

NB_300_12_8, EQIP Organic Initiative - Fiscal Year (FY) 2012

National Bulletin: 300-12-8

Date: November
14, 2011

Subject: LTP - EQIP Organic Initiative - Fiscal Year (FY) 2012

Action Required By: November 25, 2011

Purpose. To provide State Conservationists (STCs) and the Directors, Caribbean and Pacific Islands Areas, with guidance for administering the FY 2012 Environmental Quality Incentives Program (EQIP) Organic Initiative.

Expiration Date. September 30, 2012

Background. Through the EQIP Organic Initiative, NRCS provides assistance to eligible producers for installation of conservation practices on agricultural operations related to organic production. NRCS has determined that this definition includes certified organic producers and producers who are transitioning to become certified organic. Eligible applicants also include producers who fall under the exemption category in the National Organic Program (NOP) regulation. Producers that sell agricultural products as "organic" but whose gross agricultural income from organic sales totals \$5,000 or less are exempt from certification. Additional information about the NOP and organic certification requirements administered by the Agricultural Marketing Service (AMS) can be found at www.ams.usda.gov/nop.

Explanation. EQIP Organic Initiative funds can only be used to address organic^d related EQIP contracts. For FY 2012 EQIP Organic Initiative, NHQ will be allocating an initial allowance to all States to be used to obligate funds for contracts that equal or exceed the initial threshold score established by NHQ for the first application period.

Field offices will accept applications on a continuous basis. There are three distinct application and ranking periods that coincide with the National Seasonal High Tunnel Initiative and the On Farm Energy Initiative.

Eligible applications must be ranked in the Application Evaluation and Ranking Tool (AERT), reviewed, and scored before the application deadline. For applications received within two days of the end of the ranking period cut^d off, the State will have three business days following the cutoff date to rank the eligible application.

NHQ will establish a threshold ranking score for each application period. EQIP eligible applicant ranking scores that meet or exceed the threshold score may be approved for funding and a contract obligated prior to the end of each application period.

STCs will review Payment Schedules to ensure that they appropriately account for increased costs and income forgone that may have resulted due to implementation of a practice on an organic or transitioning operation. Please refer to NB^d 300^d 11^d 32 for further guidance.

A national web page will be developed to provide information related to the organic initiative, such as, application periods, national bulletins, and related information. Each State will have a designated EQIP organic initiative contact person and a link to the National Web site.

Certified organic producers must provide NRCS with a copy of their Organic System Plan (OSP) and Organic Certification must be maintained for the life of the contract.

Transitioning to Organic producers will provide NRCS the contact information of the applicant's USDA accredited organic certifying agent and must self^d certify that they agree to develop and implement an OSP before an EQIP contract can be approved for funding.

Exempt organic producers are eligible for the EQIP Organic Initiative (OI) and should be ranked with certified organic producers provided that they self certify and they agree to develop and implement an OSP. Producers that sell agricultural products as "organic" but whose gross agricultural income from organic sales totals \$5,000 or less are exempt from certification.

Action Required. STCs must complete the following for the National EQIP OI no later than Friday, November 25, 2011:

1. **Application Evaluation Ranking Tool.** States shall develop the Protracts Application, Evaluation and Ranking Tool (AERT) to support the nationally created OI sub^d account.

A. **Approved practices:** States shall offer all the conservation practices and Conservation Activity

Plans (CAPS), which are listed in Attachment B. Land Uses and resource concerns are shown in Attachment D. States should offer all conservation practices in Attachment B that they have routinely offered in regular EQIP. If a State does not have need to offer one of the required practices, the STC may request a waiver from the Deputy Chief for Programs.

Note: CAPS will be available to support OI. The Protracts application type of "planning" must be associated with each CAP application. CAP applications will not be ranked and funded using available funds. CAPs may be pre-approved after all eligibility requirements are met. Additional information will be announced in upcoming bulletin.

- B. **National and State Ranking Criteria:** National ranking criteria are consistent for all EQIP applications. The national office will also populate the State questions in Protracts for the FY 2012 OI. Refer to Attachment C, which provides the OI State ranking criteria.
 - C. **Local Ranking Criteria:** States must develop and populate local ranking questions and points in Protracts AERT to account for 25 percent of the total maximum ranking points. This initiative is subject to the requirements in 440 CPM, Part 512, and Subpart C, regarding application evaluation as well as the fund management policy cited in NB 300-11-31 issued 08/11/2011.
 - D. **Approved land uses:** States shall designate the approved land uses and national resource concerns as eligible
2. **Application Periods:** The national office will issue a public announcement that the FY 2012 OI is available in all States. Although EQIP applications are accepted on a continuous basis, NRCS leadership has established the following ranking periods for the OI this fiscal year:
- A. **Period 1:** From program announcement to February 3, 2012, only eligible applications that score equal to or greater than the established threshold score may be approved for funding within the first period but no later than Monday, February 13, 2012. Subject to available funds, all eligible applications below the threshold score from period one will be considered for funding during the second application period.
 - B. **Period 2:** NHQ will establish a new threshold score for period 2. From program announcement to March 30, 2012, all new or unfunded eligible applications that score equal to or greater than the new threshold score may be considered for funding within the second period but no later than Monday, April 9, 2012. Subject to available funds, all eligible applications below the threshold score from period one and two will be considered for funding during the third application period.
 - C. **Period 3:** NHQ will establish a new threshold for period 3. From program announcement to June 1st, 2012, all new or unfunded eligible applications that score equal to or greater than the threshold score will be considered for funding based on the new threshold score and availability of funds and but no later than Monday, June 11, 2012. Any eligible unfunded applications remaining after this period will be processed as per 440-CPM, Part 512.27, Servicing Unfunded Applications.
3. **Obligation Deadline:** All OI program contracts must be obligated by COB, Monday July 2, 2012. If the allocated EQIP funds are not obligated by this date, STCs must return the unused funds to the national office using the allowance change process. Return of funds or request for additional funds should be done in accordance with 440-CPM, Part 512.84, Fund Allocation Changes.
4. **Fund Management:** NHQ will allocate an initial OI allowance to States in order to obligate funds to contracts that equal or exceed the initial ranking threshold score. Should additional OI funds be needed before the end of any application period (1, 2 or 3), the STC may submit an allowance change request. This request may not exceed the estimated cost of preapproved applications.
5. **State Web Site:** The national office will establish a national organic Initiative website which States shall "link to" which will post this year's program information.
6. **State OI Contacts:** States will confirm the existing or identify a new contact person and send their information to the EQIP Team Leader.

Contact. If you have any questions, contact the EQIP Team Leader, Financial Assistance Programs Division (FAPD), at (202) 690-2621.

/s/

ANTHONY J. KRAMER
Deputy Chief for Programs

Attachment A - Eligibility and Self Certification Form
Attachment B - Organic Practices to Support Organic Initiative
Attachment C - State Ranking Questions
Attachment D - Approved Land Uses and Resource Concerns used to support the Organic Initiative