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THE NATIONAL ORGANIC LAW AT 20: SOWING SEEDS FOR A BRIGHT FUTURE

HEARING

BEFORE THE

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THE NATIONAL ORGANIC LAW AT 20: SOWING SEEDS FOR A BRIGHT FUTURE

Wednesday, September 15, 2010

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY
Washington, DC

The Committee met, pursuant to notice, at 10:05 a.m., in Room 328A, Russell Senate Office Building, Hon. Patrick Leahy, presiding.

Present: Senators Leahy, Stabenow, and Chambliss.

STATEMENT OF HON. PATRICK J. LEAHY, U.S. SENATOR FROM THE STATE OF VERMONT

Senator LEAHY. I am delighted to be here today to celebrate the upcoming 20th anniversary of the Organic Foods Production Act of 1990. Of course, I am joined by Senator Chambliss, a longtime friend. and just as I am a former chairman of this committee, he is a former chairman of this committee. We are being watched by former Chairman Talmadge. Chairman Lincoln, I talked with her at length about this hearing yesterday, and she has to be in Arkansas on business. But I appreciate her arranging for us to have the hearing, and she and I will be talking about the results of it when she comes back. This is an area in which she is quite interested.

We talked about the 20th anniversary of the Organic Foods Production Act. There are people here in the room who were part of that achievement. I would note especially Deputy Secretary Merrigan. She worked with us when I was chairman. And we worked with Ranking Member Lugar, Dick Lugar, to write the 1990 Farm Bill, which this was a part. At times, we felt a little bit like Sisyphus with rolling that rock, but we made it. We had a strong bipartisan coalition we put together.

But, Deputy Secretary, I just do want to acknowledge the tremendous help you gave during that. I have sometimes noted that senators are merely constitutional impediments to their staffs who do most of the work, and so I appreciate that.

But we are now looking forward to not only celebrating these 20 years, where do we go the next 20 years? Prior to the passage of the organic farm bill, the industry was growing slowly. We had farmers and consumers, retailers facing inconsistent policies and inaccurate labeling procedures across the country. And it is hard to believe today, but at the time we had 22 different states trying to manage and four separate regulations for organic foods. It made it very difficult for interstate commerce and very difficult for consumers.

The passage of OFPA brought much needed order to the industry. It gave consumers the USDA organic label, a label with real meaning. The organic law required USDA to develop a minimum national organic standard, set us on the course where we are today, certified organic farms in all 50 states, nearly 5 million acres of organic crop and pasture land, an industry with sales of more than $25 billion and growing.

I think back then when some people were asking why am I doing this organics bill; you might have a handful of farms and it is not going to go anywhere. And I told them I had listened very carefully to Vermont farmers who came to me and said, "We are willing to meet higher standards and we will do what is right, but give us some national standards so we are competing on a level playing field. As long as we follow the rules in our state, we want to know everybody is following the rules in their state."

I said at that time that the only way that this industry can grow if the standards are met and they are followed and they are enforced. Strong standards do reward farmers who play by the rules. They help consumers understand what that label means when they buy something that is USDA organic. I mean, the proof is in the pudding with a 25-billion-dollar industry that is growing. How many industries in America today can say they are growing the way this one is growing? But consumer confidence is key to the organics industry's growth. It will be the key in the future.

So we have come from those early days where everyone thought it was just a crunchy granola program. You have heard that expression. You walk in the stores, and organic foods occupy prominent shelf space in the produce and dairy aisles in the most mainstream food retailers, even big-box stores. We see the offerings, organic meats, like the delicious White Oak Pastures grass-fed beef and eggs and breads and grains, such as Annie's Cheddar Bunnies. I see we have the Cheddar Bunnies here. Beverages, even peanuts increasing with every year.

I should add, I was pleased to host Secretary Vilsack this past February at the Northeast Organic Farming Association of Vermont winter meeting in Burlington, Vermont. It is the middle of winter, Burlington, Vermont. We are a very small state. He was welcomed by more than 1,200 people who packed in to see him. No surprise, though, since Vermont leads the country in the number of organic farms on a per capita basis.

But I also recall Secretary Vilsack received an interesting organic product, a six pack of organic certified and Vermont brewed pumpkin ale. I did not ask him how he got that on the airplane afterwards, actually, nor did they consume it before they got on the airplane.

[Laughter.]

Senator LEAHY. But today we have more farms and companies than ever participating in the organic sector, but we continue to experience occasional shortages of organic products when our farms are unable to simply keep up with the consumer demand. I was concerned in the past that the Department of Agriculture had not kept up with the pace of organic agriculture.

I am pleased today to see an agency that recognizes and has to support a diverse menu of options for all of American agriculture,

including organic agriculture. That strong support means strong standards, and I will look forward to hearing from our witnesses today about the ongoing implementation of natural organic standards.

I am interested in the recent expansion of the national organics program at USDA. We can look back at the success of 20 years. I want to look forward to the potential success of the next 20 years, and I look forward to hearing from all of you about the potential challenges you see awaiting this young and growing industry.

I see the distinguished senator from Michigan here, Senator Stabenow. We certainly have organic farming in her state. But again, I want to thank Senator Chambliss for being here, but I especially want to thank Chairman Lincoln for letting us have this hearing.

It may be a small percentage of some of our members of the total farmland in the state, but it is growing. It is growing. And when we have all this bad news in the economy, it is kind of nice to have news about something that is working and growing, putting people to work. And I know when I walk in farmers' markets or stores and all, I see people heading to the organic food.

Senator CHAMBLISS.

STATEMENT OF HON. SAXBY CHAMBLISS, U.S. SENATOR FROM THE STATE OF GEORGIA

Senator CHAMBLISS. Well, Senator Leahy, thanks very much for your kind comments. And you are correct, you and I have been great friends, and we have had the common interest of American agriculture at heart and have worked very closely together on any number of issues here. And your leadership on this issue has particularly been important, and that is why I think it is pretty symbolic and significant that you are here in lieu of the Chairman today. And we thank you for taking time.

I think you and I have talked about this before, but I think this committee has more former chairmen serving on it than any other committee. I do not know what that says about us, but it is always a pleasure to work with you and I appreciate you being here today. And as I say, I think it is significant that you are here on the 20th anniversary of the Organic Foods Production Act of 1990. Senator Leahy has been a dedicated advocate of organic agriculture, was a major champion of OFPA's passage. So, Senator, it is fitting to have you have the gavel this morning.

I would like to also welcome Mr. Will Harris of White Oaks Pastures in Bluffton, Georgia to the hearing today and thank him for his time and efforts in providing testimony to the Committee. Will is from my part of the state. He is from Early County, which is a couple of counties over from my home county of Colquitt County. But we are in the heart of production agriculture in our state, and I look forward to his testimony as well as the testimony of the other witnesses this morning.

Organic farming has been one of the fastest growing segments of the U.S. agriculture in recent years. When Congress passed the Organic Foods Production Act, the U.S. had a million acres of certified organic farm land. By the time USDA implemented the national organic standards in 2002, certified organic farmland had doubled and then doubled again between 2002 and 2005. In my home state

of Georgia, the number of total certified organic acres has grown from 1,062 in 2006 to 4,341 in 2008.

The Organic Foods Production Act was enacted to set standards for organically produced agricultural products. These standards are intended to assure consumers that products marketed as organic meet consistent and uniform requirements. OFPA was also enacted to facilitate interstate commerce in fresh and processed food that is organically produced.

In addition, the OFPA and regulations under USDA's national organic program require that agricultural products labeled as organic originate from farms or handling operations certified by a state or private entity that has been accredited by USDA. Working together, these measures ensure consumers that products with organic label meet rigorous standards, standards that organic crops are grown without using most conventional pesticides or fertilizers, and animals raised on an organic operation are fed with organic feed, given access to the outdoors, and are not given antibiotics or growth hormones.

Since the passage of OFPA in 1990, Congress and this committee have continued to address issues that are important to producers of organic food. The 2008 Farm Bill took several important steps to provide additional tools to support organic agriculture, including extending the Certification Cost Share Program, establishing that producers are eligible for technical assistance under the EQUIP Program for converting their farm to organic production and providing funding for research and data collection about the price, production and marketing of major organically produced commodities.

Establishing a reliable certification system and developing tools to assist farmers in their transition to organic production did not happen overnight, and I join my colleagues on the Committee in recognizing just how much has been accomplished in the past 20 years.

Again, I would like to thank all of the witnesses for their willingness to appear before this committee and share their views about future opportunities as well as obstacles that face organic agriculture production.

Thanks very much, Senator.

Senator LEAHY. Thank you very much, Senator Chambliss.

Senator Stabenow, did you—I want to say, coming from a large agricultural state like Michigan, we think of it as the motor state, but it is also a major agriculture.

Senator STABENOW. That is right. That is right, Mr. Chairman. In fact, depending on who you talk to, it is either number one or number two. So we have had a pretty good year for production agriculture, knock on wood, in Michigan. So we are looking forward to the harvests.

I just want to take a moment to thank you for your incredible leadership and vision in really focusing us on the importance of organic production; and also to Senator Chambliss for your partnership on so many issues and leadership on this committee; and to our Chair for allowing us to hold this hearing. And we are very grateful for her commitment to agriculture broadly in this country.

I am anxious, Deputy Secretary, just to hear from you. As the author of the Specialty Crops Title in the Farm Bill, where there

is language that adds to support for organic production, I am anxious to hear from you about how you think things are working and what more we can be doing together. It is clearly a growing part of our agricultural base. And from a consumer standpoint, you used to walk in and see a couple of shelves in the grocery store, and now we are seeing larger and larger sections. And I think that just relates to the demand coming from consumers as well.

So it is important, and we are glad you are here. And thanks, Mr. Chairman, for holding the hearing.

Senator LEAHY. Thank you very, very, much.

Our first witness is Kathleen Merrigan, who, as I mentioned before, is Deputy Secretary of Agriculture. She has had this long involvement with our national organics program. I was fortunate to have her serving on my staff for this committee during the drafting of the bill. Then she was administrator of the USDA Agricultural Marketing Service from '99 to 2001, when the implementing of regulation was put in place. She was on the National Organic Standards Board from '95 to '99. She has worked on agricultural issues for the Food and Agriculture Organization of the United Nations, the Massachusetts State Senate, and the Texas Department of Agriculture. And prior to her appointment as deputy, she taught at the Friedman School of Nutrition, Science and Policy at Tufts. And now, of course, as Deputy Secretary, she is responsible for a whole lot of programs. That is a technical term, "whole lot of programs."

[Laughter.]

Senator LEAHY. So we are glad to have you here. And again, I thank Senator Stabenow and Senator Chambliss for taking the time to be here.

Please go ahead.

STATEMENT OF KATHLEEN MERRIGAN, DEPUTY SECRETARY, U.S. DEPARTMENT OF AGRICULTURE

Ms. MERRIGAN. Thank you very much. Chairman Leahy, Senator Chambliss, Senator Stabenow, members of the Committee, it is a great honor to appear before you today to reflect on the 20th anniversary of the Organic Foods Production Act and to highlight USDA's current activities in support of organic agriculture.

But I want to begin by turning back the clock to November 16th, 1989. On that day, Senator Leahy introduced Senate Bill 1986 at the end of the 101st Congress. And in doing so, he laid the groundwork for the 1990 Farm Bill, the organic title within that bill. And speaking on the floor, the good senator explained to his colleagues the need for the legislation. And I am just going to go back and quote you, sir.

He said, "Organic certification standards should be national in scope, tough and fully enforced. We need a program that distinguishes phony organic food, items with a natural image but uncertain production methods, from the real thing, borne out of ingenious, nonchemical farming. We need a program that promotes this industry because the benefits of purchasing organically produced food extend beyond the dinner plate to the support of farmers who protect the soil and water."

So as the Farm Bill began to take shape early in 1990 and Senator Leahy introduced a revised organic bill, Senate Bill 2830, 22

states had state organic programs and standards. And as the Chairman said this morning, there was great confusion among consumers and serious problems of interstate commerce. Against this backdrop, the Committee acted. And Ranking Member Senator Lugar as well as Senators Harkin, Conrad, Baucus, Cochran and McConnell joined Chairman Leahy in bipartisan support of the Organic Foods Production Act of 1990.

In other words, while I am honored by the invitation to reflect on the 20th anniversary here today, clearly, there are many people in this room who were there then when this historic legislation was shaped by this committee and who have for many, many years guided policy in this important and growing sector of American agriculture. But my retelling of this time should not ignore the real difficulties faced by Congress in achieving consensus on what became the National Organic Program.

Twenty years ago, not everyone was in agreement on the need for national standards or on the wisdom of supporting organic farming and handling. On the House side, actually, OFPA was an amendment on the floor, and it passed by a vote of 234 to 187, and it was one of only six recorded votes taken during the House Farm Bill deliberations.

But in the end, Congress authorized the program that is essentially market driven. I want to make this point and stress this point. The various rationales, economic improvement, environmental benefits, consumer protection, have all been codified in a way that seeks to allow expression of these values through consumer choice. The federal rule is primarily that of assuring consensus on a meaningful standard, enforcing a level playing field, providing a fair share of government resources, and then letting the marketplace drive the scope of change and growth. This is the essence of OFPA and other related USDA activities in support of organic farmers and handlers.

As you know, implementation of the statute was daunting. No other agricultural standard had ever attempted to establish a process that would be applied to every type of production in every region of the country and every scale of operation. Let me just say it took some time.

A very important aspect of the legislation is the special rule that is created for the National Organic Standards Board. The statute embraced and elevated the concept of public-private partnership. The NOSB was carefully chartered by Congress to facilitate both the valid consensus among diverse stakeholders on the numerous questions of interpretation, as well as provide a special gatekeeper role in respect to substances that are put on the national list that are used in organic production and processing. This bedrock principle of public-private partnership was also embodied by having private and state certifying agents maintain the role of inspectors with the USDA accrediting this largely private sector endeavor.

The actual adoption of regulations implementing OFPA was itself a history-making process. The first proposed rule issued in 1997 generated 275,603 public comments, shattering the record for any USDA proposed rule before that and at the time was only second in the federal government to a rule that had been put out by FDA

on tobacco. The second proposed organic rule brought in merely 40,774 comments.

So clearly, this demonstrated the intense public interest in this area of federal policy and established the expectation that everything we do in this space involves active public participation and transparency.

Once the final rule became effective in 2002, new challenges had to be wrestled. A series of audits and reports has provided ample and explicit critique, and I believe this administration has tackled these issues head-on.

Let me assure you that USDA is committed to the integrity of the organic label. Several key actions were taken very early on in this administration.

First, the National Organic Program was elevated to an independent program within the Ag Marketing Service, and the NOP leadership position was elevated to the senior executive service. We hired Miles McEvoy, who joins me here this morning right behind me, who led the Washington State Department of Agriculture organic food program for 20 years and was among the experts tapped by this committee years ago when we formulated the law.

Second, we took steps to meet the long overdue statutory requirement for peer review. The NOP is undergoing an assessment process with the National Institute of Standards and Technology.

In addition, USDA's Office of Inspector General announced in March this year their findings in the audit that they conducted on the NOP. They came up with 14 recommendations that provided valuable information, highlighted the necessity for reforms within the program, and we are in the process of implementing those. We will conclude with all of our work by the end of this year.

Secretary Vilsack announced that this is the age of enforcement, that the rules are now well-known, and we need to act more forcefully and in a more timely manner when we have issues of concern in terms of people following the rules. Already this year, the National Organic Program has issued six civil penalties, more than all of the civil penalties issues during the first seven years of the program.

Congress, of course, has played a most crucial role in enhancing the National Organic Program by increasing funding for the program. During early implementation of the rule from 2002 to 2007, appropriations never exceeded $2 million a year. But for Fiscal Year 2009, Congress appropriated $3.87 million for the NOP and 6.97 million for Fiscal Year 2010. So we are building a more robust program and increasing our staffing.

Now, I would like to step back and say let's look beyond the National Organic Program at USDA-wide organic activities. When the final rule was published in December of 2000, then Secretary Glickman said that organic farmers need more than regulation, more than the National Organic Program, and we discussed a series of initiatives to pursue.

Three months ago, Mark Lipson, who is also with me here today, left his organic farm to join the staff of the Marketing and Regulatory Program mission area to help coordinate USDA-wide organic activities. Mark is another Organic Foods Production Act old-timer, as he was the farmer who first came to the Senate Agriculture

Committee 21 years ago and convinced us that national legislation was necessary. Mark is assisted by an interagency group of staff who are discussing ways to better integrate organic needs throughout the programs of the Department.

The 2008 Farm Bill included a fivefold increase in mandatory funding. Most of it is for Organic Research Program and the Cost Share Assistance Program. We have also moved forward on other 2008 Farm Bill initiatives, crop insurance, Conservation Stewardship Program, the EQUIP Program, NASS surveys, and the collection of market news reports. These initiatives are implemented, significant in making a difference for the industry.

So in the end, where do we stand today? In 1990, organic was an exotic item in the average grocery store. The Committee report on Senate Bill 2830 noted, "Consumers find little to no organic food in the major shops around the country."

Times certainly have changed. For 2010, retail sales of organic food are forecasted to be approximate—I am going to up your number, Senator Leahy, up to $27 billion, we hope, this year. Two-thirds of U.S. consumers buy organic foods at least occasionally, and 28 percent buy products weekly. Surveys show that consumers of organic food are diverse in income level and in ethnicity, race. Nearly 90 percent of all food retail outlets stock organically produced items from the national warehouse chains to your local convenience stores. Underpinning this growth are the national standards established by Congress, the USDA seal and the hard work of many people to ensure the integrity of the organic label.

Let me conclude by addressing what may be a question on people's minds. Are we overemphasizing organic? While my testimony here today documents an earnest and comprehensive effort underway at USDA to assist the organic sector, I must note that it is only a small portion of USDA's portfolio of work. Estimates are that at retail market, organic is now about 4 percent of market share.

To benchmark where we are in our USDA effort, I looked closely this week at our research expenditures. Perhaps I did so mindful that in 1997 a critique of USDA's research programs was issued by the Organic Farming Research Foundation, and they found at that time that USDA was spending less than one-tenth of 1 percent of their research dollars on organic.

During the last 10 years, from 2001 to 2010, our current analysis shows that USDA's research investment in organic averaged about 1.5 percent of all research expenditures. This fiscal year, we will have spent an all-time high of 2.6 percent of our research dollars on organic. Are we investing consistent with market share? The answer is no.

I believe we have lived up to Chairman Leahy's charge upon reflection going back to those days, the charge that he issued to the Congress. We have national standards that are tough, and we are increasing oversight and enforcement. We are integrating organic throughout USDA to, as he said, promote the industry and support farmers.

In closing, I want to thank the Chairman and the Committee for all you have done to assist this vibrant and growing sector of American agriculture. Thank you.

[The prepared statement of Ms. Merrigan can be found on page 51 in the appendix.]

Senator LEAHY. Thank you very much, Madam Secretary. And I would just ask a couple questions and then go to the others because I know we have a number of witnesses here.

I find that I am seeing in stores and elsewhere, more products are labeled "natural." It does not say "organic." It just says natural, and a lot of—millions of dollars are being spent to advertise it. It reminds me of where we were 20 years ago when people said organic and nobody knew what it meant.

I am curious about what you think of this new natural label on products. Does it cut into sale of organics and is there any real definition of it? The natural label actually today comes under the purview of the FDA, and they do not define the word.

I was reminded of this recently when the Vermont agriculture secretary, Secretary Allbee, complained about a company that is trying to market its syrup product as all natural, something that is sacrilegious in Vermont. Even though it contained food coloring, it was actually a blend of sugar and thickening agents such as xanthan gum. I cannot imagine it tastes anything like real maple syrup.

But, I mean, do we need to—we did an organic label. Do we need to do some standard for natural, or is this just a way that a lot of companies can try to get into this burgeoning market without having to do any of the work that organic farmers do?

Ms. MERRIGAN. That is a big question, Senator.

Senator LEAHY. I know, but it is going to be a major issue in coming years.

Ms. MERRIGAN. Absolutely. Well, when I look back in history, one of the things that I recall when we were developing the legislation, some of the people at the table were in the natural livestock market and were very frustrated because they felt that the natural label at that time was becoming somewhat meaningless in terms of what they wanted to do in the market and were really seeking an organic claim because of that.

We do have a natural responsibility around natural label at USDA through the Food Safety Inspection Service. And we recently put out a year ago an ANPR, advanced notice of proposed rulemaking, on the meaning of the natural label, trying to gain more information about how we could better serve the industry and consumers in making that a meaningful label claim. And so that is work that is ongoing at the Department.

In terms of FDA's responsibilities here, of course, that is everything else besides the FSIS turf. That is a big, big part of your supermarket that uses the term natural. And I know when we did the final rule for the Organic Foods Production Act, one of issues that I had was what do you do when you have a company that has organic in their name, the Organic Maple Syrup Company, and if it is not really organic, what do you do? And at the time, the Federal Trade Commission was telling me that those people would have to be grandfathered in because you cannot just completely decimate a company by making them change their whole name.

I do not know if FDA would confront similar battles if they wanted to try to——

Senator LEAHY. If they do not, then do we pass legislation that defines it?

Ms. MERRIGAN. I think it might take legislation. I do not know their authorities as well as I do—but I think that would be a tough one for them to do just with current authority.

Senator LEAHY. I was glad to hear what you said about what USDA has been doing since the 2008 Farm Bill in the last year to ensure that organics are not housed at AMS or in the National Organics Program but placed within all the agencies that—the Department of Agriculture.

I know over the last two years in Vermont, the new organic initiative within EQUIP, which helps farmers install products as necessary to maintain or obtain organic certification, has awarded 35 contracts around our state, and that has been very helpful.

What is the Department doing to integrate organics further among the different agencies and what are some of the steps you see coming up?

Ms. MERRIGAN. Well, we are asking every agency to sit around the table and figure out how organic fits into their mandate of work. Even in those programs where there is a specific mandate for us to take on organic, as in the EQUIP program, as you pointed out, we still have a lot of work to do in terms of training our staff in understanding what organic producers confront and doing the outreach that we need to do to the communities of interest to let them know that these programs are available for their use. So in the Fiscal Year '09, we had spent about $36 million in the EQUIP program on organic practices, and in fiscal year '10, we expect that will be somewhat less, probably in the range of $26 million. But that is, to me, an indication that we need to get the word out more. We need to work with various interest groups who work closely with organic farmers——

Senator LEAHY. Yes, well, let us work with you to get that word out because I have seen the success of the program, and it is important.

Before my time runs out, last summer the U.S. and Canada announced an historic agreement on organic equivalency standards. Now, that vastly expanded organic trade opportunities for American farmers. Now, the European Union is the largest consumer market for organic products.

When are we going to have a similar equivalency agreement with the EU? If that means we open our doors to organic products from the EU, how do we ensure that we do not get hit with substandard imports?

Ms. MERRIGAN. We are in the process of discussions with the EU. They are recent. They are going to come to this country soon to have meetings with us. It is going to take some time. There is some significant differences between their regulation and our standards. For example, they allow use of antibiotics, and we do not.

So this is going to take some time as the Canada agreement did. We were in discussion for at least a couple years before that equivalency agreement was developed. But we believe that this represents a great market opportunity for our farmers and ranchers, and so we want to pursue this equivalency discussion. They are very earnest as well.

One of the things that we are also working on is with trying to develop the codes that are necessary so we have a better understanding of what exports are—what is happening in the export market. And we have staff in our Foreign Ag Service working on that now.

Senator LEAHY. Well, I want our farmers to be able to export, of course. I mean, this is good for our country and our economy. I just do not want them to say that the downside has to be face a flood of imports that do not meet the standards that we have to meet. We saw this with toys from China and a lot of other things.

Senator CHAMBLISS.

Senator CHAMBLISS. Thanks, Senator Leahy.

Secretary Merrigan, you have placed an emphasis on helping producers supply local markets and developing regional food hubs. One way to help these producers is to avoid stifling innovation through over-regulation. On our second panel, we are going to hear from one of my constituents who has embraced regional foods by building his own federally-inspected packing plant to process his beef.

Recently, the Grain Inspection Packers and Stockyards Administration issued a proposed rule to regulate how packers buy and sell their livestock. Given the vague language in that proposed rule and the very brief economic analysis that accompanied it, is USDA taking steps to analyze the regulatory consequences for small producers and co-ops who vertically integrate their operations?

Ms. MERRIGAN. Senator, that proposed rule, I am not sure if we are going to get as many comments as we got in that 265,603 in the first proposed rule on organic. But clearly, it has enlivened the countryside. People are really reading it. They are providing comments to us. Because of all the interest, we have extended the comment period to November 22nd. And so we will wait until we get the full record in of people's input to act, of course. But I want to assure you that we will be very cognizant of the concerns of small and mid-size producers as we move forward.

Senator CHAMBLISS. Well, I would just say that this is really a critical proposal that is coming out of GIPSA in that I am not sure we have ever seen anything like this in American agriculture before. We have had issues with vertical integration, and we will always have issues with vertical integration. But if you have got somebody that is making the investment and putting the time and work into producing a better product and they are not going to be able to get compensated for that, then that type of regulation is going to stifle innovation and is not going to be helpful. So I hope as we go through that discussion on that proposed regulation—and while you may not have as many as you had under the organic proposal 20 years ago, let me tell you, it is just as emotional, I promise you, because I have heard from them, as has everybody else on this committee.

The Department released the 2008 Organic Survey earlier this year. By reviewing that document, we are able to gain a better understanding regarding the size and scope of the organic industry. In reviewing the tables, it is interesting to note that 15 percent of all organic farms, those with sales higher than $250,000, are responsible for 82 percent of all sales. And the majority of farms,

those with sales less than $50,000 annually, represent only 2 percent of all sales. A similar statistic for all farms in the 2007 census would be that 10 percent of all farms represent 85 percent of sales.

It would seem that organic agriculture utilizes the same advantages of scale and concentration as we see in the rest of U.S. agriculture. What is your view on this? Do you see concentration and future consolidation in the organic industry to be as much of a threat to this sector as the Department views trends in the livestock or seed industries?

Ms. MERRIGAN. Absolutely, we have seen consolidation in the organic marketplace, and that is of concern to a number of players. We want that marketplace to be competitive, and we want there to be opportunities for farmers and ranchers in all 50 states of all various sizes. So we will keep a very close eye on that.

Let me say that I think that this market continues to grow even in this economic downturn. We may not be in double digit growth every year. We are more at the 17, 15 to 17 percent market, but it is still growing. And what we also see from that NASS survey is that while the farmers are having higher costs of production, they are also getting a higher net at the end of the day. And that is not relative. That is whether you are a big guy or a little guy or a middle-sized guy; that people are able, through those premiums and through their production practices, able to make a livelihood out of organic. I think that is good news, and I think that will continue.

Senator CHAMBLISS. Thank you.

Senator LEAHY. Thank you very much, Senator Chambliss.

Senator STABENOW.

Senator STABENOW. Thank you very much, Mr. Chairman.

Welcome again, Deputy Secretary. We are glad to have you here and wanted to turn to food safety since we have a very important bipartisan effort. And a lot of wonderful work that has been done in the Senate, and we intend at some point to be able to get this all the way to the finish line. But part of this legislation that has been brought to the floor includes a bill of mine on technical assistance for small growers, producers, wholesalers and so on. It is called Growing Safe Food Act, and I am very appreciative that Chairman Harkin and Ranking Member Enzi and Senator Durbin and others have been willing to put this in the bill.

The FDA is the lead agency to oversee and regulate the safety of fruits and vegetables under this legislation, but the USDA has a very important role to play in this. And I know that as we have been very involved in organics, as we are talking about today, given the USDA's leadership on good agricultural practices and good handling practices, what continued role do you think or expanded role should USDA be playing to ensure on-farm food safety? And could you talk about training and technical assistance that can improve food safety for organic producers and any other ways that the USDA and FDA can be working together to ensure the safety of organic fruits and vegetables?

Ms. MERRIGAN. Well, we certainly look forward to the Congress completing work on food safety legislation, a high priority for President Obama, a high priority for Secretary Vilsack as he is a member of the Food Safety Working Group.

There has been a lot of exchange of information of late between FDA and USDA. We are not the primary focus of the legislation, but we have a lot of expertise to lend to USDA. And for a matter of fact, we lent them—we detailed one of our top produce knowledgeable people from the Ag Marketing Service full-time to FDA to help them through their hearing process to better understand how the industry works, what the concerns are out there.

We have also had a number of meetings talking about wildlife and different kinds of farms, conservation benefits, how does that fit into their thinking about what constitutes a safe food system. I think that is ongoing work, and we hope that it will be fruitful.

There are a lot of different gap programs around, as you likely know. And one thing that we have been doing is talking with our colleagues at industry, like United Fresh, to figure out if we can help producers by having some more standardization of gap so that there will not be a lot of confusion, and this gap is better than that gap, and trying to lend our expertise in what would make a very strong system. We have a number of efforts to do training and outreach to the farming community, but again, a lot of it is we are dressed up and ready for the party and waiting for that legislation to pass.

Senator STABENOW. Yes. Well, we are as well, so we are very hopeful that we are going to see that happen very soon.

Let me talk about crop insurance for a moment. It is very important for all of our growers in terms of risk management strategy. And I am pleased to see the Department made progress recently in this regard by offering price selections for four crops and by eliminating the 5 percent surcharge with respect to certain tree crops, which is critical for us in terms of ensuring suitable risk management products for organic growers.

Could you describe the actions that the Department will take to build on these first steps and continue to expand crop insurance offerings for organic farmers?

Ms. MERRIGAN. Well, thanks for the recognition of the Risk Management Agency's efforts in this regard. We do have some crop insurance tools, some risk management tools out in the street now for the 2011 crop, for cotton, corn, soybeans, processing tomatoes, eliminated the surcharge, as you said, on 10 different crops. That is good news.

Those were the areas where we had sufficient data that allowed us to develop those instruments. The challenge ahead is to develop more data so that we can do that for a larger expanse of what is out there in the organic marketplace. We are working with the Ag Marketing Service, Economic Research Service, as well as Risk Management Agency and some outside contractors to develop the kind of data that we need.

We also want to learn from the experience of offering these tools in the 2011 crop year and see how they work. I do not want to put instruments out there that fail. We are proceeding with caution and with great optimism.

Senator STABENOW. Thank you very much.

Thank you, Mr. Chairman.

Senator LEAHY. Thank you.

Secretary Merrigan, it has been great to have you here. I am going to submit, for the record, a question, please look at carefully, on the best way USDA can enforce the certification standards. I know one of the witnesses coming up, Mr. Harris, talks about those who cut corners and flat out cheat, and I share that concern. In a different life, I could lock people up who did that, but I just want to know what you would recommend, so please look at that carefully.

[The information can be found on page 148 in the appendix.]

Ms. MERRIGAN. Absolutely.

Senator LEAHY. Thank you. It is so good to have you here. It feels like old times having you here in this committee. Thank you very, very much.

Ms. MERRIGAN. Thank you, sir. Thank you.

[Pause.]

Senator LEAHY. First, I would like to welcome Ms. Regina Beidler of Randolph Center, Vermont. I was in Randolph a couple weeks ago for an event. I love the place. I love the town. She is an organic dairy farmer with Organic Valley. Regina and her husband Brent got their start farming with my friend Beth Kennett at Liberty Hill Farm in Rochester, Vermont, another very pretty town. I helped get them started. We got you your first farm job, your first heifers.

Ms. BEIDLER. They were one of the important people who got us to where we are now, part of the journey there.

Senator LEAHY. And if you ask anybody who knows, they will tell you that Brent and Regina are passionate about farming and building a community. All their work, both on and off the farm, is directed to forge connections between the people, the food and the land. As a native Vermonter, that means a lot to me.

It is clear in her role as the coordinator of the Farm Ambassador Program with Organic Valley and serving on the board of directors for the Northeast Organic Farming Association of Vermont, I think their farm offers not only a model for the future of farming in Vermont but I think in many other parts of the country.

I know with Mr. Harris, I have heard nice things about you from your distinguished senator, Senator Chambliss.

Saxby, could you do the honors, please?

Senator CHAMBLISS. Well, thank you, Senator Leahy.

I would like to welcome Mr. Will Harris of Bluffton, Georgia to the Committee. As I said earlier, his home county of Early County is just a couple counties away from mine, right in the heart of agricultural country there in our state. Mr. Harris is fourth generation cattleman, runs the same farm his great-grandfather started in 1866, and if you will think about that date, that was a very difficult time in the economic history of our part of the country.

White Oak Pastures is a 1,000 acre cattle ranch in southwest Georgia. Mr. Harris earned a degree in animal science from the University of Georgia's College of Agriculture in 1976 and returned to the farm after graduation. It is interesting that in the mid '90s Mr. Harris began switching his cattle from their traditional grain diet to 100 percent forage diet. In addition to embracing an organic operation, Mr. Harris also built a processing facility on his farm that is USDA approved, and that is one of the few on-farm facilities

in the country, I believe. His story about converting his cattle operation from a traditional model is a compelling one, and I know my colleagues will be interested and will benefit from that testimony.

Like thousands of farmers and ranchers across the country, Mr. Harris wants to maintain a thriving agricultural operation that will be attractive to his children so they will continue the family business. He has three daughters that are involved in White Oak Pastures, and they have proven that their operation can be successful not just for the family but also for the local economy, as they are one of the largest privately-owned operations in Early County.

Mr. Harris also serves as president of the Board of Directors of Georgia Organics, and again, I appreciate you being here to testify today.

Senator LEAHY. Thank you very much.

The next witness is Michael Sligh.

Did I pronounce that correctly, sir?

Mr. SLIGH. Yes.

Senator LEAHY. He is a founding chair of the National Organics Standards Board. He is a founding member of the National Organic Coalition. He has a lifelong interest in sustainable farming. He grew up on a ranch in West Texas. And I assume you saw some of the challenges that farmers faced at that time. He has more than 30 years experience in agriculture practice and policy analysis. He worked to support farmers in organic agriculture. He lives and works and farms in North Carolina.

The final witness will be Sarah Bird. Ms. Bird is the senior vice president of marketing for Annie's, where she manages all marketing initiatives for the company's brands. I just want you to know the staff made darn sure it is here. She manages all marketing initiatives for the company's brands, Annie's Homegrown, Annie's Naturals. Before working at Annie's, she worked for diverse food companies such as Frito Lay, Nestle and PowerBar; has been named as one of Ad Age's Top 50 marketers.

She serves on the Organic Trade Association board of directors as vice chairman. The Organic Trade Association, of course, is the trade association for organic industry in North America.

I was pleased to help the Organic Trade Association announce just last week their new headquarters in Brattleboro, Vermont. And I was very pleased, one, to see Vermont welcome them, but I was very pleased to have them there because I have worked over the years with the Organic Trade Association and watched what they have promoted, now both in the United States and Canada. So they will be a welcomed neighbor in our state.

So, Ms. Beidler, can you please go ahead? When did you come down?

Ms. BEIDLER. I arrived yesterday.

Senator LEAHY. Yesterday, okay. I was going to say I hope you were not on that 6:00 a.m. flight that I sometimes take to come back here from Burlington. And I swear every time I do I will not do that, until I do it the next time.

Ms. Beidler, go ahead, please.

STATEMENT OF REGINA BEIDLER, ORGANIC VALLEY/CROPP COOPERATIVE, BOARD OF DIRECTORS, NOFA OF VERMONT

Ms. BEIDLER. Thank you. Thanks for your kind words as well and for this opportunity, Senator Leahy, to be a part of this conversation today.

My husband Brent and I own and operate a 145-acre organic dairy farm in Randolph Center, Vermont. We currently milk 30 to 35 cows and are member-owners of Organic Valley. Our farm also produces a small acreage of grains, which we grow for local human consumption.

Although we are often classified as first generation farmers, we like to say that farming skipped a generation in our family since both of us had grandparents who farmed and the experience of spending time with them as children influenced our own decision to enter farming.

Brent's grandparents owned a small dairy farm in Pennsylvania in which they raised 13 children. As a child, Brent spent many summer weeks on the farm, riding tractors, following family members through milking and chores, and running down the stairs ahead of his teenage uncles early in the morning. All of this caused his grandfather to exclaim, "Now there is a boy that can farm. He can get up in the morning."

The seed was planted with Brent, and 12 years ago after pursuing schooling, overseas volunteer work, and working for other farmers, our dream of having our own farm was realized.

Our decision to pursue organic farming was influenced by several factors. During Brent's college years, his youngest uncle had taken over the family farm. He was well respected in his area with a registered herd of high-producing cows that were making record milk production in his region. Despite this, the farm was losing money. The cows were not as healthy as Brent's uncle would have liked, and the spring that provided water for the farm was contaminated by nitrates from chemical fertilizers used by several farms that surrounded the spring.

Brent's uncle completely changed his production practices, shifting to an emphasis on rotational grazing, discontinuance of use of chemical fertilizers, and adoption of organic practices even before an organic marketplace existed. The results were clear; improved soils, healthier animals, and, over time, a spring that was able to purify itself. Brent was able to watch this change firsthand and saw the benefits to farm, family and animals.

Another influential person was Dr. Bill Murphy, who was a professor at the University of Vermont, and introduced many farms in our state to the practice of rotational grazing. Dr. Murphy and his team traveled the state setting up grazing systems on farms and documenting the results in practical terms that were helpful to farmers. Although rotational grazing is utilized by a wide variety of farms, it brought many people down the road towards organic production.

On many farms, including ours, rotational grazing is the foundation of a healthy organic system. There are substantial benefits to rotational grazing; access to the highest quality forage, exercise and socialization time for the cows, decreased or eliminated grain feeding due to the high nutritional content of pasture, and a de-

crease of on-farm fossil fuel use as cows harvest their own feed and deposit their own manure during the six months of the grazing season.

When Brent and I were approaching the end of our transition to organic production in 2000, we began to look at our options for an organic milk market. Organic Valley came to Vermont at that time looking to establish a pool of farmer-owners in the state. We heard one message quite clearly. Organic Valley was started by seven farmers who wanted control over the sale and marketing of their milk. Over 20 years later, the primary philosophy that continues to undergird the cooperative is that farmers are paid a fair and sustained pay price. We are allowed to stay at a farm size that works well for our family and farm while having the advantage of the collective marketing power of many farms working together. Since we joined Organic Valley 10 years ago, we have seen the cooperative grow from about 300 family farms nationally to over 1,600 farms today with sales of $622 million.

In my full testimony, I make a number of observations and comments about the opportunities and challenges I see for organic farming looking into the future and in which I would ask for your consideration and assistance. Briefly, those are a thanks to all of you on this committee to working with the USDA on the strict access to pasture rule that is now in place. As Senator Leahy mentioned, organic farmers are happy for strict regulation that reassures the consumer that food they are purchasing is produced in the way they expect.

Genetically modified alfalfa is a concern to organic farmers. We count on perennial crops as a key tool in our production and crop rotations. Introduction of GMO perennial crops will negatively impact any farmer, conventional or organic, who chooses not to use GMO seed.

More support for organic research is essential moving forward, and I think that has been noted in some of the comments already today.

Finally, technical assistance and certification reimbursement programs are important tools to bring new farmers to the growing field of organics and encouraging them to continue.

It has been our pleasure as a family to be part of the organic community that marries our philosophical beliefs with the ability to farm profitably. Earning our livelihood through farming, in a way that is beneficial to water, animals and soil, while at the same time meeting our family's needs, allows us dignity and the enjoyment of farming to rest in our daily experience. Thank you.

[The prepared statement of Ms. Beidler can be found on page 32 in the appendix.]

Senator LEAHY. Thank you. And your full statement, which I read, was very complete, will be made part of the record, along with the attachments to it.

I loved what you said about also your philosophical part. I know Marcelle and I go, usually in the summer in our home, to different farmers' market on the weekend. Now, we are trailed by eager grandchildren. And talking to the farmers, I hear that over and over again.

But let's go on. I am going to finish everybody's testimonies, and then we can ask questions.

Mr. Harris, of course, you have been introduced by Senator Chambliss. Please go ahead, sir.

STATEMENT OF WILL HARRIS, WHITE OAK PASTURES, PRESIDENT, GEORGIA ORGANICS BOARD OF DIRECTORS

Mr. HARRIS. I am from Georgia, Mr. Leahy. I do not have many words to say to you. It might take me a little bit longer. If you feel the need to interpret, please feel free to do so.

[Laughter.]

Mr. HARRIS. I am very grateful and humbled to have been asked by Senator Chambliss to address you today and share my views on the state of the National Organics Program. Thank you, sir.

I would also like to thank each of you and your congressional colleagues for creating, supporting and working to refine this program.

White Oak Pastures is my farm, and it is the largest USDA-certified organic farm in the state of Georgia. My family has raised cattle on the same farm since 1866, and my daughter is the fifth generation of our family to be employed on our farm. We raise beef as certified grass-fed, certified humane, and animal welfare approved. We also raise sheep, turkeys and chickens. Our beef is sold by Whole Foods Markets from Miami, Florida to Princeton, New Jersey.

We have constructed our own USDA-approved beef abattoir on our farm. It is a zero-waste facility, and 40 percent of its energy needs are supplied by solar panels. It is one of a very few such on-farm facilities in the country. We are about to begin construction of our own farm poultry processing plant that we hope will also qualify for a USDA certificate of inspection as well.

I am proud to say that my farm is one of the largest privately-owned employers in Early County with an annual payroll of over a million dollars. This demonstrates that organic farming is more than just a hobby. We are an industry that can provide hundreds of thousands of jobs across the country. These organic farms stimulate the economies in rural areas where help is so desperately needed. I am proud to say that my ranch is a testament to that a fact.

When I am not on my farm, it is my honor to serve as the president of the board of directors of Georgia Organics. It is in that capacity that I am going to get now to the brass tacks for the discussion about the pros and cons of the National Organic Program and how it functions today.

There is no doubt that the program has been vital in bringing sustainability and improved land stewardship to the American agricultural industry. The National Organic Program has significantly improved production practices that protect our soil, air and water quality. We can only speculate how many millions of tons of carcinogenic pesticides have not been used because of this program or how many tons of greenhouse gases have been eliminated.

The program provides consistent and strong marketing opportunities for farmers across the country. It offers price premiums in the marketplace for producers who raise products that have been

certified organic. The program gives consumers the choice of eliminating toxins, additives, GMOs, artificial hormones and antibiotics from their diet.

Georgia Organics appreciates this opportunity to share what we would consider to be room for improvement. I suspect that you have heard some of these before. We would like to see the program more strongly enforce its certification standards and employ punitive measures for producers who cut corners or flat out cheat. We worry that the lack of oversight over time may weaken public trust, undermining the efforts of those of us who are committed to eliminating the use of synthetic fertilizers, chemicals, hormones and antibiotics for both environmental and public health. We would also like to see the program continue and expand its Cost Share Program with state governments to offset certification cost, particularly for first-time applicants.

You should also know that the National Organic Program has significant partners across the country that support its mission of perpetuating sustainable food and farms. At Georgia Organics, we are committed to providing regular educational services on organic production and certification. We shall continue to partner with researchers, educators and extension agents to bolster their commitment and resources directed at producers interested in organic production and certification. We shall continue to promote, recognize and market certified organic producers in Georgia Organics' local food guide.

Thank you again for giving me this opportunity, and I will look forward to answering any questions that you may have.

[The prepared statement of Mr. Harris can be found on page 49 in the appendix.]

Senator LEAHY. Well, thank you, Mr. Harris. And I should tell you, having served on this committee with two different chairmen, Senator Chambliss and Senator Talmadge, I recognize a Georgia accent, but I also appreciate your taking the time to be here.

Our next witness is Michael Sligh. Would you please go ahead, sir?

STATEMENT OF MICHAEL SLIGH, FOUNDING CHAIRMAN, USDA NATIONAL ORGANICS STANDARDS BOARD, NATIONAL ORGANIC COALITION

Mr. SLIGH. Good morning. I am honored to be here on behalf of the National Organic Coalition, an alliance of farmers, ranchers, environmentalists, consumers and businesses working together to protect and enhance the integrity of organic, which is at the heart of continued consumer confidence. Thank you for this opportunity to celebrate these last 20 years of organic progress and to look to organic's bright future.

As it turns out, this is a pretty long row to hoe for the many who have been here since the beginning, but it has been a very productive one. We have made real progress, and I believe that this founding organic legislation still serves as a model on how to create a successful public-private partnership in what I might call a very vigorous hyper-participatory and transparent manner.

There, of course, have been many twists and turns, some serious failures to communicate, and even some major lapse of fair play.

However, organic has survived but actually thrived against all the odds. And I believe that is because of a very unique combination of farmer innovation with marketplace entrepreneurship backed by very loyal customers and coupled by this very sound federal policy. This combination has served us very well, and we do indeed have much to be proud of as organic emerges from the margins to the mainstream.

Organic is clearly global now with standards in over 60 countries. We have witnessed over 20 years of continued growth, and the U.S. is the largest single country market in the world. Organic is even increasing yields in quality of life for some of the world's poorest farmers. To sum up, organic produces high yield and high quality crops while reducing adverse impacts on the environment and strengthening family farms.

We also want to recognize and appreciate Congress and USDA's role which has been critical, particularly in the landmark 2008 provisions which have increased, as you have heard, many of the programs that are vital to promote organic, including the Certification Cost Share, the research, and greater access to crop insurance and conservation programs.

While I believe all of these successes are exciting, as we look ahead, I actually believe that the real potential of organic is still largely untapped. Organic is actually providing ag-based solutions to global problems of environmental degradation, climate change, food safety, declines in health and quality of life. We need to shift our thinking to publicly recognize organic not just as a marketing program but as a food system that is delivering multiple societal benefits.

So to that end, we and our organic community partners have just completed five years of dialogue developing a roadmap for organic into the future, which is the National Organic Action Plan which we will provide for the Committee. And this lays out concrete goals for the future of organic with such goals as continued doubling the number of organic products, farms and acres while ensuring fair prices to farmers, expanding research and training, expanding organic seed production, increasing local value-added processing and infrastructure, and implementing fair crop insurance and contracts for organic farms, to mention a few.

We are also very pleased that USDA and Congress has already acted on several of the key recommendations in this report, such as increasing the funding and staffing for the NOP, the pasture rule and the new policy manual, USDA's renewed commitment to oversight and enforcement, and the appointment of a USDA organic coordinator.

I also would like to point out a few of the larger societal overarching opportunities and challenges that have arisen from this report that will require your leadership and action as well. We have clearly heard from our stakeholders about this need to shift more of the responsibility for the prevention of GMO contamination back to the manufacturer. It is clear that this technology does not stay put and is threatening non-GMO markets. This must not be misunderstood as an issue between farmers or as a issue between environmentalists versus farmers, but really as an urgent need to bring

overall rational market clarity and an urgent need for policy fairness, increased responsibility, and government oversight.

We also would like to highlight the food safety issues and urge that this will require a scale-appropriate, risk-based approach that is compatible with the organic practices that are already required by USDA. Organic must been seen, especially based on new research, as part of the solution to the growing food safety crisis.

I also want to highlight the concerns about seed concentration and the lack of biodiversity. As seed markets concentrate, farmers' seed costs have skyrocketed, and the diversity of public seed options have dwindled. We urgently need to reinvigorate our public plant and animal breeding capacity for a more healthy, local and nutritious diet while mitigating climate change through a more diverse and less genetically uniform agriculture. Congress has mandated this priority. We must urge USDA to fully implement this. This will be a major benefit for all farmers and society as a whole.

You have heard earlier the need for additional funding for organic research. Despite the gains in the recent Farm Bill, organic research funding still pales in the comparison. Given organic's multiple benefits to society, we think the funding level should rise to at least meet organic's current fair share.

We also need to address the need to increase access of organic foods through vulnerable populations. There is growing evidence of the public health benefits of organic, particularly for children, yet federal policy barriers are limiting these very foods to these populations. We urge that these barriers be removed. And finally, we need to better foster the next generation of organic farmers.

So in conclusion, history will not only judge us by how well we have managed our resources today but by how well we have defended the opportunities for future generations. Now is the time for us to set the course ahead for organic. Thank you very much.

[The prepared statement of Mr. Sligh can be found on page 71 in the appendix.]

Senator LEAHY. Thank you very much. And as with the other witnesses, of course, the full statement will be put in the record as though given.

Ms. Bird, please go ahead. And the same with your statement, too, of course.

STATEMENT OF SARAH BIRD, SENIOR VICE PRESIDENT, MARKETING, ANNIE'S HOMEGROWN; VICE PRESIDENT, ORGANIC TRADE ASSOCIATION BOARD OF DIRECTORS

Ms. BIRD. Thank you for the opportunity to provide testimony regarding the future of organic agriculture and food on this 20th anniversary of the Organic Foods Production Act. I am Sarah Bird, VP of marketing at Annie's, but today I speak on behalf of the more than 1,500 members of the Organic Trade Association where I serve as vice chairman of the board of directors.

Passage of the Organic Foods Production Act in 1990 was a seminal event. It set the organic sector on a trajectory of growth that has lasted for 20 years. To illustrate, in 1990, U.S. organic sales were estimated at a billion dollars. Today it is a $28 billion a year industry with over $6 billion in farm-gate sales.

Meanwhile, statistics from the 2008 Ag census reveal that despite higher production expenses, on average, U.S. organic farms have higher sales and higher operating profit than non-organic farms. The survey also showed that U.S. organic farmers are younger than non-organic farmers, and younger farmers tend to be more likely to adopt organic practices.

Organic sales grew by 20 percent a year for over a decade, and despite the worst recession in modern times, still grew at almost 6 percent in 2009. Increasingly, American families are choosing organic despite the tough economy. And latest reports from the industry indicate sales have again picked up since the beginning of 2010.

Annie's has been in the thick of this growth. In 1990, Annie's was a small company selling mac and cheese with annual revenue of barely $100,000. Twenty years later, Annie's sales total more than $100 million per year. Our products are distributed nationally in retailers like Whole Foods, Kroger, Target and Wal-Mart.

Annie's is now the largest U.S. buyer of U.S. organic durum wheat. Over the past five years, Annie's has purchased more than 40,000 tons of domestic organic wheat, primarily from Montana and North Dakota farmers. In 1997, the year organic acreage data was first published, there were 125,000 acres of organic wheat in cultivation. Now, according to the 2008 ERS survey, the number has more than tripled to 415,000 acres across 25 states, yielding over eight and a half million tons of organic wheat per year. Considering that current organic durum wheat prices are averaging over $9.50 a bushel versus conventional wheat at less than $5 a bushel, you can see the opportunity organic creates for the rural community.

In addition to wheat, Annie's is a major buyer of organic cheese. According to Annie's suppliers, markets for organic milk and cheese solids are critical components of overall organic dairy profitability. In fact, every time we sell a box of Annie's mac and cheese, it supports family farms. Annie's organic cheese comes from Organic Valley cooperative and their over 1,600 farm members like my colleague Regina at the end of the table.

We estimate this organic wheat and cheese has been cooked by families across America into over 800 million servings of Annie's mac and cheese since the passage of OFPA. And as every parent knows, no serving of Annie's would be complete without a side of carrot sticks, so it is no surprise that organic carrots now represent 13 percent of U.S. carrot acreage.

The OFPA set the stage for this growth by putting in place one standard that businesses and consumers alike could embrace. OFPA established a level playing field, and the USDA organic seal is the critical symbol that ensures consumer trust. On this important anniversary of the unique public-private partnership that is organic, it is imperative we look forward and evaluate how we grow organic to the next level. This can only happen with continued protection of all that organic stands for.

I first want to applaud the work of the NOP and its staff for their recent efforts to secure trust in the organic brand by increasing oversight of certifying agents worldwide. This oversight is a vital component that delivers organic integrity to consumers. How-

ever, today I also want to caution that continued success of organic requires we address two significant threats to the value of the organic label and we remove a barrier to the industry's self-generated growth.

The first and most significant threat to organic Ag is the damage to global organic market from contamination of organic crops by genetically engineered crops. This issue is especially important to Annie's, as there likely will be a petition to deregulate GE wheat in the not-so-distant future. Regardless of the organic regulation's tolerance for non-intentional contamination, organic consumers will not tolerate GE contamination.

For wheat growers that supply Annie's, inadvertent contamination would have real economic consequence. Annie's would not buy GE-contaminated wheat because our consumers simply will not buy the product. Such contamination forces manufacturers to look overseas to countries that either have not deregulated the GE crops or who maintain necessary safeguards to prevent contamination. The best picture for a vibrant organic economy is a vibrant U.S. production base. Annie's and other manufacturers like us do not want to be forced to source our business offshore.

The second threat, unregulated use of the organic brand on products outside the scope of the current regulation will limit the ability of the organic sector to develop to the next level. The Organic Act codified an organic standard for food. Now, due in large part to the success of the industry over the past 20 years, we see the term organic on many non-food products. The use of the organic name on products outside the scope of the OFPA results in consumer confusion. At Annie's, we have developed a deep understanding of organic consumers and their expectations of the organic brand.

Whether for drycleaners or personal care products, proliferation of organic claims on products that frankly may not be organic limit consumers' ability to fully embrace organic agricultural products in their lives. Addressing this issue will require resources and coordination between agencies.

Switching to my third opportunity area is the barrier to growth, the tremendous need for public education about both the many benefits of organic agricultural products and the meaning of the organic seal. We must make sure consumers understand the value of federally-regulated and verified organic claims as opposed to unregulated and undefined claims such as natural. Whether this education comes from the USDA itself or through industry self-help, OTA members, both farmers and manufacturers, have identified public education as the number one policy priority.

Unlike other commodities, organic has no opportunity to pull funds for an AMS-administered research and promotion program. Can you imagine a "Got Milk" type of campaign for organics? We ask the Committee to be open to remedies in this regard.

In summary, organic has made its mark on agriculture and American families' consumption habits over the past 20 years. Education and trust in the organic brand will drive demand for organic products and create opportunities for U.S. agriculture, create jobs, and encourage self-reliance in rural communities while improving

the environment and public health of the nation for the next 20 years. Thank you.

[The prepared statement of Ms. Bird can be found on page 38 in the appendix.]

Senator LEAHY. Thank you very much.

Mr. Sligh, you referred to the question, which is on many of our minds, of encouraging young farmers to come into organic farming. And Mr. Harris, you come from different backgrounds.

I was looking at, Mr. Harris, at your brochure from the days of Captain James Everett Harris and right down to the current time. And it is a wonderful sequence, and we have some farms like that in our state. But the average age of farmers now in this country is 57. Some of us do not consider that all that old.

[Laughter.]

Senator LEAHY. But fewer young people are choosing to stay on or return to the farm. How do you develop—I will start with you, Ms. Beidler, first. But how do you encourage young people to come and go into farming?

Ms. BEIDLER. It is interesting because we have been part of some discussions in Vermont as diverse as land conservation to legislative policy, where farmers are asked to testify. And the comments that come out are why should we worry about future generations, no one is going to want to farm anyway. And unfortunately, I think that is too often an expressed concern in our agricultural communities as people do not see opportunity, either financial opportunity or opportunity to access land or the resources they need to continue to farm.

I think that is one of the ways that organic has addressed very well. As I mentioned in my comments, if you can get through the certification process and you find a market, then you are offered a fair and sustained pay price that allows people to farm profitably, to pay down debt that they owe on farms and to get to an age of retirement where they have something left over. And I think that is as modest as our expectations often are as farmers, is to have that kind of expectation, and I think organic has allowed that to happen.

Senator LEAHY. Mr. Harris, I know you noted in your testimony the huge growth of organic farms in Georgia in the last 10 years, of course, but the Southeast still lags a lot in this growth.

What do you say for young people? I mean, in some ways you have a unique situation in your family and expanding and changing with the times, the things you are doing environmentally and the self-contained, which is a model. But do you worry about young people coming into farming?

Mr. HARRIS. Yes, sir. Farming offers a lifestyle that either appeals to or does not appeal to the individual. The problem that we have had is that for those it appealed to, it was a poor way to make a living. There simply was not enough profit there to justify the risk involved. The risk to reward ratio has been bad.

Our business is now profitable. We believe that we are getting a reasonable return on the capital we have got invested in our business. And I felt free to urge my daughter to come back. My father did not urge me to come back for the same reasons. This feel-

ing, this niche market, has offered us the profitability to justify me encouraging my family to come back if they so desire.

Senator LEAHY. You are right what you said about the way of life, and that is a significant part of it. But you also want to be able to make a profit. You also want to be able to send your kids to school and do all the other things you do.

Mr. Sligh, you heard us talking about organic and the organic standards and wanting to make that work. Then I see this label natural, which worries me as a way to kind of jump onto the popularity of organics without doing the work. It is easy in our state to complain about somebody trying to make it look like it is maple syrup when it is not, and that is a multi-million-dollar business in our state. But there is a lot more to it than that, whether it is bread or milk or Annie's Cheddar Bunnies or whatever else.

How do we handle this? Do you see this as a problem?

Mr. SLIGH. Yes, I think it is, and we have spoke with many of the consumer groups about this topic and heard from them as well, that this is an issue that we need to deal with. But particularly, we need to look at both better education about what organic is so that it is better differentiated, because we have looked at some studies that consumers do not really understand the difference, in some cases, between that choice at the point of purchase, when they go to the store and they see the natural and they see the organic, and they think well, the natural looks a little bit cheaper, maybe I will take that one today; it is probably about the same. So I think we have to do a better job of educating what the organic value is so they understand that.

Secondly, there may need to be additional activity around the natural. I know that there was a panel back in the '60s that actually took up the task of trying to define natural. And if I recall correctly, they failed in their task, and we did try to study that in doing the organic label because they could not come to consensus on what that was. And so I do recognize that would not be an easy task, but I really think we should start by emphasizing more what the organic differentiation is.

Senator LEAHY. Well, I do, too.

Senator CHAMBLISS.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Mr. Harris, you have got one of the few federally-inspected, on-farm processing facilities in the country. In your experience in qualifying for federal inspection, was it difficult to the point to where you had to think long and hard about doing it? And now as you are moving towards seeking certification for a chicken processing facility, are there some lessons learned that we can look at and recommend to USDA—you can recommend to USDA—to speed up that process, streamline the process, or allow you to reach the end result in a more efficient and economical manner?

Mr. HARRIS. Yes, sir. Constructing and beginning the operation of a USDA-inspected meat plant is very difficult. There is a great financial barrier for entry. It is very expensive. Probably the most difficult part, segment, of the approval process is wastewater. And I really think that anything that could be done to make that process more streamlined and simplified would be most beneficial.

Certainly, the risk involved is the worst obstacle towards having more on-farm plants. And the primary risk that I think could be mitigated is the plant operator has to build the plant and then get the walk-through to see if he will be granted a certificate of inspection. And in our case, we spent $2.3 million building the plant, and then one day a man came to see us and he was going to tell us whether we could use it or not, and that is a little nerve-racking.

[Laughter.]

Mr. HARRIS. And we are facing that now with this poultry plant. Of course, it will not cost nearly as much money. But if there could be some sort of outreach from the USDA Inspection Service telling us upfront, if you will build this, you will be given or granted inspection, that would really take a lot of the risk out of it, and I would appreciate that.

Senator CHAMBLISS. That is a commonsense solution, and unfortunately, not a lot of common sense is around this town. We have to try to help inject some of that occasionally.

Mr. Harris, again, according to USDA's Economic Research Service, the number of certified organic acres in Georgia has increased from 1,062 to 4,300 from '06 to '08. However, in that same time, the number of certified operations has changed from 69 in '06, to 121 in '07, to 67 in '08.

Does that trend of increase in acres but lessening the number of certified operations indicate anything to you or in your capacity as president of the Georgia Organic Board? Is this being discussed, thought through, or of concern to you?

Mr. HARRIS. No, sir, not really. And I do not—I cannot say that I absolutely know why that happens, but I think—I have a belief. I believe that probably what happens is smaller growers who are direct marketing at farmers' markets and such are probably choosing to continue to grow organically but not certify their crops. I think that certifications—the organic certification is valuable to all producers and all consumers but is less valuable to small producers who direct market and know their customers, their customers know them. They probably do farm visits. They have the credibility without having to go through the certification.

Farmers who sell to resellers, which in my case is what occurs, needs the certifications because I do not know all the people that buy my beef, and I do not see them every Saturday morning. We have a lot of visitors. We operate with full transparency. We sell beef, -as I said earlier, from Florida to New Jersey.

So I think that the acreage has increased. I think the number of people growing crops organically in Georgia has increased. Certainly, the membership role of Georgia Organics has increased. But many of those small producers are probably simply choosing to not certify, which would create the numbers, situation that you mentioned.

Senator CHAMBLISS. Ms. Bird, I look forward to taking these products you brought to us back to my office and having my snack here. I notice, though, on your package of the Cheddar Bunnies, you say they are 80 percent organic; on the Bunny Grahams, 75 percent organic.

How do you get 75 or 80 percent organic and what is the other 20 and 25 percent?

Ms. BIRD. These products meet the 70 percent threshold, so we can make the "made with" claim. And wheat is the primary ingredient in both of those that is getting us to that percentage that is the 80 or 75 percent. So the other ingredients are not—they are natural. So they are not organically certified. We do have organic Cheddar Bunnies as well that are at the 95 percent level.

Senator CHAMBLISS. Okay. Is the wheat that you use by chance gluten-free?

Ms. BIRD. Not in those products, but we do have a line that is gluten-free.

Senator CHAMBLISS. Mr. Sligh, what is the biggest obstacle on the conversion of a traditional farm to an organic farm? What are folks looking at and thinking, gee, do I really want to do this? What is causing concern there?

Mr. SLIGH. Well, I think it depends, of course. But the one thing that I think we need to do to strengthen that is to really have more farms and non-profits and extension and university personnel that are all trained to help with this activity. And we have seen cases where other farmers have been able to be a very valuable mentor to farms in making that conversion because, really, you have to first change your mind-set a bit. And once you have done that, you need to find someone who has been successful in doing it so that you can avoid the natural firsthand mistakes that you are going to do. And also, many times farms that are successful do not transition the whole farm at one time but maybe take a section at a time so that it is over a time where they build the confidence.

So I think it is a package of resources and extension and help that really these farms need to be encouraged in this direction. And also, I think the federal programs could be tightened up a bit to be more focused to help with this actual transition.

Senator CHAMBLISS. Speaking of that, Mr. Harris, do we have any ongoing so-called experts at the experiment station, either Tifton or Griffin, that are able to give you any help with your operation, or are you pretty much on your own with respect to outside expertise?

Mr. HARRIS. No, sir. I think Georgia is in good shape. Dean Scott Angle, UGA College of Agriculture, has really reached out. He has visited my farm four times, and it is 250 miles to Athens. He has appointed Julia Gaskin as director of sustainability. I am not sure of that title, but that is what she does.

Georgia is a state, an agricultural economy, as you know, and 90-plus percent of that is commodity production. But I really feel supported by the University of Georgia. I think they are doing a good job for us, and I appreciate it. The hard part for me was not getting resources and not knowing what to do; it was economic. It was three years of giving up the tools to help me raise crops cheap, fertilizer particularly, pesticides as well, but not getting the premium on the product because it was not certified organic. That transition, the economic transition, is very difficult.

Senator CHAMBLISS. Well, thank all of you very much.

Senator LEAHY. Thank you.

Just one thing, if I might, Ms. Beidler, while I have you here, because going back again and looking at your testimony, you talk about GMO contamination, what would happen in the case of a

farmer who at best might lose that one particular crop, or in the worst case may lose organic certification, even lose his or her livelihood if GMO contamination became so pervasive that the export market for certain organic products just disappeared.

I know the Secretary of Agriculture has said this and I have heard it many times before, we have to find a way for organic and GMO to co-exist, but I am worried about where the question of liability lies. You suggested that liability should lie with the seed companies who are benefiting financially from the sale of the products.

In our own state of Vermont, we had a piece of legislation several years ago pass the state legislature. As I recall, overwhelmingly, Republicans and Democrats voted for it. But it was eventually vetoed by the governor who said it was unnecessary, would have caused manufacturers to raise prices or possibly restrict seed sales to Vermont.

What do we do? You and Mr. Harris and everybody else are all playing by the rules. What do you do with this possibility of something coming from outside, something you have no control over?

Ms. BEIDLER. It has unfortunately been a terribly divisive issue in our state and across the country, and unfortunately, it often falls along organic and conventional farming lines. And I was glad to see it came up in the testimony of not just my testimony but my colleagues as well.

Up until now, a lot of the responsibility for making sure there has not been as much opportunity for cross pollination or contamination has rested with organic farmers. We build in buffer zones on our property between conventional and organic farmland, not only for GMO crops but also for any other use of chemical fertilizers and pesticides and other pieces. And we have been told that our responsibility is to go to our conventional neighbors, ask them if they are growing GMO crops, and noting whether they do or not, and that possibly we could plant our crops later so that they flower later so the pollination risk drops. All of it is not a good solution to us as organic farmers. It basically says tough luck. Either do not grow it or take the risk that it could be cross pollinated.

With the perennial crops we are talking about now, which includes alfalfa, and I have even heard talk of clover, those are perennial crops that come back year after year. They are essential in our pastures. They are essential in our hayfields. We have ceded ground on some other genetically modified crops and have learned how to either not plant or to plant in ways that we can minimize the risk. But when a bee can pollinate 10, 20 miles, you cannot not cross-pollinate alfalfa. So basically, you are saying to organic farmers, we are going to take alfalfa out of your toolbox to be able to utilize, and that is untenable to us.

The other thing that I find really interesting is there was a really good article in the Christian Science Monitor that just came out a few days ago, talking about not only the increased amount of Roundup resistant weeds that are coming across the Southeast and into the Midwest, but also the fact that farmers are starting to look at the technology, the costs of the technology, and saying maybe this is not as much of an advantage as we thought. So rather than saying, yes, our baseline is that this is an advantage to farmers

that we cannot take away, let's look critically at that and see how much of an advantage there is and who is really getting the benefit from that. And I do not believe it is the farmers.

Senator LEAHY. Thank you.

Ms. Bird, did you want to add anything to that or anybody else?

Mr. SLIGH. Well, I would just add that I think the experience in Vermont and the piece of legislation that you had in Vermont, I think was headed in the right direction because, indeed, it did create some clarity in the marketplace and place the responsibility really where it belonged. And I think that has been the difficulty thus far, is that the farmers who do not benefit at all are bearing the largest burden for the cost. And so it is really about reassigning the liability so that the farmers who do not benefit are not paying the bill.

Senator LEAHY. I try never to tell the Vermont—or suggest to the Vermont legislature what they should do in the vain hope that they would return the compliment.

[Laughter.]

Senator LEAHY. But I think they were on the right track on this.

Mr. Harris, I saw you smiling down there. Did you have something you wanted to add to that?

Mr. HARRIS. No, sir. I think that Ms. Beidler said it very succinctly. It is really not—we do not grow alfalfa in the coastal plain of Georgia, so it is not directly the issue in my production system. But I certainly empathize with her and respect that situation.

Senator LEAHY. I want to thank all of you for coming here. Unfortunately, we are down to the last two or three weeks before recess for the mid-term elections. And so I have had senators, both Republics and Democrats, tell me they wanted to be here, but they are on about four other committees at the same time. And I notice their staffs have been here. Certainly, Senator Lincoln, the chair of the Committee, it is the same way. And I will make sure we get summaries to them. This has been well worthwhile. I have enjoyed doing this.

Ms. Beidler, I want to come by at some point and bring—I was showing your testimony to my wife, and come by one of these times we are there, come by the farm.

Mr. Harris, I would love to come down and visit yours. I do not get to Georgia very often but——

Mr. HARRIS. You all come.

[Laughter.]

Senator LEAHY. Thank you. Senator Chambliss told me he would stamp my visa and tell me how to get there.

[Laughter.]

Senator LEAHY. I could come down. I guess you have a quota, a certain number of Northerners allowed in there periodically.

Mr. HARRIS. Yes, we call it the Macon-Dixon line. It goes through Macon, Georgia.

[Laughter.]

Senator LEAHY. I love it. Thank you.

With that, I cannot top that, so we will stand recessed.

[Whereupon, at 11:49 p.m., the Committee was adjourned.]

A P P E N D I X

SEPTEMBER 15, 2010

United States Senate
Committee on Agriculture
Witness Statement of
Regina Beidler
Randolph Center, Vermont
September 15, 2010

Madame Chairman, and members of the Committee, thank you for inviting me to appear before you and participate in this conversation that celebrates the growth and vitality of organic agriculture in our country as well as the opportunities and challenges that lie ahead.

My husband Brent and I own and operate a 145 acre organic dairy farm in Randolph Center, Vermont. We currently milk 30-35 cows and are member owners of Organic Valley, a cooperative of over 1600 farmers in 34 states, including 130 farmers in Vermont. Our farm also produces a small acreage of grains which we grow for local human consumption.

Although we are often classified as first generation farmers we like to say that farming skipped a generation in our family since both of us had grandparents who farmed and the experience of spending time with them influenced our own decision to enter farming. Brent's grandparents owned a small dairy farm in Pennsylvania on which they raised 13 children. As a child, Brent spent many summer weeks on the farm, riding tractors, following family members through milking and chores and running down the stairs ahead of his teenage uncles early in the morning. All of this caused his grandfather to exclaim, "Now there's a boy that can farm. He can get up in the morning!" The seed was planted with Brent and 12 years ago, after pursuing schooling, oversees volunteer work and working for other farmers, our dream of having our own farm was realized.

Our decision to pursue organic farming was influenced by several factors. During Brent's college years, his youngest uncle had taken over the family farm. He was well respected in his area with a registered herd of high producing cows that were making record milk production in his region. Despite this, the farm was losing money, the cows were not as healthy as Brent's uncle would have liked and the spring that provided water for the farm was contaminated by nitrates from chemical fertilizers used by several farms that surrounded the spring. Brent's uncle completely changed his production practices shifting to an emphasis on rotational grazing, discontinuance of use of chemical fertilizers and adoption of organic practices even before an organic marketplace existed. The results were clear – improved soils, healthier animals and, over time, a spring that was able to purify itself. Brent was able to watch this change first hand and saw the benefits to farm, family and animals.

Another influential person was Dr. Bill Murphy who was a professor at the University of Vermont and introduced many farms in our state to the practice of rotational grazing. Dr. Murphy and his team, traveled the state helping to set up rotational grazing on farms and documenting the results in practical terms that were helpful to farmers. Although rotational grazing is utilized by a wide variety of farms it brought many people down the road towards organic production. On many farms including ours, rotational grazing is the foundation of a healthy organic system. Our cows are able to graze in Vermont from the beginning of May through the end of October or early November. In addition to the nutritional benefits to cows getting the highest quality forage, they also get the benefits of exercise and socialization time. Another benefit to grazing is the substantial savings we have seen in fossil fuel use on our own farm. The cows harvest their own feed and deposit their own manure during the grazing season which relieves us from having to use mechanical means to harvest feed and spread manure during those months. Many farms, including ours have also vastly decreased or eliminated grain supplements as the nutritional needs of the cows are met with well managed pasture. All of this adds up to increased profitability for the farmer and takes into account the changing dynamics of decreasing world energy supplies.

When Brent and I were approaching the end of our transition to organic production in 2000 we began to look at our options for an organic milk market. Organic Valley came to Vermont at that time looking to establish a pool of

farmer owners to supply milk to Stonyfield Farm for their organic yogurt. We heard one message quite clearly. Organic Valley was started by seven farmers who wanted control over the sale and marketing of their milk. Over twenty years later the primary philosophy that continues to undergird the cooperative is that farmers are paid a fair and sustained pay price. Additionally, owner members at Organic Valley have opportunities to participate in decision making at many levels in the coop as well as being actively involved in the marketing of our product. We are allowed to stay at a farm size that works well for our family and farm while having the advantage of the collective marketing power of many farms working together. We were one of the first five farms in Vermont to join Organic Valley in 2000 and we now have 130 farms in the state that market their milk through Organic Valley. In that same time frame we've seen the cooperative grow from about 300 family farms, nationally, to over 1600 farms today with sales of $622 million.

It has been our pleasure to be part of the organic community that marries our philosophical beliefs with the ability to farm profitably. Earning our livelihood through farming in a way that is beneficial to water, animals and soil while at the same time meeting our family's needs allows dignity and enjoyment of farming to rest in our daily experience.

The passage of the Organic Foods Production Act in 1990 has enabled consumers to learn about our philosophical beliefs and how we transfer those beliefs into the milk they purchase at the store. Consumers recognize the benefits of the production methods we use on our farm, and realize that the resulting foods, grown organically, are valuable. Because of the strong relationship we have created with the consumer, we, as dairy farmers, receive a strong stable pay price over conventional milk and are able to stay on our farm, work from our farm and raise our child on our farm.

We celebrate the twenty year anniversary of the Organic Foods Production Act and applaud the expansion of staff at the NOP and the commitment to strict enforcement of the standards. However, it is crucial to recognize that our work to support this bright spot in US agriculture must continue.

One critical piece of work has recently been completed and I would like to thank all the members of the committee for working with the USDA to complete the rule requiring strict access to pasture for livestock on organic dairy farms. From the beginning, organic farmers have recognized that strict standards and regulation are important in order for consumers to feel confident that the food they are purchasing is produced in the way they expect. Having this standard, that acknowledges the importance of pasture, protects our brand and the USDA seal. Thank you for your communication with the USDA that has consistently requested a strong pasture rule – we now have it.

Unfortunately, the pasture rule was not the last bump for organic agriculture. Right now a different sort of threat is on the horizon. The USDA is currently completing its Environmental Impact Statement on genetically engineered alfalfa. This alfalfa can be sprayed with the herbicide, Round Up, with no ill effect to the alfalfa. The USDA may choose to allow the commercial release of this alfalfa despite the demonstrated proof that it will cross pollinate with and contaminate other alfalfa including organic alfalfa. Contamination of alfalfa will destroy export markets that have zero tolerance for genetically modified products.

Organic farmers are reliant on a number of perennial crops, including clover and alfalfa, as an essential part of our care and building of healthy soils. In place of chemical fertilizers used by conventional farmers that inject quickly utilized nitrogen into soil , organic farmers use plants that draw nitrogen from the air and fix them into the soil. To remove the use of alfalfa from the crops we can grow would be devastating. Alfalfa is pollinated by insects that can travel over a number of miles. The usual precautions taken by organic farmers to prevent cross pollination such as buffer zones would not work in this case. The release of a genetically modified perennial plant like alfalfa will be with us forever and cannot be re- contained at a later date.

Right now, there is no protection for organic producers from contamination by genetically engineered products. The weight of responsibility lies on organic producers to do all we can to avoid circumstances that would allow cross pollination between organic and GMO crops. In testimony before our state legislature, my husband was asked how an organic farmer could be made whole if a crop was contaminated by neighboring GMO plantings. Currently, there is

no way to get recompense as in a situation like that the farmer, at best, loses the value of that crop and in the worst case loses organic certification and his or her livelihood. I'm not asking for a ban on all GMO seeds but it does raise the question of where the liability for damages should lie. I would suggest that it lies with the seed companies who are benefiting financially from the sale of these seeds and that adding liability requirements may create an atmosphere of caution in the development and planting of these crops.

Organic agriculture offers solutions to many issues that continue to appear in our food system and beyond. Studies are showing increased nutrient density in organic foods as well as decreased pesticide exposure. Over the past three decades the Rodale Institute in Pennsylvania has been doing side by side research trials with organic and conventional crops. What they are discovering is that organic production's focus on building organic matter in the soil has a myriad of benefits from the soil's ability to absorb moisture during wet times to maintaining that moisture in dry conditions. Organically managed soils with high organic matter also sequester significant amounts of carbon. Production practices such as the use of compost, cover cropping and crop rotation reduce atmospheric carbon dioxide by pulling it from the air and storing it in the soil as carbon. Rodale's research, corroborated with other research centers, shows that if practical organic agriculture was practiced on the world's 3.5 billion tillable acres we could sequester 40% of current CO2 emissions.

Despite all the good work and research underway there is always room for more support of organic research and technical assistance. Conventional agriculture has seen the benefit of 50 years of concentrated research on their behalf. As the US organic sector continues to grow and thrive I believe that we too deserve support for programs that expand the breadth of knowledge about organic farming systems and provide that information to farmers.

Organic agriculture, for the most part is centered on small farms like mine. We have been the beneficiaries of a vibrant community that shares information and resources with each other and from organizations like NOFA VT who assist farmers with technical assistance and support. Over the last number of years we have also benefited from the certification reimbursement program which gives back a percentage of the yearly certification fee our farm pays for its organic inspection. We know that for many small farms and for farms new to organic this reimbursement is very important in encouraging these farmers to continue to certify their farms. It is a concrete way that all of you send a message that what we are doing is important and worth supporting.

I am confident that solutions will continue to appear from organic agriculture as every day I see the benefits on my farm with healthier animals, soils and the environment around us. Recently, Secretary Vilsack said that while some advocate for 100,000 more policemen or firemen he wants to advocate for 100,000 more farmers. I agree with him. I believe it is good public policy to have tens of thousands of family farms to provide a diversity of farm operations, to train tomorrow's farmers and to support our rural communities. Organic markets will continue to grow, driven by the consumers who are looking for increased connections to their food. All of these factors together provide hope and a bright future for more generations of farmers to come.

Our Producers

As Of 06-30-10

STATES	DAIRY	PRODUCE	PORK	POULTRY	BEEF	EGG	JUICE	SOY	GROWERS	Total Pool Participation	Member Farms Per State
CA	14					1				15	15
CO	1	1								2	2
FL							15			15	1
IA	66	8	7	2	24	27		12	5	151	116
ID	12									12	12
IL	9								1	10	10
IN	103	1	3		6				3	116	110
KS			2		1				1	4	3
KY	20									20	20
MA	2									2	2
MD	4	1								5	5
ME	37									37	37
MI	17	0	2						1	50	50
MN	116	1	0		43	1			1	162	126
MO	1	1								2	2
NC	6								3	9	9
ND					1				2	3	3
NE					1					1	1
NH	9									9	9
NM	1									1	1
NY	122								3	125	125
OH	153				6					159	154
OR	25									25	25
PA	104					6				110	108
SD	5		1		3					9	9
TN	2									2	2
TX	1									4	4
UT	2									2	2
VA	1									1	1
VT	125								1	126	126
WA	27									27	27
WI	319	128	7		123	41			5	623	508
WV										0	0
WY	2									2	2
CANADA		1							71	72	3
33 States & CAN	1339 DAIRY	142 PRODUCE	22 PORK	2 POULTRY	208 BEEF	76 EGG	15 JUICE	12 SOY	97 GROWERS	1913	1630

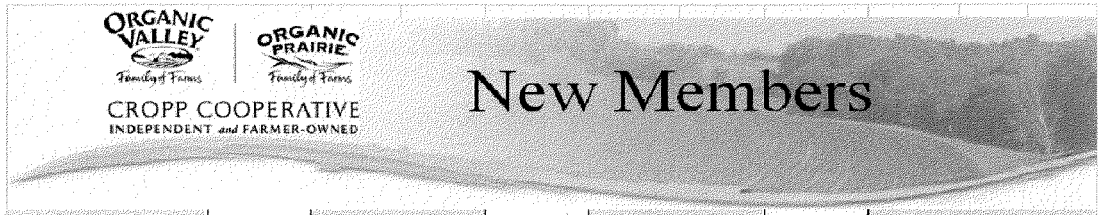
REGIONAL MILK		
REGION	# of farms	# of states
HEARTLAND	849	13
NORTHEAST	230	7
NORTHWEST	66	4
NEW ENGLAND	173	4
CALIFORNIA	14	1
ROCKY MT	4	3
TEXAS	4	1
	1339	29

*Total pools state involvment is 33.
Dairy pool state involment is 29

Producer Total Notes:
1. Juice Pool is listed as 15.
2. Beef Pool now includes dairy producers who ship cull cows.
3. Soy pool is listed as 12.
4. Some producers may be members of more than one pool.*

Pool Membership Participation	
DAIRY	1339
EGG	76
PRODUCE	142
BEEF	208
PORK	22
POULTRY	2
JUICE	1
SOY	1
GROWERS	97
Voting Membership	1630

Member Farms State Notes:
1. Juice Pool is listed as 1 Family Farm.
2. Soy Pool is listed as 1 Family Farm.
3. Total Members does not include multiple farms/ranks.
4. One member-owner in Canada equals 70 farms.



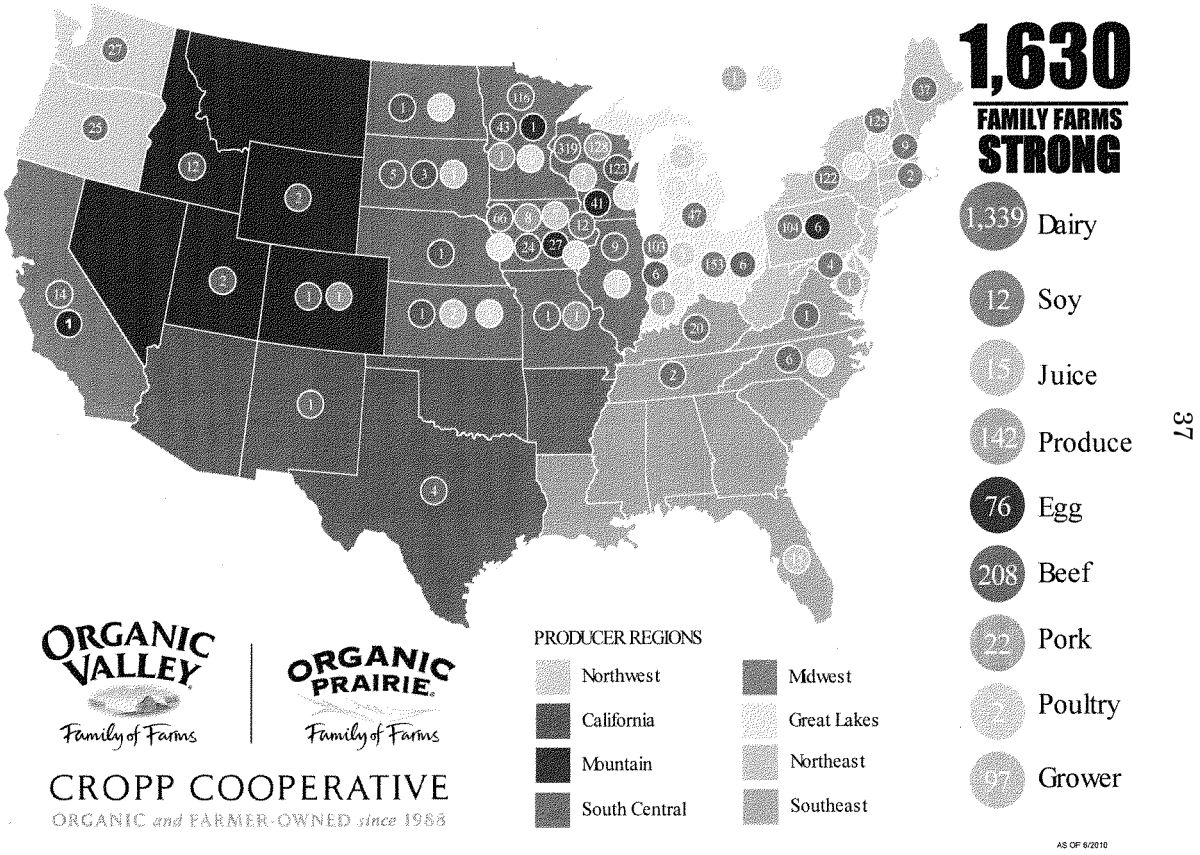
New Members by Pool - YTD	
DAIRY	39
EGG	0
PRODUCE	9
BEEF	5
PORK	1
POULTRY	0
JUICE	0
SOY	0
GROWERS	1
	55

New Members All Pools by State - YTD	
CA	1
IA	4
IL	0
IN	4
KY	3
MA	0
MD	1
ME	1
MI	1
MN	1
MO	1
NC	0
ND	0
NH	0
NY	3
OH	2
PA	3
VT	1
WA	0
WI	27
WY	0
CANADA	1
	54

Organic Valley Dairy Members	
CA	14
CO	1
IA	57
ID	12
IL	9
IN	82
KY	20
MA	1
MD	4
ME	27
MI	0
MN	107
MO	1
NC	6
NH	5
NM	1
NY	88
OH	90
OR	25
PA	84
SD	5
TN	2
TX	4
UT	2
VA	1
VT	119
WA	27
WI	279
WY	2
	1084

Utilization Pay Group		
State	SSG	RSG
IA	9	0
IN	21	0
MA	1	0
ME	10	0
MI	47	0
MN	10	0
NH	4	0
NY	34	0
OH	54	0
PA	20	0
VT	5	0
WI	34	6
Total	249	6

As Of 06-30-10


1,630
FAMILY FARMS
STRONG
1,339 Dairy
12 Soy
15 Juice
142 Produce
76 Egg
208 Beef
22 Pork
2 Poultry
97 Grower
AS OF 6/2010
PRODUCER REGIONS
Northwest
California
Mountain
South Central
Midwest
Great Lakes
Northeast
Southeast
ORGANIC VALLEY
Family of Farms
ORGANIC PRAIRIE
Family of Farms
CROPP COOPERATIVE
ORGANIC and FARMER-OWNED since 1988

Statement of

Sarah Bird, Vice-President of Marketing, Annie's, Inc.

Organic Trade Association, Vice-Chairman of the Board of Directors

Before the U.S. Senate

Committee on Agriculture

Sept. 15, 2010

Chairman Lincoln, Ranking Member Chambliss, and Members of the Committee, I am Sarah Bird, Senior Vice-President of Marketing, Annie's, Inc. Today, I am testifying on behalf of the more than 1,500 members of the Organic Trade Association, where I serve as Vice-Chairman of the Board of Directors.

Thank you for the opportunity to provide testimony regarding the future of organic agriculture and food on the 20th anniversary of the Organic Foods Production Act.

The passage of the Organic Foods Production Act in 1990 was the seminal event setting the organic sector on a trajectory of growth that has lasted for 20 years, even through this protracted recession. To illustrate, in 1990, U.S. organic sales were estimated to total one billion dollars. Today, it is a twenty-eight billion-dollar-a-year industry, with over 6 billion dollars a year in farm gate sales. Sales grew by 20% a year for over a decade, and, despite the worst recession in modern times, still grew by almost 6% in 2009. American families increasingly are choosing organic despite the tough economy, and latest reports from the industry indicate sales have picked up since the close of 2009.[1]

Meanwhile, statistics from the 2008 Organic Production Survey conducted by the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) reveal that despite higher production expenses, U.S. organic farms on average have higher sales and higher operating profit than non-organic farms in the United States. For instance, gross sales on organic farms totaled $217,675 while that for all other farms totaled $134,807. After accounting for production expenses, organic farms on average had an operating profit of $45,697 compared with $25,448 for non-organic farms.[2] [Exhibit 1]
The survey also showed that U.S. organic farmers on average are younger than non-organic farmers. Data from USDA's Economic Research Service show younger farmers are more likely to adopt organic practices.[3] [Exhibit 2]

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[1] Organic Trade Association 2010 Industry Survey.
[2] 2008 Organic Production Survey, conducted as a follow-on to the 2007 Census of Agriculture, USDA's National Agricultural Statistics Service.
[3] USDA's Economic Research Service Report Number 82.

Annie's has been in the thick of this growth. In 1990 Annie's Inc was a small company selling Mac & Cheese with annual revenue under one million dollars. Twenty years later Annie's sales total more than one hundred million dollars per year across twelve categories, and 85% of this revenue comes from organic items. Annie's products are distributed nationally in retailers from Whole Foods, to Kroger, Target and Walmart. Annie's is now the largest U.S. buyer of U.S. organic durum wheat. Over the past 5 years, Annie's has purchased more than 40,000 tons of domestic organic wheat, primarily from Montana and North Dakota farmers. In 1997, the year organic acreage data was first published, there were 125,000 acres of organic wheat in cultivation; now, according to the 2008 Economic Research Service Survey[4], this number has more than tripled to over 415,000 acres of organic wheat being cultivated each year, across 25 states yielding over eight and a half million tons of organic wheat per year.[5] [Exhibit 1]

In addition to wheat, Annie's is a major buyer of organic milk and cheese solids. According to our suppliers, markets for organic milk and cheese solids are a critical component of overall profitability for organic dairy. In fact, every time we sell a box of Annie's Mac & Cheese, it supports family farms. Annie's organic cheese comes from Organic Valley/CROPP Cooperative and their 1,630 farmer members.

We estimate that this organic wheat and cheese has been cooked by families across America into over 800 million servings of Annie's Mac and Cheese since the passage of OFPA in 1990! As every parent knows, no serving of Annie's would be complete without a side of carrot sticks. So it is no surprise that organic carrot production in 2008 represented 25 percent of the total U.S. carrot acreage![6]

As you can see, OFPA set the stage for this growth by putting in place one standard that businesses and consumers alike could embrace, established a level-playing field and built

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[4] 2008 Organic Production Survey, conducted as a follow-on to the 2007 Census of Agriculture, USDA's National Agricultural Statistics Service.
[5] USDA's Economic Research Service Report Number 82.
[6] USDA's Economic Research Service, Data Sets: Organic Production, 2008 data posted at www.ers.usda.gov/data/organic.

consumer trust in the seal. The USDA Organic seal is the critical vehicle that ensures that trust.

On this important anniversary of the unique public-private partnership that is organic, it is imperative that we look forward and evaluate how to grow organic to the next level. This can only happen with the continued protection of what the organic brand stands for.

I first want to applaud the work of the National Organic Program and its staff for their recent efforts to secure trust in the organic brand by increasing oversight of certifying agents world-wide. This type of oversight is the vital component that delivers organic integrity to consumers.

However, today I caution that the continued success of organic requires that we address significant threats to the value of the organic label and remove the barriers to the organic industry's self-generated growth.

External Threats

The first, and perhaps most significant, threat to organic agriculture is the damage to the global organic market from contamination of organic crops by genetically engineered crops. This issue is especially important to Annie's, as there will likely be a petition to deregulate GE wheat in the not-so-distant future. Regardless of the organic regulation's tolerance for non-intentional contamination, organic consumers will not accept this.

Future consumer confidence and the economic viability of organic agriculture rest on keeping organic crops and products free of GE contamination. Today's consumer is knowledgeable and informed; we must deliver what the consumer demands.

For wheat growers that supply Annie's, inadvertent contamination would have real economic consequence. Annie's will not buy GE contaminated wheat because our consumers simply will not accept the product. Such contamination forces manufacturers to look overseas to countries that either have not de-regulated the GE crops or maintain

necessary safeguards to prevent contamination. The best picture for a vibrant organic economy is a vibrant U.S. production base. Annie's does not want to be forced to source our business offshore.

For U.S. organic wheat producers, exports also play a key role in the overall profitability of farms. GE contamination of domestic organic crops all but puts a halt to export opportunities. The damage currently being done to the organic brand and organic marketplace from GE contamination, as well as the real possibility of future expansion of this contamination, will need to be addressed in order for U.S. organic agriculture to thrive over the next 20 years.

The second threat, unregulated use of the organic brand on products outside the scope of the agriculture and food, will limit the ability of the sector to develop to the next level. The organic law codified an organic standard for food in 1990. Now, due in large part to the success of the industry over the past 20 years, we see the term organic on many non-food products. The unregulated use of the organic name on products outside the scope of the agriculture and food regulation results in consumer confusion.

At Annie's we have a deep understanding of organic consumers and their expectations for the organic brand. Whether for dry cleaners or personal care products, proliferation of organic claims on products, that frankly may not be organic, limit consumers' ability to fully embrace organic agricultural products into their lives. Addressing this issue requires resources and coordination between agencies. It is critical that we collectively take the first steps toward addressing this growing issue.

Removing Barriers

The unmet need for **public education** about the many benefits of organic agricultural products and the meaning of its seal is the greatest barrier to continued growth in demand; this is essential to guarantee that organic agriculture continues to thrive. We first must make sure that consumers understand the value of federally regulated and verified organic claims as opposed to the unregulated and undefined claims such as

natural. Whether this education comes from USDA itself or through industry self-help, OTA members, both farmers and manufacturers, have identified public education as the number one policy priority.

Unlike other commodities, Organic has no opportunity to pool funds for an AMS administered research and promotion program. Can you imagine a "got milk" type of campaign for organics?! We would like to see those barriers removed, to allow the industry to choose for itself the value of an industry funded program for organic.

The current law[7] exempting organic from paying into non-organic marketing and promotion orders is narrowly defined, creating a situation of taxation without representation as organic producers and handlers pay in to orders that do not promote organic. Without being relieved of this burden, organic producers and handlers do not have the opportunity to elect an organic pooling of funds as you may not be required to pay into more than one order.

Finally, the Commodity Promotion, Research, and Information Act of 1996, included in the 1996 Farm Bill, as interpreted by USDA does not allow for multi-commodity sectors to apply for research and promotion orders. The organic industry should have the opportunity decide for itself if these tried-and-true demand driving vehicles should be implemented. We ask the committee to be open to remedies in this regard.
Recently, OTA welcomed Secretary Tom Vilsack's announcement outlining improvements to **crop insurance programs** for organic crops. OTA has long seen the need for revising crop insurance provisions for organic crops. RMA's announcement to eliminate the current five percent surcharge for organic crops insured under ten crop insurance programs and revise elections for four organic crops for the 2011 production year is a good first step. In fact, removing this barrier was a priority issue for OTA when Congress worked on provisions for inclusion in the final 2008 Farm Bill. OTA will look

[7] 7 U.S.C. § 7401(e) (2006).

forward to further decisions that will help achieve the ultimate goal of parity in crop insurance programs for organic.

Lastly, I want to express to the committee that OTA is proud to be the official 'organic' cooperator in USDA's Market Access Program (MAP), Emerging Markets Program and Technical Assistance for Specialty Crops program. These **export promotion and trade barrier reduction programs** offer great value and return on investment to our industry. These also contribute to the goals of President Obama's initiative to increase U.S. agricultural exports.

However, analysis of fair share funding shows that organic agricultural exports have been, and continue to be, underfunded versus other agricultural sectors and commodities. An analysis by OTA has shown that the organic sector receives approximately one-tenth the MAP funding it should expect based on the level of current organic exports, and one one-hundredth the level of funding it should expect given the overall size of the organic industry as compared to other cooperators.

Meanwhile, I want to acknowledge USDA for reaching an historic equivalence arrangement with Canada, essentially removing the barriers to trade between the U.S. and our most important trading partner. Major barriers, however, still exist with the European Union. The E.U. is a very important and very restricted market for U.S. organic exports. The number one trade priority for the U.S. organic industry is the negotiation of a trade arrangement that significantly eases access for U.S. organic exports to the E.U., while protecting the integrity of the USDA Organic label against any substandard imports. The European Union is the world's largest consumer market, for organic agricultural products, outside of the United States. To date, this market is largely untapped by U.S. producers and manufacturers due to the burdens and costs of compliance to E.U. and individual Member State's organic standards.

In summary, organic has made its mark on agriculture and American families' consumption habits over the past 20 years. Education and trust in the organic brand will

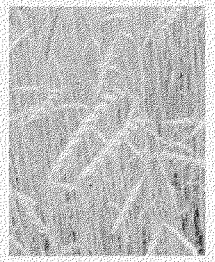
drive demand for organic products and create opportunities for U.S. agriculture, thereby creating jobs and encouraging self-reliance in rural economies, while improving the environmental and public health of the nation for the next 20 years.

Thank you.

Impacts of Organic Regulation on Food-Animal Agriculture - Economics of production

- U.S. organic farms on average have higher sales, higher production expenses, and higher operating profit than U.S. non-organic farms

	Organic Farms	*All Other Farms*
Gross Sales	$217,675	$134,807
Production expenses	$171,978	$109,359
Operating Profit	$45,697	$25,448

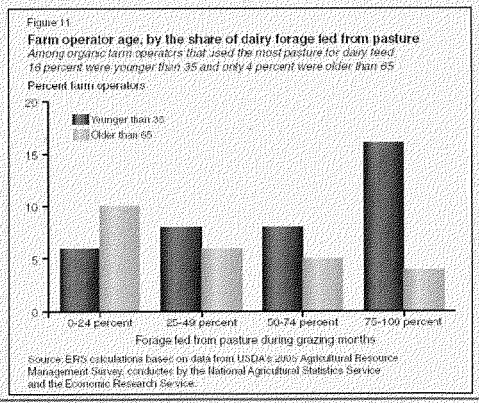


Organic trade association

* The 2008 Organic Production Survey conducted as a follow-on to the 2007 Census of Agriculture by the U.S. Department of Agriculture's (USDA's) National Agricultural Statistics Service (NASS).

Impacts of Organic Regulation on Food-Animal Agriculture - Rural demographics

- U.S. organic farmers (avg. 54 years old) are younger than non-organic farmers (avg. 57 years old)*
- Younger farmers are more likely to adopt requirements of organic production**



*The 2008 Organic Production Survey conducted as a follow-on to the 2007 Census of Agriculture by the U.S. Department of Agriculture's (USDA's) National Agricultural Statistics Service (NASS).

**USDA ERS Report Number 82

US Organic Agricultural Production, 1997 - 2008[1]
Selected Products and Major States

PRODUCT	Top States in 2008	1997	2008	PERCENT GROWTH 1997-2008
Wheat (acres)				
US total		**125,687**	**415,902**	**231%**
	Colorado	10,159	57,631	**467%**
	Utah	13,435	53,760	**300%**
	Montana	31,729	39,389	**24%**
	California	727[8]	36,115	**4,868%**
	North Dakota	24,203	34,170	**41%**
	Texas	4,650	33,506	**621%**
	Minnesota	4,432	13,387[9]	**202.05%**
Milk cows (number)				
US total		**12,897**	**249,766**	**1,837%**
	California	1,089[10]	55,224	**4,971%**
	New York	3,386	34,443	**917%**
	Texas	--[11]	26,727	**--**
	Wisconsin	2,509	25,764	**927%**
	Oregon	--[12]	16,728	**--**
	Vermont	--[13]	12,260	**--**
Carrots (acres)				
US total		**3,323**	**24,576**	**640%**
	California	2,587	21,474	**730%**

[8] The major organic grain in California 1997 was rice, at 8,877 acres
[9] The major organic grain grown in Minnesota in both 1997 and 2008 was corn, at 10,002 acres (1997) and 27,565 acres (2008)
[10] In 1997, Minnesota had 2,425 organic milk cows; Pennsylvania, 1,226; and Maine, 1,020
[11] No 1997 livestock data from State
[12] No 1997 livestock data from State
[13] No 1997 livestock data from State

Statement of
Mr. Will Harris
White Oak Pastures
President, Georgia Organics Board of Directors
Before the US Senate Committee on Agriculture, Nutrition, and Forestry
September 15, 2010

Honorable Committee Members,

I'm very grateful and humbled to have been asked, by senator Saxby Chambliss, to address you today and share my views on the state of the *National Organics Program.*

I would also like to thank each of you and your congressional colleagues for creating, supporting, and working to refine this program.

White oak pastures is my farm, and it is the largest USDA certified organic farm in the state of Georgia.

My family has raised cattle on the same farm since 1866. My daughter is the fifth generation of the Harris family to be employed on this farm.

We raise beef that is certified grassfed, certified humane, and animal welfare approved. We also raise sheep, turkeys, and chickens. Our beef is sold by whole foods markets from Miami, Florida to Princeton, New Jersey.

We have constructed our own USDA-approved beef abattoir on our farm. This is a zero-waste facility, and 40% of its energy needs are supplied by solar panels. It is one of a very few such on-farm facilities in the country.

We are about to begin construction of our on-farm poultry processing plant that we hope will qualify for a USDA certificate of inspection on this facility, as well.

I'm proud to say that my farm is one of the largest privately- owned employers in early county, with an annual payroll of over $1 million. This demonstrates that organic farming is more than just a hobby. We're an industry that can provide hundreds of thousands of jobs across the country.

These organic farms stimulate the economies in rural areas, where help is so desperately needed. I'm proud to say that my ranch is a testament to this fact.

When I'm not on my farm, it is my honor to serve as the president of the board of directors of Georgia organics.

It is in that capacity that I'm going to get down to brass tacks for the discussion about the pros and cons of the national organic movement and how it functions today.

There's no doubt the program has been vital in bringing sustainability and improved land stewardship to the American agriculture industry.

The national organic program has significantly improved production practices that protect our soil, air, and water quality.

We can only speculate how many millions of tons of carcinogenic pesticides have not been used because of this program… or how many tons of greenhouse gases have been eliminated?

The program provides consistent and strong marketing opportunities for farmers across the county. It offers price premiums in the marketplace to producers who raise products that have been certified organic.

The program gives consumers the choice of eliminating toxins, additives, gmo's, artificial hormones and antibiotics from their diet.

Georgia organics appreciates this opportunity to share what we would consider to be room for improvement.

I suspect that you might have heard some of these before:

We'd like to see the program more strongly enforce its certification standards and employ punitive measures for producers who cut corners or flat out cheat.

We worry that the lack of oversight – over time - may weaken public trust, undermining the efforts of those of us who are committed to eliminating the use of synthetic fertilizers, chemicals, hormones and antibiotics for both environmental and public health.

We would also like to see the program continue and expand its cost share program with state governments to offset certification costs, particularly for first-time applicants.

You should also know that the national organic program has significant partners across the country that supports its mission of perpetuating sustainable food and farms.

At Georgia organics, we are committed to providing regular educational services on organic production and certification.

We shall continue to partner with researchers, educators and extension agents to bolster their commitment and resources directed at producers interested in organic production and certification.

And we shall continue to promote, recognize, and market certified organic producers in the Georgia organics local food guide.

Thank you again for giving me this opportunity and I look forward to answering any questions you may have.

Statement of Kathleen A. Merrigan

Deputy Secretary

U.S. Department of Agriculture

Before the

Senate Committee on Agriculture, Nutrition and Forestry

September 15, 2010

Chairman Leahy, Senator Chambliss, and members of the Committee, thank you for inviting me to appear before you today to reflect on the 20th anniversary of the Organic Foods Production Act (OFPA) and to highlight the U.S. Department of Agriculture's (USDA) current activities in support of organic agriculture.

To begin, I turn back the clock to November 16, 1989. On that day, Senator Leahy introduced S. 1986 at the end of the 101st Congress, and in doing so, laid the groundwork for the 1990 farm bill organic title. Speaking on the floor, the Senator explained to his colleagues the need for the legislation:

> Organic certification standards should be national in scope, tough, and fully enforced. We need a program that distinguishes phony organic food – items with a natural image but uncertain production methods – from the real thing, born out of ingenious, non-chemical farming. We need a program that promotes this industry because the benefits of purchasing organically produced food extend beyond the dinner table to the support of farmers who protect the soil and water. (Congressional Record, Vol. 135, No. 161, S 15873)

As the farm bill began to take shape early in 1990 and Senator Leahy introduced a revised organic bill, S. 2830, 18 states had their own organic programs, each with its own standards and requirements. The National Association of State Departments of Agriculture and United Fresh Fruit and Vegetable Association both submitted resolutions to the Congress calling for national organic standards to, among other things, facilitate interstate commerce. The American Farm Bureau Federation called upon the Congress to pass national standards to provide market opportunities for farmers. A scare over the use of the pesticide Alar in apple production, led to what was described as the 1989 "panic for organic" when consumer demand for organic foods skyrocketed beyond supply and some dishonest brokers closed the gap by mislabeling product to make a quick buck. In urging Congress to protect consumers, the Center for Science in the Public Interest delivered a petition to this Committee calling for national organic standards signed by 136,000 citizens.

Against this backdrop the Committee acted, and Ranking Member Senator Lugar, as well as Senators Harkin, Conrad, Baucus, Cochran and McConnell joined Chairman Leahy in support of the Organic Foods Production Act of 1990. In other words, while I am honored by the invitation to reflect on the 20th anniversary of the OFPA, there are many in this room today who were there then, when this historic legislation was shaped by this Committee and who have, for many years, guided policy in this important and growing sector of American agriculture.

But my retelling of this time should not ignore the very real difficulties faced by Congress in achieving consensus on what is now the National Organic Program. Twenty years ago not everyone was in agreement on the need for national organic standards or on the wisdom of

supporting organic farming and handling. On the House side, for example, there were contentious moments. In the Committee-passed farm bill, the House Agriculture Committee took a cautious approach by including a provision directing USDA to conduct hearings and propose a standard for rulemaking rather than a full blown program. However, when the bill, HR 3950, was brought to the floor, freshman Congressman Peter DeFazio offered an amendment that closely matched the Senate's organic title. It passed by a vote of 234-187, and was one of only six recorded votes taken during the House farm bill debate.

As Deputy Secretary, I am responsible for helping Secretary Vilsack guide the broad portfolio of USDA programs, yet I maintain a keen interest in the challenges and opportunities presented by organic agriculture. I served as the professional staff member responsible for drafting the OFPA under the direction of Senator Leahy; Administrator of the USDA Agricultural Marketing Service (AMS), from 1999 to 2001 when the implementing regulations were put into place; and as a National Organic Standards Board member from 1995 to 1999. As I sit here today and join you in reflection, I look back and see that our national debate over organic agriculture has progressed, from an initial tone of conflict and confusion, to one of budding curiosity as to where this sector was headed, to the current dialogue centered on economic opportunity. I think we are on the right track.

Foundations of Federal Policy for Organic Agriculture

OFPA was an initiative of the early organic production sector, prompted by initial economic success and growing consumer demand. The producers themselves were seeking two main things, an enforceable national standard and a place at the table for USDA's research and

marketing programs. The original proposed bill included both of these goals, but the final legislation only included the former. Integration of organic into USDA's research and marketing support systems came about later.

With respect to the primary goal of national standards and enforcement of them, the organic sector was seeking to provide both a consistent guarantee to consumers and assurance that producers would operate with fair competition amongst themselves. The early 1980s had seen plenty of conflicting standards, specious "organic" claims, outright fraud, and resulting consumer mistrust. This was the primary basis for seeking the regulatory authority of the federal government.

The final piece of context I want to mention is the essentially market-based nature of federal policy for organic agriculture. The various rationales (economic improvement, environmental benefits, consumer-protection) have all been codified in a way that seeks to allow expression of these values through consumer choice. The federal role is primarily that of assuring consensus on a meaningful standard, enforcing a level playing-field, providing a fair share of governmental resources, and then letting the marketplace drive the scope of change and growth. That is the essence of OFPA and other related USDA activities in support of organic farmers and consumers.

Implementation of OFPA (1990-2008)

OFPA is a unique statute and posed (still poses) special challenges for regulatory implementation. Among its novel attributes, no other agricultural standard had ever attempted to establish a process that would be applied to every type of production, in every region of the country, at every scale of operation. The challenge of providing effective regulatory language was daunting. As you know, it took quite some time.

Another very important aspect of the legislation is the special role created for the National Organic Standards Board. The NOSB was carefully chartered by Congress to facilitate both a valid consensus among very diverse stakeholders on the numerous questions of interpretation, as well as provide the special "gatekeeper" function with respect to substances that the Secretary would allow for use in organic production and processing.

The actual adoption of regulations implementing OFPA was itself a history-making process. The first Proposed Rule issued in 1997 generated 275,603 public comments, shattering the record for any USDA proposed rule before that, and more than any federal proposal except the regulation of tobacco by the FDA. The second proposed organic rule in 2000 garnered a "mere" 40,774 comments. This clearly demonstrated the intense public interest in this area of federal policy, and established the expectation of active public participation in all aspects of the National Organic Program. In fact, AMS's pathbreaking use of the internet for public comments on the organic rule received a Secretary's Honor Award, an innovation in government award from

Harvard, and an award from the Vice President for its success in increasing transparency and public engagement in decision making.

Once the Final Rule became effective October 1, 2002, new challenges had to be wrestled. A series of audits and reports has provided ample and explicit critique, and this Administration has tackled these issues head-on.

National Organic Program (NOP)

USDA is committed to the integrity of the organic label. Organic farmers deserve a high-quality program that ensures a level playing field for farmers and supports consumer confidence in the organic label.

Several key actions were taken early in this Administration. First, in September 2009, Secretary Vilsack announced that the NOP would become an independent program area within AMS because of the increased visibility and emphasis on organic agriculture throughout the farming community, evolving consumer preferences, and the enhanced need for governmental oversight of this widely expanded program. The NOP leadership position was elevated to the Senior Executive Service level - giving the program and position the prominence in the government that they deserve. On October 1, 2009, Miles McEvoy assumed the NOP's Deputy Administrator position. Mr. McEvoy brings more than 20 years of experience to the position as he led the Washington State Department of Agriculture's Organic Food Program.

Second, we took steps to meet the long-overdue statutory requirement for peer review. The NOP is currently taking the preliminary steps to undergo an assessment process with the National Institute of Standards and Technology (NIST). This process will improve the quality of the program and enhance the program's ability to protect organic integrity as well as international quality standards for accreditation programs. *NOP has requested that NIST complete a document review of the NOP this fall.* We expect to implement corrective actions to address the findings of the NIST document review over the next year then undergo an onsite assessment to verify that the NOP meets international quality standards.

In addition to the NIST assessment, USDA's Office of Inspector General (OIG) announced in March 2010 the findings of their audit of the NOP. The 14 OIG recommendations provided valuable information and highlighted the necessity for the reforms USDA is in the process of implementing. Corrective action has been completed on 11 of the 14 recommendations. Corrective actions on the remaining 3 recommendations are underway and will be completed by the end of the year.

Effective enforcement is equally important to the credible operation of the organic program. Violations of the standards of the organic program can undermine consumer confidence in the organic label and negatively impact the demand for organic products raised in compliance with the standards of the program. Already this year the NOP has issued 4 civil penalties, more than all of the civil penalties issued during the first seven years of the program.

Congress has played a crucial role in enhancing the NOP by increasing funding for the program. During early implementation of the rule (2002-2007), the program was funded at no more than $2 million annually. For fiscal year 2009, Congress appropriated $3.87 for the NOP and $6.97 million for fiscal year 2010. These funds are being used to:

- Increase staff in order to conduct more surveillance of accredited certifying agents, both domestic and foreign, as well as to increase the program's capacity to investigate complaints and violations. Four additional staff were hired in 2009 in the Compliance and Enforcement Division and three additional staff were added this fiscal year.

- Increase enforcement activities here in the United States and monitor recognition agreements with foreign countries. The NOP conducted assessments in Egypt, Israel, Denmark and Ghana so far this year and has a team currently in China. AMS auditors have also conducted organic audits in Argentina, Italy, Germany, and Bolivia. Three additional auditors were hired this year to provide greater oversight of foreign organic operations.

- Strengthen the program's quality management system to meet international standards for accreditation programs.

- Publish an NOP Program Handbook to provide guidance for accredited certifying agents, state organic programs, organic producers and handlers so that organic standards are

consistently implemented. The first edition was published on September 2 and includes guidance on compost, certification, recordkeeping, and many other topics.

Finally, the NOP has recently increased its level of liaison with other Federal regulators, particularly the Federal Trade Commission, Food and Drug Administration, and Environmental Protection Agency, to ensure consistency and compatibility of regulatory practices in areas which cross agency lines.

Beyond the NOP: USDA-Wide Organic Agriculture Activities

When the Final Rule was published in December of 2000, Secretary Glickman said that organic farmers need more than regulation, more than the NOP, and we discussed a series of initiatives to pursue. Thanks to the work of Congress in the 2008 Farm Bill and elsewhere, these are all now back on the agenda for this Administration. Three months ago, Mark Lipson left his organic farm to join the staff of Marketing and Regulatory Programs to help coordinate USDA-wide organic activities. Mark is another OFPA old-timer, as he was the farmer who first came to the Senate Agriculture Committee 21 years ago and convinced us that national legislation was necessary. Mark is assisted by an interagency group of staff who are discussing ways to better integrate organic agriculture needs throughout the Department.

The 2008 Farm Bill included a five-fold increase in mandatory funding for organic programs over funds mandated in the 2002 Farm Bill, and authorized additional funding for many of these programs. Most of the mandatory funds are for two existing organic programs—the organic research program and cost-share assistance program to help growers and handlers with organic

certification costs. The legislation also included new organic provisions on credit, trade, and crop insurance. I would like to discuss a few of these activities.

Research

The Committee's report on S. 2830 noted that while research and promotion for the organic sector should be delayed until there a fully operational certification system, "Additional research related to the production and marketing of organic products is very much needed." With the growth of both the organic industry and the regulatory system, the need for research and extension support is very pronounced.

One area that has particularly been in the spotlight is the question of consumer benefits. Two weeks ago, the August 30 issue of Time Magazine had a special section titled, "What's So Great About Organic Foods?" This question or similar variations is continually debated but these debates suffer from a lack of methodologically sound investigation and meaningful data. There are only a handful of comprehensive, peer-reviewed studies that contribute to these discussions and additional research is needed to fully understand the costs, benefits, and impacts of organic foods.

While this may not be the most *important* area for research, it seems to be the one that gets the most passionate discussion. It requires extremely complex science, both in terms of the food production variables and the complexities of human nutrition. We need to do more work in this area and we are. But there are numerous other compelling research and education needs as well.

Notably, during the period FY 2009 through FY 2012 the 2008 Farm Bill provided a total of $78 million in CCC funds for the Organic Agriculture Research and Extension Initiative (OREI), administered by USDA's National Institute of Food and Agriculture. OREI seeks to solve critical organic agriculture issues, priorities, or problems through the integration of research and extension activities. The OREI is particularly interested in projects that emphasize research and outreach that assist farmers and ranchers with whole farm planning and ecosystem services, especially those relating to climate change. (I myself was a recipient of these research dollars when on the faculty at Tufts University, to explore organic livestock production issues.) In fiscal year 2009, 27 awards, totaling $17.2 million, were awarded by OREI. For fiscal year 2010, $19 million was available.

USDA's Agricultural Research Service (ARS) undertakes organic agriculture research in order to help the organic industry overcome the challenges they face related to productivity, profitability, environmental stewardship, and energy efficiency. In FY2010, ARS will invest $17.2 million in research that directly addresses organic agriculture challenges. Another $41.0 million of ARS research is compatible with organic farming systems, but is not directed towards specific organic research objectives.

Examples of accomplishments from ARS's organic agriculture research projects include:

- Demonstrating how organic systems can help reduce global climate change by increasing the amount of carbon in the soil.
- Exploring novel cover crop mixtures of legumes and cereals to reduce losses of nitrogen to ground and surface water.

- Improving cover cropping practices that improve organic weed management.
- Discovering non-chemical disease controls for organic and conventional potato systems,
- Discovering organic treatments for deworming livestock,
- Reducing weed control costs for organic vegetable producers.

USDA's Economic Research Service (ERS) develops a broad range of economic research and analysis on organic agriculture and organic activities. ERS examines consumer demand and prices in specific markets, including the produce, livestock, egg, and poultry and dairy sectors. Historical farm-gate and wholesale organic prices and price premiums for selected fruits, vegetables, livestock and eggs are made available by ERS. Recent articles and reports examine trends in organic produce, egg and poultry markets, as well as the socioeconomic characteristics of organic milk and produce consumers.

As a follow-on to the 2007 Census of Agriculture, the National Agricultural Statistics Service (NASS) conducted USDA's first in-depth survey of organic farming in the United States. NASS collected 2008 data from operators of farms that were either USDA certified organic, in transition, or were exempt from certification (i.e., under $5,000 in sales). With an outstanding 87 percent response rate, the data were collected in 2009 and published in February 2010. This is a landmark document giving the most complete and accurate picture to date of the U.S. organic production sector. Some highlights:

- The Survey counted 14,540 organic farms (10,903 certified and 3,637 exempt). Every state in the U.S. was represented.
- 4.1 million acres were reported in organic production (1.6 million harvested cropland, 1.8 million pasture/rangeland), and 195,000 acres were in transition to organic status.

- Average 2008 sales for organic farms responding to the Survey was $217,675 (compared to the 2007 Agriculture Census average for all farms of $134,807).
- Average production expenses were $171, 978 per organic farm, for an average net cash income of $45,697 (compared to all farms 2007 average expenses of $109,359 and net cash income of $25,448).

Conservation

Organic provisions were included in the 2008 Farm Bill's Conservation Title for the first time, and were aimed at helping producers with the transition to organic farming systems. The Organic Transition Support provision from the 2008 Farm Bill made conservation practices related to organic production and transition eligible for Environmental Quality Incentives Program (EQIP) payments, subject to a $20,000 annual limit and an $80,000 cap over a 6-year period. In 2009, USDA's Natural Resources Conservation Service (NRCS) implemented the EQIP Organic Initiative as a pilot program obligating over $36 million in financial assistance through nearly 1,500 contracts with certified and transitioning organic farmers in 49 States. Over 300,000 acres of farmland are enrolled under these contracts. As there continues to be strong support for this initiative from organic producers and groups, $50 million was allocated nationwide for the EQIP Organic Initiative in fiscal year 2010.

The 2008 Farm Bill also charged NRCS with establishing a transparent means by which producers may initiate organic certification while participating in a Conservation Stewardship Program (CSP) contract. To carry out this charge, NRCS developed and distributed a document titled "The Conservation Stewardship Program's Contribution to Organic Transitioning,"

explaining how CSP can be used by farmers during the organic transitioning process. NRCS developed five CSP enhancement activities especially for organic crop production;

- Continuous No Till Organic System;
- Transition to Organic Grazing System;
- Use of Non-Chemical Methods to Kill Cover Crops;
- Transition to Organic Cropping System; and
- Integrated Pest Management for Organic Farming

While the first CSP sign up has not quite concluded, here are some preliminary results:

- Preapproved applications have been received from 150 producers interested in transitioning to organic cropping or grazing systems on 289,000 acres.
- Preapproved applications have been received from 226 organic producer interested in improving their Integrated Pest Management plans on 430,844 acres.

Other organic provisions contained in the Conservation Title include: the Technical Assistance on Organic Conservation Practices program which ensures that conservation practices and resource mitigation measures designed specifically for organic farming systems are available and are reflected in USDA's conservation practice standards; and the Organic Transition Incentives for Beginning Farmers provision, under the Conservation Reserve Program (CRP), which provides special treatment of CRP land transitioning from retiring farmers or ranchers to beginning or socially disadvantaged farmers or ranchers. Most noteworthy, beginning 1 year prior to the CRP contract termination date, a new farmer or rancher would be allowed to make land improvements and begin the organic certification process.

Cost-Share

USDA administers two organic certification cost share programs. Each program provides cost share assistance, through participating States, to organic producers and/or organic handlers. Recipients must receive initial certification or continuation of certification from a USDA accredited certifying agent. Program participants may be reimbursed for up to 75 percent of their organic certification costs, not to exceed $750 per year.

Authorized by the Federal Crop Insurance Act in 2001, the Agricultural Management Assistance (AMA) Program authorizes, among other purposes, cost share assistance to producers of organic agricultural products in 16 states (Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.) For fiscal year 2010, approximately $1.5 million is available to the states through the AMA Program.

The second program, the National Organic Certification Cost Share Program, authorizes cost share assistance to producers and handlers of organic agricultural products in all States and U.S. Territories. In the 2008 Farm Bill, Congress allocated on a one-time basis $22 million in CCC funds for this program. To prevent double payments, producers participating in the AMA program are not eligible to participate in the producer portion of the National program. Through the end of fiscal year 2009, approximately $9 million has been obligated by the program. For fiscal year 2010, $4.9 million is available to the states.

Trade

Consumer demand for organic foods is expected to continue growing rapidly in the U.S. and other major markets, and the competition for these markets is likely to increase considerably. Industry estimates of the value of organic exports were $1.7 billion in 2009.

The U.S. does not have consistent data on organic trade because organic product codes have not yet been added to the U.S. and international harmonized system of trade codes. However, USDA is working diligently with the U.S. International Trade Commission (ITC) to remedy this situation. The issue will be on the ITC's fall agenda. The Foreign Agricultural Service (FAS) works to improve foreign market access for U.S products, build new markets, improve the competitive position of U.S. agriculture in the global marketplace, and provide food aid and technical assistance to foreign countries. Through FAS' Office of Trade Programs, the organic industry receives Market Access Program (MAP) funds to assist in marketing U.S. organic products overseas. The organic industry has used MAP funds in their major markets around the world, including Canada, Europe, Japan and Korea, to promote U.S. organic products.

FAS' Office of Scientific Technical Affairs supports the organic industry by providing assistance in resolving trade issues that affect the organic industry including labeling, certification, and market access. During fiscal year 2009, as a consequence of the supporting efforts of AMS and FAS, organic equivalence determinations with Taiwan and Canada were established. In March 2009, Taiwan officially recognized the U.S. organic system as equivalent to the Taiwanese organic regulations following active engagement by AMS and FAS. Recognition of NOP in Taiwan has kept the Taiwanese market open to an estimated $50 million in annual U.S. organic exports. Similarly, in 2007, USDA began engaging Canadian officials as they began

development of organic standards, with the aim of reaching an equivalence agreement. FAS performed technical analysis of the differences in the regulations and initiated negotiations that were lead by the Office of the United States Trade Representative (USTR) and NOP. After 18 months of negotiations, the United States and Canada signed a determinations of equivalence on June 17, 2009. Canada is by far the largest export market for U.S. organic products, with exports estimated at $1.4 billion annually.

Market News

The 2008 Farm Bill allocated $5 million in CCC funds, to be available until expended, for the collection of organic agriculture production, pricing, and marketing data. The data are included and published in the ongoing baseline of data collection regarding agricultural production and marketing. For example, AMS Market News issued last year its first organic market report on dairy products and continues to add a wide range of horticultural items to its daily reports for shipping point for domestic or point of entry for imported organic products. AMS has also added a "Portal community" specific to organic interests to the Market News Portal. By the end of FY 2009, AMS Market News had expanded the daily reporting of organic commodities to include 234 items.

Crop Insurance

The 2008 Farm Bill required the Federal Crop Insurance Corporation (FCIC) to study ways to improve crop insurance coverage for organic production with respect to price elections and premium rates. The Risk Management Agency (RMA) commissioned two studies that were completed this year and recently released which provide recommendations and a framework for

the development of additional price elections that better reflect the actual prices received for certain organic crops. Based on the results of these studies, RMA is issuing organic price elections for the 2011 crop year for cotton, corn, soybeans, and processing tomatoes.

RMA also commissioned an analysis of the loss experience for organic crops and conventional crops produced in the same counties during the same crop years. RMA is currently evaluating those recommendations and the effect they may have on the crop insurance program and organic producers. As a result of the study and initial analysis, RMA announced that farmers who grow certain organic crops no longer will pay a 5% surcharge on their crop insurance premiums.

Finally, in order to ensure that organic producers and crop insurance agents are aware and take advantage of the new organic provisions, RMA will send regional announcements prior to key sales closing dates. The agency is also funding education and outreach activities for organic producers. These are significant steps and they illustrate a real policy success, fulfilling Congress' directives in the 2008 Farm Bill.

The Organic Market Today

In 1990, organic was an exotic item in the average grocery store. As the Committee Report on S. 2830 noted, "…consumers find little to no organic food in the major shops around the country." Total U.S. retail sales were then estimated at less than $1 billion.

Times have certainly changed. For 2010, retail sales of organic food are forecast to be approximately $27 billion. Two thirds of U.S. consumers buy organic foods at least

occasionally, and 28 percent buy organic products weekly. Surveys show that consumers of organic foods are diverse in income level and race/ethnicity. Nearly 90 percent of all retail food outlets stock organically produced items, from the national warehouse chains to convenience stores. Organic foods and organic farming are becoming mainstream and part of Main Street. Underpinning this growth are the national standards established by Congress, the USDA seal, and the hard work of many people to ensure the integrity of the organic label.

Conclusion

In conclusion, I'd like to note my strong personal view that the growth in demand for products of organic agriculture reflects the desire of consumers to have more information about their food, where it comes from, and how it is produced. This exciting trend is good for both consumers and our country's farmers and ranchers. At a time when fewer and fewer of us actively participate in the difficult and dangerous work of agriculture, strengthening the link between consumers and the farmers and ranchers they depend on deepens our appreciation and understanding of the contributions of our hardworking farm families. The demand for organic products helps provide established farmers with important markets, and can be a vital path to profitability for beginning farmers. And, improving our awareness of food and where it comes from can help empower consumers to make healthy choices, an important objective given the recent rise in childhood obesity rates.

This thirst for knowledge is one of the key drivers for our "Know Your Farmer, Know Your Food" initiative. USDA is trying to help consumers understand where the food on their plate comes from, and the demands that are made on our producers in order to supply it.

Upon reflection, I believe we have lived up to Chairman Leahy's charge to the Congress issued more than two decades ago. We have national standards that are tough and we are increasing oversight and enforcement to improve the integrity of the National Organic Program. We are integrating organic throughout USDA to, as he said, promote this industry and support farmers. In closing I would like to thank Chairman Leahy and this Committee for all you have done for this vibrant and growing sector of American agriculture.

Again, thank you for the opportunity to discuss the numerous USDA programs and activities underway to promote and enhance organic agriculture. I would be happy to answer any questions.

National Organic Coalition

www.NationalOrganicCoalition.org

Testimony of Michael Sligh,

On behalf of

The National Organic Coalition

before the

Senate Committee on Agriculture, Nutrition and Forestry

For the hearing:

"The National Organic Law at 20: Sowing Seeds for a Bright Future"

September 15, 2010

Chairman Lincoln, Ranking Member Chambliss, Distinguished Members of the Committee:

I am here today on behalf of the National Organic Coalition[1], of which I am a founding member. The National Organic Coalition is a national alliance of organizations working to provide a "Washington voice" for farmers, ranchers, environmentalists, consumers and progressive industry members involved in organic agriculture. Our goal is to protect and enhance the integrity of organic, which is at the heart of continued consumer confidence.

Thank you for this opportunity to engage with you in this reflection and celebration about the great progress of organic agriculture since the 1990 passage of the Organic Foods Production Act (OFPA). Even more important than commemorating the past, this hearing is about looking forward and setting a clear course for the next 20 years of organic agriculture and beyond.

In that context, my testimony will not only focus on my experiences in the early years of organic agriculture and the progress that I have witnessed in the last 20 years, but I would also like to talk to you about the efforts that our Coalition has made to engage the organic community in a multi-year dialogue about the future of organic agriculture though the establishment of a National Organic Action Plan (NOAP).

But first, to step back for a moment, I would like to talk about my background and the history of my work on organic agricultural policy issues. I got into this line of work, honestly enough – having come from a long line of family farmers and converting my own operations to organic in the 1970's. Mostly because of having watched the struggles of my elders, I was interested in finding a way to better reward farmers for their stewardship and to provide farmers with a way to farm that was both profitable as well as serving the consumer demand for greater marketplace food choices.

I took what I thought was to be a short sabbatical from farming in the early 1980s to work for the non-profit public interest sector partially because of the looming farm crisis, as it was called at the time. Little did I know that the crisis would last so long or that changing agriculture policy is more like watching a tractor rust than just making hay. (No offense).

Farming organically had been relatively easy but I also understood that organic could not grow without a clear Federal program, complete with clear and consistent standards, a system of inspection, and regulatory oversight. I supported both Congressman Weaver's fine attempt at national organic legislation in 1984 and then Senator Wyche Fowler's later attempt, and finally, the successful leadership package by Senator Leahy and Congressman DeFazio for the passage of OFPA. I believe this legislation stands as a

[1] Members of the National Organic Coalition: Beyond Pesticides, Center for Food Safety, Equal Exchange, Food and Water Watch, Midwest Organic and Sustainable Education Services, Maine Organic Farming and Gardening Association, Northeast Organic Dairy Producers Alliance, Northeast Organic Farming Association – Interstate Council, National Cooperative Grocers Association, Organically Grown Company, Rural Advancement Foundation International-USA, Union of Concerned Scientists

model in both defining and implementing a successful public/private partnership in a very vigorous, hyper-participatory and transparent manner.

One of the key aspects of the public/private partnership of OFPA was the creation of the National Organic Standards Board (NOSB), to give members of the organic community a formal role in advising USDA about key aspects of the National Organic Program and the organic standards.

I was recruited to be a member of the first National Organic Standards Board in 1992, and was elected as its founding chair. As volunteer Board members, we took our call to serve our country seriously and held meetings and hearings across the country for over 5 years to present USDA with a sound, comprehensive and a well–vetted community consensus, which now serves as basis for the National Organic Program.

Through the early years of the National Organic Program, there have been many twists and turns, some serious failures to communicate, major lapses of fair play and many "hiccups." However, through it all not only has organic survived, but it has actually thrived and improved -- against all of the odds. The combination of strong farmer innovation, common sense and entrepreneurship along with a strong and very loyal consumer demand, coupled with sound federal policy - has served us all quite well.

We do indeed have much to be proud of. Organic agriculture is emerging from the margins to the mainstream, and is now starting to hit its stride. A few noteworthy milestones to date for organic agriculture include:

- The first marketplace label for sustainable agriculture with verifiable "third party" certification and accreditation systems,
- Continued brisk double-digit growth for over two decades, even during this most current period of economic downturn.
- Over 86 million acres worldwide under organic production[2]; and over 4.8 million acres in the U.S.[3]
- Strong consumer confidence with over $50 billion dollars in sales worldwide[4]. The US is the world's largest organic market with over $26 billion dollars in annual sales[5].

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[2] Helga Willer and Lukas Kilcher (Editors) (2010): The World of Organic Agriculture - Statistics and Emerging Trends 2010. IFOAM, Bonn, and FiBL, Frick, and www.ifoam.org.

[3] *U.S. Department of Agriculture's Economic Research Service,* Organic Production Data Sets www.ers.usda.gov/data/organic.

[4] Helga Willer and Lukas Kilcher (Editors) (2010): The World of Organic Agriculture - Statistics and Emerging Trends 2010. IFOAM, Bonn, and FiBL, Frick, and www.ifoam.org.

[5] *Organic Trade Association's 2010 Organic Industry Survey.* Organic Trade Association. Greenfield MA. www.ota.com

- A truly global response, with organic farmers and organic farming associations in almost every country, and nearly 60 countries in the process of developing national organic regulations.

- Significant contributions to ongoing reduction in the use of potentially toxic chemicals and technologies, reducing farmer, farmer worker and community health exposures.

- A demonstrated increase in yields for some of the poorest farmers in world by converting to organic, as noted in a United Nations study.[6]

- Improved consumer choice and local food security for sustainable, nutritious, and healthy food.

So, to sum up, Organic Agriculture produces high yielding crops while reducing the adverse impacts of agriculture and increasing the viability of family farms by adding new green jobs for rural communities.

Organic has been a success story with concrete benefits. These benefits are inspiring farmers and consumers to strengthen organic integrity, grow for fair organic markets and increase the universal access to healthy organic foods – worldwide.

And the role of Congress and USDA in fostering these successful milestones has been critical. The 2008 Farm Bill, under the leadership of this Committee, included landmark provisions to address many of the needs of the organic sector. A few highlights of that Bill include:

1) additional funding for the organic certification cost-share program, which ensures that limited resource and smaller farms are not priced out of the growing organic market opportunities by high certification costs;

2) increased funding for organic research;

3) greater access for organic farmers to crop insurance programs; and

4) recognition of the need to foster the conservation benefits of organic agriculture within EQIP and CSP programs.

Each of these critical provisions will require additional perfecting in the next Farm Bill, including expanded funding to train farmers, agriculture professionals and USDA personnel about organic agriculture.

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[6] "Organic Agriculture and Access to Food." a report on the International Conference on Organic Agriculture and Food Security, May 3 - 5, 2007.

We are also very pleased by the commitment of USDA to organic agriculture, not only in terms of bringing greater transparency and enforcement to the National Organic Program, but also in terms of the ongoing effort to have each of the USDA sub-agencies recognize their role in supporting organic agriculture in a well coordinated manner.

Looking Forward

While the successes of organic agriculture are exciting, there is much unfinished business and many significant challenges to be addressed.

Organic agriculture has much to offer with regard to many of the environmental, natural resource, and public health challenges facing us today. Yet that potential has been largely untapped. Organic can and should be part of the solution to the problems of environmental degradation, climate change, food safety, and toxic chemical exposures in the environment and residues on food.

However, to fully tap into the full benefits of organic agriculture, we must shift our thinking both in and outside of government, to recognize organic not just as another marketing program, but as a food system with multiple health, environmental, rural and social benefits to society. We must find our collective public voice to better articulate and reward all of these multiple benefits from the organic approach.

To that end, the National Organic Coalition and other partner organizations sponsored a 5-year process of dialogue and consensus-building within the organic community to develop a roadmap for organic into the future. Each member of the Committee has received a copy of the final report, called the National Organic Action Plan. Our long-term goals are to establish organic as a strong and stable choice for food and agricultural production systems across the US, and the report lays out very specific goals and benchmarks in a number of key areas.

Here are a few broad policy goals that arose from the NOAP process.

- Doubling the amount of organic products, number of farms, animals, acreage, and public land use, under organic management, without undermining fair prices to farmers and workers

- Expanding the research scope from simply an agronomic focus to a more interdisciplinary systems evaluation of multiple benefits of organic. This includes creating a more "open source" and participatory organic research and extension model that increases the direct involvement organic farmers,

- Expanding local organic seed production capacities,

- Increasing local organic production and processing infrastructure and regional food systems.

- Increasing the commercial availability and U.S. production of all organic agricultural ingredients.

- Implementing fair and appropriate crop insurance and other safety nets for organic farms.

We are very pleased that USDA and Congress in its wisdom have already taken action on several key recommendations of this National Organic Action Plan, since its publication in January of this year through the:

- Appropriation of additional resources for a more fully functional and fully staffed National Organic Program;

- Publication of the much-overdue regulatory clarification on pasture requirements for organic livestock;

- Public commitment by USDA to ongoing third-party oversight of the entire NOP program;

- Appointment of a USDA Organic Coordinator; and

- Publication of a NOP program manual, to help ensure greater consistency of enforcement of organic standards.

In talking to stakeholders across all parts of the organic sector – farmers, processors, handlers, and consumers – a few key overarching themes arise consistently as significant barriers for organic agriculture, and each of these are areas where the role of the federal government is critical:

GMO Contamination: We have heard loud and clear from our NOAP stakeholder process and more recently from USDA itself in a recent article for Choices[7] magazine that we must address the issue of shifting more of liability and responsibility for prevention of GMO contamination back to the manufacturer/patent-holder. I would add to that the requirement for the labeling of GMO foods. It is clear that this novel technology cannot and will not stay put and is creating contamination, new and novel plant pests, and undue economic harm to the farmers and businesses that are serving both the non-GMO and GMO markets.

To be clear – this issue is hurting and affecting all farmers. This must not be misunderstood as a fight between farmers, or between environmentalists versus farmers, but as an urgent need for overall market clarity and policy fairness. It is one of corporate responsibility and the need for real governmental oversight.

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[7] Catherine Green and Katherine Smith, "Can Genetically Engineered and Organic Crops Coexist?" Choices Magazine, a publication of the Agricultural and Applied Economics Association, 2nd Quarter 2010 25(2). www.ChoicesMagazine.org

Food Safety – There is a growing body of research which demonstrates that organically managed soils, and the rich beneficial microbial action in those soils, are more able to break down pathogens than conventionally managed soils. Yet many past food safety actions by federal and state agencies, as well as private buyers, have imposed regulations that have the effect of steering farmers toward chemically intensive farming practices, and inadvertently discouraging and penalizing organic farming systems. FDA and Congress need to be cognizant of this problem, and recognize the latest research about pathways of pathogen contamination. In addition, food safety must be viewed from a holistic perspective, taking into consideration the public health concerns of pesticide residues as well as pathogens. Organic agriculture can be part of the solution to the growing food safety problems we are witnessing in the country.

Concentration in the Seeds Markets – In an economy as vibrant and technologically advanced as the U.S., we should be seeing an increase in the diversity and availability of seeds and germplasm to meet the expanding needs of farmers and consumers. Yet the opposite is occurring. A few large market players are controlling an alarming percentage of the germplasm of this nation, and as a result, seed costs to farmers are skyrocketing, and the diversity of seed options is dwindling, particularly for publicly held varieties.

There is an urgent need to reinvigorate our public plant and animal breeding capacity to develop public cultivars and breeds that can meet the changing and growing consumer demands for more healthy, local and nutritious foods. This will position us well for dealing with the implications of climate change by encouraging a much more diverse and less genetically uniform agriculture. In the 2008 Farm Bill, Congress mandated this as priority for competitive grants within the Agriculture and Food Research Initiative (AFRI) program, but that mandate has yet to be fully implemented. We strongly urge a fully distinct institute within USDA to meet this need. This will not only further organic agriculture but to a major benefit to all who farm.

Lack of Funding for Organic Research- Despite important gains in funding for organic research in the 2008 Farm Bill, organic research funding still pales in comparison to that devoted to conventional agriculture. Given the multiple benefits of organic agriculture to society, organic research should receive at least a fair share of funding. Organic represents 3.5% of the U.S. retail market share, but according to estimates from the Organic Farming Research Foundation, explicit organic research represents only 1.8% of the USDA-REE mission area budget.

Areas where greater research is necessary include addressing the role of organic agriculture in:

- sequestering carbon and mitigating the effects of climate change;
- reducing pesticide residues in food;
- addressing food safety concerns
- meeting nutritional needs; and
- rural economic development and the economics of the marketplace

Lack of Access to Organic Food for Vulnerable Populations- There is a growing body of evidence about the nutrition and public health benefits of organic agriculture, particularly for children. Yet many barriers remain within federal nutrition programs, such as the WIC program, limiting access of vulnerable populations to organic food. These barriers must be removed to maximize the public health benefits of these important programs.

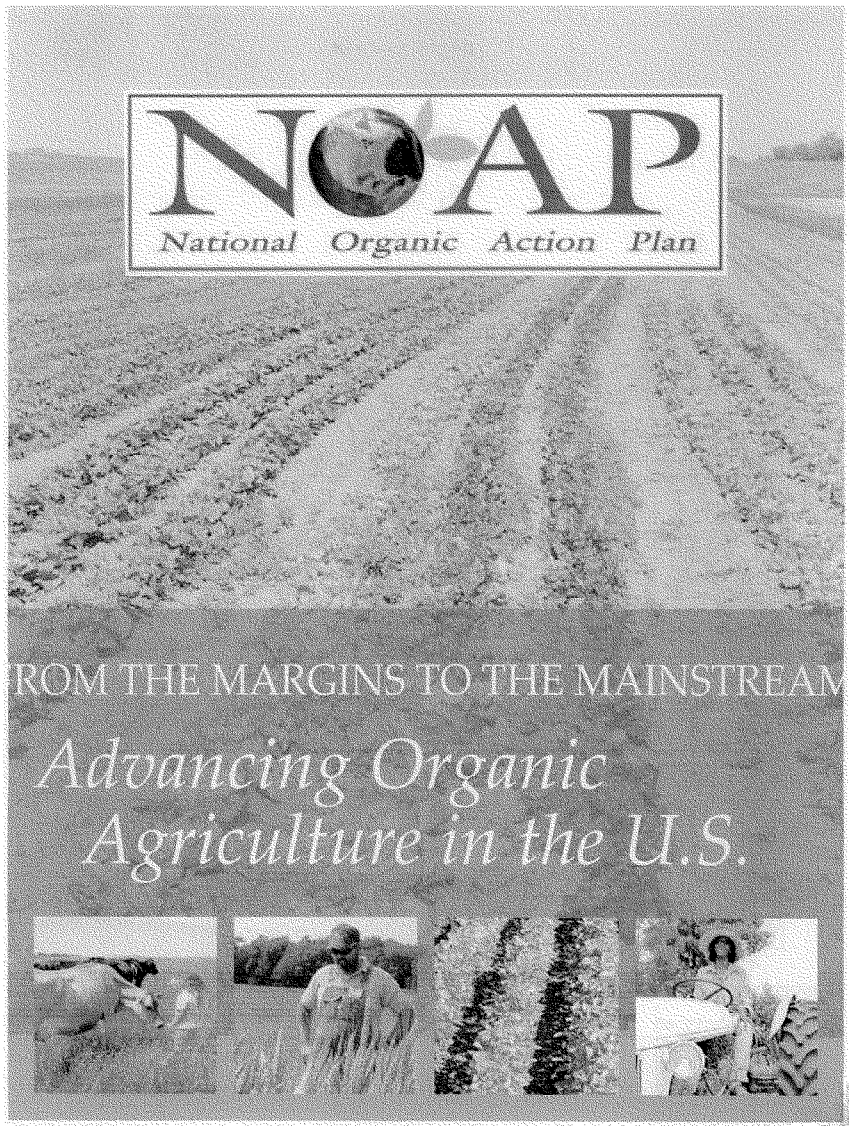
With the strong public-private partnership fostered by the Organic Foods Production Act, we have seen many gains for organic agriculture. But the opportunities and challenges of the future are greater still.

History will not only judge us by how well we managed our resources today but how well we defended opportunities of future generations. Now is the time for us to set the course ahead.

Thank you for this opportunity to testify.

DOCUMENTS SUBMITTED FOR THE RECORD

SEPTEMBER 15, 2010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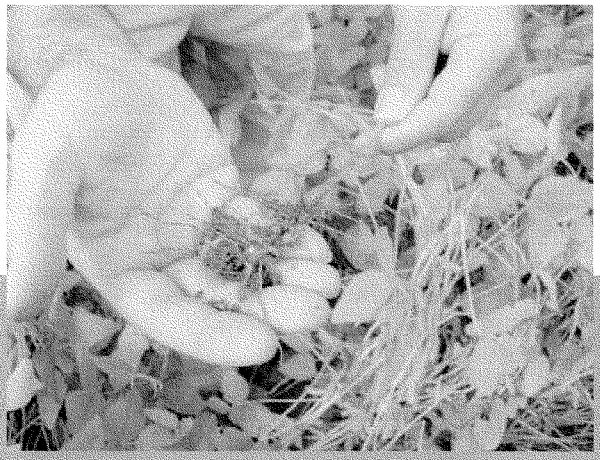

The NOAP Project is a collaborative project led by RAFI-USA, which provides overall programmatic development and organizing support for the Project. Michael Sligh and Liana Hoodes lead this effort on behalf of RAFI and the NOAP Planing Team listed below. Our team of dedicated volunteers, active in organic food and farming movements, came together to plan the NOAP Project and to organize and facilitate Dialogue Meetings and the National NOAP Summit. Some members also contributed to the drafting of the NOAP document (*denotes NOAP drafting Team Members).

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National Organic Action Plan

From the Margins to the Mainstream—
Advancing Organic Agriculture in the U.S.

By
Liana Hoodes, Michael Sligh, Harriet Behar,
Roger Blobaum, Lisa J. Bunin, Lynn Coody , Elizabeth Henderson,
Faye Jones, Mark Lipson, Jim Riddle

January, 2010

We dedicate this NOAP to the family farmers who laid the foundations of organic agriculture and to those who continue to forge innovative systems of organic production in this country and throughout the world.

We also dedicate this to the hundreds of people across the country who freely offered their time, talent, and expertise to make the creation of this National Organic Action Plan possible. We are forever grateful for their collaboration in constructing this vision and plan for the future of organic food and agriculture in the U.S.

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EXECUTIVE SUMMARY

This National Organic Action Plan (NOAP) represents the culmination of five years of meetings that engaged diverse stakeholders in envisioning the future of organic and in building strategies for realizing our collective vision. It calls for the creation of an expanded organic policy agenda for the next decade and beyond that reflects the broad social, environmental, and health values of the organic movement and the associated benefits that organic food systems afford society. The goal of the NOAP Project is to *establish organic as the foundation for food and agricultural production systems across the United States.*

Grassroots Lead the Development of a National Organic Action Plan

Motivated by the growing realization that the grassroots must regain and redirect the vision of organic or risk it being compromised by those without a commitment to organic integrity, the NOAP Project embarked on a five-year, nationwide, dialogue on the future of organic. NOAP organizers wanted to create a proactive, organic action plan similar to National Organic Action Plans in the European Union and elsewhere. But in contrast to the many government-derived plans, we wanted our plan to emanate from the grassroots organic community so that the broadest range of stakeholders would share in its development and take responsibility for its implementation.

Organic Agriculture Affords Multiple Benefits to Society

At this critical moment in history when concrete solutions are so desperately needed to address integrated global social, environmental, and economic crises, organic agriculture provides multiple solutions and benefits. Its system of production can produce high yielding crops, enhance food security and independence, reduce the adverse impacts of agriculture on the environment and climate change, and contribute to the development of food self-sufficient and sustainable communities. The largely untapped potential of organic to provide concrete and long-lasting solutions to a variety of persistent problems of modern, industrialized society has inspired farmers and non-farmers alike to join grassroots movements to strengthen the integrity of organic, grow markets for organic products, and facilitate universal access to healthy, organic food.

Time is Ripe for Government to Forge a Comprehensive Organic Agenda

The U.S. government lags well behind many other governments in terms of its commitment to enhancing and promoting organic food and agriculture and it remains one of the last industrialized countries to develop a national organic action plan. It has yet to acknowledge the multitude of health and environmental benefits associated with moves away from chemical-intensive agriculture and towards more environmentally and socially responsible methods of food production.

In surprising contrast to its predecessors, the Obama Administration has demonstrated early public support for organic not only in the White House garden and kitchen, but also in the U.S. Department of Agriculture where it has doubled the budget and staff of the National Organic Program (NOP). Clearly the time is ripe for the government to forge a comprehensive organic agenda, created in partnership with the wide range of stakeholders in the organic community, as envisioned by the drafters of the founding U.S. organic legislation — the Organic Foods Production Act (OFPA).

It is also worth noting that the NOAP Project has already made some progress towards reaching its goals. In June of 2009, USDA elevated the status of the National Organic Program (NOP) to a stand-alone program within the Agricultural Marketing Service (AMS). It was formerly buried as a project of AMS's transportation program. And, in September 2009, USDA hired the first NOP Deputy Administrator who has extensive experience running a statewide organic program and assisting other states in the development of their organic programs.

NOAP Reflects Broad Social, Environmental and Health Values Embedded in Organic

The NOAP recommends adoption of an expanded U.S. organic policy agenda that reflects the broad social, environmental, and health values embedded in OFPA and espoused by the organic community. It identifies concrete objectives and timelines for the future growth of organic food and agriculture and for achieving the associated social and environmental benefits by articulating objectives and benchmarks for tracking and measuring accomplishments. The NOAP empowers the grassroots to engage in public policy debates on organic by providing a detailed plan of action that can be adapted to meet community and statewide needs and conditions.

NOAP Establishes Concrete Benchmarks for Expanding Organic Production

Although the purpose of the NOAP goes beyond simply establishing production targets, it does make some specific recommendations with respect to expanding organic production. In particular, it calls for:

- Doubling the amount of organic products and the number of farms, acreage, public lands, and animals under organic management every five years through 2020.
- Expanding local organic seed production capacities, with a benchmark of meeting 50% of all local organic seed needs by 2020.

- Increasing local organic production and processing by 50% by 2020, by increasing the infrastructure of organic regional food systems with government financial assistance.
- Increasing organic supplies to ensure the commercial availability of all agriculture-based organic ingredients contained in processed foods by 2014, including minor ingredients, seeds, and livestock feed.

To protect the integrity of organic and to prevent contamination from genetically modified organisms (GMOs), the Plan recommends the adoption of legislation that shifts the responsibility and liability for buffering against GMO contamination to the manufacturers and/or patent-holders of GMO seeds by 2012. NOAP recommendations also include rBGH labeling on all products by 2010 and GMO labeling by 2012 to protect organic integrity.

NOAP Advances Agriculture Policies Beyond Marketplace Goals

We call upon the U.S. government to use the recommendations contained in this NOAP as a guide for the development of a broader framework for policies that support the growth and improvement of organic food and agricultural systems. This framework will help advance organic policies beyond narrow, market-based goals to include incentives for transitioning to organic, technical assistance, research, and other programs aimed at maximizing organic's social, environmental, economic and health benefits.

We also call upon state governments, non-government organizations (NGOs), and community activists to use the NOAP as the basis for developing State Organic Action Plans (SOAPs) that will contribute to the realization of these vision and goals.

The NOAP Project agreed upon the following overarching principles to advance organic food and agriculture in a manner that supports our shared values and furthers our vision of the future of organic:

1. **Maintain and continuously improve organic quality and integrity;**
2. **Increase domestic organic production by supporting farm and market diversity;**
3. **Ensure a fair marketplace for small, medium-sized, and family farmers and workers;**
4. **Maximize organic production potential by increasing the U.S. produced share of organic products in the domestic marketplace;**
5. **Safeguard the environment and conserve biodiversity;**
6. **Enhance access to healthy, organically grown, fresh food for all people of all income levels; and**
7. **Move society towards more socially just and humane food and agricultural production systems.**

It is our hope that the vision and plan for collective action that is embodied in the NOAP will unite people across the country in their efforts to **establish organic as the foundation for U.S. food and agricultural production systems.**

INTRODUCTION

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

--Wendell Berry, Farmer, Author, Poet, 1982

History will not only judge us by how well we managed our resources but also by how well we defended opportunities of future generations. Now is the time for us to set the course.

--Michael Sligh, RAFI-USA & Founding Chair, USDA National Organic Standards Board

The Vital Role of NOAP

Organic agriculture is poised to play a vital role in addressing some of the world's most pressing environmental, social, and economic challenges. As the scope and breadth of these problems grow and change, organic agriculture offers direct, positive, and long-lasting solutions that benefit communities across the globe. Present and future contributions of organic agriculture include reducing world hunger, increasing food security and food self-sufficiency, sequestering carbon and adapting to climate change: and improving human health, nutrition, and the quality of life for farmers, farm workers, and rural communities. Yet, nearly two decades after Congress passed the Organic Food Production Act (1990) organic agriculture accounts for only 3.47%[1] of the total U.S. food production. This National Organic Action Plan (NOAP) calls for the creation of an expanded organic policy agenda that not only accelerates organic production but that also reflects the broader social, environmental, and health values of the organic movement for the next decade and beyond.

The largely untapped potential of organic to provide a variety of integrated solutions to persistent problems of modern, industrialized society and agriculture has inspired farmers and non-farmers alike to join grassroots movements to strengthen the integrity of organic agriculture, grow markets for organic products, and facilitate universal access to healthy foods. This NOAP represents the culmination of five years of meetings that engaged diverse stakeholders in envisioning the future of organic and in building strategies for realizing our collective vision. **The goal of NOAP Project is to establish organic as the foundation for U.S. food and agriculture production systems.**

Central to the creation of the NOAP has been an ongoing, participatory and democratic process that enlists civil society and organic allies in the creation of an organic plan of action for the next decade and beyond. This document presents the findings of the NOAP process and articulates a shared vision for the growth and improvement of organic food and agriculture. The NOAP recommends organic policy initiatives at the federal, state, and local levels, and outlines actions to be taken by diverse communities across the country to enhance organic opportunities. It concludes by presenting objectives and benchmarks for increasing, measuring, and achieving the social and environmental benefits of organic agriculture.

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1 Organic Trade Association. 2009. Organic Product Sales Rise 17% in 2008. http://www.marketingcharts.com/topics/financial/organic-product-sales-rise-17-in-2008-9027/(accessed November 12, 2009).

One of the key challenges of the NOAP process has been determining how best to continue to grow organic agriculture and markets while preserving organic integrity and retaining farmer and consumer confidence. To that end, we have identified seven overarching principles that are essential to advancing U.S. organic food and agriculture in a manner that supports the shared values and vision of NOAP participants:

1. **Maintain and continuously improve organic quality and integrity;**
2. **Increase organic production by supporting farm and market diversity;**
3. **Ensure a fair marketplace for small, medium-sized, and family farmers and workers;**
4. **Maximize organic production potential by increasing the U.S.-produced share of organic products in the domestic marketplace;**
5. **Safeguard the environment and conserve biodiversity;**
6. **Enhance access to healthy, organically grown, fresh food for all people of all income levels; and**
7. **Move society towards more socially just and humane food and agricultural production systems.**

This NOAP is intended to promote a better understanding of the state of organic in the United States, not only in terms of existing production and markets for organic, but also in terms of the experiences and vision of farmers and grassroots movements engaged in strengthening the integrity of organic agriculture, promoting greater access to organic foods, and growing markets for organic products. It recommends objectives and benchmarks to serve as a guide for policymakers and industry to prioritize actions consistent with the priorities set forth by farmers and grassroots food and farming movements. For state governments and NGOs, it provides a solid foundation for the establishment of State Organic Action Plans (SOAPs) to advance organic production systems across the country.

It is our hope that this vision and plan for collective action will unite people across the country in their efforts to **establish organic as the foundation for food and agricultural production systems.**

Setting the Context—History of U.S. Organic in Brief

The organic movement emerged in response to the growing industrialization, centralization, and chemicalization of our agriculture and food systems. As early as the 1940s, the Rodale Institute in Kutztown, Pennsylvania, began its pioneering work on the use of compost in agriculture systems to build healthy plants and soils by enhancing nature's fertility capabilities. In direct opposition to post-World War II pressure from chemical companies to "modernize" agriculture through the use of synthetic fertilizers and pesticides formulated out of war munitions, the Rodale Institute began publishing *Organic Farming and Gardening Magazine*. It became the handbook for farmers wanting to increase yields by supporting rather than destroying nature's ecological systems. The Rodale farm remains fully operational today and it

INTERNATIONAL FEDERATION OF ORGANIC AGRICULTURE MOVEMENTS (IFOAM)

In 1972, advocates and practitioners of organic agriculture established the International Federation of Organic Agriculture Movements (IFOAM), which has grown to include over 700 organizations from over 100 countries. A central purpose of IFOAM was to write standards for organic farming and processing in a democratic and participatory manner. The IFOAM Basic Standards are organized around four basic principles: 1. health, 2. ecology, 3. fairness, and 4. care; they have served as the template for many organic standards in use today.

More than 50 countries now have national organic policies and/or regulations and while organic standards have not been harmonized globally, there is an increasing movement in that direction.

IFOAM's Definition of Organic (adopted March 2008)

Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved.

is home to the nation's longest-running, 30-year field trial comparison of organic and conventional agriculture.

Motivated by Rachel Carson's warning that prolific pesticide spraying was silencing song birds, and based on their own experiences with pesticide use, pioneering organic farmers from the Northeast, Upper Midwest, and California Coast began conducting organic field trials on their farms.[2] Beginning in the late 1960s and early 1970s, they shared their knowledge, addressed market and technical problems, organized conferences, set standards, and formed the first organic farming organizations such as California Certified Organic Farmers (CCOF), the Maine Organic Farmers and Gardeners Association (MOFGA), and the Northeast Organic Farming Association (NOFA). During that time, growers predominantly sold their harvests at local farmers markets and farm stands, at health food stores, to buying clubs, and directly to consumers. Under these conditions, the authenticity of organic was based upon trust and consumers knowing their farmer rather than upon federal regulations. But, as organic markets expanded and the distance between buyers and sellers of organic food widened to satisfy national and eventually international market demands, a need arose to define and certify the authenticity of organic commodities in the absence of face-to-face relationships.

Questions regarding the costs and benefits of developing a national organic standard remained a subject of intense controversy among organic growers, commodity producers, consumers, and NGOs throughout the 1970s and '80s. This tension, heightened by the spread of unsubstantiated label claims and strong public and market pressure, forced the government to take action. Congress adopted the Organic Foods Production Act of 1990 (OFPA) as a way to legitimize, standardize, and codify the term "organic" into law.

Despite strong public interest, the government has been slow to embrace organic. As early as 1980, the U.S. Department of Agriculture (USDA) published its *Report and Recommendations on Organic Farming*[3] in response to substantial public pressure for the government to encourage and support organic. A new administration highly unreceptive to organic, allowed the document to languish without federal action for nearly a decade. It was not until 1990 when discernible international markets for organic products emerged, that the OFPA was finally passed. The National Organic

2 Carson, Rachel. 1962. Silent Spring. Boston: Houghlin Mifflin.

3 USDA Study Team on Organic Farming. 1980. Report and Recommendations on Organic Farming. United States Department of Agriculture. http://naldr.nal.usda.gov/NALWeb/Agricola_Link.asp?Accession=CAT80742660.

Standards Board (NOSB),[4] a voluntary citizen's board mandated by OFPA, was convened in 1992 and spent five years crisscrossing the country building widespread support for its recommendations for the final Organic Rule. It took nearly another decade for the Final Rule promulgated by the National Organic Program (NOP) to be published in December 2000.

Not surprisingly, given the history of organic in the United States, the Organic Rule was not adopted without controversy and it contravened many of the original NOSB recommendations. Substantial disagreement about the substance of the Rule pitted the organic community against large agribusinesses, that wanted to allow the "big three" emerging technologies in organic production — genetic engineering (GE), sewage sludge, and irradiation. After the USDA received more than a quarter of a million comments from people across the country demanding that the Rule reflect the intended meaning and practice of organic, many details were fixed. GE, sewage sludge, and irradiation were eliminated from the Rule and a relatively transparent and participatory NOP was created within the USDA.

Until recently, the government has been slow to acknowledge organic as little more than a niche marketing scheme. This position has been reinforced through OFPA, which establishes national standards for marketing organic products, for growing, processing, and handling of organic food, and for facilitating interstate commerce.[5] Moreover, the government's lack of support for organic is evidenced by its minimal funding of all types of organic

USDA Definitions of Organic

National Organic Program Definition — Final Rule (2000)

Organic production: A production system that is managed in accordance with the Act and regulations in this part 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 Standards Board (NOSB) definition of *Organic* (April 1995)

- Organic agriculture is an ecological production management system that promotes and enhances biodiversity, biological cycles, and soil biological activity. It is based on minimal use of off-farm inputs and on management practices that restore, maintain and enhance ecological harmony.
- *Organic*, is a labeling term that denotes products produced under the authority of the Organic Foods Production Act. The principal guidelines for organic production are to use materials and practices that enhance the ecological balance of natural systems and that integrate the parts of the farming system into an ecological whole.
- Organic agriculture practices cannot ensure that products are completely free of residues; however, methods are used to minimize pollution from air, soil and water.
- Organic food handlers, processors, and retailers adhere to standards that maintain the integrity of organic agricultural products. The primary goal of organic agriculture is to optimize the health and productivity of interdependent communities of soil life, plants, animals and people.

4 The mission of National Organic Standards Board (NOSB) is to assist the Secretary in developing standards for substances to be used in organic production. The NOSB also advises the Secretary on other aspects of implementing the national organic program. Appointed by the Secretary of Agriculture, based upon a public application process, the NOSB is comprised of four farmers/growers, two handlers/processors, one retailer, one scientist, three consumer/public interest advocates, three environmentalists, and one USDA accredited certifying agent who sit on various committees." Source: http://www.ams.usda.gov/AMSv1.0/nop

5 "Purposes," Title 7 US Code, Part 6501. Chapter 94. 2009 ed. http://straylight.law.cornell.edu/uscode/html/uscode07/usc_sec_07_00006501----000-.html.

research and of technical assistance for farmers wanting to transition to organic.[6] Things are gradually changing in this regard as the steady annual growth in the organic industry of approximately 20% has forced the government to dedicate more research dollars to organic.[7]

The 2008 Farm Bill contains numerous provisions that directly and indirectly expand support for organic agriculture such as:

- Re-authorized and expanded funding for the National Organic Certification Cost Share Program;
- Expanded funding for the Organic Research and Extension Initiative (OREI);
- Created a conservation incentive program for organic and transitioning farmers;
- Expanded support for organic data collection;
- Authorized removal of surcharges placed on organic farmers for federal crop insurance based on market research; and
- Authorized funding for beginning farmers, farmers marketing value added goods, breeding research, farm to school, specialty crops, and conservation assistance programs, all of which are open to organic producers.

For a complete description of these programs, go to http://www.ofrf.org/publications/

In the present globalized food economy, a focus on marketplace value does not necessarily translate into the growth of U.S.-produced organic foods. This is particularly true in cases where low-cost imports have undermined domestic product development. Moreover, in the absence of reciprocal and equivalent organic programs between countries and regions, there is no way to assess whether an imported organic product or ingredient meets the stringent production standards required by U.S. law. Focusing on market growth also ignores the wide range of urgent environmental and social changes needed to achieve a sustainable food and agriculture production system that supplies fresh, affordable, organic food to all and in a manner that is socially just across the supply chain and is protective of human health and the environment.

Fortunately, passage of the U.S. 2008 Farm Bill[8] (see Box)has helped broaden the focus of organic through the introduction of new federal programs that acknowledge some of the conservation benefits of organic agriculture. It also increases funding for organic research for farmers transitioning to organic and for technical assistance. Yet, without the thoughtful development of a government-based vision for the future of organic, piecemeal programs will be slow to advance a comprehensive organic policy agenda. And, if organic has taught us anything, it is about the importance of whole, integrated systems of production. Organic is about farming systems that thrive in union with the ecological systems within which they are embedded. It is not simply about a system of agriculture that allows or omits a list of inputs or practices.

The other piece of hopeful news about organic is that since the election of President Obama, the government has taken steps to elevate the profile and support of organic agriculture with renewed vigor. In March 2009, Obama appointed Kathleen Merrigan,

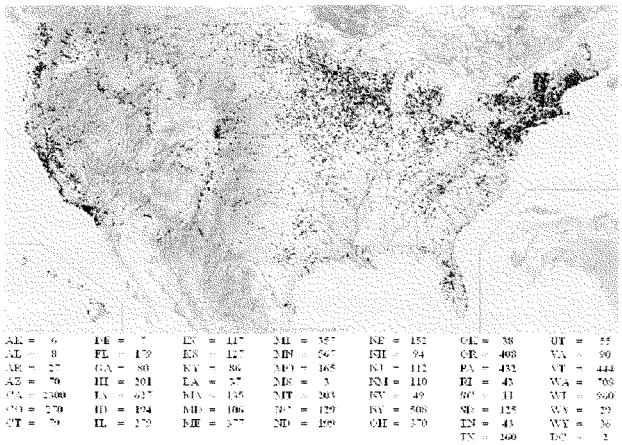
6 These publications that evaluate the national research agenda are available free online at http://ofrf.org/publications/pubs/nora2007.pdf.

7 Dimitri, Carolyn and Catherine Greene. 2002. Recent Growth Patterns in the US Organic Foods Market. USDA Economic Research Service. [Italicized: Agriculture Information Bulletin] No. AIB777 (September). http://www.ers.usda.gov/publications/aib777/.

8 U.S. Congress. House. Food, Conservation, and Energy Act of 2008. H.R. 6124. 110th Cong., 2nd sess. (May 22, 2008.) http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h6124eh.txt (accessed November 24, 2009).

one of the primary authors of OFPA, as the Deputy Secretary of USDA. During the 1990s, she was brought in to "fix" the unacceptable Rule after the original draft which included the big three technologies and caused massive public outcry, required the rule to be withdrawn and re-drafted. In October of 2009, USDA Secretary Tom Vilsack officially established the National Organic Program (NOP) as a stand-alone program within the Agency's Agricultural Marketing Service (AMS), a move intended to elevate its status and visibility within USDA.[9] The new NOP Deputy Administrator, Miles McEvoy, has budgeted for 16 new staff in 2010, doubling the number of existing staff to 31. The NOP operating budget has also doubled to nearly $7 million. Both of these actions will undoubtedly contribute to better organic regulatory development and enforcement.[10]

Geographic Distribution of Certified Organic Producers and Handlers in the U.S., 2006



Source: Organic Farming Research Foundation, 2007, by Jose Torres, from USDA National Organic Program Data, using Google Earth software.

As organic becomes more widely accepted as the preferred mode of agricultural production grassroots involvement in shaping the future of organic will become increasingly important. The grassroots organic movement encompasses farmers and ranchers, farmworkers, homesteaders, backyard gardeners, educators, researchers, and food, nutrition, consumer, sustainable agriculture, social justice, and environmental activists. It also includes everyone who buys, sells, and eats organic food or in some way participates in the organic food supply chain, including inspectors and certifiers of organic farms and products. We are all part of the continuously evolving organic movement and the source and the keepers of the organic vision and the NOAP.

9 Vilsack, Thomas. September 25, 2009. Letter to Herb Kohl, Chairman of the Subcommittee on Agriculture, Rural Development; Food and Drug Administration; and Related Industries.

10 McEvoy, Miles. 2009. PowerPoint presented at the National Organic Standards Board meeting, November 3-5, in Washington, DC. http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5080769&acct=nosb.

Growth and Evolution of U.S. Organic Agriculture

As one of the fastest growing segments of U.S. agriculture for over a decade, organic sales and acreage have shown surprisingly consistent growth since the passage of OFPA in 1990. In that year, there were just under one million acres (935,450) of certified organic farmland in the U.S. "By the time USDA implemented national organic standards in 2002, certified organic farmland had doubled, and it doubled again between 2002 and 2005."[11] Between 1992 and 2005, organic acreage more than quadrupled to 4,054,429 acres. California has led the nation in both organic cropland acres (223,263 in 2005), and certified organic operations (2,026 in 2007). The 2007 Census of Agriculture further notes that California also produces the most organic vegetables and fruit — 58,327 acres and 56,667 acres respectively.[12] Wisconsin farmers have the largest number of certified organic milk cows, 16,793; and Montana produces the largest quantity of certified organic grain on 63,559 acres. In 2007, there were 20,437 organic farms plus 11,901 farms and 616,358 acres transitioning to organic.[13]

Small organic farms have maintained their share of the organic market despite rapid sector growth and the increase in larger organic farms.[14]

Organic has remained the fastest growing U.S. agriculture sector for nearly a decade. Fruits and vegetables comprise the largest portion of organic food sales, representing 37% in 2008. Beverages and dairy represent the second largest portion of organic food sales at 14% each. The strongest growth in an organic product category is organic beverages, which grew by 40% between 2007 and 2008. Grains and breads are a close second, increasing 35% between 2007 2008.[15]

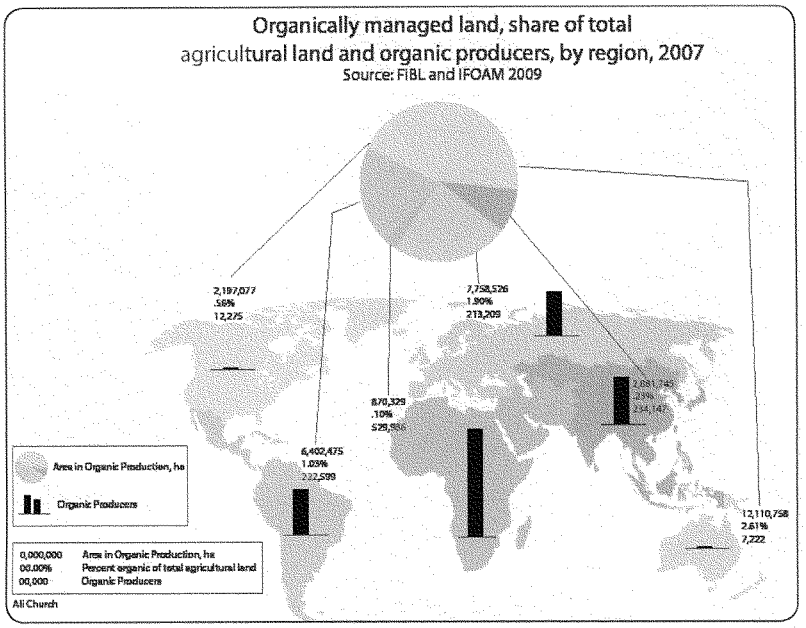
U.S. ORGANIC FOOD SALES[16]

	2005	2006	2007	2008
Organic Food Sales ($ Million)	13,831	16,718	19,807	22,929
Growth Rate*	---	20.9%	18.5%	15.8%
Total U.S. Food Sales ($ Million)	566,791	589,136	628,219	659,012
Organic Penetration**	2.48%	2.80%	3.15%	3.47%

* Increase in sales, year 1 to year 2 (e.g. 2007 to 2008)
** Organic food as a percent of total U.S. food sales

11 USDA, Economic Research Service. Organic Production Statistics. http://www.ers.usda.gov/data/organic (accessed November 20, 2009).
12 USDA, Economic Research Service. Organic Production Statistics. http://www.ers.usda.gov/data/organic/#statedata (accessed October 26, 2009).
13 2007 USDA Census of Agriculture. Table 48: Organic Agriculture.
14 Greene, Catherine, Carolyn Dimitri, Biing-Hwan Lin, William McBride, Lydia Oberholtzer, and Travis Smith. 2009. Emerging Issues in the US Organic Industry. USDA Economic Research Service Economic Information Bulletin No. 55 (June). http://www.ers.usda.gov/publications/eib55/.
15 Organic Trade Association. 2009.
16 Organic Trade Association. 2009.

Organic food currently accounts for 3.47% of all food product sales in the United States (see table above) and it accounts for 4.9% of the total growth of U.S. food sales.[17]



A little less than half of the respondents to the U.S. Organic Trade Association's 2009 *Organic Industry Survey* said they are involved in export sales. According to the survey, larger companies with more than $5 million in annual revenue are twice as likely as smaller companies with less than $500,000 in annual revenue to export organic products.[18] The United States continues to import a major portion of its organic food from Europe, Asia, Canada, and Latin America to meet growing consumer demand. USDA sources estimate that the ratio of organic imports to exports is approximately 10 to 1 and, therefore, a major opportunity exists for U.S. farmers to produce a much greater portion of organic food destined for domestic consumption.

In terms of shortfalls in domestic supplies of organic products, organic dairy producers and soy food processors lack sources of domestically produced organic feed grains and soybeans. More than 41% of producers say that undependable

17 Organic Trade Association. 2009.

18 Organic Trade Association. 2009. 2009 Organic Industry Survey: Executive Summary. http://www.ota.com/pics/documents/01a_OTAExecutiveSummary.pdf (accessed on November 12, 2009).

supplies of organic raw material limit their ability to generate sales.[19] Organic feed corn remains in short supply both nationally and internationally, as GMO (genetically modified organisms) contamination makes non-GMO corn increasingly hard to find.[20] Conversely, U.S. organic dairy farmers are currently faced with an oversupply of milk in the marketplace, which has led to falling prices and forced some small and medium-sized dairy farmers out of business.[21]

According to an annual industry survey conducted by the Hartman Group,[22] 69% of U.S. consumers purchased organic products in 2008. More than two-thirds of U.S. consumers buy organic products at least occasionally and 28% buy organic products weekly. Growing consumer demand has taken organic products from their traditional place in natural food stores to more mainstream venues such as Wal-Mart and Costco. The percentage of consumers buying organic products has remained stable since 2006, despite increasing food prices.[23] Even during the most recent economic downturn, regular organic consumers are not changing their purchasing habits. However consumer surveys suggest that less frequent organic buyers may be limiting their organic purchases.[24]

U.S. Organic in the Global Context

Worldwide certified organic acreage has reached more than 79 million acres. Global organic markets are estimated to have reached $46 billion in 2007, with Europe and the United States consuming the majority of organic products. As the existing data suggest, organic agriculture can meaningfully contribute to the sustainable growth and development of countries across the globe.[25] Even in an economic downturn, this growth appears to be continuing.

The largest geographic area of organic production, as the illustration demonstrates, is in the Oceania region with its large expanse of pasture-based organic acreage.

The United States remains the single-country market leader with an estimated $22.9 billion in organic sales in 2008 and with projected, continued growth.[26]

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19 Greene, Catherine, et. al. Emerging Issues.

20 Personal Communication. Lisa J. Bunin, (Center for Food Safety) and Kazuhiro Shirai, (Seikatsu Club Spirits Co. Ltd. -- Japan's largest Natural Foods Cooperative), September 11, 2008, San Francisco, CA.

21 See: Zezima, Katie. 2009. Organic dairies watch the good times go bad. New York Times, May 28, US section. and Hallenback, Terri. 2009. Organic lull down on the dairy farm. Burlington Free Press, September 6.

22 The Hartman Group. 2008. Organics Today: Who's Buying and What's Next. July 23. www.hartman-group.com/hartbeat/2008-07-23

23 Stevens-Garmon, John, Chung L. Huang, and Biing-Hwan Lin. 2007. Organic Demand: A Profile of Consumers in the Fresh Produce Market. *Choices* 22(2): 109-115. http://www.choicesmagazine.org/2007-2/grabbag/2007-2-05.htm (accessed November 12, 2009).

24 Greene, Catherine, et al. Emerging Issues.

25 Willer, Helga and Kilcher, Lukas, (Eds.) (2009) The World of Organic Agri*culture - Statistics and Emerging Trends 2009*. IFOAM, Bonn; FiBL, Frick; ITC, Geneva.

26 Organic Trade Association. 2009.

Why NOAP Now?

As U.S. organic agriculture expands and matures, civil society must assert itself in policy discussions about what is and what is not organic or risk having the definition and practice undermined by those without the commitment to socially and environmentally responsible organic development. We believe that a successful, transparent, and participatory NOAP process can provide a way to periodically evaluate the role and performance of the government and to update and strengthen organic regulations. NOAP Project participants agreed to call upon the federal government to use this NOAP as a basis for the creation of a broader framework for government and marketplace policies to support and advance organic agriculture and its associated social values.

We initiated this NOAP Project for a number of pressing reasons:

- Our government's failure to provide leadership or a vision for increasing the capacity of the organic sector in the face of rising consumer demand and continued exponential growth of U.S. organic food and agricultural production.
- Mounting evidence from the European Union (EU) and elsewhere that when governments support the development and spread of organic agricultural knowledge and technology, and provide financial assistance for transitioning to organic, far greater growth in organic acreage and production occurs, especially in countries with organic action plans.
- Failure of the U.S. government and food and agriculture industry to develop social and environmental goals associated with the growth of the organic sector beyond retail/market- based goals.
- Desire to create an expanded policy agenda that reflects the broader environmental, social, health, and economic goals and benefits of organic agriculture.
- Desire of the organic community to be better heard in federal, state and local policy arenas.
- Desire to ensure that small, medium, and family farmers have a say in the future development of agriculture and that the integrity of organic is not weakened in order to accommodate large-scale farming practices and food processing interests that are antithetical to organic.

NOAPs Elsewhere

The U.S. government lags well behind others in terms of its commitment to promoting organic food and agriculture. It has yet to acknowledge the multitude of health and environmental benefits associated with the move away from chemical-intensive agriculture and towards a more environmentally and socially sustainable methods of food production.

In contrast, many EU member countries and the EU as a whole[27] have developed some type of government-supported organic action plans. EU countries that have adopted organic action plans include Spain, Italy, Norway, France, Germany, Ireland, Scotland, Denmark, the Czech Republic, the Netherlands, Slovenia, and the United Kingdom (UK). Thailand, the Pacific Islands, Tasmania, and Victoria (Australia), have also produced plans calling for substantive government action to be taken to support the expansion of their domestic organic sector. In general, the plans focus on specific goals to increase organic acreage, production, and commerce. The intent of these plans is for nations to capitalize upon their ability to grow the organic sector of their economy and, subsequently, to reduce organic imports.

For example, in the UK, low cost organic imports have inhibited local organic production. In 2002, the country was importing 70% of the organic foods consumed there. In response, their NOAP set the goal of reversing that percentage so that 70% of the country's organic food would be UK- grown by 2012. "When the [UK] plan was published in 2002 only 30% of all organic products were supplied by the UK. By 2005, the Soil Association estimate[s] that approximately 66% of all organic primary produce sold by multiple retailers was sourced in the UK..."[28]

In its initial 2004 NOAP, the EU sought to "ensure the ongoing development of the organic sector in the Community and also, through this development, to facilitate

27 The European Action Plan for Food and Farming, completed in June 2004 lists 21 action items for supporting and improving the EU's organic farming standards and increasing public support for organic. Commission of the European Communities. 2004. European Action Plan for Organic Food and Farming. Brussels (June). http://www.orgap.org/european-action-plan.html.

28 Department for Environment, Food, and Rural Affairs. 2002. Action plan to develop organic food and farming in England. http://www.defra.gov.uk/foodfarm/growing/organic/policy/actionplan/pdf/actionplan2year.pdf; Organic Action Plan. http://www.orgap.org/documents/action_plan_targets.pdf; Soil Association. Organic Market Report 2006. Bristol, England. http://www.soilassociation.org/LinkClick.aspx?fileticket=UO0%2bMJSy0%2fI%3d&tabid=116 (accessed November 24, 2009).

imports of organic produce from developing countries."[29] Early on, the EU recognized the environmental value of organic and eco-agricultural practices in its plan which states that: "where farmers provide services to the environment beyond the reference level of good agricultural practices, these should be adequately remunerated."[30] Examples of this include payments for the creation of specific habitats for targeted species and support for documented water quality protection.

The EU's 2008 Plan has begun to incorporate organic principles that acknowledge the greater societal benefits of organic agriculture as well. In an EU Seminar in 2008, the French EU Presidency (2008) suggested in a paper that these four objectives should be met by the future EU Common Agriculture Policy (CAP):[31]

- "Ensure food safety, including public health aspects;
- Contribute to global dietary health to participate in world food safety;
- Preserve the equlibrium of rural areas; and
- Participate in the fight against climate change and for environmental improvement."[32]

29 Commission of the European Communities. 2004. file://localhost/about/blank - _ftnref3#_ftnref3European Action Plan for Organic Food and Farming, Commission Working Document. (June) Page 3. http://www.orgap.org/european-action-plan.html.

30 Commission of the European Communities.

31 The EU's CAP includes conventional as well as organic agriculture.

32 IFOAM EU Group Press Release, "Experts call for organic farming to be the future model for European agriculture." Brussels/Horotbagy, 19/09/2008

U.S. NATIONAL ORGANIC ACTION PLAN

In this country we still have a lot of work to do to persuade our government to become as vocal as the EU in its endorsement of organic and in its acknowledgment of the multiple benefits of organic for agriculture and society as a whole. This presents a particular challenge in this country, given the strong pressure and influence wielded by the inextricably linked agrochemical and seed industries not to do so. Nonetheless, the times are changing and we believe that the time is ripe to insert our grassroots-derived NOAP into U.S. policy debates about the future of food and agriculture.

Inspired by the growing realization that the grassroots must regain and redirect the vision of organic or risk it being compromised by those without the vision or commitment to organic, the NOAP Project embarked upon a five-year dialogue process. It was designed to facilitate conversations about people's visions and ideas for the future of organic. Frustrated by failed attempts to make U.S. farm policies more sustainable, facilitators of the NOAP Project decided to create their own, proactive, organic action plan similar to national organic action plans developed in the EU and elsewhere. But, in contrast to some government-derived plans, we wanted our plan to come from the grassroots so that we all share in its development and take responsibility for facilitating the Plan's implementation.

The intent of the NOAP process was to:

- Create an expanded organic policy agenda that reflects the broader social, environmental, and health values of the organic movement for the next decade and beyond;
- Formulate proposals for the future growth of U.S. organic food and agriculture and for achieving the associated social and environmental benefits;
- Articulate a set of objectives and benchmarks for tracking and measuring accomplishments; and
- Empower the grassroots to influence public policy by articulating organic food and agriculture's future potential and current contributions to enhance the welfare of society.

To that end, NOAP organizers arranged 11 dialogue sessions across the country (see Appendix A) with 300 people attending the meetings and countless others sending comments via e-mail. At the onset of each session, NOAP participants agreed to put aside their individual and organizational differences and remain open-minded for the sake of enabling a fruitful group process. Although a common agenda set the parameters for discussion at each dialogue session, (Appendix B), participants were free to raise issues or concerns they felt were missing or not emphasized to their satisfaction in the conversation. Heated discussions often ensued as the agenda moved from identifying the positive and negative attributes of the organic sector as it exists today to envisioning in what ways participants would like to see organic food and agriculture grow during the next decade and beyond.

As the NOAP process unfolded, meeting facilitators identified the following shared values that commonly emerged in discussions about the future of organic:

- Stewardship of the natural environment and its regeneration;

- Conservation of healthy soils and the recognition of their central importance in sustaining life;
- Humility about the role of humans in nature and our role as stewards of ecological systems when growing food;
- Protection of the rights of all people to eat and grow organic food;
- Protection of animal welfare in all stages of production;
- Fairness in pricing farm products;
- Preservation of diverse farm ecologies, food crops, animal breeds, seed varieties, scale, workers, and ownership;
- Attainment of U.S. food sovereignty,[33] food security, and food self-sufficiency;

- Respect for historical farmer and indigenous knowledge;
- Respect for cultural, ethnic, gender, and geographic diversity; and
- Ethics in organic trade, working conditions, and wages across the supply chain.

Admittedly, tensions exist between organic as a broad social movement and organic as a fast-growing industrial sector. While there are many situations in which the industry and movement share interests and can work together, there are also instances where interests diverge and conflicts arise over the desire to grow the market in the short-term and still maintain organic integrity in the long-term. Such tensions pivot around one central challenge:

How can we facilitate the growth of organic food and agriculture while preserving organic integrity, maintaining diverse farms and agricultural systems, retaining farmer and customer confidence, and furthering broader social and environmental values?

Other concerns related to this central question that repeatedly emerged during dialog sessions include:

- Which strategies are best for growing the market?
- Does mainstreaming organic food allow for the continuation of alternative marketing structures such as direct sales, purchasing and marketing cooperatives, and community supported agriculture?

33 The phrase *food sovereignty*, as coined by the Via Campesina transnational peasant and farm movement, encompasses "the rights of all peoples to define their own food and agriculture policies; to protect and regulate domestic agricultural production and trade in order to achieve sustainable development objectives..." (http://viacampesina.org/main_en/index.php).

- Can these alternative modes of marketing continue to co-exist with more conventional social relations of production once organic becomes a greater percentage of the overall food market?
- How can the livelihoods of small, medium, and family farmers be assured as the market grows?
- How can access to organic food for people of all income levels be assured?
- How can organic food producers continue to be the leaders of "health food" markets and resist the "twinkie-ization" of our organic food system?
- Do the lowest priced organic ingredients drive buying decisions of organic processors, and if so, how do we prevent uncertified, untested, and unregulated imported organic ingredients from becoming the norm at the expense of certified organic, domestically-grown food, and farmers?

These tensions will only be resolved if all stakeholders and civil society work together to hold both the marketplace and the government accountable for maintaining the integrity of organic. The challenge is agreeing to the terms of engagement among these unevenly organized and resourced groups. All players must own up to their need for an ethical code of practice and be willing to equally adhere to behaviors for which they can be held accountable and sanctioned.

The ideal goal is to create a situation where the organic industry and movement clearly define their mutual roles and, together, seek appropriate governmental oversight. This is what was imagined by the organic community as it participated in framing the founding OFPA legislation. Now is the time to renew, re-evaluate, and establish on-going mechanisms to ensure our future.

The NOAP process and document serve a critical need at this point in the evolving history of organic. Our vision for the future of organic includes the establishment of an ethical code of conduct to preserve and protect organic integrity, driven and monitored by the grassroots. To realize this vision, we need a network of community based organizations and stakeholders to provide the glue that brings the information and practices of the grassroots to the policy-making table and to be the center for sharing knowledge and experience, inspiring vigorous debate, building consensus, and acting collaboratively.

The NOAP Drafting Team consolidated the issues into eight major categories:

A. Environmental Stewardship
B. Health
C. Cultural and Social Change
D. Research
E. Education
F. Organic Integrity- Standards, Enforcement, and Compliance
G. Marketplace
H. Organic Transition and Incentives

Then, they drafted objectives and benchmarks for each category, based upon discussions that transpired in each of the dialogue meetings.

The next step in the process was to organize a National NOAP Summit to review and discuss the draft NOAP, to set priorities, and to agree upon benchmarks and timelines for the next decade and beyond. NOAP organizers publicized the Summit meeting, held in LaCrosse, Wisconsin (February 25-26, 2009), and circulated the Draft NOAP to all of its networks. We raised funds to subsidize attendance at the Summit so that no one would be excluded because of financial constraints. In preparation for the meeting, Summit participants were asked to read the *Draft NOAP Plan* and be prepared to discuss the objectives and benchmarks distilled from the dialogue meetings.

SMART Objectives

⇨ **S**pecific:
Objectives should be precise and concrete enough not to be open to varying interpretations.

⇨ **M**easurable:
Objectives should define a desired future state in measurable terms, so that it is possible to verify whether the objective has been achieved or not. Such objectives are either quantified or based on a combination of description and scoring scales.

⇨ **A**chievable:
If objectives and target levels are to influence behavior, they must be accepted, understood and interpreted similarly by all who are expected to take responsibility for achieving them.

⇨ **R**ealistic:
Objectives and targets should be ambitious while realistic – setting an objective that only reflects the current level of achievement is not useful.

⇨ **T**ime-dependent:
Objectives and target levels remain vague if they are not related to a fixed date or time period.

The EU "ORGAP" Project [European Action Plan for organic food and farming – Development of criteria and evaluation procedures for the evaluation of the EU Action Plan for Organic Agriculture] summarized a common framework for evaluating objectives – making sure that objectives should be SMART – [ORGAP, No. CT-2005-006591]

Summit organizers facilitated discussions to refine, evaluate, and build agreement for prioritized objectives that are **S**pecific, **M**easurable, **A**chievable, **R**ealistic, and **T**imely (See SMART Objectives). Participants divided into small groups, organized under the eight categories, and by the end of the first day each group posted its top ten objectives for review, comment, and discussion. On the second day, groups further refined their objectives and participants voted for their five top objectives in each category.

Participants agreed that actions to advance organic food and agriculture should not solely be limited to targeting the federal government, but should also be directed towards fortifying and expanding the foundation of organic at the state and local levels of government and in the marketplace. In addition, objectives, benchmarks,

and actions outlined in our recommendations represent the range of actions that can be taken by a variety of stakeholders in the organic community.

A signature element of the NOAP Project has been to keep the conversation going and to keep the NOAP open to refinement. We agreed to continue our democratic process during periodic evaluations of the NOAP and to expand and strengthen our collaborations with diverse stakeholders in the organic movement. It is essential that we periodically review the progress of NOAP implementation to ascertain where actions, objectives, or benchmarks may need to be re-adjusted.[34]

NOAP FINDINGS

At the beginning of each NOAP regional dialogue, we posed key questions to assess the current state of organic, using a variation of the "SWOT" analysis (strengths; weaknesses; opportunities; threats) to facilitate meaningful discussions:

- What is working with organic?
- What are the existing challenges or problems?
- What are the specific challenges in a changing and growing the marketplace?
- What are the specific challenges of reinventing regional organic food systems?
- What federal reforms are needed?
- What are the best ways to strengthen farmer and consumer voices?

Each dialogue session provided a full brainstorming opportunity and led to discussions aimed at defining specific organic challenges and opportunities.

The following sections synthesize the rich conversations that took place at the dialogues and summit and summarize the major successes, challenges, and opportunities that lie ahead.

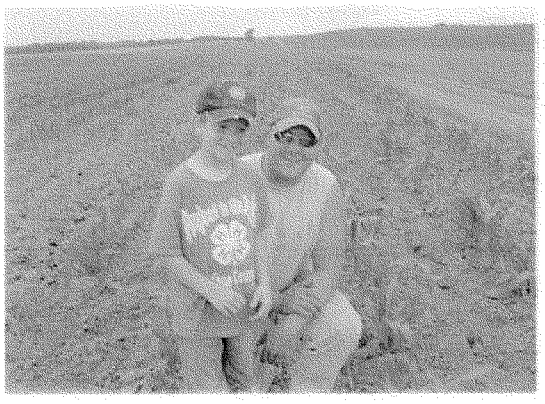
What Is Working With Organic?

Organic agriculture has maintained impressive domestic and international growth in terms of total acres, sales, supply, consumer demand, public awareness, and number of farms and farmers. It also has received notable institutional recognition and support from businesses, government, universities, the medical profession, and civil society. The ever-widening range of benefits, successes, and promising new business opportunities in organic are also rapidly expanding in many different ways and in multiple directions. These advancements range from improved health to increased social justice; from protection of soil and water quality to biodiversity enhancement; from the mitigation of global warming impacts to addressing the energy crisis; from raising consumer awareness about organic to the incorporation of organic education into school curricula, and from all sectors of civil society from the local to the international.

Organic agriculture has also reached a major international milestone as an accepted system of agriculture. It is recognized by the United Nations Food and Agriculture

34 In the UK, the DEFRA produced a report called "Two Years On" evaluating the achievements reached, and setting benchmarks for the future. DEFRA, 2004. *Action plan to develop organic food and farming in England: Two Years On.* http://www.defra.gov.uk/foodfarm/growing/organic/policy/actionplan/pdf/actionplan2year.pdf.

Organization (FAO) as an important contributor to addressing world hunger and local food security challenges by increasing farm yields and ensuring the long-term sustainability of essential community resources.[35]



Organic production methods are suitable for all types of farms regardless of scale or diversity of crops and animals. Whether certified or not, organic production systems decrease dependence on petroleum-based products and for farm inputs produced offsite.

Improvements in certification processes and compliance capacities have increased consumer confidence, raised organic farmer status, provided a basis for research funding, and helped expose more potential customers to organic products. Political arenas have endowed organic with increased political clout and recognition, as exemplified by inclusion of significant organic provisions in the 2008 Farm Bill.

There has also been notable growth and development in the organic infrastructure and in economic opportunities to service the production sector. This is demonstrated by the emergence and expansion of such diverse groups as the Organic Materials Review Institute (OMRI), Organic Trade Association (OTA), National Organic Coalition (NOC), National Sustainable Agriculture Coalition (NSAC), Organic Farming Research Foundation (OFRF), International Organic Inspectors Association (IOIA), Organic Consumers Association (OCA), Cornucopia Institute, Organic Center, Congressional Organic Caucus, Accredited Certifiers Association (ACA), National Association of State Organic Programs (NASOP), and eOrganic. These groups and many others, including state and regional organic farmer, consumer, and environmental sustainable food, and agriculture organizations, research institutes and certification agencies, provide information and services to meet the ever-expanding demand for information to support organic farmers, markets, and their customers.

The availability of organic food has expanded, along with the quality, quantity, variety, and access to organic foods. There has been major growth in the scope of organic with the development of non-food and non-farm organic products and services (e.g. personal care products, pet food, and landscaping).

As organic agriculture is mainstreamed in the marketplace, it affords greater access to a greater diversity and number of consumers, and a greater variety of marketing opportunities for producers. For example, organic dairy products serve as a gateway to organic food for new mothers, opening up the door for them to purchase additional organic products.

The health benefits of organic production are now being more widely researched, identified, and recognized. Organic foods have been shown to have significantly

35 Sligh, Michael and Carolyn Christman. 2007. Issues Paper: Organic Agriculture and Access to Food. *Rural Advancement Foundation International.* Presented at the international conference on organic agriculture and food security, May 3-5, at the Food and Agriculture Organization in Italy. ftp://ftp.fao.org/paia/organicag/ofs/OFS-2007-2.pdf.

lower levels of pesticide residues, higher levels of nutrients, and improved taste and nutrition when compared with non-organic foods. Expanding educational outreach to families, nutritionists, and health care providers is seen as crucial, due to the many recognized health and developmental benefits of organic food for children as well as adults. [36]

There is widespread recognition of the benefits of organic agriculture for increased soil organic matter, carbon sequestration, moisture retention, and drought tolerance. Organic is now being recognized as a 'climate and environmentally friendly' way to farm. Emerging research demonstrates that organic systems also protect water quality and filter pollutants before they reach surface and ground waters.[37]

Farmers are attracted to organic farming because it allows them to be good stewards of their land, not only for themselves but also for those who will follow them. Organic agriculture offers farmers the tools and knowledge needed to enhance crop yields, worker health, and animal welfare while preserving the environmental quality and ecosystems where they farm.

Improved quality of life for farmers, workers, their families, and rural communities, as well as increased prices and the promise of additional market-based solutions to social justice and animal welfare concerns, are hopeful signs that the organic sector can provide much needed market protections for farmers and workers.

There is an emerging recognition of the broad-based societal contributions of organic production, including a growing awareness that organic agriculture contributes to an increased sense of community and a re-kindling of basic social values, including a better understanding of where our food comes from. This leads to the restoration of closer farmer/buyer relationships and the development of creative new market chains, enabling U.S. organic farmers to remain profitable in the face of global sourcing. Because of these new opportunities, organic agriculture helps draw both new and younger farmers either back to family lands or as new entrants into agriculture from suburban, urban, immigrant, and non-agricultural backgrounds.

Many view the growth of organic agriculture as a hopeful contribution to restoring the culture and values that have been lost due to the rapid industrialization of conventional agriculture. Organic contributes to a return to a systems approach to agricultural production and to a critical shift from reductionism to holistic problem solving in agriculture.

Organic production is attractive to agriculture researchers who are looking to expand the scope of their research from input-based studies to more long-term, applied

36 See the work of the Organic Center (www.organiccenter.org)
37 See the work of the Rodale Institute (www.rodaleinstitute.org)

research that allows them to examine natural systems and use their findings for the improvement of crop and livestock production, yields, and biodiversity conservation.

Increasing consumer demand for organic foods and the subsequent increase in the presence of organic products in the marketplace has shown that regional organic producers can supply a significant portion of the food needs of local communities. This includes everything from fresh and processed fruits and vegetables to grains, beans, meats and dairy products. Organic consumers want to know more about the farmers who grow their food and local, farm-to-consumer direct marketing schemes allow for the building of bridges of knowledge and understanding between producers and consumers.

Finally, organic agriculture builds upon the historic contribution of entrepreneurial farmers who have led the charge to grow and sustain the U.S. economy and its diverse immigrant population, regardless of existing economic conditions.

What Is Not Working?

Many of the concerns about the state of the organic sector mirror the successes and progress highlighted in the previous section. Concerns about the "industrialization" and "mainstreaming" of organic agriculture, and the pressures and threats from the marketplace and government to the integrity of the organic label, were strongly expressed by NOAP participants. Examples include large confinement dairies being certified as organic, the Congressional rider allowing "organic" chickens to be fed non-organic feed (which was subsequently overturned before being implemented), and the overall lack of consistent NOP oversight, compliance, and enforcement all illustrate recent and on-going threats to organic integrity and consumer confidence.

Questions regarding how close we are coming to a "tipping point" where organic will no longer be viewed as the "gold standard" of the food system are now being openly discussed, with the media increasingly willing to challenge organic food's superiority. The development and implementation of a functioning organic system as envisioned in OFPA is sometimes viewed as an impossible achievement despite the recognition that this is the only way to truly have vibrant organic farms where weeds, pests, and diseases are well managed and nutrient-dense foods are produced. The lack of practical, transparent, and participatory mechanisms to continually improve OFPA and NOP regulations, and to enforce the law, represent major challenges and needs.

The NOP, as the only federally mandated accreditation body for organic, has yet to produce an accreditation manual for organic inspectors, implement the required peer review of the NOP, or address the long list of outstanding NOSB recommendations. Moreover, the NOP, as an accreditor, is not in compliance with internationally accepted accreditation norms, such as ISO 17011. These deficiencies are all indicative of growing pains, bureaucratic bottlenecks, and lack of political will.

Despite progress made in the 2008 Farm Bill, the overall low level of federal support for organic agriculture and the lack of federal recognition of the multiple benefits of organic production to health, environment, and society remain major barriers to sustained growth. In fact the continued resistance of the government, both within and outside USDA, to articulate any vision for the growth of organic beyond the

marketplace or to acknowledge any advantage of organic for the public good are major stumbling blocks to significant organic policy advancements. In U.S. government parlance, organic must never be seen as better than conventional agriculture—it is only a "niche market."

Concerns about farmer and farmworker rights, migrant labor, changing organic contracts, and farmer and worker wages and benefits are now being challenged. The need to find ways to institutionalize fair prices, wages and benefits; to build bridges with the worker community, and to address scale, ownership, and control of the organic sector are all viewed as critical to the long-term success and sustainability of organic agriculture.

Organic market concentration and corporate appointments to the NOSB represent new concerns for civil society and organic supporters.

The lack of continuous quality improvements in organic standards and the difficulties in tightening federal organic regulations remain common concerns. So does the fear of organic becoming an "input substitution" approach, where farmers and processors receive certification to the lowest enforceable standard.

People in all dialogue sessions, as well as significant numbers of those who submitted written comments, underscored the problems of an under-funded and under-staffed NOP, its poor enforcement record, and the lack of clarity in standards development. The failure of the NOP to write a pasture standard, for example, has the potential to destroy the integrity of the organic label. While these issues may eventually be addressed by the current Administration, they have the potential to limit the success of the organic industry.

Start-up costs and access to markets for small and medium-sized organic farmers and the need for additional technical assistance and education for new farmers curtails organic expansion. There is a strong need for knowledgeable, fully-funded, and empowered organic extension specialists who are organic farmers, non-government experts, or others with specific organic knowledge. This has been repeatedly identified as a central component of the organic infrastructure that must be added to facilitate farmer conversion to organic.

An urgent need also exists for the development of strategies to address and balance the pressures between market/pull and supply/push and the unmet national need to reinvent our regional food systems and infrastructure. Concerns about unfair organic imports and trade are also increasingly heard.

The public misconception that organic food fills a "niche market" limits organic demand and reinforces the myth that it is available only to those who can afford high food prices. This contributes to blocking access to organic foods by people of all income levels, compounding the injustice of the current *cheap food* system.

Failure to adequately address animal welfare and food safety concerns or to respond to the growing number of "eco-labels" and "buy-local" campaigns also poses major challenges for the organic community and government regulators. The lack of sophisticated measurements and standards for soil quality, biodiversity, and carbon sequestration has increased the push for private "eco-labels" and has become a barrier to increased support for certified organic production.

The perennial call for a research system that is more participatory, and meets farmers' needs and demands to expand the current scope of organic standards remains as compelling as ever. There is also the broad-based concern that the absence of holistic or systems research leads toward more "input substitution."

An absence of an organized political base for organic farmers is a growing concern and so is the undue influence and dominance of agribusiness in policy debates and decisions about agriculture.

GMO contamination and threats to our seed and food supply, along with the need for real GMO liability mechanisms, remain major threats to the future of organic foods and markets.

Many view USDA's regulation that prohibits organic farmers from sitting on their own organic certification boards as having "decapitated" organic farmers and stifled their meaningful participation in the organic regulatory process. This has led to the loss of an organized organic farmers' voice, despite the fact that it was the organic farmers themselves who launched and developed many of the organic certification programs that currently exist.

Finally, establishing full-cost accounting systems to better quantify and promote the real benefits of organic agriculture, and to highlight the real costs associated with so-called "cheap foods," stands out as a major challenge with great potential payback.

NOAP CONCLUSIONS

Organic agriculture provides multiple benefits to society at this critical moment when solutions to address the global environmental and economic crises are desperately needed. One resounding conclusion that emerged from the NOAP process is that the U.S. government must no longer delay its support for organic agriculture and in its recognition of organic's contributions to addressing the major health, environmental, and social challenges facing the world today. The United States remains the last developed country to make a public commitment to organic and the time is ripe to do so now under the Obama Administration.

Participants in the NOAP process urge the government to take immediate action to create an expanded organic policy agenda that enhances the broad environmental, social, health, and economic benefits of organic agriculture. We call upon the government to use the recommendations contained in this NOAP as a guide for the development of a broader framework for government policies that support the growth and improvement of organic food and agriculture systems. This framework will help advance organic policy beyond narrow market-based goals to include incentive programs for transitioning to organic, and providing technical assistance, research, and other programs aimed at maximizing organic's multiple benefits.

"Organic Proves there is an agriculture beyond the industrial model." *Washington, DC Dialogue Meeting, 2007*

The outcome of the NOAP process was intended to inspire action at the state level as well by providing compelling arguments and policy recommendations to use to influence state agencies and legislators to take a lead in supporting organic food and agriculture expansion. Through the development of State Organic Action Plans (SOAPs), local and regional initiatives can be developed to create innovative mechanisms for growing both the availability and accessibility of organic products. Central to that effort is the creation of organic food procurement programs at public and private institutions and the planting of gardens in public and private spaces to enhance community food security. In addition, the marketplace itself can be encouraged to respond to consumer demands for "better" organic with the incorporation of social values that provide both higher integrity and greater accessibility to organic foods.

As organic agriculture expands and matures, decisions about what constitutes organic must be decided by the federal government with meaningful and transparent input from state and local governments and all sectors of the organic community. The founding organic legislation, OFPA, called for a public/private partnership between government and the broader organic community and, to that end, it is imperative that we all remain active as the market expands and more people produce and consume organic foods. Our ongoing NOAP Project will continue to engage the grassroots in discussions and reassessments of organic policy, values, and markets and to create opportunities for the periodic review of the government's performance with an eye towards improving organic regulations, statutes, and policies.

KEY NOAP POLICY RECOMMENDATIONS

Summary of Key NOAP Policy Recommendations

Environmental Stewardship

In acknowledging the environmental value of organic production, we call upon the government to enhance the environmental value of organic agriculture and to protect existing organic operations from contamination.

Organic agriculture contributes to the mitigation of greenhouse gas emissions, sequesters significant amounts of carbon, enhances biodiversity conservation and watershed health, and reduces toxic pesticide use, exposure, and the associated adverse health effects. To ensure that these positive effects are not lessened, it is imperative that USDA issue a policy statement acknowledging the importance of the environmental benefits of organic and its commitment to take aggressive action to ensure organic agriculture is protected from GMO and pesticide contamination. The Polluter Pays Principle should serve as the foundation for establishing liability and responsibility for environmental damages. This should be based on a full accounting of damage, cleanup, and compensation for harm to the environment and organic operations.

The NOP must be consulted on all federal permit applications for the outdoor release of novel materials and the production of substances using novel technologies including, GMOs, nanomaterials, animal cloning, and transgenic animal production. This necessitates conducting a full environmental and economic impact assessment, in accordance with the National Environmental Policy Act (NEPA) to ensure that no harm occurs to organic farmers, public health or the continued growth of organic markets.

Health

Organic positively contributes to health both in terms of its system of agricultural production and in terms of the quality of food produced. The inherent safety of food produced without the use of harmful, synthetic agrochemicals in conjunction with the required documentation of the food handling process mandated in organic systems means that farm workers, consumers, and the communities where organic food is grown are protected in ways that are not afforded by the conventional food industry.

Scientific research has repeatedly shown that food without synthetic pesticide and herbicide residues is healthier particularly for the cognitive and physical development of children. Food and agriculture policies that include recognition of this aspect of food safety must be established to help secure our nation's safe food supply. This requires product labeling and the full disclosure of ingredients and production methods on ingredient labels. It is imperative that the government adopt the precautionary approach when evaluating the approval of all new and novel techniques used in food production and all new and novel food products. This includes conducting a comprehensive health, environmental, and economic assessment of potential impacts across the commodity chain. Organic agriculture's contributions to improved public health must be thoroughly researched and rewarded.

Cultural and Social Change

From the beginning, organic regulations set a high bar for advancing cultural and social values in agricultural production. We propose a return to this foundation by re-dedicating organic to an ethical food and agriculture system that honors the values of fairness and basic rights. Fairness includes fair trade; fair pricing (and contracts); fair access to land (and credit), and fair access to quality, organic food and seeds. These basic rights also encompass the rights of all people to follow their our own cultural and traditional knowledge systems and the rights of farmers and farmworkers to have an empowered voice in the continued improvement of an ethical food system. This should apply directly to both domestic and foreign agricultural policies with the recognition of organic agriculture's contributions to local food security and the alleviation of hunger both nationally and internationally.

Education

The lack of resources devoted to formal and informal education on organic agriculture and the creation of career opportunities in organic creates a formidable barrier to the expansion of organic opportunities. It limits the ability of farmers, researchers, nutritionists, and others to increase their knowledge about food systems, and inhibits land grant universities from generating original research on organic systems. This dearth of organic education also stifles the training of individuals for careers in organic agriculture extension services, government agricultural agencies such as USDA, and organic on-farm research. In the absence of both sound scientific, technical, and practical information, it is difficult to make significant advancements in organic food and agriculture. Our educational systems need to prioritize teaching and training new farmers and farm workers how to be successful organic growers.

Research

The historic lack of fairness and balance in federal funding of research for organic systems has created a serious backlog in needed research on agricultural systems that are beneficial to both the expansion of organic agriculture and to the greater incorporation of ecological/organic methods for all agricultural systems (e.g., the ability to increase soil organic matter, release appropriate public cultivars, and reduce the use of toxic inputs). Research is urgently needed to examine the multiple benefits of organic production and the inherent risks posed by untested new and novel technologies when released to organic systems. A comprehensive assessment of the potential socioeconomic and environmental impacts on organic systems and markets must be conducted as a prerequisite to evaluating the risks of introducing new, novel, and emerging technologies, (e.g., pesticides, GMOs, animal cloning, nano-technology) into the marketplace. Federal research dollars allocated for organic must be proportional to its current and future overall benefits to society. This will require a major increase in federal funding commitments to organic research with a new focus on participatory, multi-disciplinary, and collaborative approaches, that draw on the experience of seasoned organic researchers and farmers.

Funding for agriculture research projects must be assessed in terms of the project's demonstrated contributions to moving society towards more environmentally, socially, and economically sustainable agricultural production systems. All USDA agencies and their personnel must continue to receive ongoing training to increase their understanding of the conservation and economic benefits of organic systems and to facilitate the incorporation of organic systems knowledge into the delivery of agricultural services.

Organic Integrity

Organic represents significantly more than a USDA marketing label. Therefore it is imperative that the label maintain its integrity and advance the values that underpin the NOAP. Results from NOAP dialogues around the country call for improvements in the functioning of the NOP, from its compliance with international accreditation practices to more effective leadership and oversight. To that end, consistent development and transparent enforcement of standards must be implemented and strict sanctions brought to bear on those who violate the law.

Marketplace

The time has come to take advantage of existing and future U.S. market demand for organic and to expand U.S. organic production. To do so requires reducing governmental barriers to organic market growth (e.g. lack of local processing), increasing research to facilitate this growth (e.g. localized seed production), taking advantage of federal programs to support a U.S. organic market growth goal, and tracking U.S. imports of organic foods. National and regional goals to maximize local organic production to meet local organic demand should be established as part of any USDA marketing and promotion of regional food system initiatives. New mechanisms must be created and/or recognized to ensure the ongoing sustainability and fairness of the organic marketplace for farmers and all food system workers.

Organic Transition and Incentives

To expand organic agriculture, there must be a broad program of support for farmers and other land managers who choose to transition to organic methods. This includes government and market growth stimulation of organic agricultural products such as feed, seeds, and breeds, so that this growth is sustainable in both supply and demand. Such growth must include USDA support for, and access to, untapped institutional markets such as public schools, private companies, health institutions, and government agencies.

NOAP recommendations and benchmarks must be used as a basis for evaluating existing USDA policies, for establishing new benchmarks, and as a roadmap for inclusion in future USDA policies. This should be applied to all areas of USDA responsibilities including research, education, marketing, and regulatory functions for both domestic and foreign arenas.

Government Incorporation of this NOAP

We call upon USDA to immediately implement the following short-term actions:

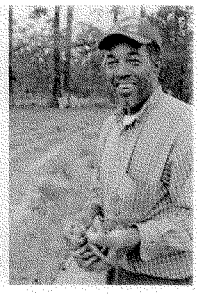
- Designate a point person and/or organic policy coordinator within the Secretary of Agriculture's office to ensure follow-through and ongoing coordination and the solicitation of public input and feedback.
- Establish and fully fund a cross-agency organic coordination hub whose role will be to facilitate the integration of these NOAP recommendations into government policies. The integration process must include broad-based leadership from all organic stakeholders whose interests are reflected in the *Key NOAP Policy Recommendations.* The integration process must also include a mechanism for updating OFPA through a participatory and transparent review, analysis, debate, and adoption process.
- Provide resources to develop SOAPs and to ensure full inclusion of organic stakeholders into all USDA-funded local and regional organic food system initiatives and research projects. This includes encouraging expansion of the *Know Your Farmer, Know Your Food Program,* recently initiated by USDA, which promises to mobilize new resources for local organic production improvements and expansion.

WHAT YOU CAN DO

By focusing on the strategic vision embodied in NOAP, grassroots energy can mobilize the government and its resources to strengthen and enhance organic.

- Organize your local or statewide organic-minded organizations to develop a State Organic Action Plan (SOAP) designed to maximize local consumption of local organic foods.
- Attend your local school board meetings and push for local and organic foods in the schools (meats, milk, vegetables, grains).
- Become a member of your local USDA National Resources Conservation Service (NRCS) county or local committee, or the NRCS State Technical Committee to encourage organic agriculture and conservation in your region.
- Learn who are your local, state and federal representatives. Attend and speak at their listening sessions, visit their offices, and call and write them letters specifically addressing issues that promote the organic agriculture agenda.
- Join citizen advisory boards of universities, their extension agencies, community and technical colleges and primary education institutions where you can promote the NOAP agenda. Encourage and participate in dialogue – it can be a rewarding experience and truly make a difference. You may be surprised how much common ground there is between organic advocates and people from diverse political and social backgrounds.
- Financially support other individuals and organizations doing this work and offer your ideas when brainstorming about how the various NOAP objectives can be implemented both locally and nationally.
- Keep in touch to share your experiences and help us understand the local, regional, and state resources that are available, how you influence federal policies and how we can best utilize existing federal programs.
- Evaluate progress on reaching NOAP objectives and benchmarks (2011).
- Become engaged in the devlopment of the next Farm Bill in 2012.





Above, NOAP Summit, February 2009

NATIONAL ORGANIC ACTION PLAN GRASSROOTS AGENDA

GOAL:

To establish organic as the foundation for U.S. food and agriculture production systems.

VALUES:

- Stewardship of the natural environment and its regeneration;
- Conservation of healthy soils and the recognition of their central importance in sustaining life;
- Humility about the role of humans in nature and our role as stewards of ecological systems when growing food;
- Protection of the rights of all people to eat and grow organic food;
- Protection of animal welfare in all stages of production;
- Fairness in pricing farm products;
- Preservation of diverse farm ecologies, food, animal and seed varieties, scale, workers, and ownership;
- Attainment of U.S. food sovereignty and food self-sufficiency;
- Respect for traditional farmer and indigenous knowledge;
- Respect for cultural, ethnic, gender and geographic diversity; and
- Ethics in organic trade, working conditions, and wages across the commodity chain.

PRINCIPLES:

- Maintain and continuously improve organic quality and integrity;
- Increase U.S. organic production by supporting farm and market diversity;
- Ensure a fair marketplace for small, medium-sized, and family farmers and workers;
- Maximize U.S. organic production potential by increasing the U.S.-produced share of organic products in the domestic marketplace;
- Safeguard the environment and conserve biodiversity;
- Enhance access to healthy, organically grown, fresh food for all people of all income levels; and
- Move society towards more socially just and humane food and agricultural production systems.

The remainder of this document outlines recommended objectives, actions, benchmarks, and timelines for advancing our goal. Our recommendations do not target any one group or agency but rather they represent the range of actions to be taken by a variety of stakeholders in the organic community. A signature element of the NOAP Project is that we will open the NOAP for discussion and refinement within the next five years. Essential to this effort is a process to conduct periodic evaluations of the implementation of NOAP recommendations and to stimulate action on benchmarks that are either failing to be achieved or where certain objectives and/or benchmarks may need to be re-adjusted.

NOAP – PRIORITY OBJECTIVES AND BENCHMARKS

A. ENVIRONMENTAL STEWARDSHIP

The U.S. government remains one of the last of the industrialized countries to recognize the "public goods" delivered by organic agriculture. The environmental and public health values of organic production are often the values understood most clearly by the public in and outside of the organic community, yet they have not been comprehensively recognized by the U.S. Department of Agriculture.

Worldwide, nearly every government with any focus on organic agriculture lays out the environmental values of organic alongside its marketplace value, and most distinguish organic farmers' "services to the environment" as major public contributions beyond what the organic farmers may receive in the marketplace. Governments often acknowledge the need to pay for or reward those services as public goods delivered.

As increasing amounts of data demonstrate the quantifiable, long-term environmental benefits of organic agriculture, as well as its unique ability to mitigate some of the negative effects of global climate change, the U.S. government needs to acknowledge and embrace these benefits. In fact, organic agriculture needs to be encouraged and advanced as an environmental benefit.

In the development of goals, mechanisms, and benchmarks during the dialogues and at the Summit, the environmental category spurred the deepest and broadest discussion and detail. Implementation will require coordinated efforts often with unlikely partners and through diverse public agencies, to better define the issues, delineate the values, and formulate the strategies needed to incorporate these values into both marketplace rewards and governmental policies.

ENVIRONMENTAL STEWARDSHIP OBJECTIVES AND BENCHMARKS:

1. Global Climate Change: Acknowledge the positive effects of organic agriculture in mitigating global climate change by using and measuring organic practices.
   a. Use organic practices to contribute to U.S. greenhouse gas emission reductions to 350 ppm by 2020.
   b. Measure carbon sequestration contributions from organic production and increase carbon sequestration through organic farming, organic forest management, and increases in grassland and pasture by 2012.
   c. Establish organic food chain energy audits with goals of measuring and balancing energy produced vs. energy consumed by 2020.
   d. Establish organic farmer carbon credit incentives and rewards by 2012.
2. GMO Contamination: Protect organic farms from GMO contamination.
   a. Adopt legislation that protects organic farms by shifting buffer responsibility and liability for GMO contamination to manufacturers and/or patent-holders, to be implemented by 2012.
   b. Provide public funding for scientific studies on contamination potential and consequences of GMOs by 2012.
   c. Establish a national GMO reporting system by 2012.
3. Polluter-Pays Principle:
   a. Establish the polluter-pays principle as federal policy by instituting taxes on synthetic fertilizers, GMOs, xeno-biotics, and other synthetic substances by 2020.
   b. Use proceeds from these taxes to fund organic research and market incentive programs by 2018, replicating the successful Danish program.
   c. Establish a national pesticide and synthetic fertilizer reporting system by 2012.
   d. Establish a measurable pesticide and synthetic fertilizer reduction goal: beginning in 2013 a reduction of 5% per year.

4. Biodiversity: Address the biodiversity crisis by establishing organic agriculture as a leading strategy to promote biodiversity conversion on the farm and the larger landscape by 2020.
   a. Track by measuring key biodiversity indicators such as seed and livestock breed variety, native populations diversity, and impacts to native species and ecosystems.
   b. Create a baseline to track and increase biological system health on organic farms and aquatic systems by establishing measurements of biodiversity (such as seeds and breeds variety, soil microbes, beneficial insects, pollinators, birds, and wild fish populations), habitats, ecosystems, watersheds, and foodsheds on the local and regional levels by 2020.

5. Watershed Health: Track and improve health in the nation's watersheds.
   a. Target 10% of nation's environmentally sensitive watersheds by converting farms to organic by 2015.
   b. Reduce runoff into rivers and protect groundwater quality through a significant increase in organic farming plus reduction of chemical use in municipal areas by 2015.

Additional Priorities and Benchmarks:

* Sustainability and Life Cycle Analysis: Establish baselines with sustainability and life cycle analysis targets by 2015 for:
  - Packaging
  - Distribution
  - Transportation, food miles, and costs of transport
  - Energy use – electric, water, manufacturing
  - Recycling of agricultural and packing plastics

* Soil Health: Identify soil health measures for organic systems, including a soil food web health measurement to use as index. Include existing soil assessments (e.g., NRCS, ARS soil tilth lab, etc.) for organic farm plans by 2012.

"Organic as 'climate friendly' farming" *California Dialogue meeting, 2007*

* Nitrogen: Track the amount of nitrogen fixed from organic techniques and track the reduction and application of synthetic nitrogen, as organic farming expands its contributions to the environment by 2020.

* Land Use Planning: Implement land use planning techniques that place high value on agricultural lands for organic use in all regions and create buffer zones around metro areas by 2012.

* Marketplace Incentives: Implement marketplace incentives for the eco-system "services" and stewardship practices of organic production by 2020.

* Conservation Stewardship Program: Implement enhanced farm payments by assigning points to raise organic farmer applications, in recognition of the environmental benefits delivered by organic management practices.

* Conservation Set-Asides: Move conservation set-aside lands, such as land coming out of the Conservation Reserve Program, into working organic agricultural lands through 2010, except when marginal land is better suited as a permanent set-aside.

* Composting: Create municipal green waste composting programs in all major cities and identify best management practices to be implemented by 2015.

* Mitigation Plans: Establish mitigation, monitoring, and maintenance plans for projects that interfere with organic certification and/or organic plans (such as pipelines, transmission lines, and road construction) for all states by 2012.

B. HEALTH

Organic contributes to health in both its agricultural production practices as well as in the actual food that is produced. The inherent safety of food that is produced without harmful chemicals, in a systematically traceable system, means that both farm workers and consumers are protected in a manner that does not exist in the rest of the food supply.

In addition, study after study proves that food without residues of synthetic chemicals, such as pesticides and herbicides, is necessary for the healthy development of our children. Therefore, policies must be put in place to recognize and advance this broadened definition of food safety, including full product labeling disclosure of ingredients and methods of production, as well as instituting the precautionary principle for new and novel production techniques. Finally, full cost accounting criteria should be instituted to provide rewards for organic agriculture's contributions to improved public health.

HEALTH OBJECTIVES AND BENCHMARKS:

1. Full Cost-Benefit Accounting: Change farm policy so it is based on full cost-benefit accounting including rewards/incentives for activities that improve the public health, environment, and community (e.g. organic production).
   a. Policy changes on Congressional and Administrative levels should include:
      i. an increase in conservation funding by 2012,
      ii. an increase in the number of transitioning/beginning farmers by 2012,
      iii. an increase in funding for environmental services (carbon /water protection) by 2012, and
      iv. inclusion of full cost-benefit language in Farm Bill 2012.
   b. Provide organic food in Senate, House and USDA cafeterias by 2012.
   c. Surgeon General proclamation to publicly recognize the positive contributions of organic food to public health and safety by 2015.
2. Precautionary Principle: Use the precautionary principle in government regulatory agencies by 2020.
   a. Reverse the burden of proof in research by using long term studies, considering risks of vulnerable populations, and evaluating cumulative exposures.
   b. Health research should include evaluation of technologies such as: antibiotics, nanotechnology, GMOs, cloning, hormones, pesticides, and packaging.
3. Food Safety: Food safety regulation should include appropriate strategies for diverse systems (e.g., organic) and diverse scales of operations by 2010.
   a. Evaluate all risk factors in food and agriculture systems, including pesticide residues in food and soil, transgenic organisms, water contamination, and microbial contamination -- (e.g., organic vs. conventional)
   b. Combine required food safety certifications with organic certification by 2010.
   c. Develop common sense/ scale-appropriate food safety plans:
      i. develop materials/resources,
      ii. train people and develop infrastructure by 2010, and
      iii. have certification process in place by 2011
      iv. participate in debates with Congress, agencies, Trade Associations, Industry
   d. Design proactive proposals.
4. Full Disclosure: Food labels should have full disclosure of ingredients, methods of production (including GMOs) and processing by 2020.
   a. Protect rBGH-free labeling.
   b. Require GMO labeling by 2012.

5. Health Research: Commit federal research dollars to support ongoing public studies on the nutritional, health, and safety benefits of organic production and consumption by 2012.
   a. Include on-farm research with organic farmers.
   b. Ensure transparency in both the research development process, and the results.
   c. Include health professionals.

"Access to good food is limited to those who can afford it."

Georgia Dialogue meeting, 2008

C. CULTURAL AND SOCIAL CHANGE

From its beginnings, organic has held a high bar for cultural and social values. We propose a return to this foundation in the re-dedication to an ethical food and agricultural system that honors the values of fairness and basic rights. Fairness includes fair-trade; fair pricing (and contracts); fair access to land (and credit); and fair access to quality, organic food. These Basic Rights include the rights to food and land, but also encompass the right to our own cultural and traditional knowledge systems, and the rights of farmers and farmworkers to have an empowered voice in an ethical food system. This should apply directly to both domestic and all U.S. foreign agriculture policies, especially recognizing organic agriculture's contributions to local food security and the alleviation of hunger.

A variety of mechanisms will be needed in order to achieve these goals. Some mechanisms are clearly definable, while some are more difficult to quantify. Regardless, all will need ongoing assessment to evaluate the best mechanisms for success.

CULTURAL AND SOCIAL CHANGE OBJECTIVES AND BENCHMARKS:

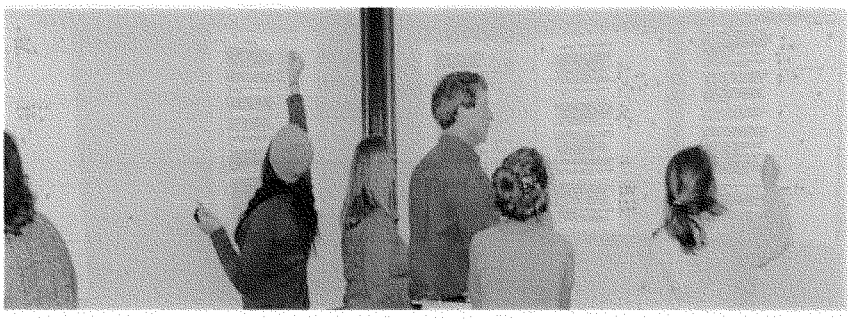
1. Fair Trade: Lay the basis for incorporating fair trade principles into organic standards on the federal level.
   a. Support legislation that improves workers' rights, especially the rights of farmworkers and immigrants, and align with the labor and immigrant rights movements.
   b. Establish mechanisms for setting fair pricing for food:
      i. The price to the farmer and throughout the organic food chain must cover the true costs of production;
      ii. Include living wages and benefits for farmers, all labor on the farm, and processing, distribution and retail sectors; and
      iii. Include production costs and maintenance of the farm in pricing structures (including continuing education for farmer and staff.)
   c. Measure the movement toward fair pricing and improved benefits for farmers and food system workers. Establish baselines by 2010.
   d. Establish an ethical code of conduct to facilitate fair pricing as a cultural norm of the marketplace.
   e. Strengthen fair contract legislation by 2010, including a framework for negotiations between farmers and buyers.
   f. Compel the Department of Justice to enforce laws against excessive monopolization of markets through agricultural mergers and acquisitions in the organic sector. Call for hearings by 2010.

"We need to grow cultural crops – crops our communities are used to eating."

Georgia Dialogue meeting, 2008

2. Right to Food: Commit to policies that ensure fair (organic) food access for all.
   a. Quantify the diversity of race, ethnicity, and classes of people growing and buying organic foods by 2010.
   b. Create baseline data to measure fair access. Track diversity of organic enterprises in terms of scale and ownership by 2012.
3. Organic Values: Educate about the broader values of organic agriculture.
   a. Target community understanding to include our educational system, agricultural educators, state and local agricultural agencies, farmers and consumers.

4. National Organic Farming and Gardening Association: Create a National Organic Farming and Gardening Association.
   a. Federate the existing state and regional organizations, with regional chapters by 2012.
   b. The National Organic Farmers Association will rekindle the process of organic standards creation in the public arena, provide pressure for continuous innovation and improvement, and lobby on behalf of the organic movement.
5. Traditional Knowledge: Preserve traditional agricultural practices and indigenous/ cultural knowledge.
   a. Create policies that support food and seeds of native and minority cultures.
   b. Support immigrant and underserved communities.
      i. Implement Small Farm Commission policy goals by 2012.
      ii. Utilize the USDA office of Advocacy and Outreach.
6. Land and Credit Access: Improve access to land and credit.
   a. Encourage long term tenure through private ownership, community ownership, or land trusts that preserve agricultural lands and encourage sustainable organic production.
   b. Establish a partnership of NGOs, universities, government agencies, and others to implement this by 2015.



D. RESEARCH

The historic lack of fairness and balance in the funding of federal research dollars for organic systems has created a serious backlog of needed research of agricultural systems that are beneficial to both the expansion of organic agriculture and to the greater incorporation of ecological/organic methods in all agricultural systems (e.g., the ability to increase soil organic matter, release appropriate public cultivars; and reduce the use of toxic inputs). Research is urgently needed to examine the multiple benefits of organic production and to understand the inherent risks that new and novel technologies present to organic agriculture.[1]

The federal research structure must appropriate research dollars for organic systems proportional to its current and future overall benefits to society. This will require a major increase in federal resource commitments to organic research with a new focus on participatory, multi-disciplinary, and collaborative approaches.

In addition, the potential socioeconomic and environmental impacts on organic systems and markets must be incorporated as a prerequisite in the pre-commercialization risk assessment and evaluation of new and emerging technologies, (e.g. pesticides, GMOs, animal cloning, and nano-technology).

Finally, all agricultural research funding should be evaluated for its demonstrated contributions towards more sustainable agricultural production[2] *(environmental and economic). Additionally, all USDA agencies and their personnel must continue to receive ongoing training in the conservation and economic benefits of organic systems so organic production is fully incorporated into agricultural service delivery.*

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1 The Organic Farming Research Foundation (OFRF) tracks government funded research of organic and its 2007 National Organic Research Agenda contains national research goals and objectives on the topics of Soil Management, Systemic Pest Control, Organic Livestock, and Genetics, available online at http://ofrf.org/publications/pubs/nora2007.pdf

2 The privately funded Rodale Institute has conducted the longest-running comparative study of organic and conventional farming methods . Its 30-year study has yielded the largest historical data set on organically managed cropping systems and the Institute's research is increasingly integral to understanding the role of organic farming in sequestering carbon and reducing green house gasses. [see www.Rodaleinstitute.org]

RESEARCH OBJECTIVES AND BENCHMARKS:

1. Federal Research Dollars: Increase federal organic research dollars and base them on fair share targets for organic research so budgets for organic research are at least proportional to the percentage of organic food sold by 2012. This includes ATTRA, SARE, eOrganic, & NAL AFSIC and OREI.
2. Organic Research Plans: Develop national organic research plans, for use by all agencies, to address the following main goals by 2010.
   a. Document and describe the environmental, social, and economic performance of organic systems (i.e. establishing the facts to evaluate the value and legitimacy of organic farming).
   b. Provide the basis for improving and sustaining organic farm performance (agronomic, economic, social, environmental, food quality).
3. Organic Farmers Research Network: Create an Organic Farmers Research Network outside of traditional institutions to provide research, technical assistance, and mentoring to meet the real-world needs of farmers by 2013.
4. Interdisciplinary Research: Increase interdisciplinary research to meet the real-world needs of organic producers by 2012.
5. NRCS Resources: Direct resources to the NRCS so that staff, supervisors, and technicians in every state receive training in the conservation benefits of organic agriculture and the implementation of organic "conservation systems" by 2012.

Additional Priorities and Benchmarks:

* Professional Associations: Establish national and regional professional associations (including producers, scientists and others) for all aspects of organic research that are built on the OFRF-SCOAR and USDA-SARE models. The functions of these associations would be communicating research results, discussing research needs of producers, and coordinating research activities.
* Address Agrochemical Loss: Target research funds to help farmers address the loss of certain agrochemicals due to implementation of the Food Quality Protection Act (FQPA), focusing on the development and adoption of organic practices to replace toxic inputs by 2010.
* Assess Emerging Technologies: Require USDA, EPA, and FDA to conduct an objective assessment of new and emerging technologies (e.g. GMO, animal cloning, nano-technology) to determine their impacts on organic agriculture prior to approval, by 2012.
* National Agricultural Library database: Create a centralized, searchable, fully funded, organic research database at the National Agricultural Library by 2012

For a list of Specific Research Topics identified by the NOAP Process, see Appendix C

E. EDUCATION

Organic agriculture relies on both the wisdom of past generations and the latest technologies and innovations. Since everyone in society, as consumers of food and fiber, has a stake in agriculture, education about organic production is needed at every level— from kindergarten to high school; technical colleges to doctorate programs; farmers to chefs; and food scientists to consumers.

Organic education is the key to expansion of the organic marketplace, as it stimulates the growth of the next generation of organic supporters, activists, policy makers, processors, and farmers. Widespread understanding of organic practices leads to knowledgeable consumers and producers who can effectively advocate for organic integrity, and support increased organic food choices.

The success of urban school gardens has demonstrated that even those with no family ties to farming are attracted to working with the soil and understanding food production. Agricultural research stations have begun transitioning a portion of their land to organic agriculture. Food science laboratories are developing food processing systems that do not rely on synthetic inputs. Conventional farmers are asking their neighboring organic farmers to help them transition to organic production. The opportunities to integrate organic learning into every age group, economic class, and walk of life are unlimited.

EDUCATION OBJECTIVES AND BENCHMARKS:

1. Education of Policy-Makers: Increase the understanding and positive perceptions of the multiple benefits of organic agriculture through public influence of Federal and State policies and policy-makers by 2012.
2. Marketplace: Increase point-of-purchase information regarding the benefits of organic and seasonal food and farming systems by 2012.
3. Consumer Education: Increase consumer clarity regarding the meaning and integrity of the organic label by 2010.
4. Mass Media: Develop and promote positive articles and consumer information through mass media to increase demand for organic products by 2012.
5. Organic Training: Provide incentives for agriculture professionals and government employees to be trained in organic production and to provide outreach materials and activities for organic producers by 2012.

Additional Priorities and Benchmarks:

* Land Grant Universities: Encourage land grant universities and other educational institutions to teach organic agriculture and in undergraduate, Graduate, and organic Master Gardener programs.
  - Institutionalize academic rewards for organic interdisciplinary and systems research, education, and outreach by 2012.
* Organic Education Programs: Develop nationwide locally-based organic education programs by 2012.
  - Including: new farmer recruitment; farmer-to-farmer mentoring, apprenticeship and intern programs, and farmworker training programs.
  - Make resources available to underserved, disadvantaged, beginning, and immigrant farmers and farmworkers.

* Organic Extension Service: Create an Organic Extension Service by 2012.
  - Incorporate a National Organic Research and Education program with the mission of:
    - improving technical assistance for farmers;
    - increasing technology transfer and improving synergy on paperwork among programs; and
    - providing education on farm business management, local food systems, and access to government programs.

"The best protection for organic integrity is an educated consumer" *Wisconsin Dialogue meeting, 2007*

* Increased Training for a Variety of Sectors: Train bankers, economic development authorities, policymakers, service providers, and investors in organic agriculture and food systems in all regions by 2016.
* Organic Curriculum: Establish organic curricula to teach children and adults to grow and cook organic food for 4-H, FFA, vocational agriculture, and adult education programs in all regions by 2012.
* Organic Training Programs: Conduct intensive organic training programs for NRCS staff, Technical Service Providers, and qualified NGO staff to prepare them to provide technical assistance to farmers utilizing the Organic Initiative program under EQIP.

F. ORGANIC INTEGRITY - STANDARDS, ENFORCEMENT, AND COMPLIANCE

In many ways, it was the need for consistent and enforced standards that led to federal involvement in the organic sector through enactment of the Organic Foods Production Act of 1990. In fact, family farmers and their customers continue to feel that high standards, which represent the foundation of organic agriculture, will keep the playing field relatively level as they increasingly compete with large-scale producers. Prior to the implementation of federal regulations, the claim "organic" represented continuous quality improvements of standards as producers found increasingly better ways to farm in harmony with nature. This category represents both a desire to "hold the line" on standards as well as a need to find ways to continue the upward innovation of standards, both within and outside of government. This also lays out strategies for addressing the need to improve and periodically update organic regulations, statutes, and enforcement mechanisms.

ORGANIC INTEGRITY OBJECTIVES AND BENCHMARKS:

1. Compliance with Accreditation Standards (ISO 17011): Standardize the work and oversight of the National Organic Program (NOP) by requiring compliance with ISO 17011. Components of an ISO-compliant system include:
   a. Publish an NOP Quality Manual by 2010.
   b. Implement a peer review system for the USDA accreditation program.
   c. Ensure that an adequate number of NOP staff members have organic expertise, training and/or experience.
   d. Clarify the complaints and appeals process:
      i. Establish an appeals process to allow for certifier and citizen appeals to the NOP with regard to organic integrity with an on-line tracking system;
      ii. Strengthen the use of mediation by certifiers and certified operations;
      iii. Establish a "1-800" number for NOP complaints;
      iv. Clarify conflict-of-interest issues for certifier board and review committee level;
      v. Appoint an NOP Director who demonstrates commitment to accreditation and is knowledgeable about accreditation.

2. Proper Functioning of USDA/NOP:
   a. The NOP must create a policy manual for consistent interpretation of standards.
   b. Make NOP a stand-alone program with its own deputy administrator.
   c. Issue public annual reports about the NOP including transparent budget and finance information.
   d. Provide adequate funding for a professional materials review process for petitioned substances and sunset reviews of materials on the National list.
   e. Make NOSB appointments represent OFPA categories using a transparent nomination process (e.g. posting nominees on NOP website).

   And NOP must:
   f. Acknowledge/reject/accept NOSB recommendations in a timely manner;
   g. Provide consistent annual certifier training;
   h. Publish final rules for Pasture standards and Origin of Livestock in 2010;
   i. Clarify and enforce NOP biodiversity/natural resources standard 205.200;
   j. Issue final rules limited to group certification for farmers by 2010; and
   k. Develop databases for commercial availability of seeds and minor ingredients, by 2012.

3. OFPA Review and Improvement: Institute periodic review and improvement of OFPA in a transparent and participatory process in order to protect and assure continuous improvement of the program by 2012.

4. International Equivalency Agreements: Establish international equivalency agreements with Canada and the EU by 2012 in order to protect integrity and foster international trade in a transparent fashion.

5. Provide federal funds for soil, crop, and organic product testing for prohibited substances and GMOs to ensure continued integrity and enforcement, compliant with OFPA and NOP requirements by 2012.

Additional Priorities and Benchmarks:

* Animal Identification Equivalence: Require that the National Animal Identification System (NAIS) acknowledge equivalence of organic animal identification required by the certification standards of the National Organic Program.
* Origin Labeling: Implement state and country of origin labeling of organic dairy products by 2012.
* Organic Supporters in U.S. Government: Populate the ranks of government agencies that deal with organic agriculture with bureaucrats who understand and are supportive of organic agriculture.
* Scale-Appropriate Health and Safety Regulations: Establish scale-appropriate health and safety regulations for organic farms and small-scale processors by 2010.

Specific Standards Objectives:

Summit participants prioritized additional areas for future development of the national organic standards:

High priority

a. Real pasture standard
b. Dairy replacement standard
c. Aquaculture standards
d. Humane animal standards for all species
e. Biodiversity
f. Fertilizer standards – prohibit use of "organic" on fertilizers that are not allowed for organic production
g. Clarify recommendations for cloned animals, progeny, and products
h. Clarify crop rotation requirements
i. Pet food standards
j. Nanotechnology review

Medium priority

a. Revised compost standard
b. Ecologically-sound packaging
c. Real grass-fed
d. Organic pharmaceutical/nutri-ceutical personal care products
e. Clarify non-organic manure use/testing requirements

Low priority

a. Lawn care/landscape management
b. Soil mineralization
c. Nutritional quality
d. Prohibit UHT milk

Suggested OFPA Revision Topics

- Open source system for multiple accreditation choices by 2012
- Certifier right to appeal
- Citizen suit rights and procedures
- GMO prohibition, including placing liability for GMO contamination on manufacturer
- Cloning prohibition
- OFPA NOSB selection process
- Whistle blower protection
- More transparency in selection of NOSB members
- Mandatory certification for retailers and brokers
- A closed positive National List

G. MARKETPLACE

Stimulated by the limitations of the federal definition of "organic" as merely a marketing claim based on specific production and handling practices, innovators have viewed the marketplace as the primary arena for both development in organic agriculture and the reclamation of the full range of organic values. The blooming of the organic label in the nearly two decades since the passage of OFPA has created both enormous opportunities and pitfalls. Marketplace goals and mechanisms have run the gamut from encouraging globalization and industrial scale organic production to building local innovative marketing systems. Yet adequate over-arching systematic objectives, assessments, and direction have been lacking. New mechanisms must be created and/or recognized to ensure the ongoing sustainability and fairness of the organic marketplace for farmers and all food system workers.

The goals in this category, more than the others, may only require independent innovators to move forward. To achieve success, they will adopt new models of cooperation not necessarily dependent on government actions. Implementation of these goals will require a deepening of regional and state alliances and coalitions with greater communication and linkage to related activities in other areas.

MARKETPLACE OBJECTIVES AND BENCHMARKS:

1. National Organic Farmer Organization: Establish a national organic farmer organization.
   a. Ensure a fair and sustainable price for farmers' products using tools such as supply management, price discovery, and bargaining units.
   b. Rekindle organic standards creation in the public arena.
   c. Dialogue and build coalitions with existing organic farmer groups by 2010.
2. Organic Meat Processing Capacity: Expand local organic meat processing capacities including organic mobile slaughter units, and livestock processing facilities by 2012.
   a. Develop public and private sector funding, federal and state tax credits, and state and local economic development incentives.
3. Local Organic Seed Production: Expand localized organic seed production capacities.
   a. Focus on improved nutritional, taste and disease-resistance qualities.
   b. Goal of meeting 50% of localized organic seed needs by 2020.
   c. Expand USDA's AFRI program to fund local seed projects.
   d. Shift Farm Bill funds from GMOs to local seed projects and target Federal and private money for this initiative.
   e. Federal support for independent organic seed companies and regional organic crop variety trials.
   f. Legislation (in Patent Law) to assure that seeds remain in the public domain.
4. Local Organic Production and Processing: Achieve 50% of local organic production and processing by increasing organic regional food systems infrastructure and financing support by 2020.
   a. Support across-the-board funding, federal and state tax credits, health care reform funds, climate change carbon credits and all available development tools through the public and private sector.
5. Access to Organic Products: Improve access to and availability of organic products to rural and urban poor by 2012.
   a. Expand access to organic foods by WIC recipients and direct payment to farmers.
   b. HMO Premium reductions.
   c. Incorporate into Medicaid and school breakfast programs and all government food purchases.

6. Balance of Trade: Establish a positive balance of trade in organic products.
   a. Conduct research on organic food imports (quantity and products). Activities in this arena would include:
      i. USDA/ERS research on tracking organic imports;
      ii. Expansion of U.S. Department of Commerce Federal import code system to include organic by 2012;
      iii. Expansion of organic food sales data collection by USDA; and
      iv. Establishment of USDA research on the potential to grow crops not currently grown in the United States for which there is domestic organic market demand. Use mechanisms to expand domestic organic production to meet market needs.

Additional Priorities and Benchmarks:

* Organic Procurement: Increase organic institutional procurement goals by 2012.
  - 5% procurement of local organic food in schools, military, and hospitals;
  - 5% of restaurants selling organic food;
  - 1% of USDA budget to local organic processing; and
  - 1% of schools with organic school gardens.
  - Change in procurement policy should be implemented across the board at all levels. Community Food Security Coalition should be involved as well as general purchasing organizations and food service providers.

"Organic is making the connection– 're-localize, re-regionalize, and include justice.'" *Boston Dialogue meeting, 2008*

* Reorganize and fund our existing systems to form a comprehensive national marketing and communications infrastructure for ongoing communication and education by 2012. USDA-AMS should serve as lead source of funding for organic promotion and advocacy activities.

H. ORGANIC TRANSITION AND INCENTIVES

To expand organic agriculture in the U.S., there must be a broad program of support for farmers and other land managers who choose to transition to organic methods. This includes the growth, supported by both government and marketplace, of organic agricultural products such as feed, seeds, and breeds, so that this growth is sustainable in both supply and demand. This should include USDA support for and access to untapped institutional markets like public schools and government agencies.

Some issues to be dealt with include consistency of the transition process and standards, as well as the following questions:

- *Should transition standards be government mandated and federally defined?*
- *Should transition labels bring a premium in the marketplace?*
- *Should federal, state, or local units of government provide financial and/or technical assistance to help farmers to transition to organic production?*
- *Should buyers establish incentive programs to help farmers transition and, if so, should those buyers have a "captive supply" from the farms that they help transition to organic?*
- *Should any initiative that promotes the transition to organic in a particular sector include a governor mechanism to control unanticipated growth that could threaten to harm both existing organic and transitional farmers?*

Given a broad goal of "increasing organic production in the United States," there are many mechanisms available to facilitate this growth.

ORGANIC TRANSITION AND INCENTIVES – OBJECTIVES AND BENCHMARKS:

1. Beginning Farmers: Fully implement the Beginning Farmer/Rancher Program by 2012 to encourage beginning farmers and ranchers to use organic practices. Include:
   a. Access to loans, credit, and technical assistance;
   b. Debt forgiveness;
   c. Mentorship programs;
   d. Commercial community gardens and processing centers;
   e. CSA training programs; and
   f. Domestic grower groups.
2. Cost Share: Retain, strengthen, and adequately fund the National Organic Certification Cost Share (NOCCS) program to help farmers and processors become certified.
   a. Implement oversight to monitor the disbursement of funds and continuously improve the performance of the program.
   b. State Departments of Agriculture must actively engage in sourcing and dispensing Cost Share program funds.
   c. NGOs and certifiers must actively facilitate and promote the availability of cost share funds to all eligible operators.
   d. Farmers and processors must access the funds with a goal of full participation by all eligible operators.
3. EQIP: Implement and fully fund a National Organic Conversion Incentive Program (NOCIP) within the larger Environmental Quality Incentives Program (EQIP), with financial and technical assistance targeted at crop and livestock products with high market demand, including a system to compensate experienced organic producers

for providing technical assistance to transitioning producers.

a. USDA-NRCS must fully implement the NOCIP, through establishment of a Transition to Organic Production Practice Standard to achieve the objectives cited above.
b. The grassroots community and advocacy groups must actively engage in the rule-making process.
c. The grassroots community must participate in the NRCS' local working groups, county committees, and state technical committees to ensure fair and consistent access to this program in all counties.
d. Experienced organic producers, NGOs, state units of government, and institutions of higher learning, where appropriate, must offer services for technical support and mentorship opportunities with compensation and support from the USDA.

"Organic is building regional and local food systems from the seeds up" *Pennsylvania Dialogue meeting, 2007*

4. Expand Organic Production: Based on 2007 Agricultural Census data, double the amount of organic products and the number of farms, acreage, public lands, and animals under organic management every five years through 2020.

a. Grassroots organizations need to adopt and promote the NOAP and support producers and processors to expand production of organic crops, animals, and acreage.
b. Units of government at all levels (i.e. U.S. Forest Service, Bureau of Land Management, Department of Defense, U.S. Fish and Wildlife Service, universities, tribal governments, municipal utilities, watershed districts, and others), need to prioritize organic management of their land-based resources.

5. Expand Organic Supplies: Ensure a commercially available organic supply of all agricultural products, including minor ingredients, seeds, and livestock feed by 2014.
   a. Processors must invest resources to expand the production of products deemed not commercially available per NOP 205.606.
   b. Producers must consistently demand and purchase regionally adapted high quality organic seeds.
   c. Certifiers must enforce existing organic seed requirements.
   d. Public breeding programs must be fully funded at the federal and state level to focus on the development of varieties that are well adapted to organic production systems.
   e. Seed companies must contract with existing conventional seed producers to transition to organic and contract with organic producers to expand the variety and quantity of organic seeds offered for sale.

6. Expand Public Purchases: Create, promote, evaluate, and continuously improve a program of incentives for hospitals, schools, prisons, and other public institutions to serve transitional and organic foods nationwide by 2012.
   a. State and national organizations must identify and work to remove barriers and create specifications that favor organic and transitional procurement by public institutions at every level.
   b. The grassroots community must advocate for including preferences for the purchase of organic and transitional products in the Child Nutrition Act.
   c. Publicly funded institutional food procurement programs must give preference to the purchase of organic and transitional products at the local, state, and federal level.
   d. Public institutions must document, analyze, and evaluate the success of their organic and transitional food procurement programs and address identified deficiencies.

GLOSSARY OF ACRONYMS

A

ACA: Accredited Certifiers Association

AFSIC: Alternative Farming Systems Information Center

AMS: Agricultural Marketing Service

ATTRA: Appropriate Technology Transfer for Rural areas

C

CAP: European Union's Common Agriculture Programme

CCOF: California Certified Organic Farmers

CRP: Conservation Reserve Program

CSP: Conservation Stewardship Program

E

eCFR: Online Code of Federal Regulations

EPA: Environmental Protection Agency

EQIP: Environmental Quality Incentives Program

ERS: Economic Research Service

EU: European Union

F

FAO: United Nations Food and Agriculture Organization

FDA: Food and Drug Administration

FiBL: Research Institute of Organic Agriculture

FQPA: Food Quality Protection Act

G

GE: Genetically Engineered

GMO: Genetically Modified Organism

H

HMO: Health Maintenance Organization

HTST: High Temperature/Slow Time (pasteurization)

I

IFOAM: International Federation of Organic Agriculture Movements

IOIA: International Organic Inspectors Association

ISO: International Organization for Standardization

N

NAIS: National Animal Identification System

NAL: National Agricultural Library

NASOP: National Association of State Organic Programs

NEPA: National Environmental Policy Act

NGO: Non-governmental Organization

NOAP: National Organic Action Plan

NOC: National Organic Coalition

NOCCS: National Organic Certification Cost Share

NOCIP: National Organic Conversion Incentive Program

NOFA: Northeast Organic Farming Association

NOP: National Organic Program

NOSB: National Organic Standards Board

NRCS: National Resources Conservation Service

NSAC: National Sustainable Agriculture Coalition

O

OCA: Organic Consumers Association

OFPA: Organic Foods Production Act of 1990

OFRF: Organic Farming Research Foundation

OMRI: Organic Materials Review Institute

OREI: Organic Research and Extension Initiative

OTA: Organic Trade Association

R

rBGH: Recombinant Bovine Growth Hormone

S

SARE: Sustainable Agriculture Research and Education

SMART: Specific, Measurable, Achievable, Realistic, and Timely objectives

SOAP: State Organic Action Plan

SWOT: Strengths, weaknesses, opportunities, threats

U

UHT: Ultra-high temperature (processing)

UK: United Kingdom

US: United States

USDA: United States Department of Agriculture

W

WIC: Women, Infants, and Children

APPENDIX A: DIALOGUE MEETINGS

Beginning in the Summer of 2006 and continuing through 2007 and 2008, National Organic Action Plan dialogue meetings were held in 11 venues, engaging over 300 participants from 36 states in structured discussions about the current state and future vision for organic food and agriculture. Nearly 100 participants attended the NOAP Summit in February, 2009.

DIALOGUE VENUES

Massachusetts — Northeast Organic Farming Association Meeting, Amherst, August 2006

Oregon — Oregon Tilth Annual Meeting, Salem, October 2006

North Carolina — State Dialogue Meeting, Pittsboro, November 2006

Kentucky — Southern Sustainable Agriculture Working Group Meeting, Louisville, January 2007

California — Ecological Farming Association Conference, Pacific Grove, January 2007

Pennsylvania— Pennsylvania Association of Sustainable Agriculture Meeting, State College, February 2007

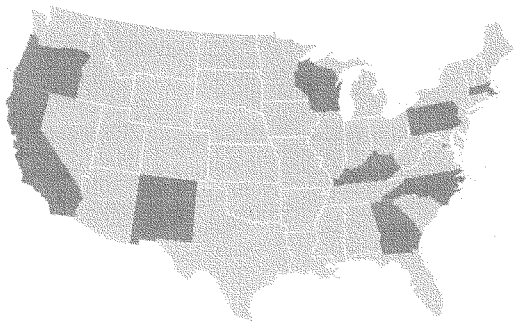
Wisconsin — Organic Farming Conference, LaCrosse, February 2007, 2008; NOAP Summit, February 2009

Washington, DC — Environmental groups meeting, June 2007,

New Mexico — Organic Farming Conference, Albuquerque, February 2008

Georgia — Southeast African American Farmers Organic Network, Savannah, April 2008

Massachusetts - Expo East Industry groups meeting, Boston, October 2008



APPENDIX B: SAMPLE AGENDA

NATIONAL ORGANIC ACTION PLAN

DIALOGUE MEETING AGENDA
PASA Conference
Thursday, February 1, 2007 8:30 – 5:30 pm

8:30 – 9:30 ..... Welcome, Introductions and Meeting Goals

9:30 – 10:15 .....What is currently working well in organic?
- Federal Program
- Other regulatory systems
- Marketplace
- In general, with organic agriculture

10:15 – 11:00 .....What are the current problems?
- Federal Program
- Other regulatory systems
- Marketplace
- In general, with organic agriculture

11:00 – 12:30 .....Overview of the Farm Bill and other Federal Proposals
- Which of the above problems are addressed by these proposals?
- Which ones remain unresolved?
- Organic transition program – How best to do this and how best to reward existing farmers while transitioning needed farmer recruits?
- Overview of setting National and State growth goals for organic
- What should the goals be?

12:30 – 1:30 LUNCH

1:30 – 2:30 ..... Strengthening farmer and consumer voices
- Farmer Political Action Organizing – Lessons learned from past and present
- What are the best ways to strengthen farmer and consumer organic voices?
- National Organic Coalition
- Other initiatives

2:30 – 3:30 .....How best to address the changing Organic Marketplace?
- Challenges in marketing: from "Walkmarting of organic" to "buy local" campaigns
- Re-inventing regional organic food systems
- Organic and beyond – making additional marketplace claims

3:30 – 5:15 .....Developing a National Organic Action Plan
- What do we want organic to look like in 10 years?
- What is needed to get there?
- How do we measure success?
- What is best done at the state level?

5:15 – 5:30 .....Next steps, Summary statements and Meeting Evaluation

APPENDIX C: SPECIFIC RESEARCH TOPICS IDENTIFIED BY THE NOAP PROCESS

- Research that better differentiates the qualities of organic and conventional products in regards to production practices.
- Full-cost accounting to determine the true cost of food.
- Research into nutritional differences in dairy processing methods for dairy (UHT, HTST, raw).
- Value of carbon sequestration in organic.
- Quantify nutritional and environmental benefits and link them with existing benefits research.
- Create and/or identify strategies, practices, and equipment to better manage weeds in various organic cropping systems.
- Public plant and animal breeding.
- Research food safety connections.
- Impact of organic practices on soil health, climate change, and other environmental benefits.
- Benefits of organic practices on various aquatic ecosystems and water resources.
- Safe, effective, and farmer-friendly composting systems.
- Organic no-till research.
- Alternatives to the internal combustion engine.
- Assess efficacy and impacts of approved fertilizers, pesticides, herbicides, parasiticides, and livestock medicines.
- Comprehensive economic analysis of organic production, processing, and markets in U.S.
- Measurement of the amount of carbon sequestered in organic vs. conventional soils at depths up to 18 inches.
- Contamination potential, consequences, and liability of GMOs.
- GMO reporting system.
- National pesticide and synthetic fertilizer reporting system.
- Measuring key biodiversity indicators such as seed and livestock breed variety, diversity of native populations', and impacts on native species and ecosystems.
- Establish measurements of biodiversity (such as seeds and breeds variety, soil microbes, beneficial insects, pollinators, birds and wild fish populations), habitats, ecosystems, watersheds, and foodsheds on the local and regional levels.
- Establish baselines for sustainability and life cycle analysis targets by 2015 for packaging, distribution, transportation (food miles, costs of transport), energy use (electric, water, manufacturing), and recycling of agricultural and packing plastics.
- Identify soil health measures for organic systems, including a soil food web health measurement to use as index.
- Track the amount of nitrogen fixed from organic techniques and track the reduction and application of synthetic nitrogen as organic farming expands its contributions to the environment.
- Reverse the burden of proof in research. Use long term studies, consider risks of vulnerable populations, and evaluate cumulative exposures.
- Health research should include evaluation of technologies such as: antibiotics, nanotechnology, GMOs, cloning, hormones, pesticides, and packaging.
- Evaluate all risk factors in food and agriculture systems, including pesticide residues in food and soil, water contamination, and microbial contamination (e.g. organic vs. conventional).
- Commit federal research dollars to support ongoing public studies on the nutritional, health, and safety benefits of organic production and consumption by 2012.
- Include on-farm research with organic farmers.
- Ensure transparency in research development process, as well as results.
- Include health professionals.
- Measure the movement toward fair pricing and improved benefits for farmers and food system workers. Establish baselines by 2010.
- Quantify the diversity of race, ethnicity, and classes of people growing and buying organic foods by 2010.
- Create baseline data to measure fair access. Track diversity of organic enterprises in terms of scale and ownership.
- Conduct research on organic food imports (quantity and products).
- Establish USDA/ERS research on tracking organic imports.
- Expand organic food sales data collection by the USDA.
- Establish USDA research on crops not currently grown in the United States for which there is domestic organic market demand and on the potential to grow them here.

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National Sustainable Agriculture Coalition
Oregon Organic Coalition
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Pennsylvania Certified Organic
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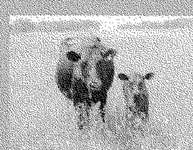

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QUESTIONS AND ANSWERS

SEPTEMBER 15, 2010

Senate Committee on Agriculture, Nutrition & Forestry
The National Organic Law at 20: Sowing Seeds for a Bright Future
Questions for the Record
Ms. Regina Beidler
September 15, 2010

Senator Chambliss

1.) **Ms. Beidler, in your comments, you note concern with the deregulation of Roundup Ready alfalfa. I would agree that the integrity of the organic seal is important and consumers should be able to purchase products free of biotech ingredients according to their preferences.**

However, as we move towards the deregulation of alfalfa, can issues of coexistence not be addressed through the design of stewardship systems that build on existing experience with organic and biotech varieties of corn, soybeans and cotton to ensure there are no issues of cross pollination? If not, why?

Thank you for this question. I will say in introduction that the burden to minimize any risk of cross pollination between organic and GMO crops has always been with organic farmers. We have accomplished this by having buffer zones on our property and by not planting some crops or by planting far enough away to minimize any cross pollination risks.

The big difference is that current GMO crops like corn and soybeans are annual crops – here for a season and then done. Alfalfa is a perennial crop that persists for a number of seasons. Alfalfa is bee pollinated and some research shows that bees can travel a number of miles in their pollination travels. If GMO alfalfa is introduced there is no management system that would allow organic farmers to guard against cross pollination risks. This is true on farms that grow alfalfa seed for sale or on farms that have existing alfalfa in their fields or pastures for forage. Alfalfa is one of the essential crops for organic farmers. In the absence of the use of chemical fertilizers we use a variety of crops, including alfalfa, in rotation, to help fix nitrogen in the soil and to build fertility. That would mean that no organic farmer could plant alfalfa if any of their neighboring farmers in town decide to plant the GMO variety. Likewise, if seed sources are contaminated no non GMO seed would be available. This is untenable and raises the question of whether one group of farmers should be able to plant a GMO crop that removes the ability for another group of farmers to use the non GMO variety of that same crop without fear of contamination.

Discussions about GMO crops are usually based on the assumption that they provide a substantial advantage to the farmers who choose to use them. This, unfortunately, often sets farmers at odds with each other depending on whether they decide to use GMO seeds or not. However, a number of issues around GMO seed continues to surface:

- There is an increasing number of herbicide resistant weeds throughout the Southeast and Midwest that are not being controlled by Round Up and are requiring more toxic combinations of herbicides and in greater quantities.
- The cost of GMO seeds continues to escalate. Articles written on the subject show that farmers are starting to evaluate if returning to the planting of more traditional hybrids is a more economically sustainable path.

It seems clear that the entities most benefiting from GMO technology are the seed companies selling GMO seed. They should be held responsible for any negative consequences that come to pass through the planting of these seeds including cross pollination of organic crops. I feel that requiring seed companies to be financially responsible for any damages would make them evaluate much more closely what seeds are being developed and how they may negatively impact farms who don't grow GMO crops. This removes the burden from farmers, conventional or organic, who are doing their best to be a good neighbors.

If consumers are to be allowed the chance to choose organic foods then protection has to be put in place that allows organic food production to continue to flourish without threats that could lead to decertification or loss of livelihood.

SINCE 1985 Organic trade association

Oct. 15, 2010

Senate Committee on Agriculture, Nutrition & Forestry
The National Organic Law at 20: Sowing Seeds for a Bright Future
Questions for the Record
Ms. Sarah Bird

Senator Chambliss

1.) **Ms. Bird, in your testimony, you note concern that an eventual deregulation of biotech wheat poses an "external threat" to the industry. It is particularly interesting since your statement would seem to suggest that the deregulation of any biotech product would implicitly pose a threat to its organic counterpart, when deregulated products are determined to be safe.**

Why does biotech wheat pose an external threat to your company when experience shows us that farmers can and do grow crops for different markets—conventional, organic or biotech—without leading to market disruptions?

To clarify, it is the contamination of organic crops from GE crops that poses the threat not the deregulation itself per se. The experience of the organic industry is that there have been real market disruptions already.

- Manufacturers like Annie's are incurring tremendous testing, audit and verification expense to demonstrate to consumers their organic products have not been contaminated.
- Organic farmer's agronomic and land management practices have had to be modified to defend against cross contamination (e.g. creating a buffer zone).
- Export markets for organic ingredients (e.g. organic corn to the EU and organic soy to Japan) have been disrupted as well. These countries will not accept contaminated crops.

    - After the introduction of GMO corn, EU corn exports plummeted from 2.8 million metric tons in FY95/96 Marketing Year (MY) to 6,300 metric tons in MY 2000/01, costing U.S. corn producers $200M/year
    - A 2003 Canadian Wheat Board study of wheat buyers indicated that 83% would source wheat elsewhere if GMO wheat were deregulated
    - A 2002 U.S. Wheat Associates survey indicated that all Chinese, Korean, and Japanese wheat buyers would not buy or use RR wheat while 82% of Taiwanese and 78% of South Asian buyers would not buy GMO wheat

In fact, USDA's own Economic Research Service (ERS) scientists have determined:

> *" In the United States, an alternative approach [to the EU] has been used, implicitly allocating risks and costs to non-GE producers. Organic and other non-GE products are labeled, and the non-GE producers assume the full cost and liability of accidental contamination form GE crops. The open-ended economic risk to non-GE producers from accidental contamination by GE crops may dampen prospects for growth in the domestic organic farm sector".* [1]

In terms of safety, this is really an issue of consumer choice. Consumers expect organic products to be GMO free. Future consumer confidence and the economic viability of organic agriculture rest on keeping organic crops and products free of GE contamination.

For wheat growers that supply Annie's, inadvertent contamination will have real economic consequence. Annie's will not buy GE contaminated wheat, because our consumers simply will not accept the product. GE contamination will force Annie's to look overseas for our wheat, to countries that either have not de-regulated the GE crops or maintain necessary safeguards to prevent contamination. Additionally, for U.S. organic wheat producers, exports play a key role in the overall profitability of farms. GE contamination of domestic organic crops all but puts a halt to export opportunities.

The damage currently being done to the organic brand and organic marketplace from GE contamination, as well as the real possibility of future expansion of this contamination, must be addressed in order for U.S. organic agriculture to thrive over the next 20 years.

[1] Greene, Cathy and Smith, Katherine, Economic Research Service, 2nd Qtr 2010, Choices Magazine, a Publication of Agriculture and Applied Economics Association

SINCE 1985 Organic trade association

2) Ms Bird, in your comments, you both note concern with the deregulation of Roundup Ready Alfalfa. I would agree that the integrity of the organic seal is important and consumers should be able to purchase products free of biotech ingredients according to their preferences.

However, as we move towards the deregulation of alfalfa, can issues of coexistence not be addressed through the design of stewardship systems that build on existing experience with organic and biotech varieties of corn, soybeans and cotton to ensure there are no issues of cross pollination? If not, why?

The Organic Trade Association (OTA) and Annie's Inc thank you for recognizing consumers right to free choice in the marketplace including products that have not been genetically engineered, and for recognizing the importance of maintaining integrity of the organic seal.

Issues of coexistence of could be addressed in part through stewardship, but not through stewardship alone. Unfortunately, there is no domestic model for stewardship, beyond the self adopted practices of organic farmers. For stewardship to be effective, it must be implemented by the farmer who plants the GE crop, not the neighboring farmer impacted/contaminated by the GE crops.

- Organic farmers have worked to minimize cross contamination by maintaining buffers zones on their properties and/or altering planting cycles, often away from optimal times, to staggering the flowering cycle for organic crops away for their DNA altered counterparts that are open pollinators—as with corn.

- Organic handlers have assumed all the costs related to segregation and supply chain auditing and verification; as well as product testing and labeling.

There also must be recognition that organic and non GE farmers CANNOT bear the costs associated with preventing GE contamination of non-GE crops. A mechanism for compensating farmers for market loss due to cross contamination is over due. For example, significant losses in export markets for organic corn and soy have already happened, making it almost impossible for organic farmers to export these crops to the EU and Japan. There is no accountability for these market losses today. Up to this point, as is true for biotech corn, soybeans and cotton, these costs have been solely held in the organic industry. These costs, both preventative and mitigating, must be shifted to the owners of the patented products.

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SINCE 1985 Organic trade association

There also must be establishment of an effective public policy that preserves the unaltered gene pool for crop seeds. This is essential to the long term viability of market choice for non-GE products; it sustains farmers' ability to choose their production style in the future.

The bottom line is that the total economic impact must be consider in the process of evaluating the deregulation of new technologies; including unintended consequences that also have costs, for example herbicide resistant weeds.

OTA and Annie's implore that policy makers not allow deregulation of GE crops to be a conflict between farmers. The owners of the technology must be responsible for both preventing economic damage from occurring and compensating for damages when they do occur.

- Attached you will find a full copy of an article published by ERS scientist, Cathy Greene and ERS Administrator, Katherine Smith, referenced above. USDA's agricultural economists have done a thorough job articulating the economic costs and burdens associated with GE crops and born by organic farmers and manufacturers.

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Senate Committee on Agriculture, Nutrition & Forestry
The National Organic Law at 20: Sowing Seeds for a Bright Future
Questions for the Record
Secretary Kathleen Merrigan
September 15, 2010

Senator Leahy

1. Enforcement of Organic Standards

I hear time and again that we must ensure that USDA and the National Organic Program can strongly enforce its certification standards. As a former prosecutor myself, I am curious what punitive measures are in place for, as Mr. Harris put it in his testimony, those who "cut corners or flat out cheat" when it comes to the organic program? And with NOP issuing more civil penalties this year than during the first seven years of the program are there additional resources or tools that you needed to effectively enforce the organic standards, investigate violations and complaints?

Answer: USDA is appreciative of the resources provided by Congress to effectively enforce the organic standards and to investigate violations and complaints. In order to strengthen the program, the President's 2011 budget requests additional funding to increase compliance with program regulations and enhance the integrity of the organic label. This funding will allow the program to keep pace with the rapid growth of the organic sector and ensure program integrity.

Under the National Organic Program (NOP) regulations, anyone that knowingly sells or labels or a conventional product as organic is subject to a civil penalty of $11,000 per violation. Over the past 9 months, AMS has effectively utilized civil penalties for willful violations of the NOP regulations. The NOP regulations also contain suspension and revocation provisions for certified organic producers and handlers who violate the NOP regulations.

USDA is currently considering what additional authorities might be appropriate. We would be happy to discuss this issue with you at your convenience.

2. Organic Research

I believe that the organic sector's growth has been significantly hampered by a lack of investments made in research for this industry. Recognizing this unmet need in the 2008 Farm Bill, Congress dramatically increased funding for organic research. While this was an important investment, the funding for organic research is still lagging far behind and still does not match the percentage of organics in the U.S. retail marketplace. Organic agriculture today represents almost 4% of the U.S. retail market yet organic research funding within the Research, Education, and Economics mission area is less than 4% of the mission area budget. Could you please provide the data on organic research spending within the Research, Education, and Economics mission area and the percentage of dedicated organic research funding within the Research, Education, and Economic mission area budget by Fiscal Year since the passage of the 2008 Farm Bill?

Answer: From fiscal years (FYs) 2007 to 2010, the Research, Education and Economics (REE) mission area has increased both the amount and percentage of its research budget being devoted to organic research. During this time period, direct spending on organic research has grown from $27.2 million or 1.5 percent to $53.8 million or 2.6 percent of total REE research funding. Additionally, through its partnerships with Land Grant institutions, the National Institute of Food and Agriculture (NIFA) has been able to effectively leverage its program funding for organics research. Further, the Agricultural Research Service (ARS) invests in research that does not have specific organic agriculture research objectives but which indirectly benefits and is relevant to the organic industry. Funding for this indirect organic research totaled $41 million in FY 2010.

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Senator Klobuchar

1. Organic food production can offer farmers a profitable opportunity to reach new markets. One potential challenge for the organic food sector is the ability of traditional farms to transition to organic farm management. The transition process requires farmers to meet strict organic standards during a long transition period but does not allow farmers to use the organic label and benefit from the premiums associated with that label. Consequently, farmers often lack the technical and financial assistance required to transition their farms to organic production. Programs such as the Environmental Quality Incentives Program Organic Initiative provide an opportunity to address these challenges, but the Organic Initiative only addresses the conservation aspects of organic farm management, and not the marketing, whole-farm planning, and regulatory aspects. What is the Department doing to facilitate the transition to organic production for interested farmers?

Answer: In addition to the EQIP Organic Initiative, USDA supports producers who are making or contemplating the transition to organic production through a variety of program activities. Examples include the following:

The National Organic Program provides extensive information to all producers about the organic standards and certification process through its website and appearances at grower meetings and conferences. This includes contact information for accredited organic certifiers who then provide further details to prospective organic produces. The Agricultural Marketing Service has also funded projects explicitly focused on marketing issues and grower-education for transitional producers, through the Federal-State Marketing Improvement Program (FSMIP).

USDA-RMA crop insurance policies explicitly account for the organic transition period, when the producer has documentation of an organic system plan and appropriate steps towards organic certification have been taken.

Each of the agencies in the Research, Education and Economics (REE) Mission Area has funded and continue to fund a number of projects specifically concerned with both the production dynamics and the economic aspects of organic transition.

- USDA supports the "E-Organic" community of practice within the Electronic Extension program. E-Organic provides peer-reviewed educational information for producers and cooperative extension agents, including information specifically geared for new and transitional producers.

- The "Organic Transitions Research" (aka ORG) program is a "Sec. 406" Integrated Research program managed by the National Institute for Food and Agriculture. See http://www.csrees.usda.gov/fo/organictransitionsprogram.cfm.

- Many of the REE projects and results can be found via the Alternative Farming Systems Information Center of the National Agricultural Library, e.g. at http://www.nal.usda.gov/afsic/pubs/ofp/ofp.shtml.

Senator Gillibrand

1. The organic agricultural sector in New York produces over $105 million in organic product sales and the state has close to 170,000 acres under organic management. For many farmers, organic production offers a profitable alternative and an opportunity to reach new markets. For this sector to continue to grow, there need to be strategies to facilitate the transition to organic farm management. These strategies include increased clarity around organic standards, as well as greater technical and financial assistance during the transition period when farmers cannot yet apply the label and benefit from premiums but are following the standards. Programs such as the Environmental Quality Incentives Program Organic Initiative are a positive step in addressing this challenge, but the Organic Initiative only addresses the conservation aspects of organic farm management, and not the marketing, whole-farm planning, and regulatory aspects. What is the Department doing and what plans does it have to facilitate the transition to organic production for interested farmers?

Answer: In addition to the EQIP Organic Initiative, USDA supports producers who are making or contemplating the transition to organic production through a variety of program activities. Examples include the following:

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USDA's future plans will focus on improved coordination and shared outreach among the various agencies and mission areas. That is, AMS-National Organic Program, NRCS-EQIP-Organic Initiative, REE, Risk Management, etc., will better provide linkages to direct transitional producers to other parts of USDA serving the needs of transitional producers.

2. Value-added production is an important strategy for farmers in NY, and I am pleased to see that the Department also sees value-added production as an important rural economic stimulus through initiatives such as Know Your Farmer, Know Your Food. Organic agriculture is a prime example of value-added production. Could you please describe how specifically the Know Your Farmer, Know Your Food initiative supports organic agriculture and how that initiative is coordinated with other organic activities at the Department?

Answer: The Know Your Farmer, Know Your Food ("KYF2") initiative supports organic agriculture by facilitating access to dozens of USDA programs whose objectives encompass local and regional food systems. Local and regional food systems offer important marketing opportunities for organic farmers, as evidenced by the recent National Agricultural Statistics Service 2008 Organic Production Survey which found that the first point of sale for many of the nation's organic products was local or regional. Coordination of KYF2 with organic activities occurs through the KYF2 Task Force which has representatives from all of USDA's mission areas. In addition, Mark Lipson, the Organic and Sustainable Agriculture Policy Advisor for the Office of the Secretary, serves on the KYF2 Task Force.

3. An important strategy for increasing organic agriculture markets is through increased export opportunities. I am pleased that the Department in the past year signed an equivalency agreement with Canada. Could you please discuss the strategies that the Department has to increase organic export markets?

Answer: In addition to the agreement with Canada, in May 2010, USDA and USTR launched equivalence discussions with the European Union, with the support of the U.S. organic industry, to potentially expand and ease the flow of trade to the EU. Several other countries have expressed interest in equivalence discussions with the United States, including Australia, Chile, China, Japan, New Zealand, Taiwan, and Thailand. In addition to these, other major trading partners are in the process or have developed organic standards which will require compliance or further agreement discussions, such as Korea and Mexico. Equivalence determinations are expected to lead to greater market opportunities for organic producers in both countries. However negotiations can be time consuming and entering into a new negotiation will require interagency agreement.

In addition to equivalence agreements, USDA works to prevent or eliminate barriers for organic products as they arise. An example of this is Korea. On August 17, Korea announced that they have extended the current labeling regulations for a two year period, thereby allowing U.S. exports to enter the country unimpeded through December 2012. In addition, Korea is making other substantive changes to their regulations that will allow a freer flow of organic trade for the long term. These positive changes are the direct result of consistent and coordinated efforts by USDA, USTR, and the U.S. organic industry to address these concerns.

USDA also utilizes its market development programs to create, expand, and maintain export markets for U.S. organic agricultural products. The U.S. organics industry, through the Organics Trade Association (OTA), has applied and successfully competed for funding under the Market Access Program (MAP) each year since implementation of the 2008 Farm Bill. Based on the OTA Unified Export Strategy, OTA was allocated $371,00 in 2010 MAP funding, $379,000 in 2009, and $408,000 in 2008.

OTA also uses funding from FAS grant programs in concert with MAP. Under the Technical Assistance for Specialty Crops (TASC) program, OTA currently receives $1.7 million for activities focused on Good Agricultural Practices (GAP) analysis and equivalency of standards. OTA also uses the Emerging Markets Program (EMP), with a $90,000 grant in 2010, for a reverse trade mission from China.

4. Many organic farmers in NY are concerned about contamination from genetically-modified organisms and the economic impacts that contamination will have. Could you please describe the actions that the Department is taking to address contamination issues and economic injury to organic farmers?

Answer: At USDA, we support all forms of agriculture—conventional (including the use of genetically engineered (GE) products) and organic—to meet the nation and world's need for food security, energy production, and the economic sustainability of farms. This is why USDA is taking a hard look at ways to strengthen coexistence among conventional (non GE), organic, and GE production systems. USDA believes that our future food security, the health and economic stability of rural America, the choice of consumers and the freedom of producers to grow crops of their choosing necessitates that all types of agriculture be able to coexist and thrive. Coexistence of all types of agriculture is critical, and USDA is examining this issue on a policy level, so that each industry realizes its full potential in meeting consumer demand, and food security needs. USDA is examining a range of possible tools at the regulatory, market, and research levels that might promote coexistence.

At the same time, USDA's Animal and Plant Health Inspection Service (APHIS), using its regulatory authority, continually works to ensure that plant materials that are still under regulation are confined, and do not become commingled with other products. APHIS is constantly working to strengthen and improve compliance with its regulations. Additionally, before APHIS grants non-regulated status to a new GE variety, the Agency does consider impacts to other agricultural systems, including the impact upon organics.

Another effort to help address the comingling of regulated GE material in non-GE crops is the Biotechnology Quality Management System program. We recently announced the availability of a new audit standard, which will be used by regulated entities to facilitate compliance with the regulatory requirements for field trials and movements of regulated genetically engineered organisms by developing and implementing sound management practices. We believe that with a proper quality management program in place, the small chance of comingling will further decrease.

In 2007, APHIS published its *Policy on Low-Level Presence of Regulated GE Plant Materials* in the Federal Register. The policy described was not new, but was a description of how APHIS handles low-level occurrences of GE material; the document was published for purposes of public transparency. As part of this, APHIS responds to occurrences of regulated GE plant materials in commercial seed and grain with remedial action that is appropriate to the level of risk, and the facts in each case. Further, when we have determined that regulations were violated, we have the authority to take appropriate legal action.

5. A 2009 Economic Research Service report entitled, "Emerging Issues in the U.S. Organic Industry," noted that consumer demand for organic products outstrips the domestic supply. The report also noted that the "United States does not have updated, consistent data on organic trade because organic product codes have not yet been added to the U.S. and international harmonized system of trade codes." Could you please describe which steps the Department is taking to create these codes?

Answer: On August 3, 2010, USDA submitted a request to the U.S. International Trade Commission (ITC) for 24 import and 22 export codes for the most widely traded organic

products. To consider creating a new code, the 484(f) Committee of the ITC required that at least three companies trade the specific product and that there be at least $1 million worth of trade. USDA coordinated the collection of the data to support the application for new codes with the help of the Organic Trade Association. The 484(f) Committee met from October 13-15, and approved new codes for selected organic products. The new codes will be published for use on January 1, 2011.

6. An investment in research underpins the growth of any industry, and the organic sector has been significantly hampered by the lack of research. While Congress increased its commitment to funding organic research in the 2008 Farm Bill, that commitment still does not bridge the "fair share" gap. Organic represents approximately 3.5% of the U.S. retail market, yet funding for organic agriculture research in the Research, Education, and Economics mission area budget only reached approximately 1.8% in FY 10. Additionally, in the FY 2011 USDA budget proposal, the Department proposed to cut dedicated organic research funds by $5 million. While other research programs may fill in some of that gap (although we have yet to see the results from the most recent Requests for Applications of the Agriculture and Food Research Initiative), could you please explain how the agency is going to address the on-going shortage of dedicated organic research within its extramural and intramural research agencies?

Answer: From fiscal years (FYs) 2007 to 2010, the Research, Education and Economics (REE) mission area has increased both the amount and percentage of its research budget being devoted to organic research. During this time period, direct spending on organic research has grown from $27.2 million or 1.5 percent to $53.8 million or 2.6 percent of total REE research funding. Additionally, through its partnerships with Land Grant institutions, the National Institute of Food and Agriculture (NIFA) has been able to effectively leverage its program funding for organics research. Further, the Agricultural Research Service (ARS) invests in research that does not have specific organic agriculture research objectives but which indirectly benefits and is relevant to the organic industry. Funding for this indirect organic research totaled $41 million in FY 2010.

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National Organic Coalition

www.NationalOrganicCoalition.org

Senate Agriculture Committee question in response to Hearing on 20th Anniversary of the Organic Foods Production Act:
Question – What is the definition of Co-existence?

Thank you for this timely and critical question, whose outcome will determine whether we as a country can indeed maintain highly diverse and multiple market opportunities for American farmers that meet growing consumer demand for greater food choices. The long-term question at stake is whether US farmers will be able to compete for these markets or whether these markets will be served by farmers from other countries? It would also be our goal to not pit farmers against farmers, but to find holistic and rational policy outcomes, which can be both fair as well as comprehensive.

Put simply, the question is whether farmers employing genetic engineering, conventional, and organic agriculture can thrive over the long term in the US. The challenges stem from two facts: 1) the domestic and global marketplace prizes food products with zero or near-zero levels of material derived from genetically engineered organisms, and 2) biological and physical movement of material derived from genetically engineered crops is difficult to control. The result of these two facts is that simply planting genetically engineered crops can threaten the livelihood of and impose costs on farmers trying to meet the demand for GE-free products.

This issue of co-existence, as you all know, is a highly charged and controversial topic. To avoid misunderstandings and to overcome past perceptions of the lack of fairness, trust and transparency, I strongly recommend first looking at some basic democratic principles and prerequisites to frame this question in its full context and complexity.

The following principles can guide and shape the prerequisites needed to approach this issue of co-existence:

- **Consumer choice** – US consumers have the right to choose food that is not genetically engineered.
- **Consumer right to know**- Consumers have the right to know where and how their food was grown.
- **Farmers Choice and the importance of entrepreneurship** - US Farmers should have the opportunities and choice to grow food, feed, fiber, and fish that serve important and lucrative domestic and foreign markets.

- **Fairness** - personal and corporate responsibility must be upheld; if you own it and are profiting from it you are responsible for the costs associated with the prevention of contamination damage. For example, testing for contamination, establishing buffers, reimbursement of lost sales or loss of organic product premiums, clean-up and removal should be borne by the patent holder.
- **Precaution**– Independent pre-market research that includes the socio-economic and environmental impacts of any new technology including its impacts on the structure of agriculture and open competitive markets.
- **Assessments**—Technologies should be assessed for their net public benefits to US agriculture and society. On the basis of such assessment, some technologies may be discouraged or disallowed to insure the success of the whole.
- **Appropriate regulation**—Technologies that pose environmental, economic and health risks should be evaluated before and monitored after commercialization.
- **Parity** –long-term co-existence requires a commitment to the vitality of diverse agricultural enterprises and that requires parity of public investment, infrastructure, marketing and research resources supporting diverse agricultural systems.
- **Transparency** – on-going documentation and tracking systems must be established to monitor movement of genetically engineered material in the environment and the levels at which such material is found in seed banks and non-GMO seed stocks.
- **Diversity** – Our society and agriculture will greatly benefit from the rapid reinvigoration of public cultivars and breeds to restore genetic diversity to our farms and to ensure greater farmer seeds and breeds choices.

Adherence to these principles can lead to rational and practical policies and regulations needed to truly approach co-existence.

Policies that implement these principles should include, at least, the following

- Appropriate labeling
- Liability assignment
- Contamination compensation funds
- Comprehensive and independent pre-market assessments
- Comprehensive regulatory frameworks
- Increased research on risk assessment, alternatives and the reinvigoration of agricultural genetic bio-diversity,
- Evaluation of impacts and rationality of utility patents applied to agricultural products,
- Agricultural contract and licensing reforms.
- Evaluation of the impacts of seed and marketplace concentration on free and competitive markets

To be very clear co-existence cannot mean that farmers who seek to avoid genetically engineered material continue to be saddled with the costs of GMO contamination or that they must give up growing certain crops because of the on-going threat of GMO contamination. Setting thresholds and isolation distances must not be misinterpreted as adequate for co-existence. Co-existence is a two-way street. Those who seek to avoid GE products must take reasonable precautions to avoid

commingling. But when reasonable precautions are not enough, those who own, promote and profit from the technology must be held to their responsibility for the economic and market harm their products cause.

It is also important to recognize that the Secretary is empowered with expansive authority, such as under the Noxious Weed Provisions of the Plant Protection Act (PPA) to broadly assess economic, environmental, public health, agricultural and other impacts of biotech crops and to regulate those crops if those impacts directly or indirectly cause injury or harm.

Thank you for this opportunity to describe some of the key principles and prerequisites needed to approach this highly charged issue of co-existence, which if applied could lead to productive, fair and meaningful outcomes.

I am happy to discuss this further and/or elaborate on any of these points.

Sincerely Yours,

Michael Sligh (msligh@rafiusa.org) 10.15.10

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