



National Organic Coalition

April 22, 2009

Testimony of

Steven Etko

Legislative Coordinator, National Organic Coalition

submitted to the

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

regarding

Fiscal Year 2010 Appropriations Requests

Chairwoman DeLauro, Ranking Member Kingston, 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 requests for fiscal year 2010 funding for several USDA marketing, research, and conservation 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, Rural Advancement Foundation International -USA, and the Union of Concerned Scientists.

We urge the Subcommittee's strong consideration of the following funding requests for various USDA programs of importance to organic farmers, marketers and consumers:

USDA/ Agricultural Marketing Service (AMS)

National Organic Program- Request: \$8 million

In Fiscal Years 2006 and 2007, funding of \$2.026 was appropriated for the National Organic Program within the AMS budget. For Fiscal Year 2008, in keeping with the President's budget request for the program, \$3.18 million was appropriated for the National Organic Program. The NOP appropriation grew again in Fiscal Year 2009 to a funding level of \$3.867 million

Sales of organic food and beverages continue to grow at an average rate of 20 percent per year in this country. While funding levels for USDA's National Organic Program (NOP) have grown in recent years, the growth in resources for this regulatory agency has not kept pace with the market growth of the organic sector.

For NOP to be a credible regulator and enforcer of the USDA organic label, resources must increase significantly, and long overdue policies must be established within NOP to ensure consistency in the standards, transparency in the standards setting process, and proper enforcement. If the funding for this program does not expand significantly to meet the growing needs, we fear that the important work of the NOP will suffer, the integrity of the organic standards will be jeopardized, and public confidence in the USDA organic label will be eroded.

Specifically, the Members of the National Organic Coalition urge the Committee to funding the National Organic Program at \$8 million for FY 2010, as authorized by Section 10303 of the Food, Conservation, and Energy Act of 2008, and to include language directing NOP to undertake the following critical activities, as established by the Organic Foods Production Act (OFPA) of 1990.

1) Establish a Peer Review Panel, as called for in Section 2117 of the Organic Foods Production Act (OFPA) of 1990, and Section 205.509 of USDA's own organic regulations; to provide oversight of USDA's accreditation process for organic certifying agents.

2) Reinstate funding for independent, scientific reviews of substances proposed for use in organic agriculture, as required by OFPA. Historically, the National Organic Standards Board (NOSB) has had the benefit of independent scientific reviews, called Technical Advisory Panel (TAP) reviews, of any substance proposed for use in organic agriculture, to make sure that its use is compatible with the purposes of OFPA. However, in recent years, USDA has denied funding for these independent TAP reviews, leaving the NOSB with little information on which to base these important decisions.

3) Make the NOP budget fully transparent and accountable to the public, by publishing the details of the budget on the NOP website.

4) Finalize the pending pasture rule for organic livestock, and initiate rulemaking to address the issue of the origin of livestock.

USDA **ORGANIC DATA INITIATIVES**

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 further to provide mandatory funding, and to provide further authorization for \$5 million annually in discretionary funds for this effort.

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: We are requesting the full \$5 million to be appropriated for this initiative, to be divided between the three main data collection sub-agencies as follows:

Economic Research Service (ERS) **Request: \$1.5 million**
Collection and Analysis of Organic Economic Data

Agricultural Marketing Service (AMS) **Request: \$3 million**
Organic Price Collection

National Agricultural Statistic Service (NASS) **Request: \$500,000**
Organic Production Data

USDA/ CSREES **Request: \$5 million**
Organic Transitions Program

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 topics related to organic agriculture is experiencing significant growth as well. The benefits of this research are far-reaching, with broad applications to all sectors of U.S. 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. Starting in FY09, the program has been administered in combination with the CSREES Water Quality integrated research program, to study the watershed impacts of organic systems.

The Organic Transition Program was funded at \$2.1 million in Fiscal Year 2003, \$1.9 million in FY 2004, \$1.88 million for both FY 2005 and 2006, \$1.855 million for FY 2007 and 2008, and 1.842 million in FY 2009. Given the rapid increase in demand for organic foods and other products, and the growing importance of organic agriculture, this important research program should be growing instead of contracting. Therefore, we are requesting that the program be funded at \$5 million in Fiscal Year 2010.

USDA/CSREES / 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.

Ever year since Fiscal Year 2005, the Senate Agriculture Appropriations Subcommittee has included report language raising concerns about this problem, and urging CSREES to give greater consideration to research needs related to classical plant and animal breeding, when setting priorities within the National Research Initiative. Despite this report language, research proposals for classical plant and animal breeding that have sought NRI funding in the recent years have been consistently declined.

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 the AFRI to make “conventional” plant and animal breeding a priority for AFRI research grants, consistent with the concerns expressed by Appropriations Committee in the three preceding appropriations cycles.

When CSREES released its AFRI Program Announcement in December of 2008, it invited research proposals on conventional/classical plant and animal breeding. However, when researchers submitted their initial letters of intent spelling out their research topics in the arena, they were nearly all rejected in the pre-proposal stage. Therefore, we are requesting that report language be added to the CSREES/AFRI section of the report, stating the following:

“While the Committee is pleased that the new AFRI program language is now encouraging classical or conventional plant and animal breeding initiatives, we are concerned by the lack of progress in funding of actual projects in this research arena. The Committee urges USDA to make further progress by creating a clear, separate and on-going category of research funding for conventional/classical plant and animal breeding within AFRI, with adequate funding allocations to meet this critical and growing need.”

USDA/CSREES

Sustainable Agriculture Research and Education (SARE)

Request: \$25 million (research and education grants) and \$5 million (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. For Fiscal Year 2010, we are requesting \$25 million for research and education grants 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. We are requesting \$3 million for ATTRA for Fiscal Year 2010.

USDA/ARS

Organic Agricultural Systems Research

Request: Devote “fair share” of ARS research dollars, commensurate with organic’s retail market share (approximately \$33 million), to direct organic research.

USDA research programs have not kept pace with the growth of organic agriculture in the marketplace. Although organic currently represents nearly 4 percent of total U.S. food retail market, the share of USDA research targeted to organic agriculture and marketing is significantly less. With regard to ARS specifically, efforts have been made to devote greater resources to organic research. The current total funding for direct organic projects within ARS is about \$14 million, about 1.5% of the ARS budget. Despite this progress, much more needs to be done in this area. We are requesting that a “fair share” of ARS expenditures (approximately \$33 million annually) be devoted to direct organic projects, using organic’s retail market share as a basis of comparison to the conventional sector. This should include the establishment of a clearinghouse for disseminating organic research information through the National Agricultural Library, Alternative Farming Systems Information Center (NAL-AFSIC).

USDA/ NRCS

Conservation Stewardship Program

Request: No Funding Limitation

USDA/ Rural Business Cooperative Service

Value-Added Producer Grants

Request: \$40 million

The Conservation Security Program (authorized by Section 2001 of the 2002 farm bill) and the Value-Added Producer Grant (authorized by Section 6401 of the 2002 farm bill) have great potential to benefit organic and conventional producers in their efforts to conserve natural resources and to explore new, value-added enterprises as part of their operations. Unfortunately, while these programs were authorized to operate with mandatory funding, their usefulness has been limited by funding restrictions imposed through the annual appropriations process. We are urging that the Conservation Security Program be permitted to operate with unrestricted mandatory funding, and that the Value-Added Producer Grant Program receive an appropriation of \$40 million for FY 2009.

Food and Nutrition Service/ WIC Program

Report Language: Removing Barriers of Access to Organic Foods for WIC recipients

Despite the scientifically documented nutritional and health benefits of organic food, particularly for pregnant mothers and small children, many States have greatly limited or prohibited access to organic foods as part of the WIC program. Some of the barriers are explicit, whereby WIC recipient are expressly prohibited in some States from using their WIC certificates or vouchers for organic versions of WIC foods. Others barriers are indirect, such as rules that make it difficult for retail stores that carry organic foods from participating in the program. Therefore, we are requesting that report language be included in the Food and Nutrition Service section of the FY 2010 Appropriations report, such as:

“The Committee is concerned about the number of States the have set up barriers within the WIC program to hinder or prohibit WIC recipients from purchasing organic food. The Committee strongly urges FNS to actively encourage States to remove barriers to the purchase of organic foods as part of the basic food instrument, and to understand the nutritional and health benefits of organic foods for the vulnerable populations served by this program.”