Organic Transition Pilot

REQUEST FOR GRANT APPLICATIONS
DRAFT FOR PUBLIC COMMENT

Released: March 22, 2023

Comments Due: April 14, 2023, 5:00 PM P.T.

Send comments via email to cdfa.oefi@cdfa.ca.gov

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Background and Purpose

The California Department of Food and Agriculture is pleased to announce a competitive grant application process for the Organic Transition Pilot (OTP) grant program. Assembly Bill 178 (Budget Act of 2022) appropriated $5 million to CDFA for the OTP grant program, to fund assistance to farmers and ranchers who want to transition land to organic certification. The OTP grant program is designed to provide direct financial assistance for eligible expenditures and improve access to knowledge and technical assistance, including business planning, for farmers and ranchers with land under transition to organic (pre-certification).

Funding and Duration

Through this solicitation CDFA will award up to $4.75 million to eligible organizations.

- The grant term will be 36 months.
- The maximum award amount is $2,000,000, and the minimum is $500,000.
- CDFA reserves the right to offer an award different than the amount requested.
- Funds are distributed on a reimbursement basis following submission of quarterly invoices by the awardee.
- Grant funds may not be expended prior to execution of the grant agreements for awarded projects, or after the completion of the grant agreement term.

Estimated Program Timeline

Activity	Tentative Dates*
Application period begins	Spring 2023
Applications due	Summer 2023
Review of applications received	Summer 2023
Announcement of awards	Fall 2023
Execution of grant agreements for awarded projects	Fall 2023
Grant term begins	Late Fall 2023
Awarded Organic Transition Pilot Program Project Implementation	Winter 2023- Winter 2026

*Subject to change

Eligible Entities

The following entities are eligible to apply for OTP grants:

- Resource Conservation Districts (RCDs)
- University of California, California Community Colleges or California State Universities
- Non-profit organizations
- California Native American Tribal Governments
- County Agricultural Departments and Commissioners

Entities applying for OTP grants must have demonstrated expertise in disbursement of funds and outreach for agricultural practices. If they do not have sufficient in-house capabilities to meet certain of the four required Objectives, lead applicants are encouraged to partner with organizations who have experience in one-on-one organic management technical assistance, expertise for language translation or for business planning, who can access organic networks for expertise, and/or can improve their outreach to Socially Disadvantaged Farmers and Ranchers[1] (SDFRs).

Entities receiving grant award funds must be located in California with a physical California business address.

CDFA is committed to embedding equity in grant programs, and the OTP program was created to ensure support for the most underserved producers to successfully transition to organic production. For this grant program solicitation, therefore, CDFA encourages applications from organizations who serve small to medium sized and socially disadvantaged California farmers and ranchers.

Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S.

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[1] "Socially disadvantaged farmer or rancher" means a farmer or rancher who is a member of a socially disadvantaged group. Per AB 1348, "Socially disadvantaged group" means a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities, including all of the following: (1) African Americans (2) Native American Indians (3) Alaskan Natives (4) Hispanics (5) Asian Americans (6) Native Hawaiians and Pacific Islanders. For the USDA, SDFRs are defined with different language but to the same effect.

government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. By submitting a bid, proposal, or application, Bidder/Applicant represents that it is not a target of Economic Sanctions. Should the State determine Bidder/Applicant is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for rejection of the Bidder's/Applicant's bid/proposal/application any time prior to contract/agreement execution, or, if determined after contract/agreement execution, shall be grounds for termination by the State.

Program Objectives

The OTP program has four objectives in assisting farmers and ranchers. Applicants must propose to engage in all objectives in order to secure funding:

1. **Select Farmers and Ranchers: Carry out an outreach and selection process of commercial farmers and ranchers to receive assistance in organic transition.** The process should include**:**
   a. outreach to farmers and ranchers who could be served
   b. well-defined selection criteria
   c. a transparent selection process
   d. verifying farmers and ranchers with control of acres under transition to organic, among other requirements found below

2. **Organic Transition Training and Support: Provide on-farm, one-on-one technical assistance and outreach to farmers or ranchers who have acres that are under transition to organic but not yet certified organic.** These should include:
   a. regular follow-up on implementation knowledge needs including training for organic practices, equipment usage, food safety considerations, and organic rules compliance
   b. outreach with specific educational materials
   c. assistance in applications for certifications, or conservation farming grants such as USDA EQIP, and CDFA HSP, or USDA Organic transition assistance programs
   d. project coordination, as with service providers
   e. translation services, both live and in translating written materials, where appropriate to achieve any Objective

3. **Organic Business Planning: Coordinate or provide business planning assistance to farmers or ranchers who have acres that have not yet completed three years under certification.** These should include:
   a. marketing
   b. recordkeeping
   c. financial literacy training
4. **Disburse Financial Assistance: Direct financial assistance to farmers who own, lease or rent current agricultural land that is undergoing a mandatory 3-year transition in preparation for organic certification.** The financial assistance consists firstly of a $30,000 reimbursement of allowable costs to a farmer or rancher, augmented by up to $1,000 per acre in field-preparation costs, for a maximum of 30.0 acres. The maximum funds to be disbursed to single farmer or ranchers is $60,000.

Program Requirements and Restrictions

- Applicant organizations to the OTP will develop a proposal for how farmers and ranchers will be selected for direct financial assistance (e.g., competitive; first-come, first-served; other). Applicant organizations must propose a method for review and transparency in this process. For example, a recipient may subcontract an impartial third party to participate in the selection process or form a review committee made up of representatives of partner organizations.
- Grant recipients **must** implement outreach efforts to ensure awareness and access in their service areas or target populations. CDFA will require reporting on methods and sites of communication used, and efforts to support outreach in languages other than English.
- Grant recipients **must not** charge fees to provide technical or any other assistance to farmers and ranchers. Outreach materials prepared by the grant recipient must indicate that the assistance is free, and no additional fees or costs will be imposed on the farmer or rancher.
- Grant recipients **must not** require farmers and ranchers to include specific proprietary products or favored contractors and other service providers.
- Grant applicants **must** declare all conflict(s) of interest including sponsorship or funding by any corporation that may profit from CDFA's OTP program.
- An eligible entity **must not** apply as the lead applicant for the OTP program on more than one application per funding cycle.
- Grant recipients **must** prioritize assistance to SDFRs, seeking to support a pool of farmers and ranchers who are at least 50% SDFRs, both for financial assistance and technical assistance (see below: "Priorities Related to the Farmer Equity Act and Budget Act of 2022"). The final degree of success in meeting this goal could affect a recipient's

competitiveness for future OTP awards. Farmers and ranchers who can receive technical assistance and financial support include:

- o California farmers, ranchers, Federally- and California-Recognized Native American Indian Tribes, or farm lessees, including urban farmers.
- o Must be over 18 years of age.
- o Must be engaged in commercial agriculture or have a plan to market their agricultural products for profit after organic certification. University and research farms are not eligible for funding.
- o Farmers or ranchers must show that they lease, own, or otherwise control the relevant parts of the Assessor's Parcel Numbers (APNs) where project activities are proposed to occur for the entirety of the project duration. The same title or control document cannot be used for multiple applications. If leasing land, they must provide written approval from the landowner. If lease term is shorter than the project term, lessees should provide a written statement from the landowner that lease renewal will be discussed in good faith, and that the landowner expects the land to enter organic certification under the current lessee.
- o Must have an Organic System Plan (OSP) developed or attest to their intention to develop one.
- o Must provide the APNs of the field(s) to undergo transition. These APNs may become ineligible for future OTP direct financial assistance.
- o Must assist in defining the borders of the fields for transition, to be carried out using RePlan and submitted for CDFA records.
- o Awards are limited to one per farmer or rancher (individual).

It is the responsibility of the grant recipient to verify that the listed field(s) are under transition before giving direct financial assistance. Before the end of the grant, the recipient must also take all reasonable steps to facilitate the development of an OSP by the farmers and ranchers, where one is lacking.

Priorities Related to the Farmer Equity Act and Budget Act of 2022

The Farmer Equity Act of 2017 (AB 1348) defines an SDFR as a farmer or rancher who is a member of a socially disadvantaged group. A "socially disadvantaged group" means a group whose members have been subjected to racial, ethnic, or gender discrimination. These groups include the following:

- African Americans
- American Indians
- Alaskan Natives

- Hispanics
- Asian Americans
- Native Hawaiians and Pacific Islanders
- Female farmers and ranchers of color

This legislation recognized that California's farmers and ranchers are made up of a diverse group of people, and not all have historically had access to resources and information to successfully run their businesses. This group of farmers and ranchers is considered socially disadvantaged and has faced historical discrimination, some of which still exists today. To keep California agriculture thriving, there is a need to invest in the long-term prosperity of all of California's farmers and ranchers. More information is available in the 2020 Farmer Equity Report.

To align with the intent of the Budget Act of 2022 (Ting), CDFA aims to serve a pool of farmers and ranchers who are at least 50% Socially Disadvantaged Farmers and Ranchers (SDFRs). See Scoring Criteria. The text of the Act is as follows:

"… $5,000,000 shall be available for the Organic Transition Pilot Program which shall provide incentives, including, but not limited to, grants, technical assistance, and educational materials and outreach, to farmers and ranchers, with at least a 50 percent priority to socially disadvantaged farmers and ranchers (as defined by the United States Department of Agriculture), who want to transition land to organic certification. No more than 5 percent of this amount may be used to support the development, administration and oversight of the Organic Transition Pilot Program."

How to Apply

Online Application Platform

The OTP application must be submitted online. When the application period is opened, the application materials and a link to the application portal can be found at X. Applicants must create a user account to submit a grant application. All applications, supporting documents and submissions are subject to public disclosure including posting on the CDFA Office of Environmental Farming and Innovation (OEFI) website.

Application Questionnaire and Budget Template

The online application process includes the following stages: 1) Opportunity Details, 2) Project information, 3) Application Forms, 4) Budget Template, 5) Submit.

CDFA requires information for all entities involved in executing the OTP grant objectives. If awarded, the OTP grant agreement will be between CDFA and the lead applicant organization. The lead organization must ensure that all required and proposed tasks are fully completed.

While completing the application forms, applicants will upload resumes of key personnel from each participating organization and contractors and indicate the role of each person whose resume is attached. Resumes must provide evidence of expertise in areas relevant to the service to be provided.

Each budget item entered into the budget template must support a Program Objective. Applicants must clearly describe each participating organization's anticipated expenses, as applicable. All costs must be directly related to and necessary for completion of project. Awarded funds will be paid to the lead organization. The lead organization is responsible for disbursement of funds to other participating organizations and contractors.

Budget Cost Categories

General Cost Requirements:

Cost Category	Percent of Grant	Examples of Costs
Administrative	Up to 15% of Total Award	• Managing Partnerships • Disbursing funds to partners or agricultural operations • On-farm project selection process • Tracking project progress and expenditures • Tracking metrics • Completing reporting and invoicing • Participating in required meetings with CDFA

Technical and Implementation Assistance	Up to 15% of Total Award, in addition to any leftover funds if Administrative costs are less than 15%	• Outreach and educational materials • Developing plans, such as OSPs, with farmers or ranchers • Gathering documentation • Coordinating with vendors • Providing training or support to farmers or ranchers during implementation
Direct Financial Assistance to Farmers and Ranchers	At least 70%	• $30,000 grants per farmer or rancher • $1,000 per acre in transitioning field preparation assistance to above farmers and ranchers (up to 30.0 acres each, using single decimals)

Personnel: Estimate the hourly cost of salary, wages and fringe benefits associated with each activity by individuals employed by the applicant organization.

Contractor: Estimate the cost of work on the project that will be performed by individuals/organizations other than the applicant (e.g., consultants, contractors, partner organizations, etc.). This amount should include all associated salary and wages, fringe benefits, travel, equipment, supplies, other, and indirect costs. List the services to be provided and the contractors that will work on the project and be paid with grant funds.

Supplies: Estimate the cost of supplies associated with each activity. Supplies are items with an acquisition cost less than $5,000 per unit that are used exclusively for the objectives of the project. Categorize the types of supplies to be purchased. General use office supplies (paper, printer ink, pens, etc.), facilities costs (telephone, internet, etc.), and administrative costs are considered indirect and should not be included under Supplies.

Equipment: Estimate the cost of equipment associated with each activity. Equipment is nonexpendable, tangible personal property with a useful life of more than one year and an acquisition cost which equals or exceeds $5,000.

Travel: Estimate the cost of project-related travel associated with each activity except by contractual personnel. In the description column, describe the travel that will be necessary to accomplish the objectives of the project.

Other: Estimate the cost of all other project related expenses to support each activity. Expenses typically listed under "Other" include registration fees to attend professional education or training, meeting space or equipment rentals, subscriptions, etc. List the specific types of expenses necessary to accomplish the objectives of the project.

Indirect: Indirect costs are facilities and administrative costs that cannot easily be tied directly to the activities of the grant. Examples of common indirect costs include administrative/clerical services, rent, utilities, internet and telephone service, maintenance, and general office supplies. University of California (UC) and California State Universities (CSU) may claim the established indirect cost rate with CDFA. All other eligible organizations may claim an indirect cost rate of up to 25 percent of total direct costs.

Examples of Allowable Costs for Grant Recipients

- **Personnel and/or Contractor** expenses associated with:
    - On-farm visits to discuss organic management plans or equipment training.
    - On-farm or remote visits to discuss marketing strategies, bookkeeping approaches, and compliance/certification issues.
    - On-farm or remote visits to help farmers apply for other funding sources or for certifications.
    - Translation services to increase the impact of organic extension related activities and/or trainings.
    - Reporting and invoicing, including field visits to verify certain purchases reported by farmers or ranchers.
    - Participating in professional development courses and training relevant to the program objectives.
- **Travel Expenses** to farms or training venues including mileage, lodging, per diem, vehicle rental and/or leasing of a vehicle.
- **Supplies and/or Equipment** needed for soil or crop evaluation or training including computers, software and vehicle renting or leasing.

Allowable costs for financial assistance to farmers

General Award ($30,000 maximum per farm):

- Organic livestock, poultry, and related expenses, such as animal health management required by organic standards
- Organic feed
- Education materials and training on organic certification and production
- Inspection and certification fees
- Outside consultant fees if desired, as for development of an Organic System Plan (OSP)
- Farm equipment and repair to that equipment, where equipment is specific or widely preferred for organic farming[2]. Qualifying equipment must be drawn from the following list, or authorized by CDFA:
    1. compost production, storage or spreading installations and equipment
    2. weed management tools such as flamers or tines, tarps, row cover, organic approved plastic mulch
    3. direct seeding equipment
    4. intercropping equipment and modifications
    5. IPM-aligned equipment
    6. Other cover-cropping equipment
- On-farm processing and distribution equipment (e.g., peelers, coolers, sorting and sizing bins, refrigerated vehicles for transporting whole or minimally processed food)

Field-preparation Award ($1,000 per acre for up to 30.0 acres, $30,000 maximum): must be applied to specific acres undergoing transition. These costs can also be covered by the General Award if the farmer or rancher wishes.

- Organic seeds and starts, including cover crop seeds
- Organic fertilizers
- Organic pest control inputs
- Ecosystem enhancement supplies and equipment (e.g., hedgerows, owl boxes, riparian area protection)
- Compost, compost building materials, and similar organic amendments
- "Custom farming" operations (e.g., contracting out to perform planting)

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[2] Regarding equipment purchased using grant funds, as long as the equipment has a fair market value of $5,000 or more, any change in disposition (e.g., sale, exchange or transfer) must be approved by the CDFA. Requests shall be approved or denied, or an alternate disposition offered, in accordance with CDFA's Grant Administration Regulations (For more details, see California Code of Regulations- Title 3, Division 1, Chapter 5 Grants Administration).

Unallowable Costs

Examples of unallowable costs include but are not limited to:

- Personnel or contractor hours that are not related to activities listed in this Request for Grant Applications, nor approved as exceptions ahead of time by CDFA's OTP Program Manager
- Completion of tasks that are outside of approved workplan and budget
- Assisting farmers or ranchers as they implement CDFA Climate Smart Agriculture grant projects (SWEEP, HSP, or AMMP)
- Research
- Food/drinks and entertainment
- The purchase of a vehicle

Questions and Answers (Q&A)

During the application period, CDFA will host an informational webinar to provide an overview of program guidelines and application materials. Visit the CDFA OEFI TBD website for more information and to register for the webinar.

General questions regarding the solicitation process may be submitted to TBD. Responses to all questions received by email will be posted to CDFA's Technical Assistance website according to the following schedule:

Questions Received By:	Responses Provided By:
TBD	TBD

TBD at 5:00 p.m. PT is the final deadline to submit questions for the Organic Transition Pilot grant application. To maintain the integrity of the competitive grant process, CDFA is unable to advise and/or provide individuals with any information regarding specific grant application questions during the solicitation process.

Review Process

Applications will be reviewed in a two-stage process:

Administrative Review

The purpose of the administrative review is to determine whether grant application requirements are met. During the administrative review, the following will result in the automatic disqualification of a grant application:

- Incomplete grant applications: applications with one or more unanswered questions necessary for administrative or technical review.
- Incomplete grant applications: applications with missing, blank, unreadable, corrupt, or otherwise unusable attachments.
- Applications that include activities outside the grant duration.
- Applications with unallowable costs or activities necessary to complete the project objectives.
- Requests for more than the maximum award amount.
- Applications that do not comply with Eligibility or meet Program Requirements and Restrictions

Appeal Rights

Any disqualification taken during the administrative review for the preceding reasons may be appealed to CDFA's Office of Hearings and Appeals Office within 10 days of receiving a notice of disqualification from CDFA. The appeal must be in writing and signed by the responsible party name on the grant application. It must state the grounds for the appeal and include any supporting documents and a copy of the CDFA decision being challenged. The submissions must be sent to the California Department of Food and Agriculture, Office of Hearings and Appeals, 1220 N Street, Sacramento, CA 95814 or emailed to CDFA.LegalOffice@cdfa.ca.gov. If submissions are not received within the time frame provided above, the appeal will be denied.

Technical Review

Technical review will be completed by CDFA staff in the Office of Environmental Farming and Innovation. Technical review will be based on the detailed scoring criteria outlined below. CDFA will recommend the highest scoring applications for an award of grant funds.

Scoring Criteria

Criteria	Maximum Points
Statement of Applicant Qualifications (SOQ), including Partnerships (as needed to provide services) • Does the SOQ clearly identify the capacity of the lead applicant organization to provide organic management technical assistance? Alternatively, **d**oes the lead applicant have experience collaborating with other organizations, if it plans to do so **to satisfy this Objective**? • Does the lead applicant have experience disbursing and tracking funds? • Has the applicant adequately explained how the education, work history, and/or technical expertise of key personnel makes them qualified for this role? • Will the organization need to hire or contract project technical assistance providers? • Are roles of key personnel from each participating organization, including the lead organization, clearly described? • Does the applicant have the capacity to effectively reach SDFR communities, and has it done so in the past? How? • If a partner organization is indicated, does the partnership provide technical assistance to a larger or more diverse base of farmers and ranchers than would be accomplished by a single organization? • Do the resumes of individuals listed in the proposal align well with relevant expertise?	35
Statement of Need and Service to SDFRs **Description of Communit(ies) to be Served and Justification:** • Does the statement of need describe the project area's geographical boundaries? • Does the statement of need describe the needs of the communit(ies) and farmers and ranchers to be served?	20

Criteria	Maximum Points
• Does the statement of need describe crop types, patterns, and trends in the project area? • Does the statement of need describe the benefits that organic transitions could bring in those crops, such as benefits from cutting pesticide applications? • Does the statement of need describe the economic and practical potential for organic transition, e.g., of particular crops, in the project area? • Does the statement of need describe the role that assistance could play in facilitating that transition in the agricultural community that will be served by the project? • Does the proposal outline the demographic communities that would be served, and their language or technical assistance needs? **Service to SDFRs:** • Will the organization, alone or in partnership with another organization, meet the goal of having 50% of their financially assisted farmers and ranchers be SDFRs? o If the organization is unable to commit to meeting the 50% inclusion requirement to SDFRs, the organization should provide an estimate of the percentage of individual SDFRs and of funds that they will realistically be able to commit to serving SDFRs, along with a justification of why they are unable to commit to meeting the 50% prioritization. • Are bilingual services to be offered? In which languages?	
Workplan • Does the applicant clearly indicate the regions that will be served by the granted project? • Does the applicant discuss their plan for conducting outreach? • Does the applicant include adequate details about how the organization will reach SDFRs?	35

Criteria	Maximum Points
• Does the applicant describe how they will have a transparent selection process? • Is the estimated numbers of farmers the applicant proposes to assist provided, and supported in specific data and local experience (both SDFR and non-SDFR)? • Does the applicant estimate the acreage to be treated with field-preparation funds? Does the applicant provide sufficient details of all activities proposed? • Does the application include a detailed reporting and evaluation component? • Does the application explain how the proposal will build upon existing efforts or support other projects? • Does the workplan address the needs that were identified in Statement of Needs? • Does the project proposal fulfill the four required objectives of the OTP program?	
Budget • Does the proposed budget outline all anticipated expenses? • Do the personnel costs directly support the objectives of the Program? • Are the costs included in the budget for each activity reasonable? • Is the Budget consistent with the Workplan? • Is the division of funds between activities reasonable?	10
Total	**100**

Details on Scoring for Prioritization of SDFRs

As described in [Priorities Related to the Farmer Equity Act](#), striving to ensure that Socially Disadvantaged Farmers and Ranchers have access to CDFA programs is a department-wide priority and mandated by the Farmer Equity Act. Furthermore, the 2022 Budget Act (Ting) requires "at least a 50 percent priority to with at least a 50 percent priority to socially disadvantaged farmers and

ranchers (as defined by the United States Department of Agriculture)" in provision of the program's benefits. The OTP program aims to reach a pool of enrolled farmers and ranchers that is at least 50% SDFRs. Applicants may receive the full 20 points available by thoroughly describing how their service area offers the opportunity to serve SDFRs, presenting a comprehensive plan that addresses the need through the program objectives, by indicating a commitment to the SDFR participation goal, and describing how this will be achieved and tracked. CDFA strongly recommends that applicants propose offering bilingual services in their technical assistance.

CDFA recognizes that in some areas of the state it may be difficult to reach a pool of 50% SDFR participants, given that demographics of agricultural producers are not uniform throughout California. For this reason, OTP applicants may receive partial points for providing details on how they will attempt to fulfill the prioritization even if they are not fully able to commit. Ten out of twenty points can be available to applicants who cannot commit to enrolling a pool of 50% SDFRs or to expending 50% of funding to benefit SDFRs as long as this is fully justified in context of the service area.

All OTP awardees will track the number of SDFRs served by OTP projects. All OTP awardees will also track the amount of funding utilized to support SDFRs.

Past Performance
Past performance of applicants in OEFI programs, if applicable, may be taken into consideration during selection. Past performance may include timely and satisfactory completion of funded activities, reporting requirements, and declared SDFR goals. Past performance criteria may include timely and satisfactory completion of funded activities and reporting requirements, data on meeting funding priorities, quantity and quality of past project performance including project terminations or incomplete projects, or unresponsiveness to communications from CDFA. CDFA will also reserve the right to consider equitable regional distribution of funds, cropping system diversity, and other geographic factors while selecting awards.

Notification and Feedback
All applicants will be notified regarding the status of their grant applications. Successful applicants will receive specific instructions regarding the award process, including information on invoicing and reporting requirements. Applicants not selected for funding will receive feedback regarding their

applications within 60 days after receiving notification. CDFA will post basic information on the Organic Transition Pilot Program website (X) regarding the applications received at least 10 days before awarding grant funds. After projects are selected and all funds are encumbered, CDFA will post an updated list of awarded projects. Applications will be treated in accordance with Public Records Act requirements and certain information, subject to those requirements, may be publicly disclosed.

Grant Recipient Information

Grant Agreement Execution

Applicants selected for award of funds will receive a Grant Agreement package with specific instructions regarding award requirements including information on project implementation and payment process. Once a Grant Agreement is executed, grant recipients can begin implementation of the project. Grant recipients are responsible for the overall management of their awarded project to ensure all project activities are completed no later than the end of the grant agreement term (estimated for TBD).

Award Process Timeline

Grant Agreement Stage	Estimated Time for Stage Completion
Grant packet is completed – During this step, CDFA will work with awardees to get the information the state needs to execute the grant. The timeline for this step is dependent on how quickly information is provided to CDFA staff.	Variable
Grant Execution	Up to 120 days
Processing advance payments: If awardees request and are granted an advance payment, please be aware that it will take up to 4 weeks to process this payment once the grant is executed. (See Payment Process)	Up to 4 weeks

Project Implementation

Once a Grant agreement is fully executed the grant recipient can begin implementation of the project if it is after or on the official OTP-wide project start date (anticipated for TBD).

Payment Process

CDFA will provide grant recipients with the necessary grant award and invoicing documents. Funds will be allocated on a reimbursement basis. Invoices must be submitted quarterly and include all supporting financial documentation to substantiate expenses. Farmers' reimbursed expenditures must be tracked to verify that they are made for allowable costs.

Recipients may be eligible for advance payment, subject to the provisions of section 316.1 "Advance Payments" of the California Code of Regulations, Division 1, Chapter 5. If appropriate justification is submitted and awardee follows grant management requirements, additional advance payments may be issued in accordance with CDFA's Grant Administration regulations. Recipients will receive payment through both advances and reimbursements. CDFA will provide the recipient with the necessary invoicing documents for the advance payment and reimbursement process. Recipients will be required to submit quarterly invoices for costs associated with administration, provision of technical assistance to farmers and ranchers, and on-farm project implementation.

CDFA will withhold the final payment until work is complete and meets expectations agreed upon in Grant Agreement Scope of Work, including all reporting requirements. Invoicing and closeout of all project expenditures must be completed no later than TBD.

Reporting

Grant recipients must submit detailed quarterly Progress Reports to CDFA identifying activities accomplished in the reporting period. CDFA will provide a customized reporting template and schedule to grant recipients.

Progress Reports will include, at a minimum:

- Names of farmers and ranchers enrolled for direct financial assistance with acres verified to be under Organic Transition.
- Total number of individuals assisted through technical assistance activities.
- Information of farmers assisted, including RePlan images, APNs, number of acres under transition to a single decimal, SDFR status, award amount.

- - OTP awardees should develop a process (e.g., survey) for farmers and ranchers to indicate if they self-identify as belonging to a socially disadvantaged group.
- Costs associated with assisting SDFRs.
- Dates and names for:
  - On-farm visits for organic system management/planning.
  - Provisions of translation services.
  - On-farm or remote financial or recordkeeping training, or marketing consultation
  - On-farm or remote assistance to help farmers apply for other funding sources or for certifications
- Links and/or files for digital training materials that have been created. If not already digital, a photo or scan should be submitted.
- Links to translated files or digital training materials that have been created. If not already digital, a photo or scan should be submitted.

For the Project Final Report:

- Names of farmers and ranchers who received direct financial assistance and were certified during the grant term
- Information on the different farming systems assisted and certified: crops, acreage, location, and practices supported
- SDFR-demographic information on certified farmers
- Summary of organic certifications obtained
- Likelihood of certification of non-certified farmers, and their stage in the certification process, by name and SDFR status
- Progress on OSPs for each farmer
- Categorical summary of items and practices reimbursed, with disbursements per category.

For auditing purposes, recipients are required to maintain detailed technical assistance records and have them available for review.

Critical Project Review

Grant recipients must agree to a Critical Project Review and audit during the project term to verify project progress as reported in Progress Reports submitted to CDFA, including number of farmers assisted. If it is determined by CDFA from

the Critical Project Review that at that time the grant project is not meeting and is unlikely to meet certain milestones, CDFA has the right to terminate the Grant Agreement pursuant to the Terms and Conditions of the Grant Agreement. Termination may result in forfeiture by the grantee of any funds retained. Critical Project Review may be completed through an auditing process.

Grant Closeout

Following submission of the final report, a CDFA Environmental Scientist, or a CDFA-contracted third party, will carry out an exit interview with the awardee and will inspect a sample of the on-farm projects with the OTP recipient. The closeout process must be completed by TBD.

Post-Project Requirements

Recipients will retain records for a period of three (3) years after final payment is made by the State.

Farmers and ranchers are expected to maintain documentation related to the on-farm project, and to be responsive to requests for information about the project.

Recipients commit to creating at least three one-page case studies of farmers who have successfully implemented organic transition. Case studies will include photos, personal profiles, and a description of the project. CDFA may use this material to promote OTP.

Audit Requirements

Projects are subject to audit by the State annually and for three (3) years following the final payment of grant funds. If the project is selected for audit, the recipient will be contacted in advance. The audit shall include all books, papers, accounts, documents, or other records of recipient, as they relate to the project. All project expenditure documentation should be available for an audit, whether paid with grant funds or other funds. The recipient must have project records, including source documents and evidence of payment, readily available and must provide an employee with knowledge of the project to assist the auditor. The recipient must provide a copy of any document, paper, record, etc., requested by the auditor.

Accounting Requirements

The recipient must maintain an accounting system that:

- Accurately reflects fiscal transactions, with the necessary controls and safeguards.
- Provides a good audit trail, including original source documents such as purchase orders, receipts, progress payments, invoices, employee paystubs and timecards, evidence of payment, etc.
- Provides accounting data so the total cost of each individual project can be readily determined.