



National Organic Coalition

www.NationalOrganicCoalition.org

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NOC FARM BILL PROPOSALS

Organic agriculture is one of the fastest growing sectors of agriculture, creating jobs in rural America and lucrative market opportunities for American family farmers. Strong consumer demand has fueled the growth in organic agriculture, helping farmers stay in business even through one of the worst economic downturns in the country's history. Nationwide, the organic sector has become a \$29 billion industry, creating jobs at four times the national rate and served by over 14,500 organic family farmers.

Currently, domestic demand for organic food and beverages exceeds domestic production. With a modest investment in USDA research, marketing, and farmer assistance programs to support the U.S. organic sector, we can close the gap and expand this critical job base here at home. In order to meet projected market demand with domestic production by 2015, we will need 42,000 organic farmers in the U.S.

To foster that growth, we urge a continued and expanded federal investment in the following USDA programs:

- The **Organic Agriculture Research and Extension Initiative (OREI)** is USDA's flagship competitive research and extension grants program dedicated to organic agriculture. Unique in its scope and function, OREI funds research and extension projects to help meet the production, marketing, and policy needs of the growing organic industry. The program is very competitive and each year funds only a small percentage of eligible proposals. To meet the growing sector's research and extension needs, **OREI should be funded at \$30 million in mandatory funds annually, and retain its authorization for appropriation.**
- The **National Organic Certification Cost-share Program (NOCCSP)** is essential in helping small and medium-size businesses become certified as organic, a critical step if we are to meet growing consumer demand for organic products and maintain diversity in scale of organic operations. The annual process of organic certification is a necessary step for ensuring that all organic operations meet stringent organic standards, in order to ensure the integrity of the USDA organic seal and meet consumer expectations. But certification costs can be prohibitive for small, mid-sized, and beginning businesses. This cost-share program enables certified organic farmers and handlers to offset the costs of certification by providing a small reimbursement of currently no more than \$750 per year, capped at 75% of total certification costs. **NOCCSP should be funded at \$30 million in total mandatory funding over the 5-year life of the next Farm Bill.**
- The **National Organic Program (NOP)** enforces the national organic standards, accredits certifiers, develops equivalency agreements, handles complaints – in essence, NOP ensures the integrity of the organic seal. These are essential functions to the survival and growth of the organic sector. Additionally, the program requires a capital investment in innovative technologies that will position the program to be able to grow with the organic sector,

providing domestic and international oversight, and transparency and streamlining of systems, data, and information. **NOP should receive a one-time infusion of \$5 million in mandatory funds for the technology upgrade, and then should be authorized to receive appropriations increasing at a rate of 20 percent annually beginning with \$10 million in FY 2013.**

- The **Organic Production and Market Data Initiatives (ODI)** is a small but significant multi-agency initiative that ensures that USDA collects organic statistics, conducts organic price reporting, and releases organic economic reports. The Economic Research Service, the National Agricultural Statistics Service, and the Agricultural Marketing Service all collaborate on this data collection initiative. Access to segregated organic data is critical to help organic farmers and handlers make wise business decisions, and to policymakers needing to assess trends in agriculture. **ODI should receive \$5 million in mandatory funding over the life of the next farm bill, and retain its authorization for appropriations.**
- The 2008 Farm Bill included important provisions in **Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP)** for organic farmers in recognition of the historical lack of participation and conservation benefits of these systems. However, both programs are in need of reform to address the unique needs of organic farming systems. **Issues such as the unfamiliarity of NRCS staff with organic systems, overlapping planning requirements with the National Organic Program, and lack of adequate planning assistance should be addressed in the next Farm Bill.**
- One of the basic building blocks of any successful agricultural system - conventional or organic - is **farmer access to seeds** that are well adapted to local soils and climates. Farmers nationwide have fewer choices of seeds to meet changing environmental stresses and consumer demands. Often, the seeds that are available are not bred to address local soil and climate conditions, placing entire regions at a competitive disadvantage. The federal government has largely stopped funding **classical breeding** efforts at State land grant institutions to develop public cultivars, and has largely shifted agricultural germplasm research toward only patented varieties that prevent farmers from saving seeds. The problem is particularly acute for organic farmers whose farming systems demand seeds that are well adapted to their local conditions. The 2008 Farm Bill addressed this growing crisis by requiring USDA to make classical plant and animal breeding a priority with the Agriculture and Food Research Initiative (AFRI), but USDA has not complied with that Congressional mandate. To require USDA to get the job done, **the next Farm Bill should require a set aside of 10 percent of annual AFRI funding to be used for classical breeding efforts to ensure meaningful public seed variety choices for farmers.**
- USDA currently does not provide appropriate **risk management tools** for organic producers. The agency charges an unjustified surcharge to organic farmers who participate in federal crop insurance program, and for most organic crops, does not pay organic farmers at the organic price when they experience a loss. In addition, the agency does not provide appropriate tools for diversified farmers. The 2008 Farm Bill required USDA to remove the unjustified organic crop insurance surcharge and to provide organic price elections. While USDA has started the process for some organic crops, it has fallen far short of the 2008 Farm Bill mandates in that regard. **The next Farm Bill must fully remove these unnecessary and unjustified disincentives to organic farmer use of USDA risk management tools.**