

April 12, 2023

Tawny Mata, Director
Office of Environmental Farming and Innovation
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

Submitted via email: cdfa.oefi@cdfa.ca.gov

Dear Director Mata:

The undersigned organizations appreciate the opportunity to comment on California Department of Food and Agriculture's (CDFA) Organic Transition Pilot Request for Grant Applications draft for public comment (draft RGA). We represent organic, community-based, and sustainable farmers and ranchers as well as extension and environmental organizations.

We commend CDFA for supporting farmers and ranchers by creating an Organic Transition Program (OTP). The three-year transition period to become certified organic often creates an insurmountable barrier for under-resourced farmers and ranchers. By providing financial and technical assistance, the OTP will expand access to organic certification and advance California's climate target of 20% organic acreage by

2045.¹ We seek to continue investment in the OTP with an additional \$5 million in the FY23-24 state budget.

The draft RGA is a strong start to establishing a successful OTP. Our comments focus on maintaining the program pillars, increasing points for supporting socially disadvantaged farmers and ranchers (SDFRs), providing advance payments, clarifying financial assistance, maintaining technical assistance, clarifying budget categories, and evaluating the program.

1. Maintain program pillars of outreach and selection, training and support, business planning, and financial assistance. Coordinate with TOPP organizations.

The draft RGA recognizes that supporting farmers and ranchers to transition to organic production extends beyond financial assistance. The program thoughtfully requires applicants to outreach to farmers and ranchers, provide technical assistance, coordinate business planning, and direct financial assistance. These four pillars provide farmers and ranchers with the necessary support to both learn about and implement the practices and paperwork to transition their fields as well as tap into the organic market. We strongly support the draft RGA's inclusion of translation services to expand organic resources to non-English speaking communities, payments up to \$60,000 in direct assistance to producers, flexibility for farmers to own, lease, or rent land, marketing, recordkeeping, and financial literacy training, and three-year grant terms.

We recommend prioritizing applicants who coordinate or partner with organizations in USDA's Transition to Organic Partnership Program (TOPP). TOPP organizations are building out mentorship networks, technical assistance, and community building support for transitioning farmers and ranchers. Therefore, TOPP organizations could provide helpful support and efficiencies to applicants of CDFA's Organic Transition Program. At the same time, we do not suggest limiting applicants to TOPP organizations because of OTP's opportunity to further expand organic transition support to underserved communities. TOPP organizations in California include Agriculture and Land Based Training Association, Berkeley Food Institute, California Polytechnic University, Community Alliance with Family Farmers, Ecological Farming Association, Organic Agronomy Training Service, Organic Farming Research Foundation, UC Organic Agriculture Institute, and California Certified Organic Farmers.²

2. Increase the maximum points for the Statement of Need and Service to SDFRs to 30.

The draft RGA currently weighs the applicant's Statement of Need and Service to SDFRs below other components of the application. This misaligns with CDFA's commitment to "embedding equity in grant programs," including the OTP³ and the authorizing statutory language, Assembly Bill 178 (Budget Act of 2022), that requires at least a 50% prioritization for SDFRs. To meet this high bar of providing resources to farmers of color and women farmers, we recommend increasing the maximum points for the Statement of Need and Service to SDFRs to 30 as shown below:

¹ California Air Resources Board. 2022 Scoping Plan for Achieving Carbon Neutrality (November 16, 2022). Retrieved at [2022 Scoping Plan Update \(ca.gov\)](#).

² USDA Agricultural Marketing Service. Organic Transition Initiative Transition to Organic Partnership Program Regions (2023). Retrieved at [Transition to Organic Partnership Programs- Regional Map and List of Partner Organizations \(usda.gov\)](#).

³ Draft RGA at page 4.

- Up to 30 points for the Statement of Applicant Qualifications
- Up to 30 points for the Statement of Need and Service to SDFRs
- Up to 30 points for the Workplan
- Up to 10 points for the Budget

The Statement of Need and Service includes questions on whether the applicant will meet the goal of channeling 50% of funds to SDFRs and in what languages the applicant will provide services. These are fundamental questions that address the core function of OTP to support limited resource farmers and ranchers and should be weighed more heavily in the evaluation process.

3. Provide advance payments to applicants and allow applicants to provide advance payments to farmers and ranchers.

The draft RGA describes the financial assistance to farmers and ranchers as a reimbursement.⁴ Additionally, draft RGA outlines that funds will be distributed on a reimbursement basis to applicants.⁵ Requiring farmers and ranchers and applicants to front the costs undermines OTP's objective of prioritizing SDFRs. Limited resource farmers and ranchers, including small-scale and socially disadvantaged producers, often farm on thinner margins that prevent them from taking on risk and paying up front for expenses to be reimbursed. We strongly recommend allowing applicants to provide advance payments to farmers and ranchers. In addition, we recommend CDFA provide up to 25% advance payment to applicants. An inability to front costs should not preclude an organization from applying for this opportunity. We also seek greater clarity around disbursement amounts and timelines.

4. Clarify the direct financial assistance to farmers or ranchers.

The draft RGA includes direct financial assistance to farmers and ranchers that are undergoing transition to organic certification. The assistance consists of a \$30,000 incentive for allowable costs, augmented by \$1,000 per acre in-field preparation costs, for a maximum of 30 acres. We have a few clarifying questions:

- Can the \$30,000 be spent on an allowable cost for the whole farm? For example, can a farmer use these funds for farm equipment or organic feed for the whole farm and not just the acres under transition? We recommend the \$30,000 incentive to support the whole farm.
- Is there a minimum number of acres a farmer must transition to qualify for OTP? We recommend that there is no minimum number of acres but that, as outlined in the draft RGA, farmers and ranchers who transition more acres can receive additional funds for in-field preparation.
- Will landowners be entitled to any of the funding? Our concern is that landowners may raise lease prices in response to the written approval required by the draft RGA. Our recommendation is that a provision be added that disallows the landowner from collecting any of the grant funding unless they are the farmer or rancher working with the applicant.
- Is labor or rent an allowable cost? These tend to be the greatest needs for transitioning growers because of the manual labor required in organic production and the land security to implement organic practices with long-term benefits.

⁴ Draft RGA at page 6.

⁵ Draft RGA at page 3.

5. Maintain up to 15% for technical and implementation assistance.

The draft RGA includes up to 15% of the award for technical and implementation assistance. We commend CDFA for this commitment to the backbone support that farmers and ranchers need to successfully transition to organic production. We recommend CDFA maintain this percentage and allow technical assistance expenses including but not limited to demonstration supplies and trials as well as the purchase of tools, equipment, or infrastructure for sharing in a lending program. We also recommend that CDFA encourage applicants to support farmers and ranchers to apply for the Conservation Agriculture Planning Grants Program if they do not yet have an organic system plan.

6. Change where verification costs for financial payments to farmers is classified in the budget.

On pages 9 and 10 of the draft RGA there is a helpful table detailing the breakdown of general budget cost categories: 1) administrative (15%), 2) technical and implementation assistance (15%), and 3) direct assistance to farmers and ranchers (70%). We applaud CDFA for prioritizing direct financial aid to farmers and strongly encourage CDFA to move some budget expenses from the administrative budget category to the financial assistance category. The draft RGA states that organizations providing financial assistance payments to farmers and ranchers must verify each farm/ranch's transition activities and solicit and award farmers the financial aid payment. Those tasks could easily fill the entire 15% time available in the administrative part of the budget and leave no time left to fulfill true grant administrative tasks such as progress reports and meetings with CDFA. We recommend that those tasks be moved to the budget item for direct assistance financial assistance to farmers and ranchers (because they directly relate to completing that objective), as reflected in the proposed new table below. Clarifying language added in bold.

Cost Category	Percent of Grant	Example Costs
Administrative	Up to 15% of Total Award	<ul style="list-style-type: none"> -Managing partnerships -Disbursing funds to partners or agricultural operations -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%	<ul style="list-style-type: none"> -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 the above farmers and ranchers (up to 30,0 acres each, using single decimals) -Travel and time expenses associated with verifying farmers or ranchers have started organic transition activities -Staff time reviewing applications and executing financial awards with awardees
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7. Evaluate the Organic Transition Program.

The draft RGA does not include evaluation of the OTP. An evaluation is essential to ensure an organic incentive program is supporting farmers and ranchers, advancing the state’s climate goals, and expanding organic acreage. We recommend that CDFA collaborate with the California Farm to School Incubator Grant Program evaluation team to integrate an OTP evaluation into the Farm to School process. The programs already share priorities related to supporting certified organic or transitioning to organic farmers and ranchers as well as SDFRs and smaller scale producers. A collaborative approach is more efficient and would likely yield data that will be useful in informing next steps with both initiatives. Alternatively, if a collaborative approach with the Farm to School evaluation team is not feasible, we recommend that CDFA work with an independent third party to evaluate the efficacy of the OTP.

Thank you for your consideration of our comment.

Sincerely,



Rebekah Weber
CCOF



Kali Feiereisel
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Reggie Knox
CA FarmLink



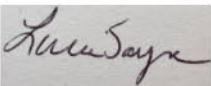
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