

## **What is an organic certification cost share reimbursement? What is the process for reimbursement?**

*Through the USDA National Organic Program (NOP), farms and businesses certified to the USDA organic standards may be eligible to receive a reimbursement for a portion of their organic certification fees. Many current and prospective certified organic operations are not aware of this reimbursement opportunity, or how to apply for reimbursement. Here we explain the cost share reimbursement program, and direct the reader to detailed state-specific information.*

### **What is cost share reimbursement?**

Certified organic farms and businesses may be eligible to receive a reimbursement for a portion of their organic certification fees. Up to 75% of certification costs may be reimbursed, not to exceed \$750 per certification scope.

### **What is a certification scope?**

A certification scope is any category or process that must be individually inspected for organic certification. Certification scopes include:

- Crops
- Wild crops
- Livestock
- Handling

### **What is an organic handler?**

An organic handler is any business or organization that handles (labels, packages, or processes) agricultural products as they move from the farm to the retailer. Handlers include both farmers and non-farmers who may manufacture, repack, label, and process organic foods. Examples of handlers include:

- A business owner who is certified to process organic jellies from certified organic fruit they received from a certified organic farm.
- A business that repackages bulk certified organic grains from the original certified organic farm container into retail packaging.

### **Who may apply for cost share reimbursement?**

First time certification recipients as well as any certified organic farmer or business owner who is renewing certification may apply for reimbursement. Prospective applicants must meet three initial criteria:

- Must operate in the United States, District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.
- Must have received USDA organic certification or renewed certification during the current USDA fiscal year.

- Must have paid the certification fees during the current USDA fiscal year and be in good standing with their certifying agency.

### **What is the USDA's fiscal year?**

The USDA's fiscal year starts on October 1 and ends on September 30 of the following year. The current fiscal year is October 1, 2015 - September 30, 2016.

The cost share program is available through 2018 and the fiscal year calendar is as follows:

October 1, 2016 – September 30, 2017

October 1, 2017 – September 30, 2018

October 1, 2018 – September 30, 2019

As an example, if a farm was certified organic or renewed certification on October 15, 2015, the farm can apply for reimbursement any time before September 30, 2016, as long as the organic certification fees were also paid before September 30, 2016.

### **Can an organic farm or business receive reimbursements from previous fiscal years?**

No. Organic operators may only apply for reimbursements in the current fiscal year, which must be the same year they received or renewed certification. As an example, if a farmer paid fees for a certification that occurred anytime before October 1, 2014, reimbursements for fees paid are no longer available to the farmer.

### **What is the process for applying for cost reimbursement?**

Each state has a slightly different process but the general requirements and steps to collecting a reimbursement are:

1. Applicant must be a certified organic operation in good standing with certification fees paid during the USDA's current fiscal year.
2. Applicant must visit the website below for state specific application and guidelines.
3. Applicant may be asked to submit:
  - A short application,
  - Proof of current organic certification by a USDA accredited certification agency,
  - Proof of certification fees paid,
  - A W-9 form or state payee data record (some states require a state payee data record in place of a W-9),
  - Applicants may also be asked to register on a state website.
4. Reimbursement will be mailed by check, or some states may offer electronic transfer.

### **Where is state-specific information located?**

State-specific reimbursement information and guidelines can be found online at the [USDA's Agricultural Marketing Service](#) website.

### **What if a farm does not have access to online applications and guidelines?**

The applicant should contact their state representative for the reimbursement program in the state in which they are certified, or the USDA accredited certifying agency that assisted during the certification process. The farmer may request that the application and guidelines be mailed to them.

**What are the potential reimbursement amounts?**

Applicants may receive up to 75% of the certification fees with a maximum of \$750.00 per scope. Scopes include: crops, livestock, wild crops, and handling, as described above.

Operations with multiple scopes should contact their certifying agency for advice before applying for multiple-scope reimbursements, as each agency may process these types of reimbursements differently.

The maximum reimbursement amount is \$3,000 and would only occur if the applicant were certified for all four certification scopes. The certification costs must be equal or greater than \$4,000 (the 75% rule) to receive the maximum reimbursement amount.

**What are some examples of reimbursement amounts?**

# Of Scopes	Reimbursement Amount	Example
1	Up to \$750	A vegetable farm
2	Up to \$1,500	A vegetable farm that also has certified organic chickens
3	Up to \$2,250	A vegetable farm that also has certified organic chickens, and produces certified organic jams
4	Up to \$3,000	A vegetable farm that also has certified organic chickens, produces certified organic jams, and raises wild crops on certified organic land

**What fees and costs can be reimbursed?**

Allowable Fees and Costs	Unallowable Fees and Costs
Application fees	Late fees
First time USDA NOP* certification fees	Equipment & materials
Postage	Transitional certification
Inspection costs	Charges related to other certifications
Travel costs per day for organic inspectors	Fees due to violations of USDA organic regulations

\*NOP = National Organic Program

## **Where should a farmer or business apply for reimbursement if they operate in more than one state?**

If each operation received separate certification, an application should be submitted to each state separately. If the operations are certified under one certificate, the applicant should apply to the state where the business is headquartered.

## **Where do the funds for reimbursement come from?**

Federal funds are available through the Agricultural Act of 2014, also known as the Farm Bill. The USDA's Agricultural Marketing Service disburses the funds to each state through two programs:

- The National Organic Certification Cost Share Program (NOCCSP)
- The Agricultural Management Assistance (AMA) Organic Certification Cost Share Program

Collectively the programs are referred to as the Organic Certification Cost-Share Program (OCCSP).

## **How long will these funds be available?**

Regarding the application process: The reimbursements are available to qualified applicants until they are exhausted during the USDA's fiscal year (between October 1 and September 30 of the following year). Reimbursements are available on a first come, first served basis. An organic farmer or business must apply for the reimbursement during the same fiscal year they received certification.

Regarding the federal funding of the Organic Certification Cost Share program: Congress authorized funding through fiscal year 2018 (September 30, 2018). Funding amounts may vary in each fiscal year. After 2018, Congress may enact new legislation for the cost share reimbursement program.

## **For Further Reading & Questions**

For general information about the USDA's National Organic Program, visit [www.ams.usda.gov/nop](http://www.ams.usda.gov/nop).

Specifically, these links may be helpful to those with questions about cost share reimbursement:

[Overview of cost share reimbursement](#)

[Applying for reimbursement](#)

Further questions may also be directed to your certifying agency.

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