MOFGA CERTIFICATION SERVICES, LLC.

ORGANIC REBATES AND SUPPLEMENTAL FEES EXPLAINED

The Federal Organic Cost Share Program

This program currently reimburses certified growers and processor/handlers 75% of their certification costs, to a maximum of $750 per certification scope. Funds come from two sources. In Maine, funds for cost share payments to organic producers (farmers or growers) come from the Agricultural Management Assistance (AMA) Organic Certification Cost Share Program. The AMA is available exclusively to producers in the 16 states that have a historically low participation rate in the Federal Crop Insurance Program. The AMA has been a stable source of cost share funding, regardless of Farm Bill related negotiations. The National Organic Certification Cost Share Program (NOCCSP), which is a Farm Bill program, provides the funds for the organic cost share to the entire USA, including the organic processors and handlers in Maine.

The State of Maine Department of Agriculture requests the funds from the USDA and generates the cost share reimbursement to Maine's certified organic producers. **The funding cycle runs on the federal fiscal year, which is October 1 through September 30.** Most cost share payments are sent to producers between September 15 and December 31, reimbursing certification costs incurred during the prior federal fiscal year. Every producer must file a type of W-9 form with the State called a Vendor Authorization form in order to receive a reimbursement.
Important: if your company name or address changes, you need to file a new W9 form with the state.

MOFGA Certification Services provides certification payment data to the State for our certified clients; **however, we do not handle any cost share funds or payments.** We recommend that you contact the State's program directly if you have any questions:

Debbie Davis, Division of Animal and Plant Health
Maine Department of Agriculture, Conservation and Forestry
28 State House Station
Augusta, ME 04333-0028
Ph: (207) 287-3891; Fax (207) 287-7548

The scope calculation works this way. We take what you paid for certification and divide it by the number of certification scopes you have. If you are a livestock producer, chances are good you are certified for two scopes (livestock and crops (for your hay, pasture, etc.)). **Note: additional scope fees apply if gross income exceeds $60,000.** As an example, if you paid $1025 for certification, your cost share amount is calculated as follows:

$1025 divided by 2 scopes equals $512.50 per scope. 75% of $512.50 = $384.38. The rebate amount for two scopes is therefore $384.38 times 2 or $768.76, so your total certification cost is $256.24.

The scope's cost share calculation gets interesting when fees exceed $1000 because the $750 cap is applied to each scope, not the whole fee. Here is an example. A producer has fees of $1925 and is certifying two scopes (livestock and crops). The total fees with scopes are $2075. $2075 divided by 2 equals $1037.50. 75% of $1037.50 is $778.12. Here the cap of $750/scope would apply, so $750 x 2 = $1500. You get a cost share check of $1500, so your total certification cost is $575.

MOFGA's Rebate for Small Producers

To further offset the cost of certification for small organic producers, MOFGA offers an additional rebate which is available only for farmers and processors who gross less than $10K per year in organic sales. MOFGA issues the payment for this rebate at the end of the year from information provided by MOFGA Certification Services. If you are in these income categories and are interested in this rebate, please make sure you check the MOFGA rebate box on the fee sheet. This is an optional rebate program.

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(*over, please*)

The abbreviated fee charts below illustrate the actual expense for certification after all of the cost-share and rebate programs have been applied. ***Please do not hesitate to call or email our office for further explanation – 207-568-6030 or certification@mofga.org.***

***Single Scope* Organic System Plan:**

Income at least	But less than	Annual Fee	*Actual Expense After Federal Rebate (75%/$750 per scope)*	*Actual Expense after Federal & MOFGA Rebates*
$0	$5,000	**$575**	$143.75	$100.00
$5,000	$10,000	**$810**	$202.50	$140.00
$10,000	$25,000	**$1075**	$325.00	
$25,000	$40,000	**$1,375**	$625.00	
$40,000	$60,000	**$1,500**	$750.00	
$60,000	$100,000	**$1,625**	$875.00	
$100,000	$200,000	**$1,850**	$1100.00	
$200,000	$300,000	**$2,200**	$1,450.00	
$300,000	$500,000	**$2,890**	$2,140.00	
$500,000	$750,000	**$3,120**	$2,370.00	
$750,000	$1,000,000	**$3,465**	$2,715.00	
$1,000,000	$1,500,000	**$4,045**	$3,295.00	
$1,500,000	$2,000,000	**$4,840**	$4,090.00	
$2,000,000	$2,500,000	**$5,675**	$4,925.00	
$2,500,000	$3,000,000	**$6,325**	$5,575.00	
$3,000,000	$3,500,000	**$7,360**	$6,610.00	
$3,500,000	$4,000,000	**$8,625**	$7,875.00	
$4,000,000	$5,000,000	**$10,120**	$9,370.00	
$5,000,000	$7,500,000	**$13,800**	$13,050.00	
$7,500,000	$10,000,000	**$16,100**	$15,350.00	
Over $10,000,000		**$17,710**	$16,960.00	

REFUND, SUPPLEMENTAL, & CANCELLATION FEES POLICIES

Supplemental fees – these fees are assessed for additional work by the MCS office or inspector that are considered beyond the standard package and annual cycle, including but not limited to: additional inspections to verify compliance or inspection of a farmer/processor whose facilities are in more than one location; out of state travel; expedited services; significant label review due to rebranding, etc. (in excess of 50% of total certified products), significant material reviews and approval, language translation services. The supplemental fee covers additional costs associated with these services. MCS reserves the right to charge for additional services not listed above. *Fee assessed case-by-case, and are typically between $150-$500. Please contact your specialist for more information.*

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Mediation fees - MCS will charge operations who request *informal* mediation to resolve proposed adverse actions a flat fee of $150. MCS will charge a flat fee of $250 for formal mediation with a third party mediation service.

Cancellation fee - per MCS policy, scheduled inspections may be cancelled up to one week prior to the appointment without penalty. Scheduled inspections that are cancelled within one week to one day prior to the inspection will be charged a $150 cancellation fee. Producers who cancel the day of the inspection or who fail to show up for their inspection will be charged $300. Cancellation of an inspection appointment is both costly and inconvenient because inspectors often schedule multiple inspections in a geographical area during a limited time frame. Return visits to an area are costly to MCS and may require extra fees.

Expedited review/ inspection fee - All new facilities and locations should be disclosed as part of your annual update which is typically sent out in January and February. If during the course of the year you want to add a new facility and do not give the office two months' notice with completed paperwork we will be charging $750. Expedited initial application requests, with turnaround between 1-2 months (after receipt of complete initial application submission), will also be subject to a $750 charge.
Expedited product review/ label review - case-by-case, MCS reserves the right to charge between $150-$750.