



ORGANIC FARMING RESEARCH FOUNDATION

**Written Testimony of the
Organic Farming Research Foundation
By Mark Lipson, Senior Policy Analyst**

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**Submitted to the
House Committee on Appropriations Subcommittee on Agriculture, Rural
Development, Food and Drug Administration, and Related Agencies
Revised May 11, 2009**

The Organic Farming Research Foundation's funding requests for the Fiscal Year 2010 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill are to protect mandatory funding and to allocate \$54.7 million in discretionary funds, divided among agencies and programs in the following manner:

- **USDA – Cooperative State Research, Extension, and Education Service**
 - Organic Agriculture Research and Extension Initiative

FY 09 Actual: \$18 million
USDA FY 10 Request: protect mandatory funding
OFRF FY 10 Request: protect mandatory funding plus \$5 million discretionary
 - “Organic Transitions” Integrated Research
- FY 09 Actual: \$1.8 million
USDA FY 10 Request: \$1.8 million
OFRF FY 10 Request: \$5 million
- **USDA – Agricultural Research Service**
 - Direct Organic Projects

FY 09 Actual: \$16.9 million
USDA FY 10: N/A
OFRF FY 10 Request: \$33 million

 - Includes “Organic Research Clearinghouse,” National Agricultural Library: \$250,000
 - **USDA – Agricultural Marketing Service/Economic Research Service/National Agricultural Statistics Service**
 - Organic Production and Market Data Initiatives

FY 09 Actual: \$500,000 appropriated and \$5 million one-time mandatory from 2008 Farm Bill
USDA FY 10 Request: \$0
OFRF FY 10 Request: \$5 million

- **USDA – Agricultural Marketing Service**
 - National Organic Program
 - FY 09 Actual: \$3.8 million
 - USDA FY 10 Request: \$6.7 million
 - OFRF FY 10 Request: \$6.7 million

Details and further information on these programs is provided below.

The Organic Farming Research Foundation (OFRF) appreciates the opportunity to present our funding requests for the Fiscal Year 2010 Agriculture, Rural Development, FDA, and Related Agencies Appropriations Bill. OFRF is a grower-directed, non-profit foundation working to foster the improvement and widespread adoption of organic farming systems. Organic agriculture plays an important and growing role in U.S. agriculture. Relatively modest investments in organic research and education can significantly increase the economic benefits and environmental services provided by organic farming systems and the organic products sector. As a result, we urge the Subcommittee to provide additional resources for organic agriculture in FY 10.

The Organic Farming Research Foundation appropriations requests for FY 10 reflect a coordinated set of activities that will strategically build upon the growth of organic agriculture and leverage the sector's role in addressing the Nation's economic, climate, and energy challenges. Organic agriculture continues to be a growing sector in U.S. agriculture, despite the economic recession. The organic products sector provides jobs on- and off-farm, provides increased marketing opportunities for farmers and processors, and meets widespread consumer demand for more food grown in an environmentally-sound manner. Emerging research is showing that organic agricultural systems provide a comprehensive strategy for mitigating the effects of climate change and facilitating the adaptation to climate change. Organic agriculture also reduces the use of non-renewable sources of energy such as fossil fuels. The multiple benefits of organic production systems make organic agriculture an effective vehicle for achieving national economic and environmental goals. This growth has been facilitated by the Subcommittee and was supported by the 2008 Farm Bill.

OFRF's recommendations emphasize research, data collection, and information dissemination. In our view, these are the most limiting factors for the growth and improvement of organic agriculture. Within the USDA-REE Mission Area, the support of the Subcommittee and the Department has been usefully tracked by the "fair-share" comparison.¹ Currently, organic product sales are approaching 4% of the domestic retail market, yet USDA – REE expenditures directed explicitly to research and information programs for organic agriculture have only just reached 2% of the REE Mission Area funding.² This discrepancy is detrimental to an industry that relies

¹ The fair-share benchmark compares the U.S. retail market share of organic products to the percentage of USDA-REE spending on activities explicitly directed towards organic farming and food.

² OFRF estimates total FY 09 organic REE spending at \$48 million, out of approximately \$2.4 billion for the REE Mission Area. This includes: OREI (\$18 million), ORG (\$1.8 million), ARS direct-organic (\$16.9 million), ODI (\$5 million), other CSREES grants (\$6 million).

intensively on management and information for its success. By providing modest increases as outlined below, the Subcommittee can help meet the “fair-share” benchmark for organic research and promote the multiple public benefits that organic farming can provide.

USDA – Cooperative State Research, Extension, and Education Service

Organic Agriculture Research and Extension Initiative (OREI)³

OFRF FY 10 Request: \$25 million (protect mandatory funding plus \$5 million discretionary)

OREI is USDA’s premier competitive research and education grant program specifically dedicated to the investigation of organic agriculture. Due to its success with very modest funding, the program received an increase in mandatory funding in the 2008 Farm Bill. Despite this increase, the program remains heavily oversubscribed. For the FY 09 allocation of \$18 million, the program received applications totaling over \$98 million. Increasing organic research capacities within the land grant university system and elsewhere are reflected in this trend.

The 2008 Farm Bill allocates mandatory funding of \$20 million to OREI for FY 10. The legislation also recognizes the need for further increases to reach the full potential of this program and authorizes discretionary funding of up to \$25 million annually. In addition to protecting the full mandatory allocation, OFRF recommends appropriating \$5 million of the discretionary authority in FY 10. This modest additional increase would continue making progress towards the fair-share benchmark of USDA research and education for organic agriculture and respond to the strong demand and increased capacity for the program’s outcomes.

“Organic Transitions” Integrated Research (ORG)⁴

OFRF FY 10 Request: \$5 million

ORG is the older and smaller of two USDA competitive grant programs dedicated to organic research and education. From 2003 to 2008, it was administered together with OREI. Starting in FY 09, USDA – CSREES is instead combining the program with the 406 Integrated Water Quality research program. The newly combined program will fund multi-year projects that examine the effects of organic production systems on water quality. This approach provides a “specialized” complement to the general purposes of OREI, and OFRF supports this move by the agency. At current funding levels,⁵ this program can only fund a small number of serious investigations. Our request of \$5

³ The Organic Agriculture Research and Extension Initiative (OREI) is authorized by Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) as amended by Section 7206 of the Food, Conservation, and Energy Act of 2008.

⁴ “Organic Transitions” Integrated Research (ORG) is authorized by Section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA) (7 U.S.C. 7626).

⁵ \$1.8 million for FY 09.

million for FY 10 seeks to enable a higher level of program performance and help reach the overall organic fair-share benchmark.

USDA – Agricultural Research Service

Direct Organic Projects

OFRF FY 10 Request: \$33 million (“fair share” for ARS organic research)

USDA – Agricultural Research Service has an organic research portfolio and a strategic plan for further organic research activities. The current funding for direct organic projects is \$16.9 million, about 1.5% of the total ARS budget.⁶ We are urging growth of the agency’s direct organic activity to reach an ARS fair-share objective of \$33 million. The increase should be pointed towards full implementation of the ARS Organic Research Action Plan.⁷

We ask that \$250,000 be directed at funding the National Agricultural Library’s Alternative Farming Systems Information Center (NAL-AFSIC). As organic results proliferate, dissemination of information becomes a critical limiting factor for the overall goals of widespread adoption. The NAL-AFSIC program is well positioned to lead the dissemination function within USDA. OFRF estimates that maintenance and outreach for a national “clearinghouse” for organic agriculture, “enthusiastically” supported by USDA’s National Research Advisory Board,⁸ will require an ongoing annual budget allocation of \$250,000.

USDA – Agricultural Marketing Service/Economic Research Service/National Agricultural Statistics Service

Organic Production and Market Data Initiatives (ODI)⁹

OFRF FY 10 Request: \$5 million (\$3 million for AMS, \$1.5 million for ERS, and \$0.5 million for NASS)

Data on prices, yields, and markets are vital to farmers for production planning, market development, risk management, and obtaining financial credit. The organic sector is still without vital comprehensive data on par with what USDA provides for conventional agriculture, putting organic farmers at a significant disadvantage. The absence of marketing and production data specific to organic agriculture inhibits organic producers

⁶ Communications from ARS national program staff, April 29, 2009. A larger total is reported to Congress, combining “direct organic” projects with “indirect organic” projects, as determined by ARS staff.

⁷ Organic Research Action Plan: <http://www.ars.usda.gov/SP2UserFiles/Program/216/OrganicResearchActPlan.pdf>.

⁸ “Report and Recommendations from a Focus Session on Organic Agriculture Conducted at the Advisory Board Meeting held in Washington, D.C. on October 29-31, 2007.” Page 4. National Agricultural Research, Extension, Education, and Economics Advisory Board. Transmitted to the Secretary of Agriculture and the House and Senate Committees on Appropriations, and Agriculture, March 5, 2008.

⁹ The Organic Market and Production Data Initiatives is authorized by Section 7407 of the Farm Security and Rural Investment Act of 2002 as amended by Section 10302 of the Food, Conservation, and Energy Act of 2008.

and handlers, and limits the effectiveness of policies enacted to facilitate the public benefits of organic agriculture.

The Subcommittee has supported the initial 2002 authorization with \$500,000 from 2004 through 2009. These appropriations enabled a minimal baseline effort for general measurements of the organic sector. The 2008 Farm Bill provided \$5 million in mandatory funds to jumpstart the combined data collection initiatives at AMS, ERS, and NASS. Those funds have already been spent on a variety of efforts at each of the agencies,¹⁰ including the development of a first-ever survey of organic agriculture by NASS to be released in early May 2009.

Activities of AMS, ERS, and NASS require continued full support to build upon the previous investments. AMS has planned further enhancement of organic reporting and the development of additional organic market information tools. NASS is releasing its first-ever organic agriculture production survey in May, and will need funds to continue its data collection efforts. ERS will use additional targeted funds to continue expanding the agency's overall program of research and analysis of organic agriculture, and will work jointly with NASS to analyze the data from the organic production survey.

The 2008 Farm Bill provided additional authority up to \$5 million annually for ODI. We are asking the Subcommittee to exercise its full authority and allocate \$5 million for FY 10 to organic data collection, distributed among the three agencies leading this initiative. We anticipate that the President's budget will recommend a similar allocation and agency distribution.

USDA – Agricultural Marketing Service

National Organic Program (NOP) OFRF FY 10 Request: \$6.7 million

NOP (including the National Organic Standards Board, organic standards setting, certifier accreditation and enforcement) received an increased authorization for appropriations in the 2008 Farm Bill. \$8 million is the authorization level for FY 10. NOP has a large and growing number of important backlogged tasks. We support the President's FY 10 request for \$6.7 million.

The Organic Farming Research Foundation thanks the Subcommittee for the opportunity to submit our requests. We ask the Subcommittee to provide funds to close the gap in research and education funding for organic agriculture, for the continued improvement and expansion of organic farming systems.

¹⁰ For an update on the use of the funds, see "U.S. Department of Agriculture Report to Congress: Status of Organic Production and Market Data Activities As Required by the 2008 Farm Bill." December 2008.

OFRF Testimony submitted to House Appropriations Committee Agriculture Subcommittee for 2010 Appropriations Bill.

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