

ACTION REQUIRED BY: May 8, 2009

Purpose. To provide State Conservationists and Directors of the Caribbean and Pacific Island Basin Areas with guidance for the 2009 Environmental Quality Incentives Program (EQIP) National Initiative to support organic and transition to organic production systems.

Expiration Date. September 30, 2009

Background. The Food, Conservation and Energy Act of 2008 (FCEA) requires NRCS to provide EQIP assistance to eligible producers as follows:

Section 1240(B)

(1) PAYMENTS AUTHORIZED.—The Secretary shall provide payments under this subsection for conservation practices, on some or all of the operations of a producer, related—

- (A) to organic production; and*
- (B) to the transition to organic production.*

Chief Dave White, in a memo dated April 7, 2009 and a follow-up memo dated May 4, 2009, issued guidance to State Conservationists and Basin Area Directors for implementation of organic provisions of FCEA during fiscal year 2009. This bulletin provides additional guidance for implementation of FCEA requirements associated with growers who request conservation assistance through EQIP for organic or transition to organic production systems. This guidance addresses specific eligibility requirements, payment limitations, and other conditions that must be met by both the agency and program participants applying for the FY2009 EQIP Organic initiative. The Chief has allocated \$50M in financial assistance for this special initiative per the April 29, 2009 allocation letter. These funds may only be used to address organic-related EQIP contracts and none of the original allocation may be used to support other accounts or program priorities. These funds are subject to EQIP program requirements and are to be obligated by August 15, 2009. If these funds cannot be used for organic-related conservation practices within a State, the STC shall return the funds to National Headquarters through an allowance change in a timely manner for redistribution to other States at the discretion of the Chief. TA funds have also been added to the overall TA allocation.

Explanation. Key FCEA requirements are:

- EQIP is to be used to provide technical and financial support for implementation of practices related to organic production to address identified natural resource concerns.
- Payments for organic-related conservation practices to a person or legal entity, directly or indirectly, may not exceed, in the aggregate, \$20,000 per year or \$80,000 during any 6-year period.
- Payments through EQIP are for implementation of conservation practices approved in the Field Office Technical Guide that assist growers to meet provisions of an Organic System Plan (OSP) as administered by the Agricultural Marketing Service (AMS). Payments are not authorized for activities or practice components which are solely production related and are not linked to an identified resource concern.
- Requires that participants using EQIP to transition to an organic production systems implement conservation practices for certified organic production that are consistent with an OSP.
- Requires that participants who already operate certified organic operations implement EQIP practices according to an approved OSP.
- Requires that NRCS terminate EQIP contracts for producers who are either not pursuing organic certification or are not in compliance with the Organic Food Production Act of 1990.
- EQIP payments may not be used for any costs related to organic certification. EQIP payments may not to be used to provide an "incentive" for growers to transition to or maintain organic production.
- Producers who sell less than \$5,000 in agricultural products are not required to obtain organic certification or implement practices according to an OSP; however, these producers may voluntarily transition or obtain organic certification. If producers who sell less than \$5,000 in agricultural products elect to pursue organic certification and use EQIP through this special initiative to voluntarily transition to organic certification, they will be subject to the same requirements as noted in this bulletin.

These requirements are further defined and explained in the EQIP Interim Rule published January 15, 2009. Key definitions in the EQIP rule related to support for organic production systems are:

- *National Organic Program (NOP)* means the national program, administered by the Agricultural Marketing Service (AMS), which regulates the standards for any farm, wild crop harvesting, or handling operation that wants to sell an agricultural product as organically produced.
- *Organic System Plan (OSP)* means a management plan for organic production or for an organic handling operation that has been agreed to by the producer or handler and the certifying agent. The Organic System Plan includes all written plans that govern all aspects of agricultural production or handling.

A summary of the statutory requirements related to support for organic operations through EQIP as well as relevant sections of the program rule are attached for reference (Attachment A). Additional information about the National Organic Program and certification administered by AMS can be found at: www.ams.usda.gov/nop/.

Action required in support of the Chief's April 7 and May 4, 2009 memorandums. State Conservationists (STCs) and Directors are required to implement the following.

- **EQIP Opportunity for Organic Producers:** During the period May 11 to May 29, 2009, STCs shall advertise and provide opportunity for eligible producers to apply for EQIP program benefits specifically to assist growers transitioning to organic production systems and to provide assistance to growers who are currently certified organic operations. STCs shall provide the opportunity to compete for EQIP benefits separately from other established funding pools and sub-accounts established in ProTracts.
- **Funding Pools:** STCs shall establish two separate funding pools or sub-accounts in ProTracts for administration of funds and applications related to organic producers. Two separate fund accounts will provide national consistency, allow for ranking systems specifically related to the needs of these two different producer groups, and more easily manage other statute and program requirements as outlined in this bulletin. The following ProTracts sub-accounts and naming conventions shall be used:
 - "Organic-Transition", and
 - "Organic-Certified"
- **Screening and Ranking Criteria:** STCs shall use the nationally approved organic screening and ranking criteria as shown in Appendix B attached to this bulletin. The ranking criteria shall be entered into ProTracts following EQIP policy and requirements associated with the Application, Evaluation and Ranking Tool (AERT) to support each of the separate sub-accounts. STCs are advised to carefully select and associate natural resource concerns with appropriate conservation practices from the Field Office Technical Guide that are directly related to organic production systems and requirements of the National Organic Program (NOP). The nationally approved screening criteria provide a unique opportunity to identify priority EQIP applications and record these designations in ProTracts along with the national ranking.
- **Core Conservation Practices:** For this initiative, the Chief has identified a suite of 6 conservation practices which are likely to be needed by many growers associated with organic production systems. These practices are required to be offered in all States through the fiscal year 2009 EQIP Organic initiative. Because these practices are important both to the agency in terms of significant environmental benefits, and are also important to growers with organic production systems, the Chief has made them a priority in ranking and also through increased fund support. The following section provides details regarding increased EQIP assistance to implement these "Core 6" conservation practices through adjustments of the practice payment schedule.
- **Payment Schedules:** Per the Chief's memo, STCs shall develop and upload payment schedules to ProTracts to support the EQIP Organic Initiative. Except for the Core 6 organic practices which will require some adjustment, States should use existing payment schedules approved for fiscal year 2009. For the following required Core 6 organic practices, the following multiplier shall be applied to costs in the "Cost/Unit" column of the payment schedule.

Code	Practice Name	Payment Schedule Multiplier **
328	Conservation Crop Rotation	1.34%
340	Cover Crop	1.46%
590	Nutrient Management	1.30%
595	Pest Management	1.60%
528	Prescribed Grazing	1.02%
511	Forage Harvest Management	1.02%

See Attachment C - "Payment Schedule Instructions – Organic Cost Adjustment – Core 6 conservation practices" for details and example how to incorporate the multiplier into a payment schedule. For producers who are transitioning to organic, STCs are encouraged to offer the opportunity to obtain EQIP assistance for development of a "Conservation Plan Supporting Organic Transition" Conservation Activity Plan. Per existing program and agency policy, all practices included in payment schedules must relate directly to an identified natural resource concern (CPPE-AERT), cannot fund production-related practices or changes in enterprise operations or other ineligible costs listed in 440 CPM Part 515.91(H).

- **ProTracts Operations for Organic EQIP Applicants:** Producers who apply under organic provisions shall select the application type selected "Organic" to invoke the required payment limitations. Additionally applications indicated as "Planning" if pursuing a "Conservation Plan Supporting Organic Transition." Note: Producers may simultaneously apply for EQIP benefits under the provisions of organic and also under other available EQIP program sub-accounts to address resource needs not related to organic production.

- Transitioning to Organic Producer Application: To meet the provisions of statute, producers who are applying for EQIP assistance to transition to organic production will be required to submit a self-certification letter to the Designated Conservationist stating that they “agree to develop and implement conservation practices for certified organic production that are consistent with an organic system plan.” Applicants who fail to provide the self certification letter will not be eligible to obtain this special EQIP assistance and their application will be deferred until the certification is provided. Attachment D to this bulletin provides a template letter that organic EQIP applicants will submit to meet this requirement. Growers who are transitioning to organic should be encouraged to take advantage the opportunity to develop a conservation activity plan (CAP) which helps assure that the producer has adequately identified practices and activities needed to meet statute and NOP provisions. The opportunity to develop a CAP was specifically created for producers who are transitioning to organic and is not available to producers who are already certified organic. The EQIP payment for development of a CAP is not an incentive payment to encourage transition to organic. Producers with an EQIP contract are also subject to annual verification for implementation of scheduled practices through a contract review per CPM Part 512, Subpart F.
- Certified Organic Producers - Application: In order to qualify for organic EQIP assistance, applicants with certified organic operations must also submit a copy of their current OSP. NRCS at the local Field Office level will use the OSP as the basis of the EQIP Plan of Operations and also to verify compliance with provisions of the statute. EQIP applicants who fail to provide NRCS with a copy of their OSP will not be eligible to obtain EQIP assistance and their application will be deferred until the OSP has been provided. Note: Like all confidential and private information provided by program applicants, an OSP provided by a program applicant will be securely protected in the producer case file.
- Certified Organic Producers - Compliance: The statute requires organic producers to develop and carry out an organic system plan in order to obtain EQIP benefits. NRCS is responsible for verifying that organic EQIP participants are complying with this statutory requirement and will accomplish this verification as follows:
 - Contract Review: Each year, NRCS shall complete a contract review per requirements of 440-CPM Part 512, Subpart F. NRCS shall review the EQIP plan of operations to ensure the participant is implementing practices on schedule, and to verify that practice(s) implemented are consistent with the statute and OSP.
 - Organic Certification Status: Each year for active organic EQIP contracts, NRCS shall verify during the contract review that the participant’s operation has maintained status as a certified operation. NRCS Designated Conservationists shall make this determination by verifying that the participant and operation are certified by accessing the AMS website at: www.ams.usda.gov/nop/ (click on the link for “List of Accredited Certifying Agents”).

The statute requires EQIP organic participants to implement practices that are included in or are consistent with an OSP. Program participants who NRCS determines to be in violation of the terms of the EQIP contract agreement and are not implementing agreed-to practices according to schedule in the EQIP Plan of Operations or are not consistent with an organic system plan, or are no longer meeting AMS certification, may be subject to termination of contract and subject to potential for repayment and assessment of liquidated damages per program policy. The statute requirements for termination only apply to the single organic contract that may be in violation and termination procedures are not applied to other program contracts unless they are also in violation. Following existing program policy per 440-CPM, Part 512, Subpart F “Contract Administration” for guidance related to contract review and program participants who violate terms of the contract agreement. The Designated Conservationist shall work with the participant to resolve the potential contract violation prior to taking adverse actions such as termination.

Contact. If you have any questions, contact Mark Parson, EQIP Specialist, Environmental Improvement Branch (EIP), Financial Assistance Programs Division (FAPD), at (202) 720-1840 or mark.parson@wdc.usda.gov.


 THOMAS W. CHRISTENSEN
 Deputy Chief for Programs

Attachments

- A. Summary of Statute and Regulation
- B. Approved national screening and ranking criteria
- C. Payment Schedule Instructions – Organic Cost Adjustment – Core 6 conservation practices
- D. Sample template letter from organic EQIP applicant self certifying agreement to develop and implement OSP
- E. Other information related to organic certification administered by AMS
- F. Agricultural Marketing Service organic certification fact sheets

Attachment A:

2008 Statute:

Subtitle F—Environmental Quality Incentives Program

SEC. 2501. PURPOSES OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

(a) REVISED PURPOSES.—Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

“(4) assisting producers to make beneficial, cost effective changes to production systems (including conservation practices related to organic production), grazing management, fuels management, forest management, nutrient management associated with livestock, pest or irrigation management, or other practices on agricultural and forested land; and”.

“CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM”.

SEC. 2502. DEFINITIONS.

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended to read as follows:

“SEC. 1240A. DEFINITIONS. “In this chapter:

“(2) NATIONAL ORGANIC PROGRAM.—The term ‘national organic program’ means the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et. seq.).

“(3) ORGANIC SYSTEM PLAN.—The term ‘organic system plan’ means an organic plan approved under the national organic program.

“(4) PAYMENT.—The term ‘payment’ means financial assistance provided to a producer for performing practices under this chapter, including compensation for—

“(A) incurred costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training; and

“(B) income forgone by the producer.

“(5) PRACTICE.—The term ‘practice’ means 1 or more improvements and conservation activities that are consistent with the purposes of the program under this chapter, as determined by the Secretary, including—

“(A) improvements to eligible land of the producer, including—

“(i) structural practices;

“(ii) land management practices;

“(iii) vegetative practices;

“(iv) forest management; and

“(v) other practices that the Secretary determines would further the purposes of the program; and

“(B) conservation activities involving the development of plans appropriate for the eligible land of the producer, including—

“(i) comprehensive nutrient management planning; and

“(ii) other plans that the Secretary determines would further the purposes of the program under this chapter.

“SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION.

“(d) PAYMENTS.—

“(1) AVAILABILITY OF PAYMENTS.—Payments are provided to a producer to implement one or more practices under the program.

“(2) LIMITATION ON PAYMENT AMOUNTS.—A payment to a producer for performing a practice may not exceed, as determined by the Secretary—

“(A) 75 percent of the costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training;

SEC. 1240(B) ESTABLISHMENT AND ADMINISTRATION

“(i) PAYMENTS FOR CONSERVATION PRACTICES RELATED TO ORGANIC PRODUCTION.—

“(1) PAYMENTS AUTHORIZED.—The Secretary shall provide payments under this subsection for conservation practices, on some or all of the operations of a producer, related—

“(A) to organic production; and

“(B) to the transition to organic production.

“(2) ELIGIBILITY REQUIREMENTS.—As a condition for receiving payments under this subsection, a producer shall agree—

“(A) to develop and carry out an organic system plan; or

“(B) to develop and implement conservation practices for certified organic production that are consistent with an organic system plan and the purposes of this chapter.

“(3) *PAYMENT LIMITATIONS.*—Payments under this subsection to a person or legal entity, directly or indirectly, may not exceed, in the aggregate, \$20,000 per year or \$80,000 during any 6-year period. In applying these limitations, the Secretary shall not take into account payments received for technical assistance.

“(4) *EXCLUSION OF CERTAIN ORGANIC CERTIFICATION*

COSTS.—Payments may not be made under this subsection to cover the costs associated with organic certification that are eligible for cost-share payments under section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523).

“(5) *TERMINATION OF CONTRACTS.*—The Secretary may cancel or otherwise nullify a contract to provide payments under this subsection if the Secretary determines that the producer—

“(A) is not pursuing organic certification; or

“(B) is not in compliance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq).”.

Subtitle H—Funding and Administration of Conservation Programs

SEC. 2706. DELIVERY OF CONSERVATION TECHNICAL ASSISTANCE.

Section 1242 of the Food Security Act of 1985 (16 U.S.C. 3842) is amended to read as follows:

“***SEC. 1242. DELIVERY OF TECHNICAL ASSISTANCE.***

“(i) *ADDRESSING CONCERNS OF SPECIALITY CROP, ORGANIC, AND PRECISION AGRICULTURE PRODUCERS.*—

“(1) *IN GENERAL.*—The Secretary shall—

“(A) to the maximum extent practicable, fully incorporate specialty crop production, organic crop production, and precision agriculture into the conservation practice standards; and

“(B) provide for the appropriate range of conservation practices and resource mitigation measures available to producers involved with organic or specialty crop production or precision agriculture.

“(2) *AVAILABILITY OF ADEQUATE TECHNICAL ASSISTANCE.*—

“(A) *IN GENERAL.*—The Secretary shall ensure that adequate technical assistance is available for the implementation of conservation practices by producers involved with organic, specialty crop production, or precision agriculture through Federal conservation programs.

“(B) *REQUIREMENTS.*—In carrying out subparagraph (A), the Secretary shall develop—

“(i) programs that meet specific needs of producers involved with organic, specialty crop production or precision agriculture through cooperative agreements with other agencies and nongovernmental organizations; and

“(ii) program specifications that allow for innovative approaches to engage local resources in providing technical assistance for planning and implementation of conservation practices.”.

Regulation – Rule:

**DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation
7 CFR Part 1466
RIN 0578-AA45
Environmental Quality Incentives Program**

PART 1466—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

■ 1. The authority citation for part 1466 continues to read as follows:

Authority: 15 U.S.C. 714b and 714c; 16 U.S.C. 3839aa–3839aa–8.

■ 2. Subpart A, consisting of §§ 1466.1 through 1466.9, is revised to read as follows:

§ 1466.3 Definitions.

The following definitions will apply to this Part and all documents issued in accordance with this Part, unless specified otherwise:

National Organic Program means the national program, administered by the Agricultural Marketing Service, which regulates the standards for any farm, wild crop harvesting, or handling operation that wants to sell an agricultural product as organically produced.

Organic System Plan means a management plan for organic production or for an organic handling operation that has been agreed to by the producer or handler and the certifying agent. The Organic System Plan includes all written plans that govern all aspects of agricultural production or handling.

§ 1466.4 National priorities.

(a) The following national priorities, consistent with statutory resource concerns that include soil, water, wildlife, air quality, and related resource concerns, will be used in EQIP implementation:

(3) Reduction of emissions, such as particulate matter, nitrogen oxides, volatile organic compounds, and ozone precursors and depleters that contribute to air quality impairment violations of National Ambient Air Quality Standards;

§ 1466.6 State allocation and management.

The State Conservationist will:

(c) Use the following to determine how to manage EQIP and how to allocate funds within a State:

(6) The presence of additional priority resource concerns and specialized farming operations, including but not limited to, specialty crop producers, organic producers, and small-scale farms.

§ 1466.23 Payment rates

(4) The State Conservationist shall provide payments for conservation practices on some or all of the operations of a producer related to organic production and the transition to organic production. Payments may not be made to cover the costs associated with organic certification or for practices that are eligible for cost-share payments under the National Organic Program (7 U.S.C. 6523).

§ 1466.24 EQIP payments.

(c) Payments for conservation practices related to organic production to a person, joint operation, or legal entity, directly or indirectly, may not exceed in aggregate \$20,000 per year or \$80,000 during any 6-year period. Payments received for technical assistance shall be excluded from this limitation.

(d) To determine eligibility for payments, NRCS will use the following criteria:

(7) To be eligible for payments for conservation practices related to organic production or the transition to organic production, a participant will develop and implement an organic system plan as defined in § 1466.3.

§ 1466.26 Contract violations and terminations.

(f) The State Conservationist, in consultation with the State Technical Committee, may terminate a contract whereby a producer is receiving payments for conservation practices related to organic production, if the designated conservationist determines that the producer is not pursuing organic certification, or has been decertified.

Attachment B:

Nationally Approved Screening & Ranking Criteria

1. Screening Criteria – EQIP application supporting “Transition to Organic Production”
2. Screening Criteria – EQIP application for “Certified” Organic Operations
3. Ranking Criteria to be entered in ProTracts AERT ranking tool
4. Core 6 Organic and other Conservation Practices approved for Organic Initiative

**NRCS Environmental Quality Incentives Program (EQIP) – Organic Initiative
NATIONAL SCREENING CRITERIA WORKSHEET - Fiscal Year 2009
EQIP Application Supporting “Transition to Organic Production”**

A Screening Worksheet is required to be completed for each eligible EQIP application.

Instructions:

This screening worksheet must be completed for each eligible producer applying for EQIP organic-initiative assistance. Applications will be accepted on a continuous basis; however, “cut-off” dates are established for purposes of ranking and funding allocation. The goal of this screening tool is to ensure that conservation technical assistance and EQIP program benefits are efficiently allocated to address priority conservation needs related to organic provisions of the 2008 Farm Bill.

Completion of this worksheet and documentation does not constitute agreement to provide EQIP program benefits nor approval of an EQIP contract. The original screening worksheet should be filed with the applicant case file or EQIP program file and the screening priority (High, Medium, and Low) shall be recorded in ProTracts. Upon request, a copy of any completed screening worksheet may be provided to the applicant. If the applicant is already certified organic do not use this worksheet, use the “Certified” screening worksheet to determine priority.

Detailed Screening Criteria Worksheet – Complete for each eligible EQIP Applicant

Applicant Name:		County:	
Application Number:		Field Office:	
Evaluator Name:		Date:	

Instructions: For each eligible application submitted by COB June 5, 2009, complete the following worksheet. Applications submitted after this date must be “deferred” until the next funding cycle. Use of this screening tool is mandatory and should be completed prior to final ranking, but no later than June 5, 2009.

Step One – Basic Eligibility:		Yes	Action:	No	Action
A	Is the application NRCS-CPA-1200 complete, signed and dated?		Yes, Continue to B		No, do not process until application is complete.
B	Do the EQIP planned practices address one or more of the national program priorities? (EQIP515.3B): The application must support at least one national program priority.		Yes, Continue to C		No, application is ineligible
C	Is the Land Eligible? (EQIP 515.52 and CPM 512.22): Applicant has provided documentation and evidence to indicate land meets program eligibility requirements and proof of control.		Yes, Continue to D		No, application is ineligible
D	Applicant has provided written self-certification agreeing to develop an Organic System Plan (OSP) and implement conservation practices consistent with EQIP Statute and the OSP. (Sec. 1240(B))		Yes, Continue to Step 2		No, application is ineligible

Step Two – Priority Determination for ProTracts – Select One:

<p>High Priority Category:</p> <ul style="list-style-type: none"> -Application will result in implementation of at least three of the “Core 6” conservation practices. (New application of Core 6 practices) OR -Application will result in implementation of a suite of three or more “Core 6” conservation practices. (Applicant has already applied some Core 6 practices) OR -Application is for development of an EQIP Conservation Activity Plan (CAP) Supporting Organic Transition. 	High Priority Status in ProTracts
<p>Medium Priority Category:</p> <ul style="list-style-type: none"> -Application will result in implementation of at least two of the “Core 6” Management Practices (New application of practices and no Core 6 practices currently installed). 	Medium Priority Status in ProTracts
<p>Low Priority Category:</p> <ul style="list-style-type: none"> -Application will not result in implementation of any of the “Core 6” Management Practices. 	Low Priority Status in ProTracts
<p>Application is for conservation practices that do not assist the producer's transition to an organic production system and/or are not consistent with requirements of an OSP, defer application (or refer application to other program).</p>	Defer

The priority determination of High, Medium or Low must be recorded in ProTracts for this applicant.

D.C. Approval:		Date Approved:	
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**NRCS Environmental Quality Incentives Program (EQIP) – Organic Initiative
NATIONAL SCREENING CRITERIA WORKSHEET - Fiscal Year 2009
EQIP Application for “Certified” Organic Operation.**

A Screening Worksheet is required to be completed for each eligible EQIP application.

Instructions:			
<p>This screening worksheet must be completed for each eligible producer applying for EQIP organic-initiative assistance. Applications will be accepted on a continuous basis; however, “cut-off” dates are established for purposes of ranking and funding allocation. The goal of this screening tool is to ensure that conservation technical assistance and EQIP program benefits are efficiently allocated to address priority conservation needs related to organic provisions of the 2008 Farm Bill.</p> <p>Completion of this worksheet and documentation does not constitute agreement to provide EQIP program benefits nor approval of an EQIP contract. The original screening worksheet should be filed with the applicant case file or EQIP program file and the screening priority (High, Medium, and Low) shall be recorded in ProTracts. Upon request, a copy of any completed screening worksheet may be provided to the applicant. If the applicant operation is not “certified organic” do not use this worksheet, use the “Transition to Organic Production” screening worksheet.</p>			
Detailed Screening Criteria Worksheet – Complete for each eligible EQIP Applicant			
Applicant Name:		County:	
Application Number:		Field Office:	
Evaluator Name:		Date:	
Instructions: For each eligible application submitted by COB June 5, 2009, complete the following worksheet. Applications submitted after this date must be “deferred” until the next funding cycle. Use of this screening tool is <u>mandatory</u> and should be completed prior to final ranking, but no later than June 5, 2009.			
Step One – Basic Eligibility:		Yes	Action: No Action
A	Is the application NRCS-CPA-1200 complete, signed and dated?	Yes, Continue to B	No, do not process until application is complete.
B	Do the EQIP planned practices address one or more of the national program priorities? (EQIP515.3B): The application must support at least one national program priority.	Yes, Continue to C	No, application is ineligible
C	Is the Land Eligible? (EQIP 515.52 and CPM 512.22): Applicant has provided documentation and evidence to indicate land meets program eligibility requirements and proof of control.	Yes, Continue to D	No, application is ineligible
D	Applicant has provided NRCS with a copy of their current approved Organic System Plan (OSP) and agrees to implement conservation practices consistent with EQIP Statute and the OSP. (Sec. 1240(B))	Yes, Continue to Step 2	No, application is ineligible
Step Two – Priority Determination for ProTracts – Select One:			
High Priority Category: -Application will result in implementation of at least three of the “Core 6” conservation practices. (New application of Core 6 practices) OR -Application will result in implementation of a suite of three or more “Core 6” conservation practices. (Applicant has already applied some Core 6 practices)			High Priority Status in ProTracts
Medium Priority Category: -Application will result in implementation of at least two of the “Core 6” Management Practices (New application of practices and no Core 6 practices currently installed).			Medium Priority Status in ProTracts
Low Priority Category: -Application will not result in implementation of any of the “Core 6” Management Practices.			Low Priority Status in ProTracts
Application is for conservation practices that do not assist producer maintain or implement conservation practices documented in an Organic System Plan, defer application (or refer application to other program).			Defer

The priority determination of High, Medium or Low must be recorded in ProTracts for this applicant.

D.C. Approval:		Date Approved:	
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NRCS Environmental Quality Incentives Program (EQIP) – Organic Initiative
NRCS NATIONAL RANKING CRITERIA - Fiscal Year 2009
(To be entered into each State ProTracts AERT ranking tool to support the Organic Initiative)

Local Priority Issues:

Not applicable or authorized for use with organic initiative.

Statewide Issues Rank Criteria Questions:

To be entered under the “State Issues” ProTracts AERT system for organic sub-account funding pools.

States may add additional State level ranking questions if directly related to addressing identified resource concerns for organic production systems as approved by the Deputy Chief for Programs.

Subheading 1: Practice Implementation to Support Organic

- 1-1. EQIP plan schedule of operations provides for implementation of all funded practices within two years or less. 20 points
- 1-2. EQIP plan schedule of operations provides for implementation of all funded practices within three years or less. 10 points
- 1-3. EQIP plan includes implementation of five or more of the NRCS Core 6 organic conservation practices **OR** completes an installed system of Core 6 organic conservation practices. 20 points
- 1-4. EQIP plan includes implementation of three to four of the NRCS Core 6 organic conservation practices. 15 points
- 1-5. EQIP plan includes implementation of one to two of the NRCS Core 6 organic conservation practices. 5 points
- 1-6. EQIP plan does not include any of the six NRCS Core organic conservation practices. 0 pts

Subheading 2: Soil Resource Issues:

- 2-1. EQIP plan includes implementation of two or more soil building/enhancing practices that address soil tilth, crusting, water infiltration, organic matter, compaction, etc., to FOTG quality criteria standards. 15 points
- 2-2. EQIP plan includes implementation of one soil building/enhancing practices that address soil tilth, crusting, water infiltration, organic matter, compaction, etc., to FOTG quality criteria standards. 5 points
- 2-3. Soil Condition: EQIP plan includes implementation of practice 590 Nutrient Management to FOTG quality criteria for management of soil fertility, plant nutrients and soil amendments. 15 points

Subheading 3: Soil Erosion Resource Issues:

- 3-1. EQIP plan includes practices which will result in measurable reduction of erosion from all sources **OR** participant has already addressed all erosion problems to FOTG quality criteria standards. 10 points.

Subheading 4: Water Quality Resource Issues:

- 4-1. EQIP plan includes practices which will result in reduction of sediment leaving the treatment unit and meets FOTG quality criteria standards. 10 points
- 4-2. EQIP plan includes practices which will manage excess surface water discharge from the treatment unit to an impaired water body (e.g. EPA 303d list, etc.) to FOTG quality criteria standards. 10 points
- 4-3. EQIP plan includes implementation of practice 595 Pest Management and an IPM plan to FOTG quality criteria for management of pests and noxious and invasive species to FOTG quality criteria standards. 20 points

Subheading 6: Plant Condition Resource Issues:

- 6-1. Plant Condition: EQIP plan includes practices which will result in management of surface residues to FOTG quality criteria standards. 10 points

Subheading 7: Domestic Animal Resource Issues:

- 7-1. EQIP plan includes implementation of practice 511 Forage Harvest Management to address NOP requirements for management of feed supplements and forage supplies. 10 points
- 7-2. EQIP plan includes implementation of practice 528 Prescribed Grazing to FOTG quality criteria standards for management of plant species, livestock, residues, feed and other identified resource needs. 20 points
- 7-3. EQIP plan includes implementation of practices which limit and manage domestic livestock access to streams, creeks and other natural water bodies to FOTG quality criteria standards. 15 points
- 7-4. EQIP plan includes implementation of practice 633 Waste Utilization to manage domestic livestock manure to FOTG quality criteria standards to protect surface and groundwater resources. 10 points
- 7-5. EQIP plan includes implementation of practices to assure adequate clean off-stream domestic livestock drinking water sources are available in the treatment unit and meets FOTG quality criteria standards. 10 points

Subheading 8: Fish and Wildlife Resource Issues:

- 8-1. EQIP plan includes implementation of practices which include pollinator friendly plant species in the crop rotation system. 20 points
- 8-2. EQIP plan includes implementation of conservation practices which include pollinator plant species for organic production systems (e.g. filter & buffer strips, hedge rows, windbreaks, etc.). 10 points

Maximum Points Allowed: 200 (Total Points in this Section: 260)

Multiplier Factor = 2

National Issues Priority Questions:

1. Will the treatment you intend to implement using EQIP result in a considerable reduction of non-point source pollution, such as nutrients, sediment, pesticides, excess salinity in impaired watersheds with total maximum daily loads (TMDLs) where available, groundwater contamination or point sources such as contamination from confined animal feeding operations? **20 points**
2. Will the treatment you intend to implement for water conservation or irrigation efficiency using EQIP result in a considerable reduction in water use? **0 points**
3. Will the treatment you intend to implement using EQIP result in a considerable reduction of emissions, such as particulate matter, nitrogen oxides (NO_x), volatile organic compounds, and ozone precursors and depleters that contribute to air quality impairment violations of National Ambient Air Quality Standards? **0 points**
4. Will the treatment you intend to implement using EQIP result in a considerable reduction in soil erosion and sedimentation from unacceptable levels on agricultural land? **30 points**
5. Will the treatment you intend to implement using EQIP result in a considerable increase in the promotion of at-risk species habitat conservation? **10 points**
6. Will the treatment that you intend to implement using EQIP result in considerable benefits to residue management, nutrient management, air quality management, invasive species management, pollinator habitat, and animal carcass management technology or pest management? **30 points**
7. Will the treatment that you intend to implement using EQIP result in energy conservation benefits? **0 points**

Total Points Allowed: 90

Multiplier Factor = 1

ProTracts Efficiency Score Multiplier: 500

Resource concern categories to be used:

- Soil Condition
- Soil Erosion
- Domestic Animals
- Plant Condition
- Water Quality
- Fish and Wildlife

Note: Water Quantity and Air Quality resource concerns may not be used to address NOP quality standards.

Practices approved for payment:

NRCS Core 6 organic practices ***required*** to be offered for FY2009 Organic Initiative:

Code	Practice Name	Payment Schedule Multiplier **
328	Conservation Crop Rotation	1.34%
340	Cover Crop	1.46%
590	Nutrient Management	1.30%
595	Pest Management	1.60%
528	Prescribed Grazing	1.02%
511	Forage Harvest Management	1.02%

States are encouraged to offer and fund implementation of additional facilitating conservation practices to support the FY2009 organic initiative. Other practices offered for support of organic operations may be included if the practice is needed to address an identified organic resource need based upon the conservation planning process and meets the purpose and definition of the practice standard.

****Payment Schedule Support for Organic:** Use of existing current payment schedules is strongly advised. Due to increased costs for some conservation practices related to organic operations, the national office provides the previously listed “multiplier” adjustment to be applied to the payment schedule costs associated with some of the Core 6 organic practices funded through this initiative. Using this multiplier, States will need to adjust payment schedules to provide the increased payment associated with these Core 6 practices.

Following is an example payment schedule for cover crop (340) with instructions how to incorporate the multiplier factor to reflect increased costs and higher payment.

Attachment C:

Organic Cost Adjustment – Core 6 conservation practices

Description of actions to be taken and example payment schedule

Instructions: For each of the core 6 practices, payment schedules for organic support will need to be adjusted using the nationally approved multiplier factor shown previously. Following are general instructions how to incorporate this multiplier into an organic payment schedule. The factor will need to be applied to all scenarios in the payment schedule related to an organic. The basic instructions as follows involve modifying the existing payment schedule by added two columns “Organic Multiplier” and a new cost/unit column which is the calculated result of using the multiplier. If done correctly, the addition of the new columns or cells will allow the payment schedule to automatically calculate the final Payment Rate. The basic calculation is relatively simple as follows:

$$\text{Organic Multiplier} \times \text{Original Cost/Unit} = \text{New Organic Cost/Unit}$$

Use the appropriate multiplier for each of the core 6 practice payment schedules.

EXAMPLE:

Payment Schedule Results (Blue Box)

Practice Code	Cost Share Program	Practice Activity Name	Practice Activity Type	Unit Type	Payment Rate
340	EQIP	Cover Crop	Single Species Planting - Organic	Acre	\$94.48
340	EQIP	Cover Crop	Single Species Planting - organic-LRBF	Acre	\$113.38

Payment Schedule Development Methodology (Green Box)

Cost Category	Organic Multiplier	Original Cost/Unit	Organic Cost/Unit	EQIP Program Payment Percentage	LRBF Program Payment Percentage	Organic EQIP Payment Rate	Organic LRBF Payment Rate
Materials	1.46	\$70.50	\$102.93	75%	90%	\$77.20	\$92.64
Equipment/Installation	1.46	\$0.00	\$0.00	75%	90%	\$0.00	\$0.00
Labor	1.46	\$8.00	\$11.68	75%	90%	\$8.76	\$10.51
Mobilization	1.46	\$0.00	\$0.00	75%	90%	\$0.00	\$0.00
Operation & Maintenance (Annual)	1.46	\$0.79	\$1.15	75%	90%	\$0.86	\$1.03
Acquisition of Technical Knowledge	1.46	\$7.00	\$10.22	75%	90%	\$7.67	\$9.20
Forgone Income (Annual)	1.46	\$0.00	\$0.00	100%	100%	\$0.00	\$0.00
Risk	1.46	\$0.00	\$0.00	0%	0%	\$0.00	\$0.00
Administration & Permit Costs	1.46	\$1.75	\$2.56	0%	0%	\$0.00	\$0.00
Total:		\$88.04	\$128.53			\$94.48	\$113.38

Add Cells Here Original Costs from Grey Box Calculated result for each cost category

No changes need to made and should not be made to any of the data in the “Grey Box” section of the payment schedule.

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Attachment D:

Draft Template - Producer Self-Certification
Eligibility for EQIP Organic during Transition Period:

To: District Conservationist
NRCS

For your consideration, I have submitted an application through the Environmental Quality Incentives Program (EQIP) to assist me with transitioning my farm/ranch to an organic production system.

By this letter, I hereby acknowledge that in order to receive organic related technical and financial assistance through EQIP, I agree *to develop and implement conservation practices for certified organic production that are consistent with an organic system plan* per provisions established in the Food, Conservation, and Energy Act of 2008 (Farm Bill) and to standards established in the National Organic Programs (NOP) Act (7 USC 6501-6522).

I understand that if I do not meet this requirement during the period while transitioning to organic production, my EQIP program contract may be terminated and I may be responsible for repayment of benefits received and possible assessment of liquidated damages.

Signed: _____

Date: _____

<Name>

<Address>

<City, State ZIP>

<Phone and/or email>

Attachment E:

Key Terms and Definitions:

AMS: Agricultural Marketing Service.

NOP: (a) The National Organic Program authorized by the Act for the purpose of implementing its provisions. 7 CFR Part 205
(b) 2008 Statute, Section 1240A: "The term 'national organic program' means the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et. seq.)".

OSP: (a) "A plan of management of an organic production or handling operation that has been agreed to by the producer or handler and the certifying agent and that includes written plans concerning all aspects of agricultural production or handling described in the Act and the regulations in subpart C of this part." 7CFR Part 205".
(b) 2008 Statute, Section 1240A: "The term 'organic system plan' means an organic plan approved under the national organic program.

Organic production: A production system that is managed in accordance with the Act and regulations in this part to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.

Talking Points:

Information about the AMS, NOP and OSP requirements can be found at: www.ams.usda.gov/NOP/.

Organic Plan Certification:

AMS administers two cost-share assistance programs: The National Organic Certification Cost-Share Assistance Program is available to producers and handlers in all 50 States, the District of Columbia, the Commonwealth of Puerto Rico and U.S. territories. The Agricultural Management Assistance Cost-Share Program is available to producers in 16 States (Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming). Participants in either program may be reimbursed for up to 75% of the costs incurred in obtaining or continuing organic certification, not to exceed \$750 annually. These funds may only be used to reimburse producers for fees charged by accredited certifying agents for maintaining or continuing certification. The 2008 Farm Bill statute prohibits the use of EQIP program support to pay for any part of the costs associated with NOP certification nor is NRCS allowed to participate in any activity associated with the NOP certification process. AMS does not provide cost-share or financial assistance to assist producers for plan development or implementation of practices associated with the plan which can be supported through EQIP. NRCS may provide assistance through conservation planning and program support to help producers meet the requirements of the NOP.

AMS Organic Plan Standards:

The National Organic Program regulations require certified organic producers to complete and adhere to an organic system plan (OSP) that has been approved by a certifying agent. The organic system plan serves as the basis for determining whether the operation is in compliance with the NOP. The preamble to the NOP regulations describes in detail, 6 components to be included in an OSP. The components that must be addressed in the OSP include:

1. Practices and procedures
2. Identification and characterization of each input substance
3. Identification of monitoring techniques to verify implementation of the OSP
4. Explanation of the recordkeeping system
5. Management practices and physical barriers to prevent commingling of organic and nonorganic products
6. Additional information deemed necessary by the certifying agent.

Certified organic producers and those in transition to organic production may receive technical assistance and compete for financial assistance to implement practices that are consistent with NOP regulations, address priority resource concerns and meet FOTG requirements. Certified organic producers may compete for EQIP financial assistance to continue and/or expand the conservation practices in the OSP. Producers in transition to certified organic production may also compete for financial assistance to begin or continue the implementation of conservation practices that are consistent with NOP practice standards. Note, AMS does not provide oversight nor is involvement of a certifying agent required for producers who are transitioning to organic.

AMS encourages producers to work with agencies like NRCS and certifying agents to help with planning and implementation of practices which support efforts to transition to organic and to help meet NOP certification requirements. Some certifying organizations and agents have also developed widely accepted OSP plan "templates" which assist producers identify practices needed to be installed to meet NOP requirements. NRCS developed conservation plans may be used by producers to help support their efforts to become certified, but may not be used as a "replacement" for a plan to address legal requirements of the NOP.

EQIP Program Support of National Organic Standards NRCS Resource Concerns/Practices/NOP Requirements

Practice Selection Guidance:

The following guidance is provided to help NRCS planners and program participants develop conservation plans to support EQIP program contracts associated with meeting National Organic Program (NOP) requirements of the 2008 Farm Bill. Specifically this chart is intended to help planners identify which NRCS natural resource concerns may be associated with requirements of NOP. Selection of appropriate conservation practices that may be appropriate to address the identified organic resource need should be based upon alternatives developed through conservation planning, practice purpose and definition, and provisions of the statute related to organic production. The NOP and Organic System Plan (OSP) established by the Agricultural Marketing Service (AMS) provides additional specific guidance related to conservation practices that can assist with organic production systems. This information is not intended to establish a requirement for selection of conservation practices, but provides guidance to producers and planners for selection of practices to help meet regulatory requirements. Recommendations to support appropriate selection of practices to support organic production or transition to organic must utilize the NRCS conservation planning process and decisions by the producer. The 2008 Farm Bill established specific authority for EQIP program support of eligible producers to assist with installation of eligible conservation practices which support organic production (OSP) or transition to organic production. Along with the locally-led process and State Technical Committee input, the following information may be used to assist State Conservationists select and approve conservation practices which directly relate to organic production systems and meet program and FOTG standards. Conservation practices which do not directly relate to the purpose and intent of statute for support of organic systems should not be approved for program support or included in ranking systems associated with organic funding through EQIP.

General information about the NOP regulations can be found at: www.ams.usda.gov/NOP/.

NOP Rule	<u>NOP Standard – Organic Farm Plan</u>	Potential NRCS Resource Concern Category
205.203	<u>Soil fertility and crop nutrient management standard:</u> This section of the NOP standard deals with cultural tillage practices, cultivation, soil conditions, amendments, erosion, cover vegetation, manure management, fertility, compost and similar practices. Details regarding these requirements can be found in Subpart C of the NOP Standards.	Soil Condition Plant Condition Soil Erosion Water Quality
205.204	<u>Seeds and planting stock practice standard:</u> This section of the NOP deals with organic seeds and plants. Generally, it is not appropriate to use EQIP program support for planting related only to production without a conservation purpose or benefit. However, similar to traditional farming practices, EQIP can provide support for improved management of irrigation systems for water conservation, manage runoff to improve water quality or to control erosion on crop fields.	Air Quality Soil Condition Soil Erosion Water Quality Water Quantity
205.205	<u>Crop rotation practice standard:</u> This section of the NOP includes requirements for use of cover crops, fertility management, green manure crops, composting practices, residue management, soil organic improvements and erosion control.	Soil Condition Soil Erosion Domestic Animals Plant Condition Water Quality
205.206	<u>Crop pest, weed, and disease management practice standard:</u> This section of the NOP includes requirements for crop rotation, weed and disease control related to crop health, nutrient management, biological controls for pests and related issues. While EQIP prohibits support for weed/pest control as a stand alone practice related to crop production, other programmatic opportunities may exist.	Soil Condition Plant Condition Water Quality
NOP Rule	<u>NOP Standard – Organic Livestock Production Plan</u>	Potential NRCS Resource Concern Category
205.237	<u>Livestock Feed:</u> This section of the NOP addresses feed management including management of supplements, pasture and forage supplies.	Domestic Animal
205.238 205.239	<u>Livestock health care practice standard and Livestock living conditions:</u> This section of the NOP addresses management, movement and care of livestock including pasture/range conditions, sanitation, etc.	Domestic Animals Plant Condition Water Quality

Note: Some certifying organizations and agents have also developed widely accepted OSP plan “templates” which assist producers identify practices needed to be installed to meet NOP requirements. These templates closely follow requirements of the NOP and help identify specific practices which are likely to be included in an OSP plan. An example of a certifying organization OSP template can be found at: <http://attra.ncat.org/attra-pub/summaries/OSPtemplates.html>.

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Attachment F:

Agricultural Marketing Service (AMS) Fact Sheet



Certification

The U.S. Department of Agriculture (USDA) accredits State, private, and foreign organizations or persons to become "certifying agents." Certifying agents certify that organic production and handling practices meet the national standards.

Who needs to be certified?

Operations or portions of operations that produce or handle agricultural products that are intended to be sold, labeled, or represented as "100 percent organic," "organic," or "made with organic ingredients" or food group(s).

Who does NOT need to be certified?

Producers and handling (processing) operations that sell less than \$5,000 a year in organic agricultural products. Although exempt from certification, these producers and handlers must abide by the national standards for organic products and may label their products as organic.

Handlers, including final retailers, that:

- Do not process or repackage products;
- Only handle products with less than 70 percent organic ingredients;
- Process or prepare, on the premises of the establishment, raw and ready-to-eat food labeled organic;
- Choose to use the word organic only on the information panel; and
- Handle products that are packaged or otherwise enclosed in a container prior to being received by the operation and remain in the same package.

How do farmers and handlers become certified?

An applicant must submit specific information to an accredited certifying agent.

Information must include:

- The type of operation to be certified;
- A history of substances applied to land for the previous 3 years;
- The organic products being grown, raised, or processed;
- The organic system plan (OSP) – a plan describing practices and substances used in production. The OSP also must describe monitoring practices to be performed to verify that the plan is effectively implemented, a record-keeping system, and practices to prevent commingling of organic and nonorganic products and to prevent contact of products with prohibited substances.

Applicants for certification must keep accurate post-certification records for 5 years concerning the production, harvesting, and handling of agricultural products that are to be sold as organic.

These records must document that the operation is in compliance with the regulations and verify the information provided to the certifying agent. Access to these records must be provided to authorized representatives of USDA, including the certifying agent.

Certification

Inspection and certification process

Certifying agents review applications for certification eligibility. A qualified inspector conducts an on-site inspection of the applicant's operation. Inspections are scheduled when the inspector can observe the practices used to produce or handle organic products and talk to someone knowledgeable about the operation.

The certifying agent reviews the information submitted by the applicant and the inspector's report. If this information demonstrates that the applicant is complying with the relevant standards and requirements, the certifying agent grants certification and issues a certificate. Certification remains in effect until terminated, either voluntarily or through the enforcement process.

Annual inspections are conducted of each certified operation, and updates of information are provided annually to the certifying agent in advance of conducting these inspections. Certifying agents must be notified by a producer or handler immediately of any changes affecting an operation's compliance with the regulations, such as application of a prohibited pesticide to a field.

Compliance review and enforcement measures

The regulations permit USDA or the certifying agent to conduct unannounced inspections at any time to adequately enforce the regulations. Certifying agents and USDA may also conduct pre- or postharvest testing if there is reason to believe that an agricultural input or product has come into contact with a prohibited substance or been produced using an excluded method.

October 2002
Updated April 2008



National Organic Program
www.ams.usda.gov/nop
202-720-3252