



ORGANIC FARMING RESEARCH FOUNDATION

Written Testimony of the Organic Farming Research Foundation
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Submitted to the
**Senate Committee on Appropriations Subcommittee on Agriculture, Rural
Development, Food and Drug Administration, and Related Agencies**
March 26, 2010

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The Organic Farming Research Foundation (OFRF) is a national farmer-directed, non-profit organization fostering the improvement and widespread adoption of organic farming systems. The multiple benefits of organic production and market systems make organic agriculture a highly cost-effective investment for achieving national economic and environmental goals.

OFRF's funding requests for Fiscal Year 2011 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill emphasize research, data collection, and information dissemination. These are all significant limiting factors for the growth and improvement of organic agriculture. Our requests represent continued progress towards achieving the "fair-share" benchmark for organic agriculture within the USDA-REE mission area. 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 agriculture. Organic represents 3.5% of the U.S. retail market share, but, according to OFRF estimates,² explicit organic research represents only 1.8% of the USDA-REE mission area budget. We present below a summary of our requests followed by more justifications.

USDA – National Institute of Food and Agriculture

Organic Agriculture Research and Extension Initiative

| | |
|----------------------------|---|
| FY 10 Actual: | no limit on mandatory funding |
| USDA FY 11 Request: | no limit on mandatory funding |
| <u>OFRF FY 11 Request:</u> | <u>no limit on mandatory funding plus \$10 M in discretionary funds</u> |

Organic Transitions Integrated Research Program

| | |
|----------------------------|----------------|
| FY 10 Actual: | \$5.0 M |
| USDA FY 11 Request: | \$0 |
| <u>OFRF FY 11 Request:</u> | <u>\$5.0 M</u> |

Sustainable Agriculture Research and Education Program

| | |
|---------------|---|
| FY 10 Actual: | \$14.5 M (research and education) + \$4.7 M (extension) |
| | = \$19.2 M |

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² OFRF estimates total FY 10 organic REE spending at approximately \$51 million out of approximately \$2.9 billion for the REE mission area. This includes: OREI (\$20 million), ORG (\$5 million), ARS direct organic (\$17 million), ODI (\$1 million), and other NIFA grants (\$8 million).

USDA FY 11 Request: \$15.0 M + \$5.0 M + \$10.0 M (State Matching Grants) = \$30.0 M
OFRF FY 11 Request: \$15.0 M + \$5.0 M + \$10.0 M = \$30.0 M

USDA – Agricultural Research Service

Direct Organic Projects (allocation within agency baseline)

FY 10 Actual: \$17.2 M
USDA FY 11 Request: N/A
OFRF FY 11 Request: \$42 M (approximate result of requested “fair-share” language)

Classical Plant and Animal Breeding Activities

FY 10 Actual: N/A
USDA FY 11 Request: \$9.0 M
OFRF FY 11 Request: \$9.0 M

National Agricultural Library

FY 10 Actual: N/A
USDA FY 11 Request: Increase of \$1.5 M for sustainability information framework
OFRF FY 11 Request: Increase of \$1.5 M for sustainability information framework

USDA – AMS/ERS/NASS

Organic Market and Production Data Initiatives

FY 10 Actual: \$0.75 M (\$0.5 M for ERS, \$0.250 M for NASS)
USDA FY 11 Request: \$0.8 M (\$0.3 M for AMS, \$0.5 M for NASS)
OFRF FY 11 Request: \$5.0 M (\$3.0 M for AMS, \$1.5 M for ERS, \$0.5 M for NASS)

USDA – Agricultural Marketing Service

National Organic Program

FY 10 Actual: \$7.0 M
USDA FY 11 Request: \$10.1 M
OFRF FY 11 Request: \$10.1 M

USDA – Natural Resources Conservation Service

Mandatory Conservation Programs

FY 10 Actual: \$270 M cut to Environmental Quality Incentives Program
USDA FY 11 Request: cuts to several mandatory conservation programs
OFRF FY 11 Request: no limit on mandatory funding

Conservation Technical Assistance

FY 10 Actual: \$887.6 M
USDA FY 11 Request: \$923.7 M
OFRF FY 11 Request: \$923.7 M

Justifications

USDA – National Institute of Food and Agriculture

Organic agriculture provides multiple benefits to society, and has the potential to help achieve important agricultural outcomes. These outcomes include providing a nutritious and safe food supply, protecting and enhancing natural resources, building a prosperous agricultural economy, and adapting to climate change.

These benefits can only be realized with a strong commitment to organic research. Congress created and has funded the dedicated organic research programs to improve organic systems and leverage their multiple benefits. However, Congress has also made clear that these programs should not be the only source for scientific improvement of organic agriculture. Continued growth of the dedicated funding streams is necessary to build a critical mass of capacity for organic research and extension. This increased capacity in turn will allow for organic research to be competitive within other grant programs. Additionally, the organic research programs address significant, specific research needs not addressed by any of the other competitive research grant programs at the National Institute of Food and Agriculture.

Organic Agriculture Research and Extension Initiative (OREI)

OFRF FY 11 Request: no limit on mandatory funding plus \$10 M in discretionary funds

OREI is USDA's flagship competitive research and education grant program specifically dedicated to the investigation of organic agriculture and the delivery of its outcomes. The program is consistently oversubscribed and in FY 09 could only fund 17% of the funds requested. The 2008 Farm Bill authorized \$25 million annually in discretionary funds. In addition to the \$20 million in mandatory funding available in FY 11, OFRF requests \$10 million of the \$25 million in discretionary authority in FY 11. Protecting and growing the funding for this program would continue to make progress towards the fair-share benchmark for USDA funding for organic research and extension, would help respond to the strong demand for the program, and would increase the capacities of University organic programs to utilize other competitive research funds.

Organic Transitions Integrated Research Program (ORG)

OFRF FY 11 Request: \$5.0 M

ORG is the smaller and older of the 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, NIFA has been combining the program with 406 Integrated Water Quality research program. The newly combined program funds 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. Additionally, ORG supports formal educational activities (e.g., curriculum development for colleges), which OREI does not fund.

The President's FY 11 budget eliminates funding for ORG along with funding for all of the other Section 406 integrated programs, and justifies the cuts by saying that those research objectives will be met through other competitive research grants programs such as the Agriculture and Food Research Initiative. Given the type of research that AFRI/NRI has funded in the past and the limited opportunities that appear in the newly issued 2010 Request for Applications, we doubt that AFRI will sufficiently support integrated activities for organic systems similar to those currently funded through ORG. The past Administration made similar recommendations on the

406 programs, which Congress consistently rejected. We urge the Subcommittee to again reject these cuts and keep ORG level funded at \$5 million in FY 11.

Sustainable Agriculture Research and Education Program (SARE)

OFRF FY 11 Request: \$15.0 M (research & education) + \$5.0 M (extension) + \$10.0 M (federal-state matching grants program) = \$30.0 M

We strongly support the President's FY 11 request of \$30 million for SARE, which includes \$10 million to launch a federal-state matching grants program to leverage non-federal funds to support sustainable agriculture research. SARE is a farmer-driven, regionally-led, and outcomes-oriented competitive research and extension grants program that complements the activities of dedicated organic research programs.

USDA – Agricultural Research Service

Direct Organic Projects

OFRF FY 11 Request: Report language resulting in “fair-share” expenditures (appx. \$42 M)

USDA's Agricultural Research Service (ARS) has an organic research portfolio and a work plan to guide further organic research objectives. The current total for direct organic projects is \$17.2 million, about 1.3% of the ARS budget. To strengthen the agency's organic portfolio and reach the ARS fair-share benchmark, we request report language directing the Secretary of Agriculture to use a share of the ARS budget for research specific to organic food and agricultural systems that is at least commensurate with the organic sector's retail market share (currently 3.5%).

Classical Plant and Animal Breeding Activities

OFRF FY 11 Request: \$9.0 M

The President's FY 11 budget requests an increase of \$4.289 million for “crop breeding to enhance food and production security” and another \$4.75 million for “crop protection to enhance food and production security,” with a clear focus on classical plant and animal breeding activities. In recent decades, there has been a significant decrease in the public resources supporting classical plant and animal breeding, and the nation's capacity for public breeding is now at a crisis point. We fully support this request for much-needed classical breeding activities conducted through ARS.

National Agricultural Library (NAL)

OFRF FY 11 Request: Increase of \$1.5 M for sustainability information framework

We strongly support the President's FY 11 request for an increase of \$1.5 million for NAL to develop a framework for information access and databases focused on sustainable agricultural practices and systems.

USDA – AMS/ERS/NASS

Organic Market and Production Data Initiatives

OFRF FY 11 Request: \$5.0 M (\$3.0 M for AMS, \$1.5 M for ERS, \$0.5 M 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 and handlers, and limits the effectiveness of policies enacted to facilitate the public benefits of organic agriculture.

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 released its first-ever organic agriculture production survey in February, and will need funds to develop cross tabs and conduct further analysis. ERS will need 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 \$5 million in mandatory funds for ODI and additional authority up to \$5 million annually for ODI. Those mandatory funds have been applied to important projects, but there is still an increasing backlog of information needs. We are asking the Subcommittee to exercise its full authority and allocate \$5 million for FY 11 to organic data collection, distributed among the three agencies leading this initiative.

USDA – Agricultural Marketing Service

National Organic Program

OFRF FY 11 Request: \$10.1 M

We support the President's FY 11 request of \$10.1 million for NOP. This budget request will help protect the integrity of the organic label, allow for proper enforcement of the national organic standards, and restore consumer confidence in the organic label.

USDA – Natural Resources Conservation Service

Mandatory Conservation Programs

OFRF FY 11 Request: no limit on mandatory funding

The cuts proposed in the President's FY 11 budget to the Environmental Quality Incentives Program, Conservation Stewardship Program, and other conservation programs would rob over \$1 billion from the conservation baseline, or nearly a quarter of the conservation increases in the 2008 Farm Bill. These programs lead to cleaner water, erosion reduction, carbon sinks, improved wildlife habitat, and other essential environmental services.

Conservation Technical Assistance (CTA)

OFRF FY 11 Request: \$923.7 M

We strongly support the President's full request for CTA, which is funded through yearly appropriations for NRCS to provide conservation technical assistance to farmers and ranchers. CTA also funds assessment of conservation practices and systems that underpin the conservation programs, as well as NRCS collection, analysis, interpretation and dissemination of information on the status and condition of the nation's soil, water and other resources. This information is used by farmers and by federal, state and private natural resource managers who are charged with managing and protecting natural resources.

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