



ORGANIC FARMING RESEARCH FOUNDATION

ORGANIC IN THE 2007 FARM AND FOOD BILL
Farm Bill Forum, Washington DC, May 15, 2007

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Presentation Outline

THE ORGANIC PARADIGM

“An organic farm, properly speaking is not one that uses certain substances and avoids others; it is a farm *whose structure is formed in imitation of the structure of a natural system*; it has the integrity, the independence, and the benign dependence of an organism.” - Wendell Berry

“A New Agricultural Revolution”

Chronicle of Higher Education, April 2007, Dr. David R. Montgomery

“Agroecology...treats soil as a locally adapted biological system. Yet it is not simply a return to old labor-intensive ways of farming. It is just as scientific as the latest genetically modified technologies– but based on biology and ecology rather than chemistry and genetic. Rooted in the complex interactions among soil, water, plants animals and microbes, agroecology depends more on understanding local conditions and context than on using standardized products or techniques. It requires farming guided by locally adapted knowledge – farming with brains rather than by habit or convenience.”

U.S. Organic Definition

“A production system that is managed ... to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.”

-USDA National Organic Regulation

GLOBAL GROWTH

- U.S., E.U. demand driving increased production.
- U.S. retail doubled in last five years, appx. \$15 Billion in 2006.
- “Mass Market” retail ~50% of all U.S. sales.

2005 Organic Share of U.S. Retail \$:

Dairy – 3.5%
Packaged – 2.9%
Fruit & Veg. – 5.6%
Overall – 2.5 %

-Nutrition Business Journal March 2006

Potential Organic Share Growth @ 20%/yr Thru 2012 (Term of '07 Farm Bill)

Dairy – 12.5%
Packaged – 10.5%
Fruit & Veg. – 20.1%
Overall – 8.9 %

ORGANIC AG IN THE FARM BILL

- Research, Education , Extension
- Conservation Programs
- Conversion support
- Certification support
- Market data & analysis
- Crop Insurance & credit
- Marketing Orders
- Agency leadership & coordination
- OFPA amendments

USDA Organic REE FY2006

- USDA-CSREES Integrated Organic Program @ \$5 Million comp. grants.
- USDA-ARS explicit organic projects appx. \$5 Million.
- USDA-SARE appx. \$2-3 Million.
- USDA-Economic Research Service @\$500K.
- Natnl. Rsch. Initiative appx. \$1-2 Million?
- TOTAL ~\$15Million, 0.7% of USDA REE

Farm Bill Goals for Organic REE

OFRF “Fair Share” Policy Target of 6%=\$120M/yr
Splits diff. between organic market share in 2007 and 2012 projection.
1/3 (\$40M) annual mandatory

1/3 (\$40M) additional annual discretionary

1/3 (\$40M) competing in other programs

Critical Program Objectives for Organic REE

Establish permanent scientific and administrative leadership.

Significant scale-up of the existing successful CSREES competitive organic grants program (the Integrated Organic Program).

Establish long-term core capacities within each region of USDA-ARS.

Permanent information management infrastructure at the National Agriculture Library (ARS-AFSIC).

Provide capacity for state and multi-state organic extension services, especially targeted to new and socially disadvantaged producers.

Enhance the organic data collection program efforts.

Train Natural Resource Conservation Service personnel and Technical Service Providers in organic principles and practices.

Conservation Program Integration

- Cons. Security program “cross-walk” & practices scoring.
- EQIP organic conversion practice standard.
- Other cost-share programs.
- Training of NRCS personnel.
- Organic Technical Service Providers.

Organic Conversion Support

- Limited analysis to date of limiting factors.
- Need for regionalized approaches.
- Information, education and mentoring must be first priority (50% of spending).
- Production info and market/business info equally important.
- Financial support harder to justify (both for efficacy and fairness).
- Some existing models in states EQIP programs.

Certification Support

- Certification cost-share renewal and streamlining.
- Higher cap (\$750/yr).
- Sufficiency through 2012.
- Has support in Administration’s proposal.

- Support for smaller certifiers.

Market Data and Analysis

- Price collection – needs new model to capture organic market complexity.
- Price reporting – how to ensure fairness and objectivity.

Crop Insurance, Disaster and Credit

- Eliminate 5% premium penalty for organic producers.
- Requires accurate collection and reporting of organic farm-gate prices, and validation of equivalent risk patterns.
- Remove statutory prohibition on disaster payments at diff. value for organic crops.

USDA Leadership and Coordination

- Comprehensive departmental policy supporting organic.
- Designated leadership office(s) and role(s) for organic.
- These are highly desirable but may have dubious effect if imposed by Congress.

Marketing Orders

Eliminate 100% organic operation trigger to qualify for exemption.
Consider stand-alone organic market order?

Org. Foods Production Act???

- Statute is approaching 20 years age.
- High sensitivity to amendments.
- Slowness of regulatory process makes legislation look more desirable.
- Laws of Unintended Consequences make legislation look less desirable.

A NEW DAWN?

- Both House and Senate Ag Chairmen have organic subcommittee roles!
- Organic Caucus has fresh life (but lost Rs).
- Administration has made specific Farm Bill proposals for organic.
- Organic in platforms of sustainable ag and environmental coalitions.
- Organic business lobbies active.
- Convergence among organic advocates.

