



SUSTAINABLE AGRICULTURE COALITION

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SUMMARY OF SUSTAINABLE AGRICULTURE PRIORITIES FOR FISCAL YEAR 2008 APPROPRIATIONS

(by USDA agency)

Cooperative State Research, Education, and Extension Service

Sustainable Agriculture Research and Education Program

FY 07	\$12.3 million (research) + \$4.0 million (extension) = \$16.3 million
USDA 08 Request	\$9.1 million + \$3.8 million = \$13.9 million
SAC 08 Request	\$15 million + \$5 million = \$20 million

Organic Farming Transition Program

FY 07	\$1.9 million
USDA 08 Request	transfer funding to NRI
SAC 08 Request	\$5.0 million (no transfer)

National Research Initiative/Initiative for Future Agriculture and Food Systems

FY 07	up to 22% of NRI reserved for IFAFS integrated programs
USDA 08 Request	up to 30% of NRI reserved for IFAFS integrated programs
SAC 08 Request	up to 30% of NRI reserved for IFAFS integrated programs

Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers

FY 07	\$5.9 million
USDA 08 Request	\$6.9 million
SAC 08 Request	\$10.0 million

Farm-to-Cafeteria

FY 07	\$0.0
USDA 08 Request	\$0.0
SAC 08 Request	\$5.0

Agricultural Marketing Service

Farmers' Market Promotion Program

FY 07	\$1.0 million
USDA 08 Request	\$1.0 million
SAC 08 Request	\$5.0 million

Organic Standards/National Organic Program

FY 07	\$2.1 million
USDA 08 Request	\$3.1 million
SAC 08 Request	\$4.0 million

Organic Certification Cost Share Program

FY 07 not applicable
SAC 08 Request **\$1.0 million** (pending outcome of 2007 Farm Bill)

Farm Service Agency

Direct Farm Ownership and Operating Loan Program Levels

FY 07 \$222.8 million + \$647.6 million
USDA 08 Request \$223.9 million + \$629.6 million
SAC 08 Request **\$250 million + \$650 million**

Natural Resources Conservation Service

Conservation Security Program

FY 07 limitation provision at \$259 million
USDA 08 Request no new sign-up; limitation provision at \$316 million
SAC 08 Request **no limitation provision (no changes in mandatory spending)**

Wetlands Reserve Program

FY 07 limitation provision at 150,000 acres
USDA 08 Request 250,000 acres
SAC 08 Request **250,000 acres, with no limitation provision**

Rural Business and Cooperative Service

Appropriate Technology Transfer for Rural Areas (ATTRA)

FY 07 \$0.0 million
USDA 08 Request \$0.0 million
SAC 08 Request **\$3.0 million**

Value-Added Producer Grants

FY 07 \$20.3 million
USDA 08 Request \$15.0 million
SAC 08 Request **\$60 million**

For further information or questions, please contact Ferd Hoefner or Tazuer Smith at the Sustainable Agriculture Coalition, 202-547-5754.

**Written Statement of the
Sustainable Agriculture Coalition
Submitted to the
Subcommittee on Agriculture, Rural Development, FDA and Related Agencies
U.S. House of Representatives
March 16, 2007**

Thank you for the opportunity to present our funding requests for the fiscal year 2008 Agriculture, Rural Development and Related Agencies appropriations bill.

The Sustainable Agriculture Coalition is an alliance of national, regional and local grassroots farm, rural, and conservation organizations that together advocate for public policies that support the long-term economic, social and environmental sustainability of agriculture, natural resources and rural communities.¹ Our policy interests are broad, covering conservation, credit, rural development, marketing, research, extension, and commodity policy. Through our member organizations we work with and represent thousands of farmers and other rural citizens who are engaged in creating a more sustainable farm and food system.

As you begin work on the fiscal year 2008 appropriations bill, we urge you to recall the drastic cuts the Deficit Reduction Act of 2006 and previous year's appropriations bills have made to mandatory conservation, research, and rural development programs. From FY 07-10, the reconciliation bill reduces farm bill mandatory spending for important, forward-looking programs, including \$649 million from the Conservation Security Program (CSP), \$620 million from the Initiative for Future Agriculture and Food Systems (IFAFS), \$75 million from the Environmental Quality Incentives Program (EQIP), and \$20 million from the Renewable Energy and Energy Efficiency Program. These cuts make up the vast majority of the real, actual cuts in the agriculture portion of the reconciliation bill.

These reconciliation cuts are in addition to those made in the fiscal year 2006 appropriations bill and repeated in the 2007 appropriations bill. In that bill, cuts to mandatory farm bill programs were also severe and again focused almost entirely on conservation, rural development, and research. For fiscal year 2007, these cuts included \$113 million from the CSP, \$253 million from EQIP, \$160 million from the Wetlands Reserve Program, \$23.5 million from the Farm and Ranch Land Protection Program, \$42 million from the Wildlife Habitat Incentive Program, \$20 million from Value-Added Producer Grants, and \$118 million from IFAFS, among others.

Combined cuts to farm bill mandatory conservation, rural development and research programs from 2002 to through 2007 exceed \$6 billion. To put it another way, via appropriations limitation provisions and reconciliation, over 35 percent of the mandatory funding promised in the last farm

¹ Our member organizations include: the Agriculture and Land Based Training Association, American Natural Heritage Foundation, C.A.S.A. del Llano (Communities Assuring a Sustainable Agriculture), Center for Rural Affairs, Dakota Rural Action, Delta Land and Community, Inc., Future Harvest/CASA (Chesapeake Alliance for Sustainable Agriculture), Illinois Stewardship Alliance, Innovative Farmers of Ohio, Institute for Agriculture and Trade Policy, Iowa Environmental Council, Iowa Natural Heritage Foundation, Kansas Rural Center, Kerr Center for Sustainable Agriculture, Land Stewardship Project, Michael Fields Agricultural Institute, Michigan Integrated Food and Farming Systems, Michigan Land Use Institute, Midwest Organic and Sustainable Education Service (MOSES), The Minnesota Project, National Catholic Rural Life Conference, National Center for Appropriate Technology, Northern Plains Sustainable Agriculture Society, Ohio Ecological Food and Farm Association, Organic Farming Research Foundation, Pennsylvania Association of Sustainable Agriculture, Rural Advancement Foundation International-USA, Sierra Club Agriculture Committee, and the Washington Sustainable Food and Farming Network.

bill for conservation, rural development, and research has been re-allocated to other uses, despite these programs being substantially oversubscribed. We urge the Subcommittee to likewise fight for an honest-accounting allocation that avoids further raiding of the farm bill mandatory accounts.

We will return to some of the farm bill accounts, including the Conservation Security Program, Value Added Producers Grant program, and the Wetlands Reserve Program at the end of our testimony, but first will detail our funding recommendations for our priority discretionary programs.

CSREES Programs

1. Sustainable Agriculture Research and Education (SARE) Program. We urge you to support an appropriation of \$20 million in FY 08 for the SARE competitive grants program, divided \$15 million for competitive research, education, and producer grants and \$5 million for extension and professional development grants. The top FY 08 priority is to bring the research, education and producer grant total to \$15 million. Although \$20 million would provide the SARE program with only one third of its originally approved spending, FY 08 marks the program's 20th year of operation, and we urge the subcommittee to remember this important anniversary as it considers our recommendation.

SARE is a regionally-delivered national competitive grants program that funds farmer-driven, outcome-oriented research, education, and outreach on agricultural production practices and market-based initiatives that are environmentally sound and profitable for farmers and ranchers and their communities. Unfortunately, funding levels over the past three fiscal years have been in decline. From an \$18.5 million funding level in FY 03, funding has fallen to \$16.3 million in FY 07. The President's FY 08 budget request continues this trend by seeking to further reduce funding to \$9.1 million, despite a general overall increase in requests for SARE competitive grants. We are deeply concerned that need and demand for the program is rising while our budgetary commitment is falling. We strongly urge an increased commitment to SARE in the context of a balanced approach to overall competitive grants funding and consistent with sustainable agriculture's expanding role within our food and farming system and the program's twenty years of cost-effective and efficient delivery of services.

2. National Research Initiative (NRI). We strongly support the President's request to increase from 22% to 30% the set-aside within the NRI competitive grants program for integrated and applied research supporting the goals of the **Initiative for Future Agriculture and Food Systems**. The reforms Congress made to competitive grants authority in 1998 and 2002 remain critically important. The best way to support those changes is to keep NRI funding growing and to increase the percentage designated for integrated systems projects to at least 30 percent.

3. Organic Transitions Research. We oppose the President's request to transfer most **Section 406 integrated program activities** into the NRI. While we support expanding resources for the NRI and increasing NRI's attention to integrated programs, we do not believe ending important existing integrated programs in water quality, organic transition, pest management, and other topics and simply consolidating them at NRI without a clear plan for enhancing these program functions is good policy or good process. we urge you to include \$5 million for Organic Transitions Research within the integrated accounts.

4. Farm to Cafeteria (F2C). Authorized in the 2004 Child Nutrition and WIC Reauthorization Act, the F2C program was established to support community-based projects enabling schools and colleges to purchase food directly from local and regional farmers. The program is intended to ensure children can enjoy healthy, fresh, locally produced foods, while local farmers benefit from the creation of a new market. Despite growing national support for the program, the F2C program has received no funding. We recommend this program receive \$5 million in FY 08.

5. Socially Disadvantaged Farmers and Ranchers (Section 2501). For the past 15 years, the Section 2501 program has provided much-needed technical information and training to socially disadvantaged farmers and ranchers. Since its inception, the program has served more than 100,000 rural constituents in more than 400 counties, where Agriculture Census Statistics have demonstrated this program's effectiveness at reducing the decline of socially disadvantaged farmers. In spite of this success and a 2002 Farm Bill authorization of \$25 million, the program has never received more than \$6 million in funding, and many farmers who qualify for assistance have been unable to receive it. The Administration's budget proposal contained only a \$1 million increase for this program, far short of the funding necessary to serve many farmers who need and qualify for assistance. For FY 08, we recommend \$10 million in funding for Section 2501.

AMS Programs

1. Farmers' Market Promotion Program (FMPP). We urge you to include funding of \$5 million for the FMPP, authorized by Section 10605 of the 2002 Farm Bill. The FMPP provides grants on a competitive basis to agricultural cooperatives, local governments, non-profits, economic development corporations and other entities to establish, expand and promote local farmers markets and other forms of direct farmer-to-consumer markets. Prior to FY 06 AMS resources for direct marketing were limited to technical assistance, with no financial assistance available to expand direct farmer-to-consumer links that increase farm profitability, consumer health and well being, and community development. Bipartisan support for this program resulted in Congress providing \$1 million in first-year funding for FY 06, and the same for FY 07. In just its first year of funding, the program received 367 applications for grant totaling \$19.9 million. An allocation of \$5 million in FY 07 will begin to fill a major gap in marketing assistance and help complete the AMS direct marketing toolbox.

2. Organic Standards/National Organic Program (NOP). We urge you to include funding of \$4 million for administration of organic standards and the NOP, including policy guidance and rulemaking, compliance actions to enforce the NOP regulations, certifier accreditation and training, and the National Organic Standards Board. This funding is vital to maintaining the integrity of the organic label.

3. Organic Certification Cost Share. The 2002 Farm Bill provided \$5 million for the National Organic Certification Cost Share program. This program provides 75% cost share up to \$500 per farmer to assist with the costs of organic certification. A testament to the growth of the organic sector of agriculture, funding for the program from the 2002 Farm Bill has been exhausted. As a result, any delay in the new Farm Bill beyond the start of the fiscal year will leave the cost share program without funds unless discretionary funding is provided to carry the program over to the new farm bill start date. Pending the outcome of the 2007 Farm Bill, we recommend the program receive at least \$1 million to ensure its continued operation into FY 08.

Farm Service Agency

Direct Farm Ownership and Operating Loans. Direct loans play a very significant role in helping beginning farmers and ranchers get established in agriculture and deserve continuing support. The Administration's budget request includes a modest increase in program levels for direct farm ownership loans, but a decrease for direct farm operating loans. We urge you to make minor adjustments in the credit subsidy appropriated amount for operating loans so that the program level does not decrease. We recommend program levels of \$250 million and \$650 million respectively.

Rural Business Cooperative Service Programs

1. Appropriate Technology Transfer for Rural Areas (ATTRA) Program. Authorized as part of the research title of the 1985 Farm Bill, ATTRA has been an integral component of the USDA research

program through its provision of readily accessible sustainable and organic farming information to farmers and ranchers nationwide. Although the program is authorized by the Farm Bill and received funding from Congress for twenty uninterrupted years, it was treated as an earmark in the FY 07 budget resolution and received zero funding.

We recommend \$3 million for ATTRA in FY 08, a slight increase over the \$2.5 million the program received from the 2002 Farm Bill until FY 06. ATTRA's professional staff answers a wide variety of agronomic, livestock, marketing, and entrepreneurial questions from farmers and ranchers, with reliable information from its extensive database. . In 2006 alone, ATTRA fielded more than 35,000 requests for information and reports, and restoration of the program's funding is crucial to the growing number of farmers who rely on ATTRA's services.

Many of these requests were for assistance from ATTRA's National Farm Energy Initiative, launched in 2006. The Initiative's primary goal is helping farmers better understand how they use energy, and how to best manage energy use to reduce operating costs. Through informed energy management, farmers are better able to protect themselves from volatile energy prices. The Initiative also serves farmers seeking to develop robust businesses through agriculture-based energy sources, including biodiesel, cellulosic, ethanol, and wind energy production. With relatively modest funding, ATTRA assists farmers through the provision of energy-related business development, marketing, and financing information and training. Restoring ATTRA's funding, and slightly increasing it from historical levels, will ensure the Energy Initiative continues to provide efficient, accurate, and timely information to farmers seeking to increase the domestic availability of agriculture-based energy sources, and create sustainable economic growth in their communities.

2. Value-Added Producer Grants Program (VAPG). We urge you to support funding in FY 08 for the VAPG program at the \$40 million level provided by the 2002 Farm Bill. It is our hope that the 2007 Farm Bill will include an increased annual amount for VAPG. If it does, we encourage you allow that spending to move forward without limitation. The President's budget request calls for funding sharply reduced to \$15 million. To date, the program has been able to fund 938 or 35 percent of the 3,362 applications submitted since 2002. The program helps develop value-added businesses and thereby increases farm income, farm and rural self-employment opportunities, community economic development, consumer food choices, and natural resource protection. This initiative also creates market-based solutions to farm income problems, a key long-term goal that should not be sacrificed.

Natural Resources Conservation Service Programs

1. Conservation Security Program (CSP). In our view, the CSP is the most important and innovative of all agricultural conservation programs. The CSP is crucial to agriculture's world trade agreement objectives and to equalizing support across the whole range of US agriculture and to orienting that support to the public good. The CSP correctly focuses attention on working farm and ranch land conservation, and emphasizes conservation systems that maximize off-farm environmental benefits. The CSP has unfortunately been made subject to limitation provisions in previous appropriations bills as well as in supplementals and in budget reconciliation.

We strongly recommend CSP be subject to no limitation provision in the FY 08 bill. USDA is significantly behind in its goal to bring the program to every watershed in the country on a rotating basis, a problem much worsened by additional CSP funding cuts totaling \$113 million in the FY 07 budget resolution. The President's recommended \$130 million cuts in FY 08 would result in the simultaneous elimination of new program sign-ups, effectively bringing the program to a halt. We urge you to leave CSP alone and allow it to fulfill its promise without any further appropriation restrictions.

2. Wetlands Reserve Program (WRP). In light of the President's Wetlands Initiative, the Administration is requesting the full funding for the WRP at the 2002 Farm Bill level of 250,000 acres of restored agricultural wetlands to be enrolled in FY 08. We strongly support this request and urge you to adopt it. The WRP is the frontline in the nation's efforts to achieve no-net-loss or hopefully positive wetland and associated habitat and water quality and conservation gains. It is our hope the 2007 Farm Bill will renew WRP mandatory funding at no less than 250,000 acres a year.

For further information or questions, please contact Ferd Hoefner or Tazuer Smith at the Sustainable Agriculture Coalition, 202-547-5754.