

Organic Rule Fee Information

Organic Program Background

- Participation in ISDA’s Organic Program is entirely voluntary.
- Idaho operations are not required to certify with the ISDA – Idahoans can seek organic certification from any accredited certifier, including private companies or other state programs.
- ISDA implements an Organic Program pursuant to legislative intent in Chapter 11, Title 22.

Fees

- ISDA has not increased organic graduated gross fees since 2002.
- The ISDA Organic Program is funded entirely with dedicated funds (fees from operations in the program).

Program Status

- When fees were last raised – nearly 20 years ago – the ISDA Organic Program had one full-time employee.
 - Today, the program has 7.5 FTP.
 - Additional staffing dramatically increases efficiency and timeliness of certification as well as programmatic compliance with National Organic Program regulations.
 - Our staffing levels today are more responsive to the kind of service our customers expect.
- The current fee structure brings in less money than what it costs to run the program.
 - ISDA is utilizing the program’s existing cash balance. With current staffing levels and basic vehicle retention, ISDA’s Organic Program can expect to run into a deficit near 2026.

Financial Discussion

- ISDA’s Organic Advisory Council supports an increase in fees to cover program costs.
- With financial forecasts, ISDA has two options:
 - Increase user fees, or
 - Decrease service.
- ISDA is presenting financial data during negotiated rulemaking. The agency will ask stakeholders for input about fee levels and structure.

Comparison of fees to actual costs

Example Operation	Fees Paid Under Current Rule	Percentage of Actual ISDA Costs Covered	ISDA Staff Time to Certify (Includes inspection, reports, travel, material review, final review)
Small-scale (Simple) Livestock	\$800	24.16%	33 hrs.
Large-scale (Complex) Livestock	\$5,900	107.74%	70 hrs.
Small-scale (Simple) Crop	\$465	21.51%	9.5 hrs.
Large-scale (Complex) Crop	\$5,725	183.31%	29 hrs.
Small-scale (Simple) Handler	\$308	13.47%	9.5 hrs.
Large-scale (Complex) Handler	\$5,970	46.97%	103 hrs.

How does ISDA compare to other certifiers?

- ISDA charges less than most, if not all, private certifiers.

- Example: A farm with \$10,000 in gross organic sales would be charged \$200 by ISDA but \$425 by Oregon's largest private certifier.
- Example: ISDA's inspection fee is \$35/hour. The Oregon private certifier's inspection rate is \$65/hour.
- ISDA is comparable in cost to other state certifiers, although some state programs are supplemented with general funds, whereas Idaho's program is not.
 - For example, New Mexico's organic program was supplemented with state funding for years. In 2016, state funding was pulled, and the program was expected to run on user fees alone (this is what ISDA's program does).
 - From the *Santa Fe New Mexican* newspaper: New Mexico Organic-Certification Program at Crossroads
 "Private companies also certify and inspect farms seeking organic certification...but producers said they must pay three to four times more for that service...Organic growers like Tom Dixon, who farms the land where he grew up in La Cienega, will have to hire private certifiers and inspectors if the state's organic program fails. 'I've talked to other farmers whose states don't have organic programs like ours,' Dixon said from his Green Tractor Farm. 'It costs them thousands to bring inspectors in from out of state.'"

How did we reach out to stakeholders?

- Began discussions in 2018 with advisory council members.
- Disseminated 2021 rulemaking information in many venues:
 - Direct email invitation to organic operations,
 - Announcement to Food Producers of Idaho,
 - Hosted a pre-meeting for agricultural organizations,
 - Posted on Facebook,
 - Posted on the ISDA website,
 - Posted in the Administrative Bulletin, and
 - Hosting three separate rulemaking meetings.