



National Organic Coalition

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Testimony of

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Senate Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies

regarding

Fiscal Year 2012 Appropriations Requests

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Chairman Kohl, Ranking Member Blunt, and Members of the Subcommittee:

My name is Steven Etka. I am submitting this testimony on behalf of the National Organic Coalition (NOC) to detail our fiscal year 2012 funding requests for USDA programs of importance to organic agriculture.

The National Organic Coalition (NOC) is a national alliance of organizations working to provide a voice for farmers, ranchers, environmentalists, consumers, cooperative retailers and others involved in organic agriculture. The current members of NOC are the Beyond Pesticides, Center for Food Safety, Equal Exchange, Food and Water Watch, Maine Organic Farmers and Gardeners Association, Midwest Organic and Sustainable Education Service, National Cooperative Grocers Association, Northeast Organic Dairy Producers Alliance, Northeast Organic Farming Association- Interstate Policy Council, Organically Grown Company, Organic Seed Alliance, Rural Advancement Foundation International -USA, and the Union of Concerned Scientists.

USDA/ Agricultural Marketing Service (AMS)

National Organic Program

Request: 9.896 million

Sales of organic food and beverages have experienced a rapid growth over the last decade, averaging nearly 20 percent per year. Despite the recession, organic sales grew at a rate of 5 percent in 2009 and 8 percent in 2010. The National Organic Program (NOP) is the agency charged with regulating and enforcing the USDA organic label. For years, the rapid growth of the organic industry has far outpaced the resources provided to the NOP, which has greatly limited the ability of NOP to fulfill its regulatory and enforcement role credibly.

Fortunately, both Congress and the Administration responded with an increase in funding in fiscal years 2009 and 2010 to meet these needs. In the final FY 2011 Continuing Resolution cuts were made to AMS overall, and funding levels for individual AMS programs were left to the discretion of the agency. The resulting NOP funding level for FY 2011 is \$6.919 million.

We are strongly supporting the Administration's FY 2012 request for \$9.896 million for the National Organic Program (NOP), representing an increase of \$2.98 million over the FY 2011 level. The increased funding is needed to accelerate the review and amendment of program standards and regulations to reflect industry and consumer expectations through a transparent and participatory process; improve the consistency in certifier application of the standards; improve timeliness and effectiveness of enforcement actions to protect organic integrity; and respond to requests for international equivalency agreements.

USDA (AMS, ERS, NASS)

Organic Data Initiative

Request: \$300,000 for AMS price report; Report language for NASS Organic Production Survey

Authorized by Section 7407 of the 2002 Farm Bill, the Organic Production and Marketing Data Initiative states that the "Secretary shall ensure that segregated data on the production and marketing of organic agricultural products is included in the ongoing baseline of data collection regarding agricultural production and marketing." Section 10302 of the Farm, Conservation, and Energy Act of 2008 amends the provision to provide mandatory funding, and to authorize \$5 million annually in discretionary funding.

As the organic industry matures and grows at a rapid rate, the lack of national data for the production, pricing, and marketing of organic products has been an impediment to further development of the industry and to the effective functioning of many organic programs within USDA. The organic data collection and analysis effort at USDA has made significant strides in recent years, but remains in its infancy. Because of the multi-agency nature of data collection within USDA, organic data collection and analysis must also be undertaken by several different agencies within the Department: The Administration's FY 2012 budget requests \$300,000 for AMS for organic price reporting and has enumerated a number of important on-going organic data collection and analysis projects within ERS and NASS.

In 2008, NASS conducted the first-ever comprehensive Organic Production Survey as a follow-on survey to the 2007 Census of Agriculture. Published in February 2010, the survey has provided information vital to the organic sector's growth and to the U.S. Department of Agriculture. The Organic Production Survey should be conducted on a regular basis to properly assess the characteristics, trends, and changes in the sector.

We are requesting \$300,000 for AMS for organic price reporting, consistent with the Administration's request. In addition, we are requesting report language urging NASS to undertake the necessary planning to conduct an Organic Production Survey on an on-going 5-year cycle, as a follow-on survey to the Census of Agriculture, starting in 2013.

USDA/ National Institute of Food and Agriculture (NIFA)

Organic Transitions Program

Request: \$5 million

The Organic Transition Program, authorized by Section 406 of the Agricultural Research, Education and Extension Reform Act (AREERA) for Integrated Research Programs, is a research grant program that helps farmers surmount some of the challenges of organic production and marketing. As the organic industry grows, the demand for research on organic agriculture is experiencing significant growth as well. The benefits of this research are far-reaching, with broad applications to all sectors of agriculture, even beyond the organic sector. Yet funding for organic research is minuscule in relation to the relative economic importance of organic agriculture and marketing in this nation.

The Organic Transition Program was funded at levels ranging between \$2.1 and \$1.8 million during the period of FY 2003 through FY 2009, received an increase to \$5 million in fiscal years 2010, and \$3.92 million in the FY 2011 Continuing Resolution. The Administration's FY 2012 budget requested \$5 million for this program, and we are also requesting a restoration of funding to the \$5 million level.

Agriculture and Food Research Initiative (AFRI)

Request: Report language on Conventional/Classical Plant and Animal Breeding

In recent decades, public resources for classical plant and animal breeding have dwindled, while resources have shifted toward genomics and biotechnology, with a focus on a limited set of major crops and breeds. This problem has been particularly acute for organic and sustainable farmers, who seek access to germplasm well suited to their unique cropping systems and their local environment.

Since Fiscal Year 2005, the Senate Agriculture Appropriations Subcommittee has included report language raising concerns about this problem, and urging CSREES (now NIFA) to give greater consideration to research needs related to classical plant and animal breeding when setting priorities within the National Research Initiative (now AFRI).

In Section 7406 of the Food, Conservation, and Energy Act of 2008, the National Research Initiative was merged with the Initiative for Future Agriculture and Food Systems to become the Agriculture and Food Research Initiative (AFRI). Congress included language within AFRI to make “conventional” plant and animal breeding a priority for AFRI research grants, consistent with the concerns expressed by the Appropriations Committee in preceding appropriations cycles.

Despite the many years of Senate report language and the 2008 Farm Bill language on this matter, research proposals for classical breeding that have sought AFRI funding in recent years have been consistently denied. Of the 127 AFRI-funded projects in 2009, 2010, and 2011 related to plant breeding and genomics, there was only one project that could truly be classified as classical breeding, which was a 2010 grant to Kansas State University for \$210,000. Of the 59 AFRI-funded projects in animal breeding, fertility and genomics, there appear to be no classical animal breeding projects funded at all.

It is becoming clear that unless a separate AFRI subgrant category dedicated to classical plant and animal breeding and the development of public cultivars is created, the 2008 Farm Bill classical breeding requirement and concerns stated in years of Senate report language will not be adequately addressed.

We are requesting strong report language from the Subcommittee to reiterate that the funding for classical plant and animal breeding should be a priority area within the AFRI program, and urging that a separate and distinct RFA be created within AFRI to address this critical need.

Sustainable Agriculture Research and Education (SARE)

Request: \$30 million (\$25 million for research and education grants; and \$5 million for professional development grants)

The SARE program has been very successful in funding on-farm research on environmentally sound and profitable practices and systems, including organic production. The reliable information developed and distributed through SARE grants have been invaluable to organic farmers. The President’s budget requests \$30 million for the SARE program for Fiscal Year 2012, including \$10 million to start the Federal-State Matching Grant program. Consistent with the President’s request, we are requesting \$25 million for research and education grants, including funding for the Federal-State Matching Grant program, and \$5 million for professional development grants.

USDA/Rural Business Cooperative Service

Appropriate Technology Transfer for Rural Areas (ATTRA)

Request: \$3 million

ATTRA, authorized by Section 6016 on the Food, Conservation, and Energy Act of 2008, is a national sustainable agriculture information service, which provides practical information and technical assistance to farmers, ranchers, Extension agents, educators and others interested and active in sustainable agriculture. ATTRA interacts with the public, not only through its call-in service and website, but also provides numerous excellent publications written to help address some of the most frequently asked questions of farmers and educators. Much of the real-world information provided by ATTRA is extremely helpful to both the conventional and organic communities, and is available nowhere else. As a result, the growth in demand for ATTRA services has increased significantly, both through the website-based information services and through the growing requests for workshops.

Funding for ATTRA was completely eliminated in the FY 2011 Continuing Resolution, greatly jeopardizing information transfer to farmers seeking the most up-to-date scientific and practical information about sustainable farmers systems. The President's FY 2012 requests that ATTRA be funded at the FY 2010 level of \$2.8 million, and we are requesting \$3 million for ATTRA for FY 2012, to help meet the growing demand from farmers for up-to-date, science-based information.

USDA/ Agriculture Research Service (ARS)

Classical Plant and Animal Breeding Activities

Request: \$9.03 million

As noted above in the AFRI section of this request, public resources for classical plant and animal breeding have dwindled in recent decades, and as a result, our capacity for public breeding in at a critical point. While USDA's statutory obligation to address this problem through the AFRI competitive grant program remains strong, ARS also has an obligation in this regard. Although ARS has the resources and expertise to help reverse this dangerous trend, the agency has not made a concerted effort in this regard.

We are requesting \$9 million for ARS classical plant and animal breeding efforts, to be utilized in a manner similar to what was described in the Administration's FY 2011 budget request (*pages 16-19 and 16-29 of USDA's FY 2011 Budget Justification document*)ⁱ, which called for an increase of \$4.289 million for "crop breeding to enhance food and production security" and other \$4.75 million for "crop protection to enhance food and production security," with a clear focus on classical plant and animal breeding activities. With the change in REE leadership at USDA, the Administration's FY 2012 request for ARS failed to reiterate this request and need. However, we believe that the FY 2011 ARS request for this research was well stated, and we urge the Subcommittee to provide funding for this critical activity within ARS.

Thank you for your consideration of these Fiscal Year 2012 funding priorities, and we look forward to working with you throughout this year's process.

ⁱ *“Sustainability of our Nation’s food supply depends on a continuous supply of improved plant varieties with protection from emerging diseases, insects, and damaging environmental conditions. While there has been major investment in the public and private sector in new genomic and biotechnology strategies for crop improvement, classical plant breeding research and expertise continues to be a major but unmet need. Developing improved seeds and new varieties requires effective methods and expertise in selecting desired traits (“phenotyping”) and field evaluation. There is an urgent national and international need for more research and expertise in classical, conventional plant breeding. New emerging diseases such as citrus greening and cereal rusts are threatening the future supply of food crops. Temperature extremes and reduced water supplies provide new challenges for crop production.*

Breeding research is particularly needed to improve complex traits that require long-term research and challenging methods such as developing perennial grains with high seed yields, as well as integrating disease resistance and weather stress tolerance genes from wild and weedy relatives of crop plants. Perennial grain production systems offer benefits in soil and water conservation, and decreased dependence on fertilizer and fuel inputs. The Land Institute, Salinas, Kansas, has led in developing perennial grain varieties and production systems. More breeding and disease protection research is needed to increase the production capacity of perennial grains and to optimize perennial grain production systems.

The need for classical breeding research and expertise is growing, but the supply of trained classical plant breeders is diminishing worldwide. The entire plant breeding industry faces a shortage of trained plant breeders as a result of industry expansion. Also, traditional partner disciplines for plant breeding, such as statistics, plant pathology, physiology, and entomology have often shifted away from field-based, practical plant breeding applications. ARS has a force of more than 125 plant breeders, working in teams with plant pathologists, biologists, entomologists and other skilled crop scientists. Clearly, ARS has an obligation to increase training, and mentor more new plant breeders to meet this urgent need.”