- More than 21,000 FSFL's are outstanding



# Top “5” States

- 1) Iowa
- 2) South Dakota
- 3) Minnesota
- 4) Illinois
- 5) Nebraska



# FSFL Interest Rates/Terms

Months	3-year	5-year	7-year	10-year	12 year
March 2023	4.000%	3.750%	3.750%	3.625%	3.625%
April 2023	4.375%	4.000%	4.000%	3.875%	3.875%
May 2023	3.750%	3.500%	3.500%	3.500%	3.500%
June 2023	3.750%	3.500%	3.500%	3.500%	3.625%

# Regular FSFL VS Microloan

- Maximum regular FSFL amount is \$500,000 per request.
  - Depending on the amount borrowed
    - Terms are 3, 5, 7, 10 or 12 years
- Maximum FSFL microloan amount is \$50,000 per request.
  - Terms are 3, 5 or 7 years

Regardless of FSFL request type, the term for a USED storage facility, equipment or truck is 3 or 5 years.



# Actions Not Allowed Before Approval

An Environmental Assessment for National Environmental Policy Act purposes and FSFL approval must be obtained before any action is taken by the producer to install the facility. This includes, but is not limited to:

- Accepting delivery of equipment or materials
- Site preparation
- Foundation construction or any ground-work
  - Building of the structure.



# Eligible FSFL Commodities

Grains, oilseeds, peanuts, pulse crops, hay, honey, hops, renewable biomass commodities, fruits, vegetables, milk, cheese, eggs, meat and poultry, yogurt, floriculture, maple sap, seed cotton, wool, hemp and aquaculture.

Notes:

To be considered eligible for a FSFL the producers must have produced the eligible commodity.

Purchased commodities are NOT eligible for a FSFL.



# Eligible FSFL Facilities

Permanent or portable, new or used, such as but not limited to:

- Hay barns and grain storage structures
- Bulk milk tanks
- Cold/refrigerated storage
- Augers and conveyors
- Storage and handling trucks.



# New/Used Eligible FSFL Portable Storage & Handling Equipment

- Bulk Tanks
- Augers & Pilers
- Conveyors
- Grain Vacuums
- Weight Scales
  - Portable
  - Concrete installed scales to weigh the FSFL commodity
    - Batch Dryers
    - Storage Containers (can be transported, hitched, or mounted on a trailer, farm vehicle or truck)
    - Skid Steers
    - Gripper & Front and Rear-end Loader Attachments
    - 3-point Hitch Lifts
    - Hydraulic Self-propelled Fork-Lifts



# New/Used Eligible FSFL Portable Storage & Handling Equipment (Continued)

- Bale Accumulators, Wrappers, and Band-its (excluding ties and wrapping supplies)
- Automatic Bale Stackers
- Hay Wagons and
- Hay Trailers
  - Self-dumping or non-dumping types
- Bottling Systems for milk and honey, excluding honey and milk containers
- Baggers, excluding grain bags
- Grain Carts
  - With/without auger systems
- Gravity-flow Wagons
- Telehandler
- Grain Hauler Trailers
- Blast Freezers
- Pallet Jacks
- Dump Carts



# FSFL Additional Security

Trucks that store, handle, and/or transport eligible FSFL commodities:

- Cold Storage Trucks
- Flat-Bed Trucks
- Grain Trucks
- Storage Trucks commonly referred to Box Trucks or BoxVans
- Semi-Trucks or Truck Tractors



# FSFL Additional Security

A FSFL requires additional security when:

- Aggregate outstanding FSFL balance is greater than \$100,000 or \$50,000 if limited by FSA State Committee
- Financial analysis indicates additional security should be required
- FSFL collateral has no resale value or value is less than the FSFL amount.



# FSFL Disbursements

There are two types of disbursements:

- **Partial** - A partial disbursement can be requested one time when a portion of the construction has been completed. The amount of the partial disbursement will be commensurate with the percentage of the project completion. If a partial is selected the borrower will have two installment payments due each year.
- **Final** - Producers can make the option of requesting only a final disbursement after the completion of the project. Final disbursements are issued after inspection and approval of the complete project. One installment payment will be due each year.





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# Natural Resources Conservation Service



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# Organic Production

The number of farms actively transitioning to organic production dropped by nearly 71 percent since 2008. Through the comprehensive support provided by this initiative USDA hopes to reverse this trend, opening opportunities for new and beginning farmers and expanding direct consumer access to organic foods through increased production.

Through TA and FA:

- Increase staff support
- New practice standard for organic management

To increase organic expertise, NRCS will partner with organic technical experts through five-year agreements. These new organic experts will develop regional networks to support NRCS staff.

Funding will support working one-on-one with producers through:

- NRCS staff
- TSPs



# What is the New Practice Management

## Natural Resources Conservation Service

### CONSERVATION PRACTICE STANDARD

### ORGANIC MANAGEMENT

### CODE 823

### (ac)

#### DEFINITION

Managing and improving natural resources on land in and adjacent to organic production using methods which integrate cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.

#### PURPOSE

This practice is used to accomplish one or more of the following purposes:

- Improve soil health
- Reduce soil erosion
- Reduce emissions of greenhouse gases (GHG)
- Reduce transport of pesticides and nutrients transported to surface water, groundwater and air
- Improve moisture management
- Improve plant productivity and health
- Reduce plant pest pressure
- Enhance habitat for wildlife, pollinators, and other beneficial invertebrates
- Improve livestock feed and forage imbalance
- Improve or maintain quantity and/or quality of forage for grazing, browsing and productivity

#### CONDITIONS WHERE PRACTICE APPLIES

This practice applies to all lands where organic management methods are used.



# What's Unique/New About 823?

- Develops full conservation plan addressing all identified resource concerns.
- Provides expert technical support to learn new natural resource management
- Emphasizes producer education (workshops etc.)
- Support natural resource activities not in existing standards
  - Incorporates all NOP standards
- Provides foregone income when warranted
- Integrates NRCS standards/criteria to clarify and document natural resource management
- Supports monitoring and data collection to inform decisions



# What is the Criteria?

## CRITERIA

### General Criteria Applicable to All Purposes

Must adhere to the USDA's National Organic Program (NOP) Standards.

Producers must coordinate all activities/inputs with Organic Certifiers.

Protect organic production areas from unintended introduction of prohibited substances through defined boundaries, buffer zones or diversions. Establish or maintain at least one perennial conservation buffer planting to address specific concerns and follow the appropriate NRCS Conservation Practice Standard (CPS) such as Conservation Cover (Code 327), Hedgerow Planting (Code 422) etc., to protect production areas, enhance biodiversity, and/or provide habitat for wildlife and beneficials.

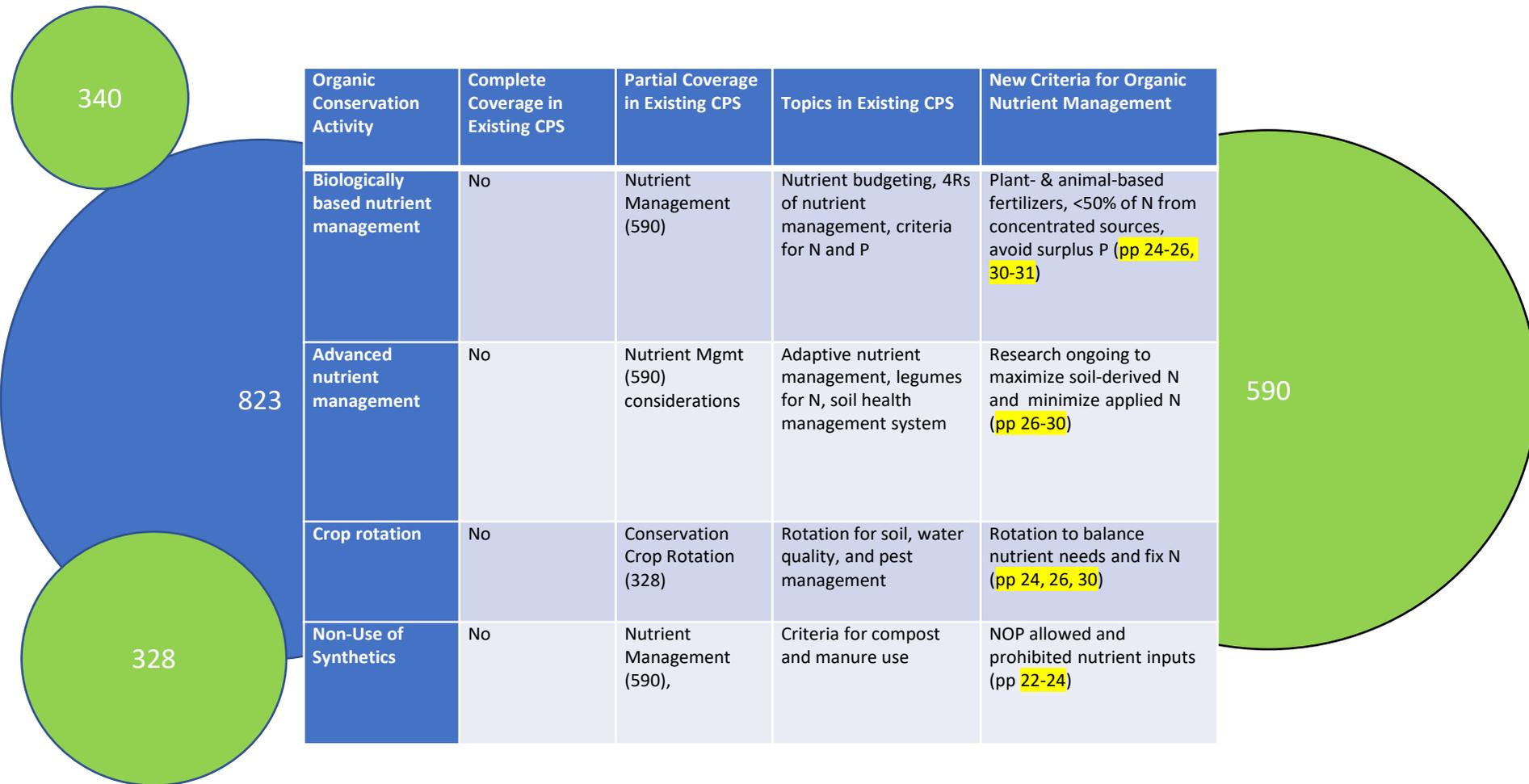
All inputs and other materials must follow the National List of allowed and prohibited substances, methods, and ingredients. Within annual production fields, implement a diverse crop rotation to maintain or improve soil organic matter (SOM) content, increase biodiversity, and control erosion to tolerable levels.

Crops in rotation must include at least three crops representing three different plant families *or* three of the four main crop types (warm season grass, warm season broadleaf, cool season grass, and cool season broadleaf) with at least one cover crop per rotation cycle. Adhere to (CPS) Conservation Crop Rotation (Code 328) and (CPS) Cover Crop (Code 340).

Participants sign IR to confirm responsibilities



# Title?



# Organic Transition Initiative

States will offer a sign up. Visit state websites.

**Sign-up cutoff: June 15, 2023**

**Contract Obligation: September 15, 2023**



# Organic Transition Initiative

- Separate from the National Organic Initiative (NOI) payment limits will not apply.
- EQIP Payment limitations for the 2018 Farm Bill apply.
- Interim practice Organic Management (823) will be required.
- Unless using a TSP and CPA 138 and DIA 140



# Organic Transition Initiative

Based on:

- Complexity: 5 base scenarios
  - Small Scale: 0 – 5 acres
  - All others have 40-acre typical scenarios
    - Simple Crops Only
    - Simple Crops & Livestock
    - Complex Crops Only
    - Complex Crops and Livestock
- Foregone income qualifies
- HU



# Organic Transition Initiative

A paradigm shift to investing in farmer education and support for learning a new agricultural system.

1. Develop Full Conservation plan assessing and addressing all resource concerns.
2. Pick closest payment scenario to plan.
3. Payment scenarios are not checklists that need to be implemented. Some components will be used others will not, additional ones can be used.
4. Implementation Requirements (IR) document what each unique farmer does.



# With and without FI plus HU

- Base payments may include foregone income reimbursement for dips in production during the transition period due to adapting to the organic management system.
- Higher payment rates and other options are available for historically underserved producers including socially disadvantaged, beginning, veteran, and limited resource farmers and ranchers

Practice_Code	Cost_Share_Program	Practice_Name	Component	Unit_Type	Unit_Cost	Cost_Type
823	EQIP	Organic Management	GSPS-OM Small Scale	Ac	\$1,599.82	PR
823	EQIP	Organic Management	GSPS-HU-OM Small Scale	Ac	\$1,919.79	PR
823	EQIP	Organic Management	GSPS-OM Small Scale - FI	Ac	\$1,819.62	PR
823	EQIP	Organic Management	GSPS-HU-OM Small Scale - FI	Ac	\$2,139.59	PR
823	EQIP	Organic Management	GSPS-OM Simple Crops Only	Ac	\$210.47	PR
823	EQIP	Organic Management	GSPS-HU-OM Simple Crops Only	Ac	\$252.56	PR
823	EQIP	Organic Management	GSPS-OM Simple Crops Only-FI	Ac	\$227.54	PR
823	EQIP	Organic Management	GSPS-HU-OM Simple Crops Only-FI	Ac	\$269.63	PR
823	EQIP	Organic Management	GSPS-OM Simple Crops and Livestock	Ac	\$277.47	PR
823	EQIP	Organic Management	GSPS-HU-OM Simple Crops and Livestock	Ac	\$332.96	PR
823	EQIP	Organic Management	GSPS-OM Simple Crops and Livestock-FI	Ac	\$294.54	PR
823	EQIP	Organic Management	GSPS-HU-OM Simple Crops and Livestock-FI	Ac	\$350.04	PR
823	EQIP	Organic Management	GSPS-OM Complex Crops Only	Ac	\$237.23	PR
823	EQIP	Organic Management	GSPS-HU-OM Complex Crops Only	Ac	\$284.68	PR
823	EQIP	Organic Management	GSPS-OM Complex Crops Only-FI	Ac	\$437.78	PR
823	EQIP	Organic Management	GSPS-HU-OM Complex Crops Only-FI	Ac	\$485.23	PR
823	EQIP	Organic Management	GSPS-OM Complex Crops and Livestock	Ac	\$324.81	PR
823	EQIP	Organic Management	GSPS-HU-OM Complex Crops and Livestock	Ac	\$389.78	PR
823	EQIP	Organic Management	GSPS-OM Complex Crops and Livestock-FI	Ac	\$525.36	PR
823	EQIP	Organic Management	GSPS-HU-OM Complex Crops and Livestock-FI	Ac	\$590.33	PR

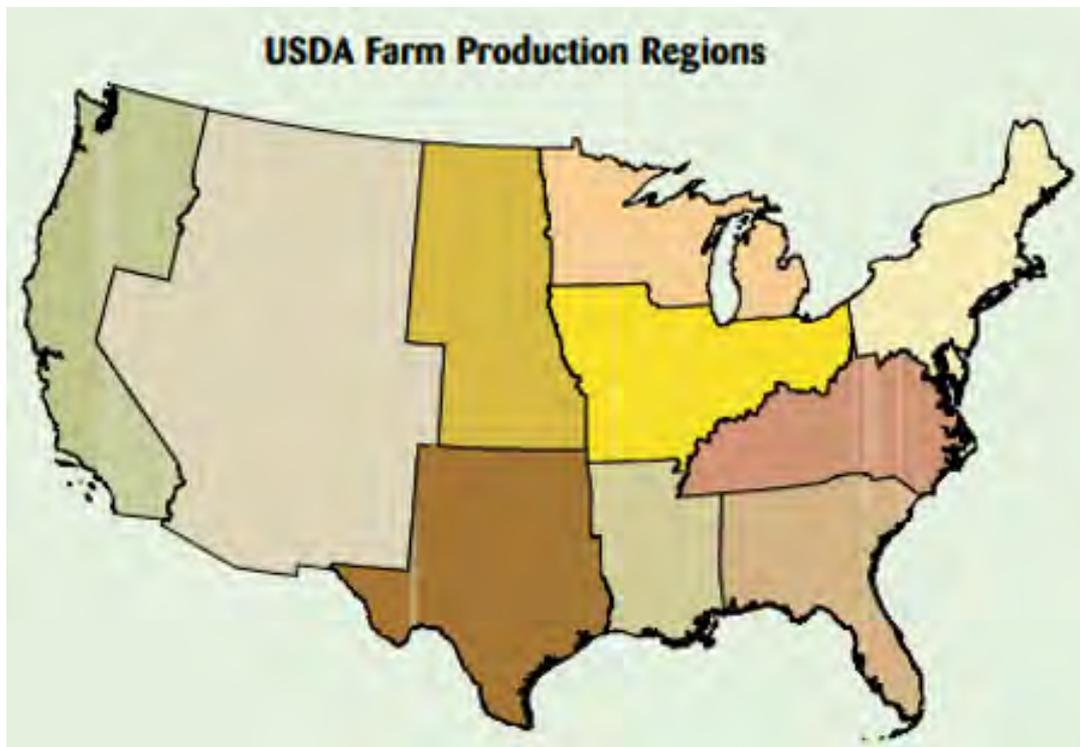
# Organic Transition Initiative

Organic Category	General EQIP	EQIP NOI	EQIP OTI	CSP (Entire Operation*)	All Other Programs
Certified	Yes	Yes	No	Yes	Yes
Transitioning	Yes	Yes	Yes	Yes	Yes
Exempt	Yes	Yes	No	Yes	Yes

\* CSP requires a producer to sign up their entire operation, but enhancements for only the organic acres can be part of the contract.

# Foregone Income Cost Component Data Development

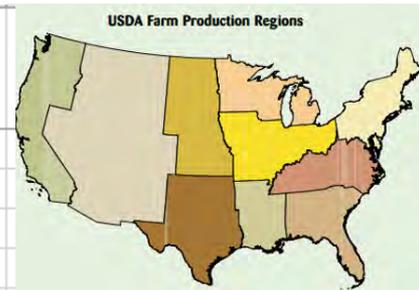
- We started with a Risk Management Agency (RMA) Excel dataset with more than 27,000 rows
- The data were analyzed, sorted, grouped, averaged, and rounded—within USDA Farm Production Regions and state boundaries—to develop foregone income values representing typical farm scenarios for major commodities across the U.S.



# Foregone Income "In/Out" Determination

1. State where producer is located within USDA Farm Production Regions
2. Predominant crops grown in the Region
3. RMA-documented reduction in yield under transition to organic production

USDA Farm Production Region	State	Commodity	Irr/Non-Irr	Foregone Income? Yes/No	State	USDA Farm Production Region
Appalachia	KY	Barley	Non-Irr	Yes	MA	Northeast
Appalachia	KY	Barley	Irr	Yes	MD	Northeast
Appalachia	KY	Blueberries	Non-Irr	Yes	ME	Northeast
Appalachia	KY	Blueberries	Irr	Yes	MI	Lake
Appalachia	KY	Canola	Non-Irr	Yes	MN	Lake
Appalachia	KY	Canola	Irr	Yes	MO	Corn Belt
Appalachia	KY	Clary Sage	Non-Irr	Yes	MS	Delta
Appalachia	KY	Corn	Non-Irr	Yes	MT	Mountain
Appalachia	KY	Corn	Irr	Yes	NC	Appalachia
Appalachia	KY	Cotton	Non-Irr	No	ND	Northern Plains
Appalachia	KY	Cotton	Irr	No	NE	Northern Plains
Appalachia	KY	Cucumbers	Irr	No	NH	Northeast
Appalachia	KY	Fresh Market Tomatoes	Irr	Yes	NJ	Northeast
Appalachia	KY	Grain Sorghum	Non-Irr	Yes	NM	Mountain





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# Risk Management Agency



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# Transitional & Organic Grower Assistance (TOGA)

Provides producer support through crop insurance premium assistance

- **2023 Reinsurance Year (includes sales closing dates from 7/1/22 – 6/30/23):**
  - 10% points premium subsidy for all crops in transition
  - \$5 per acre premium benefit for certified organic grain and feed crops
  - 10% points premium subsidy for all WFRP policies covering crops in transition to organic or certified organic - producers who have additional individual crop insurance policies will also receive the applicable premium assistance on those policies
- **No Action needed by the Producer**



# Whole-Farm Revenue Protection (WFRP) and Micro Farm

- **WFRP** - first offered in 2015 to provide coverage for all crops under one crop insurance policy for diversified producers including specialty and organic crops.
- **Micro Farm** - first offered in 2022 as a streamlined approach to WFRP - specifically for small producers.

## WFRP

- Covers up to \$17 million of revenue
- Post-production costs are not included
- Expected value are primarily based on third-party sources
- Expected yields are based on underlying policies or insured's four-year average
- May purchase additional individual crop policies
  - Must be at buy-up coverage levels
  - Any indemnities from these policies will count as revenue earned under WFRP

## Micro Farm

- Less paperwork requirements
- Insures farm operations with approved revenue up to \$350,000 for the initial year of insurance & \$400,000 for carry-over policies
- Post-production and value-added costs may be included in approved revenue
- Expected value are based on the insured's past three-year average of total revenue and acres
- No individual crop policies allowed

# What does WFRP & Micro Farm Cover?

- Revenue from all commodities produced on the farm:
  - Including Hemp
  - Animals and animal products
  - Commodities purchased for resale (up to 50% of total)
  - Excluding timber, forest, forest products, and animals for sport, show, or pets
- Replant costs (with approval)
  - Not available under Micro Farm



# WFRP & Micro Farm Coverage Options

- Flexible coverage levels to tailor to your need
  - 50-85%, in 5% increments
  - Diversification of 3 commodities (commodity count) required for 80% and 85% (WFRP)
  - **Micro Farm automatically qualifies for 80 & 85% coverage**
  - No catastrophic level available
- WFRP and Micro Farm insured revenue is the lower of:
  - Current year's expected revenue (determined on the farm plan) at the selected coverage level, or
  - The adjusted historic revenue at the selected coverage level



# Post-production & Value Added

- **Micro Farm**
  - **Post-production, value-added, and market readiness operations may be included in expected prices and allowable revenue**
- WFRP
- Post-production & Value-added costs must be removed from expected prices and allowable revenue
- Costs for market readiness operations may be left in the approved revenue



# Why Does Diversification Matter For WFRP & Micro Farm?

The diversification measure determines eligibility for:

- 80 & 85% coverage levels
  - WFRP Requires 3 commodities
  - **Micro Farm automatically**
- Additional WFRP Diversification Requirements
  - Potato farms must have 2 commodities
  - Commodities insurable with other revenue coverage must have 2 commodities
- The amount of the diversification discount to the premium rate
  - **Micro Farm is a set discount**
- Whole-farm premium subsidy for farms with two or more commodities
  - **Automatic for Micro Farm**



# WFRP limits for qualification:

- Covers up to \$17 million of revenue
  - Coverage limited to \$2 million in expected revenue from animals and animal products, excluding aquaculture commodities
  - Coverage limited to \$2 million in expected revenue from greenhouse/nursery, excluding aquaculture commodities
    - Products also insurable under nursery policy
    - Doesn't include items such as produce grown in hoop houses

Coverage Level	Commodity Count (Minimum Required)	Maximum Farm Approved Revenue
85	3	\$20,000,000
80	3	\$21,250,000
75	1	\$22,666,666
70	1	\$24,285,714
65	1	\$26,153,846
60	1	\$28,333,333
55	1	\$30,909,090
50	1	\$34,000,000

# Expansion Adjustments & Help When Bad Years Occur

Historic revenue is adjusted by:

- Farm expansion
  - Automatic historical revenue adjustment calculation the accounts for farm growth (Insured may opt out this adjustment)
  - Expanding operations provision allows for up to 35% growth over historic average, for most operations, with insurance company approval
    - For expanding operations due solely to certified organic production, the limit on growth is the higher of 35% or \$500,000
- Options to Account for Bad Years:
  - Revenue Substitution
  - Revenue Exclusion
  - 90% Cup on Approved Revenue



# Other Facts To Understand About WFRP & Micro Farm

- WFRP & Micro Farm covers revenue “produced” in the insurance period
  - A commodity not harvested or sold will count as revenue
  - A commodity grown last year and sold this year will not be covered
  - For commodities that grow each year, like cattle, only the growth for the insurance year counts. (i.e., Calves worth \$800 at beginning of the year and to be sold at \$2,000, the value insured will be \$1,200)
  - Inventories and Accounts Receivable are used to determine the “produced” amounts



# Other Facts To Understand About WFRP & Micro Farm

- Expected prices for Direct Marketed commodities under WFRP and for commodities under Micro Farm are determined by the previous three-year average of allowable revenue and acreage for all commodities produced on the farm operation:
- Post-production and value-added revenue may be included in allowable revenue and expected prices under Micro Farm.



# Other Facts To Understand About WFRP

- Prices and yields used to value commodities to be grown must meet the expected value and yields guidelines in the policy
- The values must be what producers can reasonably expect to receive in the local area for the commodity
  - Based, to the extent possible, on third party sources
  - Marketing contracts used at the time they become effective within policy limitations
- The yields must be what the producers can reasonably expect to produce under normal growing conditions
  - For commodities also covered under another FCIC plan of insurance, the approved yield for the underlying policy.
  - For commodities no other coverage, the insured's four-year average yield, using replacement yields when allowed by policy



# What Causes a Loss Payment Under WFRP & Micro Farm?

- Natural causes of loss and decline in market price during the insurance period
- Taxes must be filed for the policy year before any claim can be made
- When revenue-to-count for the policy year is lower than insured revenue, a loss payment will be made



# What Information is Required?

- WFRP
  - Five years of farm tax forms
    - For 2023, requires tax forms from 2017-2021 (calendar & early fiscal year filers) 2016-2020 (late fiscal year filers)
      - Exceptions: Veteran/Beginning Farmers or Ranchers (VFR/BFR) or applicants that qualified as a VFR/BFR in the previous year, qualifying persons not required to file a US Tax Return (i.e., Tribal Entities), and producers that were physically unable to farm one year
- Micro Farm
  - At least three years of farm tax forms
    - For 2023, requires tax forms from 2020-2022 (calendar & early fiscal filers) 2019-2021 (late fiscal filers)



# What Information is Required?

- Information about what will be produced on the farm during the insurance period (WFRP)
- Total Revenue and acreage for the last three years (Micro Farm)
  - Used to complete the Intended Farm Operation Report
- Other information as applicable, such as:
  - Supporting records (if requested), organic certification, inventory, or accounts receivable information



# How Do Producers Buy WFRP & Micro Farm Protection?

**Purchase through a Crop Insurance Agent:**

**The agent locator tool on RMA's website:**

[www.rma.usda.gov/informationtools/agentlocator](http://www.rma.usda.gov/informationtools/agentlocator)





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# Agricultural Marketing Service



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# National Organic Program

- **Strengthening Organic Enforcement (SOE)**
- **Transition to Organic Partnership Program (TOPP)**
- **Organic Market Development Grants (OMDG)**



# We Recently Updated the Organic Rules...

**Strengthening Organic Enforcement Final Rule..... Protect organic integrity and bolster confidence in the organic seal**



**Increase** the number of certified entities to fill gaps



**Strengthen** recordkeeping and supply chain traceability



**Require** use of electronic import certificates



**Strengthen** oversight of accredited certifiers



# Who Does SOE Affect?



USDA accredited  
certifiers



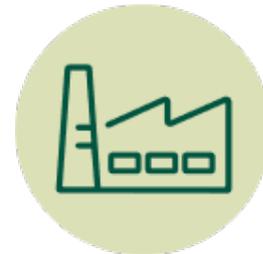
Organic inspectors



Commodity brokers,  
traders, exporters to the  
U.S., and importers who  
are not certified organic



Producers



Processors



Consumers

# SOE Overview: Key Provisions



Reduces the types of **uncertified entities**

## Requires operations to:

- Improve recordkeeping and fraud prevention procedures
- Conduct supply chain traceability audits
- Share specific information
- Label nonretail containers to preserve organic identity and be traceable to records

## Clarifies how operations:

- May submit changes to organic system plans
- Calculate the percentage of organic ingredients



Requires **NOP Import Certificates**

## Requires certifiers to:

- Issue standardized operation certificates from Organic Integrity Database
- Meet specific inspector qualifications and training requirements
- Conduct unannounced inspections of at least 5% of the operations they certify
- Complete mass-balance audits during inspections
- Verify traceability during inspections



Clarifies the **NOP's authority to oversee certification activities**

- Establishes requirements for producer group operations (grower groups)
- Clarifies conditions and requirements for equivalence determinations with foreign government organic programs
- Clarifies that NOP may initiate enforcement action against uncertified operations
- Clarifies appeals and mediation processes

# Applicability and Exemptions from Certification

The new rule **expands** the types of operations that must be certified, with only limited exemptions.

- Any operation that **produces or handles** organic products must be certified, unless they are exempt.
  - **Handle** includes trade, export, import, or facilitate the sale or trade of an organic product.
- Some **supply chain intermediaries** that currently do not require certification, such as traders, commodity brokers, or importers, **must become certified**.

**Our Request:** Help us get the word out about certification!



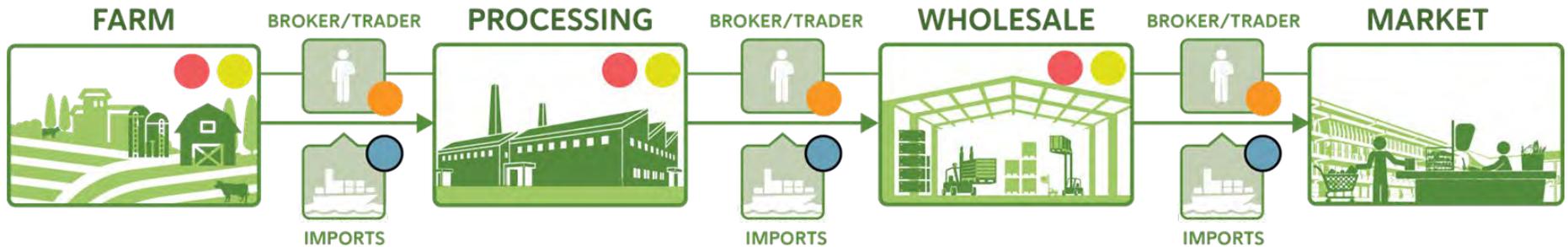
# Applicability and Exemptions from Certification

- SOE allows **limited exemptions** for some low-risk businesses.
  - An operation with annual sales less than \$5000
  - A retail establishment that does not process the organic products, or only processes them at point of final sale
  - Some shipping and handling operations, under very limited conditions (e.g., they only handle products sealed in tamper-evident packaging)
  - Customs brokers

Exempt businesses are only exempt from certification. They still have **handling and recordkeeping requirements**.



# Imports to the U.S.: Electronic Import Certificates

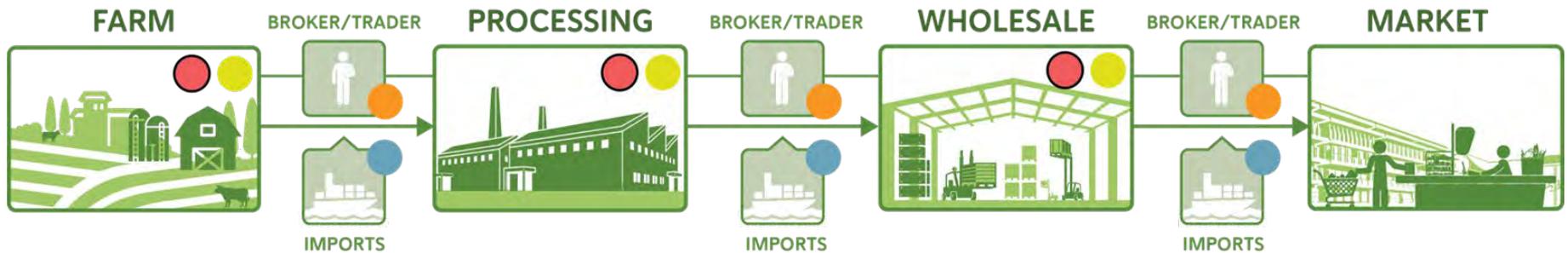


Certifiers and operations must use the **electronic NOP Import Certificate** for organic products imported to the U.S.



- The Import Certificate **provides traceability** to the port of entry and **ensures an auditable record trail**.
- Import certificates will be generated in NOP's **Organic Integrity Database** and entered into **CBP import system**.

# Clarify Recordkeeping Requirements



## Certified operations:



- Describe the procedures used to **identify** operations and products at **high risk of organic fraud**
- Conduct **supply chain traceability audits** to verify the compliance and chain of custody of high-risk products
- **Share compliance-related information** about certified operations with other certifiers
- Keep updated operation data – yes, including acreage! – in the **Organic Integrity Database**

# Clarify Certifier Oversight of Supply Chains

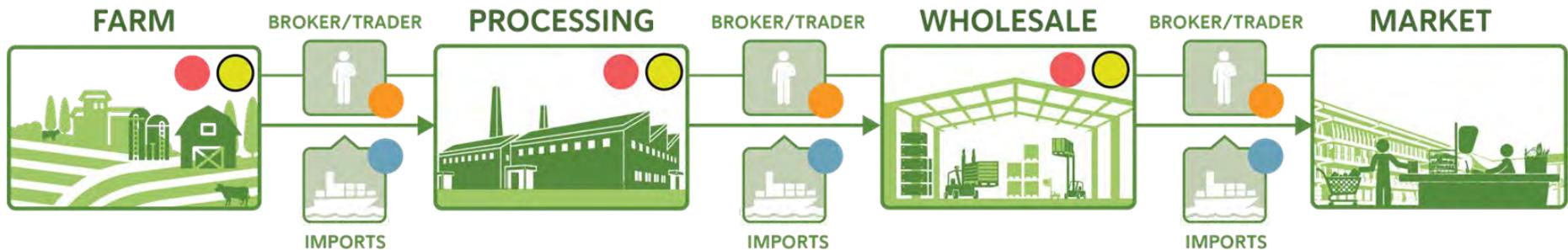


## Certifiers:



- Describe the procedures used to **identify** operations and products at **high risk of organic fraud**
- Conduct **supply chain traceability audits** to verify the compliance and chain of custody of high-risk products
- **Share compliance-related information** about certified operations with other certifiers
- Keep updated operation data – yes, including acreage! – in the **Organic Integrity Database**

# Clarify and Standardize Inspection Requirements



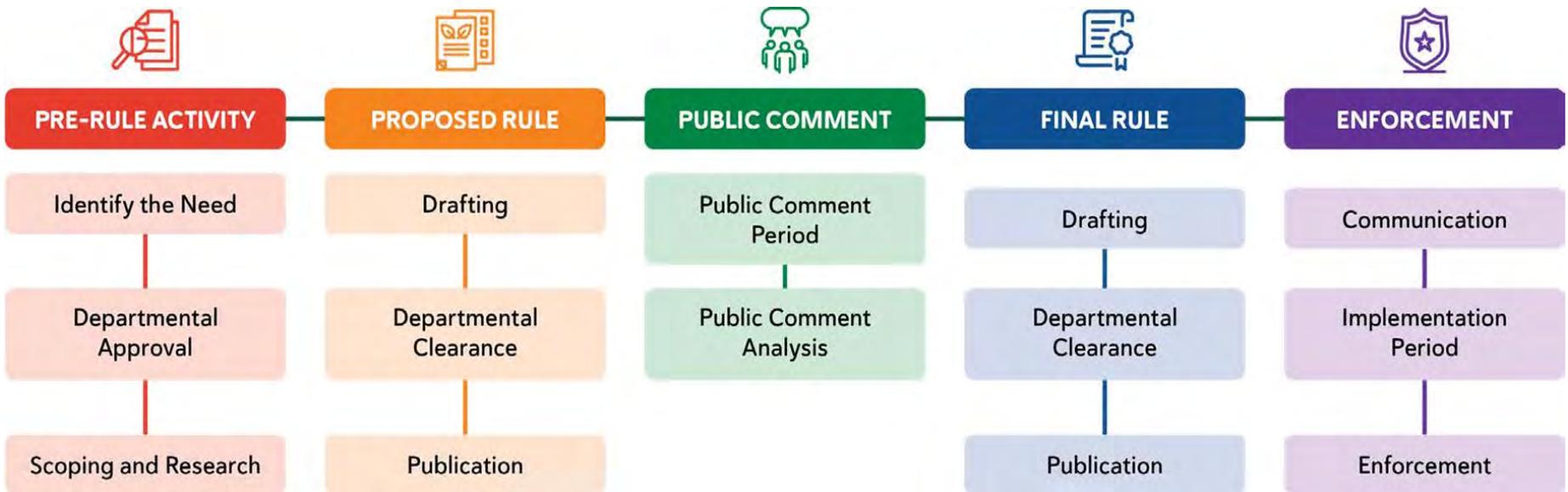
## Certifiers:



- Conduct **unannounced inspections** of at least 5% of operations they certify annually
- Conduct **mass-balance audits and verify product traceability** during on-site inspections
- Conduct full on-site inspections **once per year**
- Use inspectors and certification reviewers that meet **qualifications and training** requirements
- Implement **grower group** requirements

# Implementation

All businesses must comply with the final rule **14 months** after publication: **March 19, 2024.**



# If a Business Needs to Be Certified.....

**Start Soon to Complete Certification by March 19, 2024!**

Adopt organic practices, select certifier, apply

Application Review

On-Site Inspection

Full Review for Compliance

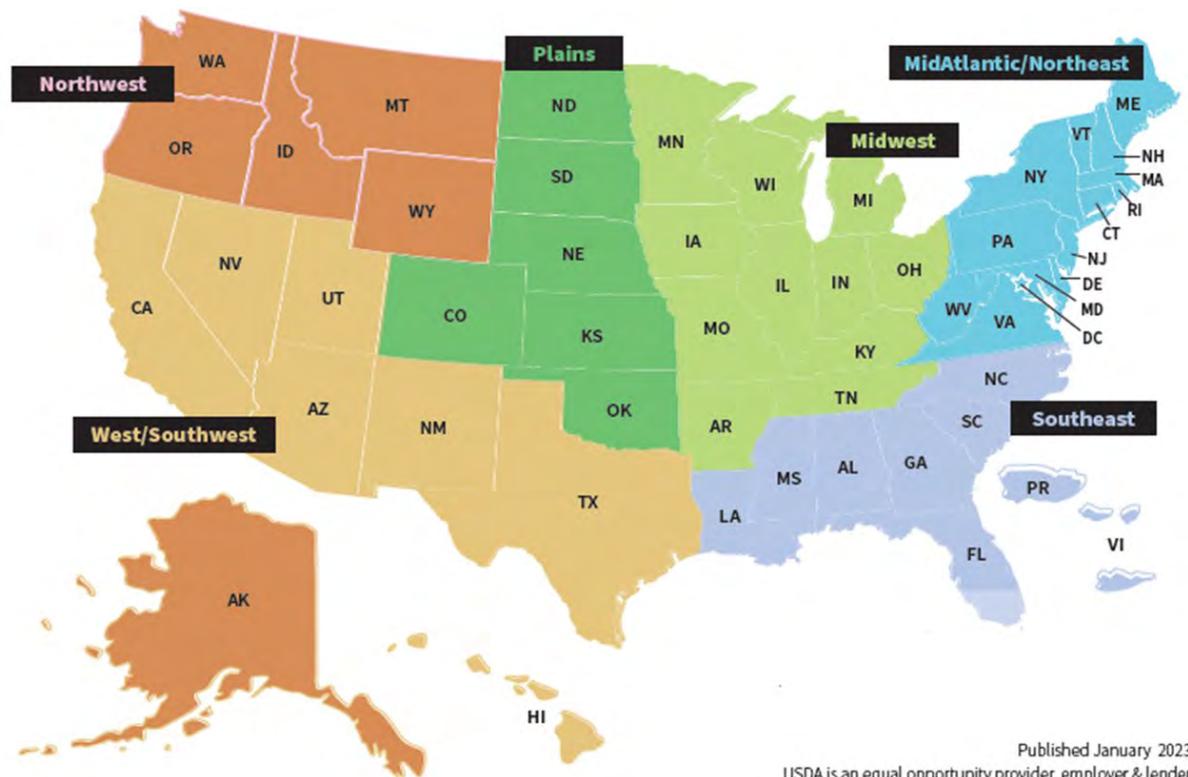
Certification Approval or Denial

<https://www.ams.usda.gov/services/organic-certification/becoming-certified>

# Transition to Organic Partnership Program (TOPP)

## Transition to Organic Partnership Program (\$100 M)

- Farmer-to-Farmer Mentoring
- Technical Assistance
- Community Development
- Workforce Development
- Data and Reporting



Published January 2023  
 USDA is an equal opportunity provider, employer & lender

<https://www.ams.usda.gov/services/organic-certification/topp>

# Organic Market Development Grants (OMDG)

**\$75 Million in competitive grants** to fund projects designed to expand and improve markets for domestically produced organic products.

**Eligible applicants** are business entities who produce or handle organic foods, non-profit organizations, tribal governments, and government entities.

**Applications** must be submitted through [www.grants.gov](http://www.grants.gov) by August 8, 2023.



# OMDG (cont.)

## Maximum Funding –

- Processing Capacity Expansion Projects and Market Development and Promotion Projects may receive awards between \$100,000 and \$3,000,000.
- Simplified Equipment-Only Projects may receive awards between \$10,000 and \$100,000.

## Three project types –

- Market Development and Promotion
- Processing Capacity Expansion
- Simplified Equipment-Only



# Resources

## **Strengthening Organic Enforcement (SOE)**

<https://www.ams.usda.gov/rules-regulations/strengthening-organic-enforcement>

## **Transition to Organic Partnership Program (TOPP)**

<https://www.ams.usda.gov/services/organic-certification/topp>

## **Organic Market Development Grants (OMDG)**

<https://www.ams.usda.gov/services/grants/omdg>



# Question and Answer

To ask a question, please type it into the chat. Feel free to direct your question for a particular presenter.

## Resources

**Learn more about organic programs:** [farmers.gov/](https://farmers.gov/)

**Find your local FSA and NRCS office:**  
**information:** [farmers.gov/service-locator](https://farmers.gov/service-locator)

**Agricultural Marketing Service organic information:** [ams.usda.gov](https://ams.usda.gov)

