# Organic Transition Initiative for Farmers

United States Department of Agriculture


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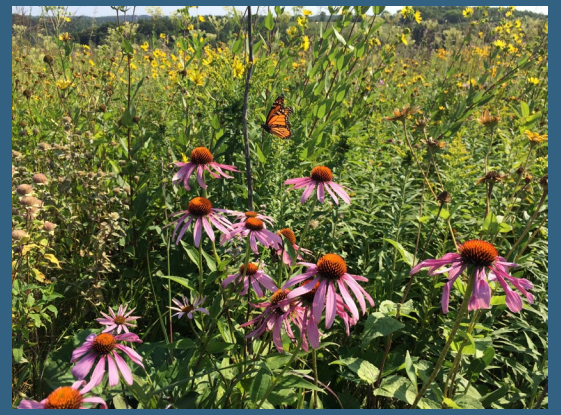

## Audience: Farmers and the Public

FARM PRODUCTION AND CONSERVATION
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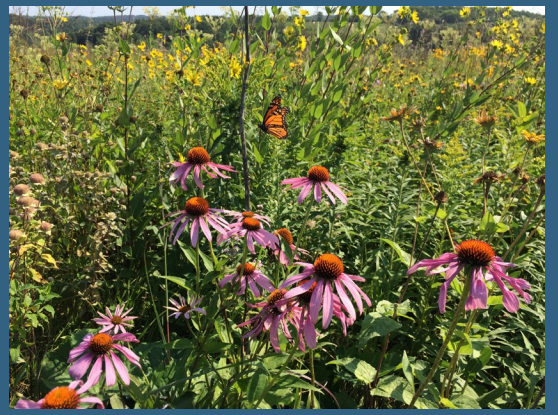
# OTI Overview

## Lindsay Haines



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# OTI Overview

## OTI Overview

Purpose/Goals

Major Parts

- OTI vs. National Organic Initiative (NOI)
- Financial Assistance
- Coordinators

## Technical Assistance:

- Full Conservation Plan
- Coordination with NOP and Organic System Plan (OSP)
- Interim Conservation Management (Code 823) overview
- Implementation Requirements

## Financial Assistance

- OTI Programs roll out
- Payment Scenarios
- Foregone Income

# OTI Purpose and Goals

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
- Developing additional options

# USDA Organic Transition Initiative $300 Million

- NRCS $75 Million
  - $5 Million 6 Regional Coordinators and 1 Research Position (ARPA)
  - $70 Million for FA/TA through EQIP – CARES ACT

# NRCS Regional Organic Coordinators

## Deliverables for Coordinators include:

1. Provide Organic Conservation Technical Assistance (CTA) training to NRCS staff and producers
2. Develop organic resources to highlight key organic opportunities and challenges
3. Provide support and training to identified “organic champions” in the region.
4. Develop and lead regional network of organic partners and producers.
5. Survey associated region’s producers to assess needs.
6. Coordinate with other regional specialists; agronomists, livestock specialists, wildlife experts, etc.
7. Develop relationships with certifiers and provide them training in conservation planning and implementation.
8. Conduct technology transfer workshops and webinars in conjunction with NRCS state, area and field offices, state technical advisory committees, producers, conservation district directors, technical service providers, and other interested partners.
9. Coordinate with state conservationists to recruit organic partners to participate on state technical committees.

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# Natural Resources Conservation Service

## CONSERVATIONPRACTICE 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 PRACTICEAPPLIES

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

# Interim Process

- 3 years
- Feedback every year
- Determines if an interim will become a permanent CPS
- A former interim had no definitive outcome, both pros and cons were assessed

Stand alone activities in 595

- PAMS Activities
- Mitigation Activities that are not standards, like spray techniques

Referenced in practice
Not referenced

**Conservation Practices Incorporating Other Practices:**

| | 595 | 590 | 645 | 449 | 368 | 511 | OM |
|---|---|---|---|---|---|---|---|
| Access Control 472 | | | ■ | | | | ■ |
| Alley Cropping 311 | ■ | | | | | | |
| Animal Mortality Facility 316 | | | | | ■ | | |
| Anionic Polyacrylamide (PAM) Erosion Control 450 | ■ | | | ■ | | | |
| Bedding 310 | ■ | | | | | | |
| Brush Management 314 | | | | | | ■ | |
| Composting Facility | | | | | | | ■ |
| Conservation Cover 327 | ■ | | | | | | ■ |
| Conservation Crop Rotation 328 | ■ | | | | | | |
| Constructed Wetland 656 | ■ | | | | | | |
| Contour Buffer Strips 332 | ■ | | | | | | |
| Contour Farming 330 | ■ | | | | | | |
| Contour Orchard and Other Fruit Area 331 | ■ | | | | | | |
| Cover Crop (incorporated or mulched) 340 | ■ | | | | | | |
| Critical Area Planting 342 | | | | | ■ | | |
| Cross Wind Ridges 588 | ■ | | | | | | |
| Cross Wind Strips 589C | ■ | | | | | | |
| Deep Tillage 324 | ■ | | | | | | |
| Dike 356 | ■ | | | | | | |
| Diversion 362 | | | | | | | ■ |
| Drainage Water Management 554 | ■ | | | | | | |
| Early Successional Habitat Development/Mgt 647 | | | ■ | | | | |
| Feed Management 592 | | ■ | | | | ■ | ■ |
| Fence 382 | | | | | | | ■ |
| Field Border 386 | ■ | | | | | | ■ |
| Filter Strip 393 | ■ | | | | | ■ | ■ |
| Forage Harvest Management 511 | ■ | | ■ | | | | ■ |
| Forage and Biomass Planting 512 | | | ■ | | | ■ | |
| Forest Stand Improvement 666 | | | ■ | | | | ■ |
| Grassed Waterway 412 | | | | | | | ■ |
| Heavy Use Area Protection 561 | | | | | | | ■ |
| Hedgerow Planting 442 | ■ | | | | | | |
| Herbaceous Weed Control 315 | | | | | | ■ | |
| Herbaceous Wind Barriers 603 | ■ | | | | | | |
| High Tunnel System 325 | | | | | | | ■ |
| Irrigation System, Micro irrigation 441 | ■ | | | | | | |
| Irrigation System, Sprinkler 442 | ■ | | | | | | |
| Irrigation System, Surface and Subsurface 443 | ■ | | | | | | |
| Irrigation System, Tail Water Recovery 447 | ■ | | | | | | |
| Irrigation Water Management 449 | ■ | | | | | | ■ |
| Mulching (plastic and natural) 484 | ■ | | | | | | |

Stand alone activities in 823

NOP standards
- Composting
- Outdoor Access

Organic NM

# 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

## 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.

Participants sign IR to confirm responsibilities

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).

# 823 standard includes everything in NOP standards

NOP Example:

- **Definitions with numbers:**

**Compost** The product of a managed process through which microorganisms break down plant and animal materials into more available forms suitable for application to the soil. Compost must be produced through a process that combines plant and animal materials with an initial **C:N ratio of between 25:1 and 40:1.** Producers using an in-vessel or static aerated pile system must **maintain the composting materials at a temperature between 131 °F and 170 °F for 3 days**. Producers using a windrow system must maintain the composting materials at a temperature between **131 °F and 170 °F for 15** days, during which time, the materials must be turned a minimum of **five** times.

# Developing Organic Management Technical Note

## Purposes of the CPS 823 Technical note:

- Describe conservation activities that organic producers commonly implement, how they address natural resource concerns, and how they parallel, differ from, or go beyond existing NRCS conservation practice standards.
- Describe NOP-compliant practices that organic producers use to manage soil, nutrients, water, other natural resources, crops, livestock, pests, pathogens, weeds, and beneficial organisms.
- Provide research-based practical information on conservation benefits of organic systems and conservation challenges faced by organic producers.
- Train and equip NRCS field staff with practical knowledge to help organic producers to implement CPS 823 Organic Management and to meet NOP Standards, NRCS conservation criteria, and the farmer's stewardship goals.

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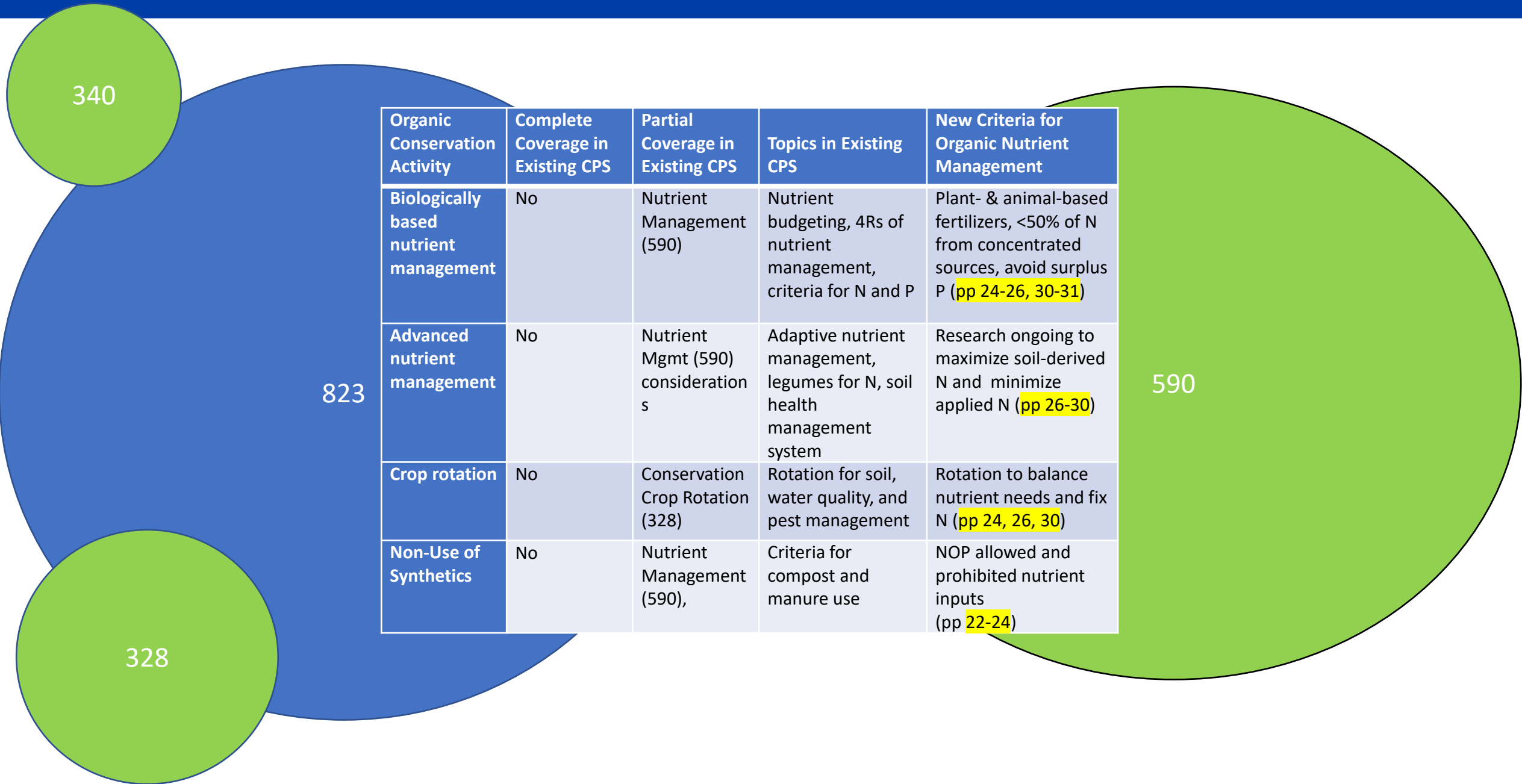
# Organic and Nutrient Management




| Organic Conservation Activity | Complete Coverage in Existing CPS | Partial Coverage in Existing CPS | Topics in Existing CPS | New Criteria for Organic Nutrient Management |
|---|---|---|---|---|
| **Biologically based nutrient management** | No | Nutrient Management (590) | Nutrient budgeting, 4Rs of nutrient management, criteria for N and P | Plant- & animal-based fertilizers, <50% of N from concentrated sources, avoid surplus P (pp 24-26, 30-31) |
| **Advanced nutrient management** | No | Nutrient Mgmt (590) considerations | Adaptive nutrient management, legumes for N, soil health management system | Research ongoing to maximize soil-derived N and minimize applied N (pp 26-30) |
| **Crop rotation** | No | Conservation Crop Rotation (328) | Rotation for soil, water quality, and pest management | Rotation to balance nutrient needs and fix N (pp 24, 26, 30) |
| **Non-Use of Synthetics** | No | Nutrient Management (590), | Criteria for compost and manure use | NOP allowed and prohibited nutrient inputs (pp 22-24) |

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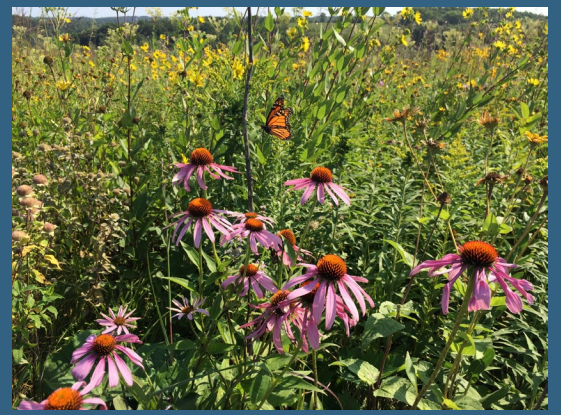
# OTI Implementation

# Donna Hopwood



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# Organic Transition Initiative (OTI)

- Encourages diverse and equitable food system while promoting climate-smart agriculture.

- Funds will be offered through EQIP for producers to:
  - Develop RMS plans for organic transitioning activities
  - Implement conservation systems that promote organic transition

# 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

- Contracts will not exceed $450,000.  Payment limitations for the FB apply.

- Producers can receive up to 75 percent of the cost of practice implementation and HU producer up to 90 percent.

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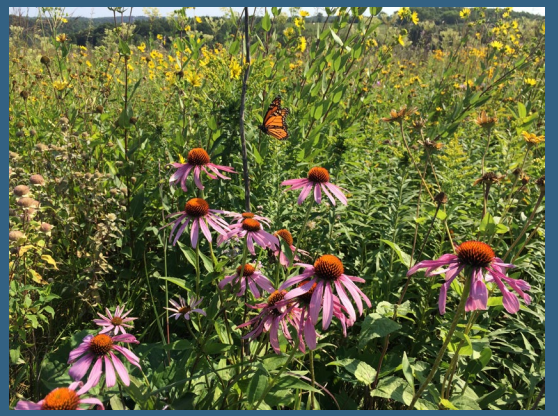
# Payment Scenarios and Payment Schedules

Lindsay Haines



# Payment Scenarios

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

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

1. Develop Conservation plan.
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.

# 20 Payment Scenarios

## 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 |

# Simple Crops Only with Foregone Income

| Component | Price | Quantity | Cost | Justification |
|---|---|---|---|---|
| Skilled Labor | 38.34 | 26 | 996.84 | Limited activities requiring data collection, monitoring and record keeping occurring monthly over the growing season. 26 weeks @ 1 hours per week = 26 hours |
| General Labor | 26.41 | 52 | 1,373.32 | Average of weekly during growing season activities for an average during the growing season. 26 weeks @ 2 hours per week = 52 hours |
| Manager Labor | 46.238 | 104 | 4813.12 | Oversight of management changes based on average hours over the growing season. 26 week @ 4 hours per week = 104 hours |
| Workshops | 2 | 100.83 | 201.66 | Attend 2 events per year |
| Soil Tests 2384 | 51.38 | 4 | 205.56 | 1 sample for every 10 acres |
| Compost | 60.26 | 40 | 2,410.40 | 20 acres at 2 tons/ac = 40 tons |
| Compost test | 51.86 | 2 | 103.72 | 2 tests annually to avoid duplication of CEMA 217 testing to establish trend. |
| Manure/Compost Application | 136.86 | 8 | 1,094.88 | 5 acres traversed per hour |
| Tillage, light | 11.35 | 20 | 227.00 | Typical field size |
| Foregone Income | 17.08 | 40 | 683.20 | |
| | | | 11,908.04 | $227.54/ac |

Soil testing is in many payment scenarios

**Example with Farm sizes:**

40 acres $9,101/year
$27,304/contract

100 acres $22,754/year
$68,262/contract

**States have the option to set Payment Caps:**

440 CPM
Part 530 – Working Lands Conservation Programs Manual
530.50 Payment Requirements
G. Payment Caps

# What other programs are available for organic producers?

- The ongoing National Organic Initiative (NOI - since 2009) is still available for all categories of organic producer:
  - Certified, Transitioning, Exempt
  - The NOI offers a separate funding pool
  - Funded through state allocations
  - Provides all practices states offer
- States can offer new interim 823 through their general EQIP signup.
- EQIP CIC
- CSP
- AMA (where applicable)

# Organic Program Options

| 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.

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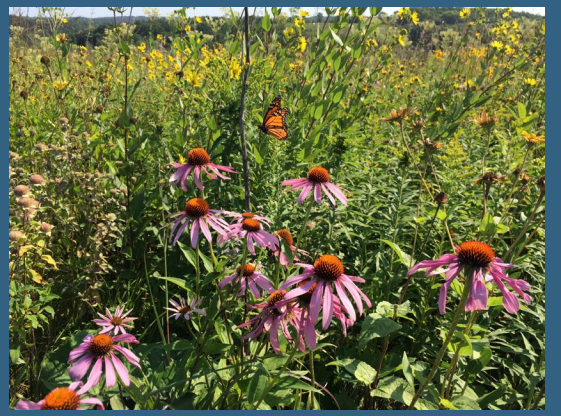
# Foregone Income

## Lindsay Haines



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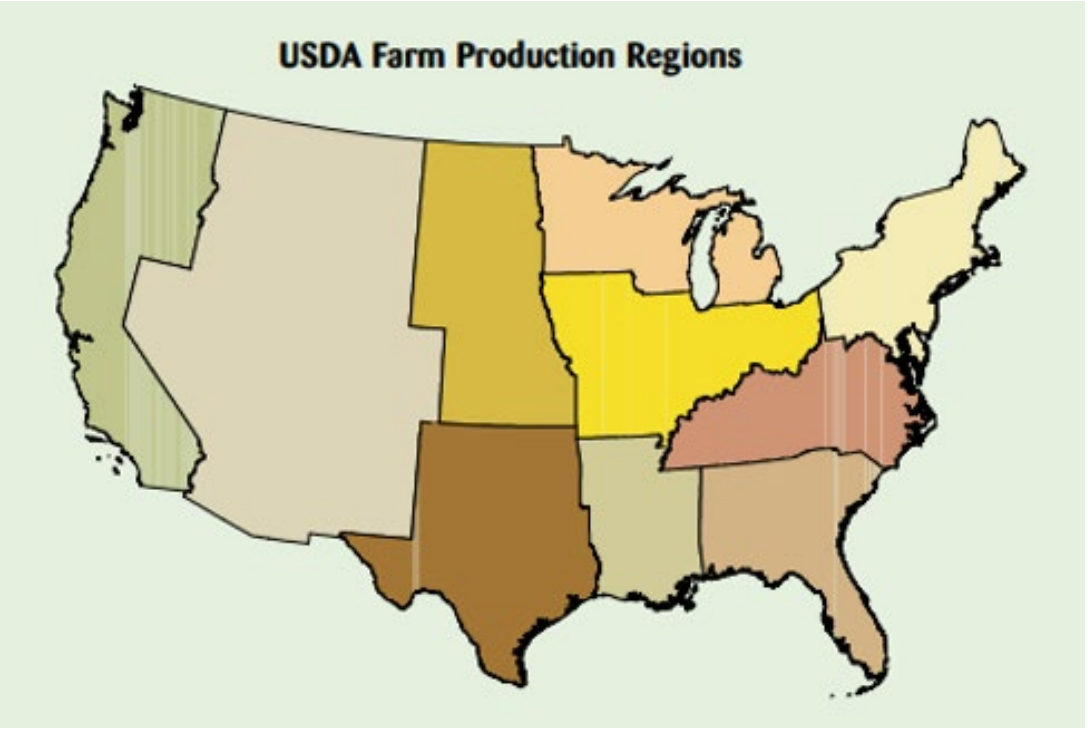
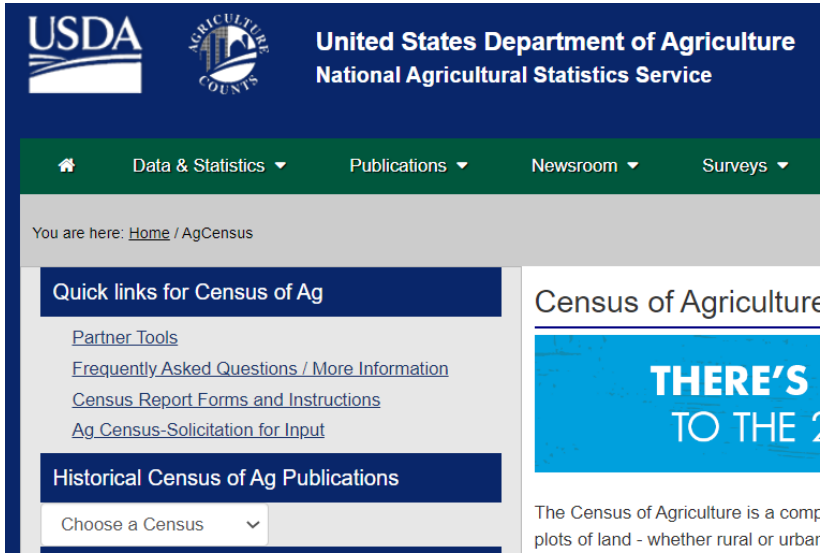
# Foregone Income Cost Component Data Development

- 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 Cost Component Data Development

- National Agricultural Statistics Service data were used to find typical farm and ranch incomes for the sizes of operations used in the Organic Transition production scenarios
- Commodities were designated as either “in” or “out” for FI payments based on the percent reductions in yield derived from the RMA dataset
- Due to the regional sources of data, some state FI payment tables may include commodities that are not commonly grown there; these may be removed at NRCS state-level leaders’ discretion

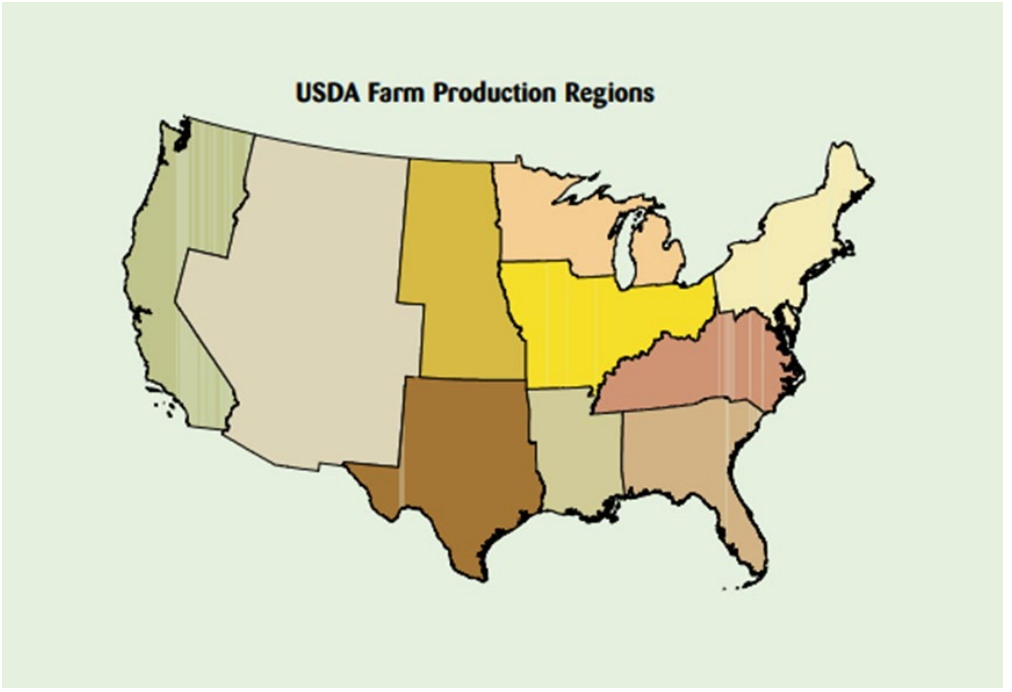


# Foregone Income "In/Out" Determination

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 |
|---|---|---|---|---|
| Appalachia | KY | Barley | Non-Irr | Yes |
| Appalachia | KY | Barley | Irr | Yes |
| Appalachia | KY | Blueberries | Non-Irr | Yes |
| Appalachia | KY | Blueberries | Irr | Yes |
| Appalachia | KY | Canola | Non-Irr | Yes |
| Appalachia | KY | Canola | Irr | Yes |
| Appalachia | KY | Clary Sage | Non-Irr | Yes |
| Appalachia | KY | Corn | Non-Irr | Yes |
| Appalachia | KY | Corn | Irr | Yes |
| Appalachia | KY | Cotton | Non-Irr | No |
| Appalachia | KY | Cotton | Irr | No |
| Appalachia | KY | Cucumbers | Irr | No |
| Appalachia | KY | Fresh Market Tomatoes | Irr | Yes |
| Appalachia | KY | Grain Sorghum | Non-Irr | Yes |

| State | USDA Farm Production Region |
|---|---|
| MA | Northeast |
| MD | Northeast |
| ME | Northeast |
| MI | Lake |
| MN | Lake |
| MO | Corn Belt |
| MS | Delta |
| MT | Mountain |
| NC | Appalachia |
| ND | Northern Plains |
| NE | Northern Plains |
| NH | Northeast |
| NJ | Northeast |
| NM | Mountain |



# Questions?

How many years can be scheduled to pay on the 823 Practice and the answer is : recommend 2 years, but could be more depending on the site, producer needs, etc. Can it be less?

Can we pay for 1 year or 2 years?

Can the supporting practices be planned more years than what we plan 823? (Ex. 1 year of 823 and 2 years of 340?)

How may years for foregone income?

How long is this initiative for?

Can all farm types apply?

Do they need an OSP?

Do they need a certifier?

# Organic Transition Initiative (OTI)
# Transition to Organic Partnership Program (TOPP) Regions

This map shows many of the organizations helping to establish the TOPP partnership network (October 2022)