



Appropriations for Organic Agriculture Programs

2009 Appropriations

Last summer, Congress put Fiscal Year 2009 (FY09) appropriations on hold (the fiscal year started October 1, 2008) and continued FY08 non-defense program (including agriculture programs) funding levels into March of 2009. The FY09 Appropriations Omnibus Package was passed by the House the first week of March, and completed this week by the Senate and signed by President Obama. The final package was good news for organic agriculture programs. (See multi-year funding chart on the reverse side.)

The biggest concern had been possible cuts to the Organic Research and Extension Initiative (OREI). This competitive research grants program got a big increase in the 2008 Farm Bill. However, Congress was considering cuts to this new funding level in the FY09 budget. Fortunately, thanks to advocacy efforts from OFRF and our allied organizations, OREI was not cut and will have its full \$18 Million allocation for the current grant cycle.

2010 Appropriations

Due to the Administration transition, this year's appropriations process is being handled a bit differently than in past years. Normally, the President releases a budget proposal in February, which marks the beginning of the appropriations process. This year, President Obama will not be releasing his budget until May. He did provide a glimpse of what his budget proposal may include, by releasing a "budget framework" on February 26, 2009. The budget framework includes two specific references to organic. The "Highlights" section says the budget will be "investing in the full diversity of agricultural production, including organic farming and local food systems." Under the heading "Supports Independent Producers" it says, "The Budget also proposes increased funding to enhance the National Organic Program through additional education and outreach, as well as enforcement to maintain labeling credibility." Despite not having the proposed budget details to work from, the OFRF policy team has been working with other advocates to make our requests to Congress for the FY10 appropriations cycle. Below is a short summary of those requests and following is a multi-year chart of funding for organic agriculture appropriations priorities.

(Note: "Mandatory funding" refers to funding levels mandated in the Farm Bill. "Authorized funding," also known as "discretionary funding" refers to the maximum amount of funding that a program may receive at the discretion of Congress during the annual appropriations process.)

1. Organic Agriculture Research and Extension Initiative (OREI)

FY10 Request: \$25 million (\$20 million in mandatory FY10 Farm Bill funding, \$5 million in discretionary funding)
OREI is scheduled in the Farm Bill to receive \$20 million for competitive grants in FY10. Protecting this allocation is our top priority. However, this still amounts to only about 1% of USDA's total research and education budget. A "fair share" of research funding that matches U.S. organic retail sales should be closer to 4%. Congress recognized the need for this program to grow by authorizing additional discretionary funding of up to \$25 million a year. We are recommending that \$5 million of this authorization be exercised for FY10. This moderate request recognizes the current budgetary pressures and also the rate at which organic research capacity can grow to match the funding opportunity.

2. Organic Transitions Research (ORG)

FY10 Request: \$5 million

The Organic Transitions Research Program is a distinct, smaller program for organic research. From 2003-2008 it was administered together with OREI. In FY09 it is being administered in combination with a USDA water quality research program to study the watershed impacts of organic systems. As a "special organic topics" program, it can target particularly high-value research investigations. At current funding this program can only fund a small number of serious investigations. Our request for \$5 million in funding seeks to enable a higher level of program performance and help reach the overall organic fair-share goal.

3. Organic Market and Production Data Collection Initiative (ODI)

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

The 2008 Farm Bill provided \$5 million in mandatory funding for collection of data about organic prices and production. The absence of this data inhibits organic producers and handlers in a number of ways, from business planning and credit, to fairness in crop insurance and disaster payments. The Farm Bill funding has already been spent, but there is still significant need for expanded data collection and analysis. The Farm Bill provided additional authorization for up to \$5 million annually. We are asking Congress to exercise this full authorization, and that the total be shared among the three agencies doing this work.

4. Agricultural Research Service – Direct Organic Projects (ARS)

FY10 Request: "Fair Share" for organic research, approx. \$40 million.

The USDA Agricultural Research Service has an organic research portfolio and a strategic plan for further organic research activities. The current total funding for direct organic projects is about \$18 million, about 1.5% of the FY09 ARS budget of \$1.2 billion. We are urging growth of the agency's organic activity to reach the fair-share goal, about \$40 million.

5. National Organic Program (AMS-NOP)

FY10 Request: \$8.0 million

The National Organic Program of the Agricultural Marketing Service (including the National Organic Standards Board, organic standards setting, certifier accreditation and enforcement) received an increasing authorization for appropriations in the 2008 Farm Bill. The FY10 authorized funding level is \$8 million. This would be a big increase from FY09 funding of \$3.8 million. While some groups are concerned that this increase would be difficult for the current management to spend efficiently, the NOP has many backlogged tasks that need funding to reach completion. We are recommending that the full authorization be exercised with the expectation that the new Administration will be able to apply it effectively.

FY 2010 APPROPRIATIONS - ORGANIC REQUESTS (amounts in millions)			
Program	FY2008 amount	FY2009 amount	FY2010 request
OREI			
Mandatory	\$3.0	\$18.0	\$20.0
Discretionary	\$0.0	\$0.0	\$5.0
Organic Transition	\$1.8	\$1.8	\$5.0
Organic Data Collection Initiative			
Mandatory	\$0.0	\$5.0	\$0.0
Discretionary	\$0.5	\$0.5	\$5.0
Agriculture Research Service Direct Organic Projects	\$15.0	\$18.0	\$40.0
National Organic Program	\$3.1	\$3.8	\$8.0

This special Policy Update is brought to you by the **Organic Farmers Action Network (OFAN)**,



a grassroots network that connects farmers to their representatives in Congress.
Join OFAN today! For more information, contact Tracy Lerman at tracy@ofrf.org.
For more information about OFRF, visit www.ofrf.org.

Updated March 31, 2009.

Organic Farming Research Foundation ♦ 303 Potrero St. #29-203 ♦ Santa Cruz, CA 95060
tel: (831) 426-6606 ♦ fax: (831) 426-6670 ♦ action@ofrf.org ♦ www.ofrf.org