



# Organic Transition Pilot Program

July 27, 2023

# Program Inception



## 2022-2023 Budget Item:

“... **\$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 ... development and administration...”

## 2023-2024 Budget Item:

- Very similar language
- **\$5 million more** made available
- Available in combination with earlier funds

## Consequently:

- **Up to \$9.5 million** available to **block grant** applicants in first round
- Actual disbursement in first round will depend upon applications received

# Program Objectives



- 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 have stable tenure on acres under transition...
  
- 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...
  - b. outreach with specific educational materials
  - c. assistance in preparing applications for certifications, or conservation farming grants...

“...take all reasonable steps to facilitate the development of an Organic System Plan.”
  - d. project coordination, as with service providers
  - e. translation services, both live and in translating written materials...

# Program Objectives



**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.**

“... verify that listed fields are under transition...”

# Eligible Block Grant Recipients



## Eligible Block Grant Recipient Organizations:

- Non-profit organizations
- California Native American Tribes
- Resource Conservation Districts (RCDs)
- University of California, California Community Colleges or California State Universities

“...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... Objectives, lead applicants are **encouraged to partner with organizations who have experience** in:

- one-on-one organic management technical assistance
- language translation
- business planning
- access to organic networks
- outreach to Socially Disadvantaged Farmers and Ranchers

# Eligible Farmers and Ranchers



## **Farmers:**

- Over 18 years of age
- Commercial farmers or with plan for marketing produce
- Lease, own, or otherwise have stable tenure or access to the field(s)

## **SDFRs:**

African Americans  
American Indians  
Alaskan Natives  
Hispanics  
Asian Americans  
Native Hawaiians and Pacific Islanders

## **Note:**

- “Multiple individual farmers may not receive funding to transition the same physical fields.”
- “Block Grant Recipients should strive to obtain participation from a broad group of farmers and ranchers that are geographically and socially distributed...”

# Farmers and Ranchers Selection



## Selection Requirements:

- An **outreach campaign** must be carried out.
- 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).
- Selection criteria must be specified.
- Applicant organizations must **propose a method for review and transparency** in this process.
- Applicants must **indicate whether they can commit to 50% SDFRs** among financially-assisted famers and ranchers, or set a lower goal for lower points (automatic 15% off), explaining their conditions.

## Beneficiary Information Requirements:

- Contact information
- Must have an Organic System Plan (OSP), or attest to their intention to develop one
- APN, acreage, and location to be transitioned, online mapping tools recommended
  - No minimum acreage

# Block Grant Funding Structure



- Block Grant Format, similar to HSP, SWEEP, and PHP:
  - 5% of total to CDFA Administration
  - Up to 15% of awards to Block Grant Awardee and Partner Administration
  - 15% of awards to Awardee and/or Partners Technical Assistance
    - Plus any remainder from 15% allowed for Administration
    - Partners can be Contractors (for-profit entities or individuals)

Minimum Award: \$500,000

Maximum Award: \$2,000,000

Advances: 25% available with justification, following CDFA practices and regulations, *which can be passed along to farmers and ranchers as advances or purchases on their behalf*



# Funding Structure to Farmers and Ranchers



- **\$30,000** available for applicable costs to each selected farmer and rancher, including
  - **Equipment and repairs** suited to organic practices or processing produce
  - **Inputs for transitioning acres**, interpreted broadly, including animals and their feed for ranches
  - **Fees and services:** Certifications, Trainings, Consultant fees
  - **No operating costs:** e.g., farmers' labor, rent, taxes, inputs for non-transitioning acres
- **\$1,000 per acre** available for soil building or land preparation, **up to 30 acres**, including
  - **Custom services** for soil preparation or planting
  - **Organic inputs** including IPM
  - **Organic soil amendments** or their source materials
  - **Ecosystem enhancements** including supplies and equipment

*= Total potential award of \$60,000 per farmer or rancher*

# Reporting Requirements for Block Grant Recipient Org's



## ***Partial List:***

1. **On-Farm Project data:** field map with acreage calculation, OSP status, and organic certification status
2. **Farmer names and demographic data** (SDFR status)
3. **Farming systems assisted and certified:** crops, acreage, location, and practices supported.
4. **Accounts** that allow **total cost of each on-farm project** to be readily determined, with **summaries of disbursements on item and practice categories.**
5. **Progress** of individual projects.
6. **Technical/Business assistance records** including names and dates of different services, by Objective and Activity. Can include farmers who did not receive financial assistance; if they received personalized technical assistance, their names and other (limited) data will be requested.
7. Links or files for **training materials or translations** that were created.
8. At least **three one-page case studies.**
9. Clear **accounting system**, well-described in the application.
10. **In addition**, Farmers and Ranchers are expected to maintain documentation related to the on-farm project, and to be responsive to requests for information.

# Questions and Answers



- General questions regarding the solicitation process may be submitted to [cdfa.oefi\\_otp@cdfa.ca.gov](mailto:cdfa.oefi_otp@cdfa.ca.gov).
- CDFA is unable to advise and/or provide individuals with any information regarding specific grant application questions.
- Responses to all questions received by email will be posted to CDFA's Technical Assistance website following this schedule:

Questions Received By: Responses Provided By:	
August 7, 2023	August 11, 2023
August 28, 2023	September 1, 2023

# Timeline



## Estimated Program Timeline

Activity	Tentative Dates
Application period begins	July 24, 2023
Applications due	September 15, 2023 at 5 PM Pacific Time
Review of Applications	September 2023
Announcement of Awards	October 2023
Execution of grant agreements for awarded projects	Fall 2023
Grant term begins	Late Fall 2023

# Eligible Farm Costs



## *General Award (\$30,000 maximum per farmer or rancher):*

- 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)
- On-farm processing and distribution equipment (e.g., peelers, coolers, sorting and sizing bins, refrigerated vehicles for transporting whole or minimally processed food)
- Farm equipment and repair to that equipment, where equipment is specific or widely preferred for organic farming<sup>2</sup>. Qualifying equipment must be drawn from the following list, or authorized by CDFA:
  - compost production, storage or spreading installations and equipment
  - weed management tools such as flammers or tines, tarps, row cover, organic approved plastic mulch
  - direct seeding equipment
  - intercropping equipment and modifications
  - IPM-aligned equipment
  - Other cover-cropping equipment

# Eligible Land Costs



*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)