

Recent Federal Policy Initiatives

While the rate of organic farming system adoption has been rapid for nearly a decade in the United States, certified organic acreage accounted for only 0.3 percent of total farmland in 2001. And Federal funding for organic farming systems research and support activities has been limited (Dobbs and Pretty, 2001; Lipson, 1997).

However, university-based technical assistance, Federal cost-share funds, and other State and Federal support for organic farmers and handlers is beginning to emerge. State and Federal research and policy initiatives often play a key role in the adoption of new farming technologies and systems in the United States.

The Farm Security and Rural Investment Act of 2002 contains several first-time research and technical assistance provisions to directly assist organic crop and live-stock producers with production and marketing. Also, several other provisions in the 2002 Farm Act indirectly affect organic crop and livestock producers. Processes used to produce agricultural commodities, such as organic management, are now included in the definition of products that qualify for value-added market development grants. Several of the conservation assistance programs may interest organic farmers, and one—Agricultural Management Assistance—now specifically mentions organic farming among the practices that qualify for assistance to mitigate risk through market diversification and resource conservation practices. Also, nine USDA agencies have started or expanded programs on organic agriculture during the last several years. The following sections describe some of these new Federal programs, as well as some of the initiatives that were established in the 2002 Farm Act.

Certification Cost-Share Support. In 2001, USDA established a certification cost-share program to help farmers defray certification costs in 15 States—Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. The 2002 Farm Act established the National Organic Certification Cost-Share Program, which provides funds that will complement this program, making organic growers and handlers in all States eligible for certification cost-share assistance. This program provides \$5 million in fiscal year 2002, to remain available until expended. The maximum Federal cost-share is 75 percent annually, with payments up to \$500 per producer or handler. This would cover much of the certification costs of organic farmers with small operations, who

typically pay a smaller amount based on the sliding-scale fee structure observed by most certifiers.

Research and Technical Assistance. The 2002 Farm Act contains an Organic Agriculture Research and Extension Initiative that authorizes \$3 million per year in new mandatory appropriations in fiscal years 2003-07. Funds will be used to administer competitive research grants, largely through USDA's Cooperative State Research, Education, and Extension Service. Research is to focus on determining desirable traits for organic commodities; identifying marketing and policy constraints on the expansion of organic agriculture; and conducting advanced research on organic farms, including production, marketing, and socioeconomic research.

Other research and extension provisions for organic agriculture that are authorized, but not mandated, include data development on organic agricultural production and marketing; and facilitated access to organic research conducted outside the United States for research and extension professionals, farmers, and others.

This new research and extension initiative builds on organic farming systems research and extension already underway in universities and in USDA. USDA's Agricultural Research Service (ARS) currently has more than 125 ARS scientists engaged in research that may be useful for organic and conventional systems, and is beginning to conduct research in certifiable organic systems, often with onfarm producer involvement. Also, USDA's Sustainable Agriculture Research and Education Program (SARE) currently uses about 19 percent of its funds for projects that focus on some aspect of organic production and marketing.

Conservation Initiatives. The organic farm sector differs substantially from the U.S. agricultural industry as a whole, with fruits, vegetables, and other high-value specialty crops making up a much larger proportion of this sector. The Conservation Security Program, which provides payments to producers for adopting or maintaining land management and conservation practices to address resource concerns, may interest organic farmers who commonly adopt these types of practices as part of their organic farming systems. Unlike most other Federal conservation programs, producers who grow specialty crops will be eligible to participate. The technical assistance features of the Conservation Security Program may be useful for organic farmers and those interested in changing to organic farming systems. Some research also sug-

gests that programs like the Conservation Security Program, which pay farmers for environmentally sound practices, could help U.S. organic farmers maintain competitiveness in global markets (Lohr, 2001). The 2002 Farm Act also increased funding for the Environmental Quality Incentives Program (EQIP), which has been established since 1996 and has been used by Minnesota and Iowa to help organic farmers fund conservation projects.

A recent initiative in USDA's Natural Resources Conservation Service (NRCS) may help streamline conservation assistance to organic farmers. The NRCS entered into a memorandum of understanding with the Organic Trade Association (OTA) in fall 2001 regarding program activities that involve the conservation of natural resources specifically related to organic farming. The NRCS and the OTA agree to cooperate in developing and implementing farm plans for organic crop production, to encourage the use of demonstrations and field days with organic operations to showcase conservation and organic production, and to share training opportunities, conferences, and newsletters.

Marketing Order Exemptions. Another provision in the 2002 Farm Act specifies that certified organic producers who produce and market only organic products and do

not produce any conventional or nonorganic products will now be exempt from paying an assessment under any commodity promotion law. USDA is currently developing a proposed rule to implement this legislation. Organic growers had concerns about paying assessments that did little or nothing to promote organic products. An evaluation of the methods for improving the treatment of certified organic agricultural products under Federal marketing orders was also mandated as part of authorized research and extension provisions.

Export Promotion, Crop Insurance, and Other Initiatives. USDA's Risk Management Agency has provided insurance coverage for organic farming practices as good farming practices by written agreement since 2001, and is working to improve its organic crop insurance program. USDA's Foreign Agricultural Service (FAS) has been tracking market conditions in organic export markets for several years, and is now helping design protocols for working with foreign nations to keep organic trade moving as more countries develop organic standards. Also, the Alternative Farming Systems Information Center (AFSIC) at the National Agricultural Library (NAL), which serves as a clearinghouse for information on alternative cropping systems, has recently expanded its resources on organic production and marketing.