



ORGANIC FARMERS ASSOCIATION

Sponsored by  RODALE INSTITUTE

Statement of Kate Mendenhall
Director, Organic Farmers Association
United States House Agriculture Committee
Needs of U.S. Organic Farmers with Perspectives for the 2018 Farm Bill
August 3, 2017

Good morning Chairman Conaway, Ranking Member Peterson, and members of the House Agriculture Committee. Thank you for the opportunity to appear before you to discuss the needs of U.S. organic farmers. I am Kate Mendenhall, Director of Organic Farmers Association. I am also a beginning farmer transitioning a small farm to certified organic production in northwest Iowa. Organic Farmers Association was created in 2016 from a grassroots effort of organic farmers and organic farm organizations who saw the need for an organization to provide a strong and unified national voice for domestic certified organic producers. We build and support a farmer-led national organic farmer movement and national policy platform by developing and advocating policies that benefit organic farmers; strengthening and supporting the capacity of organic farmers and farm organizations; supporting collaboration and leadership among state, regional and national organic farmers organizations; and welcoming support and cooperation with like-minded individuals and organizations.

I will comment on four important points for certified organic farmers that I hope you will consider in your Farm Bill discussions.

U.S. consumers are demanding more organic food, and they have proven this desire by growing the U.S. organic market by at least 10 percent annually since the inception of federal organic standards in 2002. That is a 10 percent market growth for each of the last fifteen years, now with sales at \$47 billion (now exceeding 5% of the total food sales in America) and over 17,500 U.S. certified organic farmers and 7,500 processors. The organic market has helped preserve family farms across the country, paying farmers up to two to five times what they make under conventional agriculture. However, domestic organic production is not keeping pace with demand—we simply do not have enough certified organic farmers in the United States, and thus organic imports are filling the gap. Less than 1 percent of U.S. farmland is certified organic and thus, U.S. farmers are losing opportunities to fill this consumer demand locally. Many conventional farmers are looking for alternatives to help them survive in agriculture but do not know how to start with the transition to organic. There are Farm Bill policies that can help U.S. farmers and their rural communities keep U.S. consumer dollars at home, supporting U.S. family farmers and the multiplier effects this has on their rural economies.

Certification Cost Share Assistance

A small but important Farm Bill program is Organic Certification Cost Share Assistance, which provides organic farmers with modest reimbursements for a portion of their annual certification fees. More than any other U.S. farmers, certified organic farmers must keep extensive records, manage all their farming practices in accordance with rigorous organic standards, and comply with an expensive annual organic certification program. Two federal programs, the National Organic Certification Cost Share Program and

the Agricultural Management Assistance Act (AMA), provide organic farmers with modest reimbursements for a portion of their annual organic certification fees. This small financial support to offset the additional costs of organic certification make organic certification more affordable for smaller organic producers. This could also be an especially important support for smaller conventional farmers crunching the numbers for organic transition. **Both the National Organic Certification Cost Share Program and the Agricultural Management Assistance Act (AMA) should be renewed with increased mandatory funding to meet the projected U.S. market demand.** Additional flexibility should be given to the Secretary to determine other unique costs faced by organic farmers that should be reimbursed. Not only is this program important to current certified farmers and those considering organic transition, but it invests in the future of farming, supporting the next generation of farmers to be able to enter the growing organic market—the fastest growing sector of U.S. agriculture.

National Organic Program and the National Organic Standards Board

The organic market is built on strong standards and organic integrity. The market is consumer driven, and consumers must remain confident in the U.S. organic label for the market to continue to thrive. As the domestic organic market continues to grow by billions of sales annually, it is essential that the National Organic Program (NOP) continue to grow as well to meet the needs for enforcement of our rigorous national organic standards. It is critical that consumers have the confidence that all products bearing the USDA organic seal are truly meeting the strict organic standards established by USDA. It is critical that U.S. farmers who work hard to meet the U.S. organic standards are competing with international farmers who adhere to the same level of organic integrity—the organic market has no tolerance for fraud and it is crucial U.S. farmers have confidence their competitors are held to the same standard. USDA's own integrity is attached to this program, and it is vital NOP is adequately funded to address the enforcement challenges facing the sector. **Funding for the National Organic Program must be increased to provide the agency with the necessary resources to perform its oversight and enforcement activities keeping pace with the growth of the organic sector.** It is also critical that the process of establishing and revising USDA organic standards continue to be fully transparent with full public participation, as envisioned by the procedures established in the Organic Foods Production Act (OFPA) of 1990.

The U.S. organic agricultural market is a true American story rooted in American soil and grown by American farmers from the ground up. U.S. organic farmers began farming in a way that touched a small consumer demand for healthy food and respect for our natural environment. More and more American consumers found out about this type of food production and demanded more. Farmers have been at the root of the certified organic movement from the very beginning—farmers created it. Smartly, the OFPA established a mechanism to preserve the ability for American family farmers to stay involved in the evolution of the market they created. The National Organic Standards Board (NOSB) is this mechanism, which ensures an open and transparent process for setting and revising organic standards—this is democracy at work! The NOSB ensures that all stakeholders with an interest in organic agriculture and food have access and input into the USDA process for setting organic standards. To understand the ongoing importance of the NOSB, one must understand the context for why Congress established the NOSB in the first place.

In the late 1980s, we had many state and private organic labeling programs with their own set of certified organic standards across the country. The conflicting labels and standards caused consumer confusion. As a result, many organic farmers and processors recognized the need for establishing one national organic standard to ensure consistency, build consumer trust, and allow the sector to flourish. Many of these farmers were instrumental in drafting our current national organic standards. However,

there was also a great deal of apprehension about turning the keys to the grassroots organic movement over to the federal government, for fear it would lose its connection to farmers and consumers. The compromise was the creation of a citizen stakeholder advisory committee, called the National Organic Standard Board, to allow for a formalized process for grassroots organic input into organic standards and decision-making processes at USDA. The OFPA statutory language is meticulous in laying out the details of the authorities and composition of the NOSB to ensure that the various stakeholder sectors of organic (farmers, handlers, retailers, environmental/conservationists, public interest/consumer groups, and scientists) all have a seat at the table. The Board meets twice a year, and invites the public to provide comments during the meeting and at pre-meeting webinars. In reality, there is no place in our food system more transparent than organic, and the role of the NOSB is a critical part of this transparency, a quality essential to maintaining U.S. organic integrity. **The Farm Bill should support the NOSB's role and ensure the Board has the full resources to conduct the scientific analyses required for the job and that the National Organic Program has the resources necessary to assist the Board in their processes.**

Organic Research

The House Agriculture Committee's Subcommittee on Biotechnology, Horticulture, and Research, has already heard from stakeholders about the importance of agricultural research for the next farm bill during a March hearing. Members heard from witnesses who stressed the important role research plays in ensuring that American agriculture remains competitive and capable of addressing farmers' growing needs in a global market. As Subcommittee Chairman Rodney Davis said after the hearing, "as we look at the future of American agriculture—it is vital that we invest in public agricultural research." Organic agriculture *is* the future of American agriculture. It is the fastest growing sector of U.S. agriculture. Organic family farmers are able to remain viable because organic farms are 35% more profitable than average farms, and organic agriculture helps to maintain rural vitality and healthy drinking water, air, and soil-elements essential for our country's future. Unfortunately, the March House hearing failed to include representatives of the organic industry, but I am grateful to have the opportunity to express the importance of organic research to you today.

As I stressed earlier in my testimony, U.S. organic production lags far behind U.S. organic demand. This market gap hurts U.S. farmers and it is crucial that we invest in organic research to support the domestic production of organic crops. U.S. farmers can compete with imported products—if anyone can replace the 70% imported organic soybeans and 40% imported organic corn with domestic product, it is the U.S. Heartland! Farmers need Congress to recognize that organic agriculture has a prominent place in the future of U.S. agriculture and we need a bigger investment in public organic agricultural research.

Fortunately, funding organic research is a win-win for all U.S. farmers, as the basis of organic agriculture is soil health and alternative pest and disease management strategies—research in these areas benefit both organic and conventional farmers. Unfortunately, over the past five years, while overall funding for agricultural research has grown significantly, funding for organic research has stagnated. For example, USDA's own data shows that funding for organic in the flagship competitive grant research program, the Agriculture and Food Research Initiative (AFRI), has averaged about two-tenths of one percent (0.2 percent) annually. In addition, funding for USDA's organic-specific research programs has been stagnant for years. Research dollars for conventional agriculture and organic agriculture are out of balance; to bring organic research up to match the percentage of U.S. organic farmland (1%) organic research allocation should be increased by five times and if you were to equate organic research dollars to the total amount of food sales (5% for organic) then organic research dollars should be increased by 25 times current levels.

The bipartisan Organic Agriculture Research Act (H.R. 2436) has been introduced in the House to authorize \$50 million in mandatory funding annually for the Organic Agriculture Research and Extension Initiative (OREI). OFA strongly supports the Organic Agriculture Research Act as a means to address the many production challenges organic, and all, farmers face. As the organic market grows at impressive speed, research must pick up the pace to meet the increasing research needs of U.S. farmers to be successful with organic production solving challenges of weed management, soil building and successful marketing. Conventional farmers are watching the organic market and ready to transition acres, but they need more research support to aid them in successful organic transitions and succeed through the three-year land transition while they try to understand how to follow organic standards but do not receive the organic price premiums on their products.

The organic market will continue to become a larger piece of the U.S. agriculture pie. It is vital that the 2018 Farm Bill match this industry growth with policies and funding that support U.S. farmers to be successful. Organic Farmers Association urges the Committee to increase mandatory funding for the Organic Certification Cost Share, the National Organic Program and NOSB, as well as increased mandatory funding for organic research. We are depending on you, our representatives, to invest in market-driven production systems, such as organic, that protect the environment and preserve rural communities.

This Farm Bill should have a large emphasis on organic—it's the future of profitable and sustainable American Agriculture and Rural America. Thank you.