



National Organic Coalition

2008 Farm Bill Proposals And Status (as of 5/15/08)

<u>NOC Farm Bill Proposal</u>	<u>Status in House</u>	<u>Status in Senate</u>	<u>Conference</u>
<p><u>Organic Certification Cost Share Reauthorization</u></p> <ul style="list-style-type: none"> Mandatory funding of \$25 million for the 5-year life of the Farm Bill Increase annual cost-share eligibility from \$500 to \$750 per operation 	<p>-\$22 million in mandatory funding for the National Certification Cost Share Program over the 5-year life of farm bill. Annual cost-share eligibility is increased from \$500 to \$750/operation /year.</p> <p>-Agricultural Management Assistance (AMA) program is reauthorized at \$10 million annually in mandatory funding, with 10 % of this being for organic certification cost share program for the organic producers in 17 AMA states (VA</p>	<p>\$22 million in mandatory funding for National Certification Cost Share Program over the 5-year life of farm bill. Annual cost-share eligibility is increased from \$500 to \$750 per operation per year. Includes federal and state report requirements.</p> <p>Agricultural Management Assistance (AMA) program is reauthorized at \$20 million annually in mandatory funding, with \$1 million a year in certification cost share for the organic producers in 16 AMA</p>	<p>On May 14, 2008, the House passed the Farm Bill Conference Report by a vote 318 to 106. On May 15, 2008, the Senate passed the bill by a vote of 81 to 15. President Bush has threatened a veto. If he does so, the bill will return to the House and Senate for a vote to override the veto. Both bodies will need to secure the votes of at least 2/3rd of their members in order to override the veto (290 for the House and 67 for the Senate). Given the strong final passage votes, it appears likely that Congress will have the necessary votes to override the veto. Without another extension, the current Farm Bill expires on May 16th.</p> <p>-\$22 million in mandatory funding for fiscal year 2008, available until expended, for national certification cost-share program.</p> <p>- Annual cost-share eligibility is increased from \$500 to \$750 per operation per year.</p> <p>- “Reporting. --- Not later than March 1 of each year, the Secretary shall submit to the Committee on Agriculture, Nutrition and Forestry of the Senate a report that describes the requests by, distributions to, and the expenditures of each State under the program during the current and previous fiscal year, including the number of producers and handlers served by the program in the previous fiscal year.”(Section 10301)</p> <p style="text-align: center;"><u>Cost Share report language:</u></p> <p>“ <i>National organic certification cost-share program</i> The House bill amends section 10606 of the Farm Security and Rural Investment Act to provide \$22,000,000 for the national organic certification cost-share program, to be available until expended. It provides that the federal share may not exceed 75 percent of the cost of certification, and the maximum</p>

	<p>and HI are new AMA states).</p>	<p>states (ID new AMA state)</p>	<p>amount a producer may receive is raised from \$500 to \$750. (Section 10301) The Senate amendment amends section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523) to reauthorize the National Organic Certification Cost-Share program, which provides funds for the Secretary to assist producers and handlers of agricultural products in obtaining certification under the Organic Foods Production Act of 1990. Payments to producers or handlers are limited to \$750, and the federal share of the certification cost will be no more than 75 percent of the total certification cost incurred. The Senate provision adds language to require the Secretary to submit to Congress, reports that describes the expenditures for each state under the program during the previous fiscal year. It also provides \$22,000,000 in mandatory funding. (Section 1823) The Conference substitute adopts the Senate provision with an amendment to delete the federal share requirements as well as the federal and state recordkeeping requirements, and to require the Secretary to submit to the House and Senate Agriculture Committees a report containing certain program information. (Section 10301) The Managers encourage the Secretary to keep accurate and current records of requests by and disbursements to States under the program, and require accurate and consistent recordkeeping from each State and entity that receives program payments. The Managers also recognize the importance of distributing cost-share funds to the States in a timely manner, and request that the Secretary distribute such funds at the soonest date practicable following the deadline for submission of funding requests under the program. The Managers are aware that there have been discussions between the Department of Agriculture and the States regarding administrative fees for the program and encourage the Department to review administrative fees to ensure optimal performance in serving the needs of organic producers and handlers.” -\$1.5 million a year for 16 AMA states (HI is the new state).</p>
<p><u>Conservation Security Program</u></p> <ul style="list-style-type: none"> • Support full funding as a national “entitlement” program, with mandatory funding, to be available in all watersheds • Create easy “crosswalk” between 	<p>-The bill significantly cuts funding for the CSP program and prevents new CSP sign ups for the next 4 years (2008-2011). However, language is added stating that in evaluating CSP applications, the Secretary is required to: “consider the multiple benefits of conservation-based farming systems, including resource-</p>	<p>- CSP program reauthorized with \$1.28 billion in extra funding over baseline (over 10 years). - Language added to create a direct crosswalk between CSP and organic certification. Certified organic farmers are given priority within CSP.</p>	<p>(Section 2301) CSP is funded at \$12 billion (over 10 years) Crosswalk language- “(h) Coordination with Organic Certification- The Secretary shall establish a transparent means by which producers may initiate organic certification under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et. seq.) while participating in a contract under this subchapter”</p>

<p>organic certification and CSP, so that a producer's certified organic farm plan can also provide eligibility for higher tiers of CSP benefits</p>	<p>conservation crop rotations, managed rotational grazing, and the adoption of certified production under the national organic production program under the Organic Foods Production Act of 1990.”</p> <p>In addition, language was added to require the Secretary to: “establish a transparent and producer-friendly means by which producers may coordinate and simultaneously certify eligibly under a conservation security contract and under the national organic production program established under the Organic Foods Production Act of 1990”</p>		
<p><u>Organic Conversion Assistance</u></p> <ul style="list-style-type: none"> • Create a National Organic Conversion and Stewardship Incentives Program within the Natural Resources Conservation Service (NRCS) to provide financial assistance to farmers for the adoption of advanced conservation practices as part of the process of converting to organic production, with mandatory funding of \$50 million annually • Half of the 	<p>Includes a provision authorizing \$50 million (over the 5-yr life of the farm bill) for an organic conversion incentive and technical assistance program, to allow farmers converting to organic to receive up to \$10,000 /year for a maximum of 3 yrs, to implement conservation practices geared toward organic conversion. Requires farmers to also receive technical assistance from USDA or qualified nonprofits/consultants to help in the conversion process. Funding subject to appropriations. 50 % of the funds are to be used for technical assistance.</p> <p>-Provision added to EQIP authorization to make “organic</p>	<p>Section 2360- Authorizes an Organic Conversion Program within the EQIP Program. While there is no specific funding attached to the program, it is part of the overall EQIP program which does have mandatory funding. The technical assistance aspect of this program has been moved to another section of the Conservation title which deals with technical assistance for the overall EQIP program.</p>	<p>The provision is included within the EQIP program, and therefore has access to mandatory funding. The language of the organic provision is as follows: [Section 2503] “(i)PAYMENTS FOR CONSERVATION PRACTICES RELATED TO ORGANIC PRODUCTION.--- (1)PAYMENTS AUTHORIZED.--- The Secretary shall provide payments under this subsection for conservation practices, on some or all of the operations of a producer, related --- (A) to organic production; and (B) to the transition to organic production. (2) ELIGIBILITY REQUIREMENTS.--- As a condition for receiving payments under this subsection, a producer shall agree--- (A) to develop and carry out an organic system plan; or (B) to develop and implement conservation practices for certified organic production that are consistent with an organic system plan and the purposes of this chapter. (3) PAYMENT LIMITATIONS.--- Payments under this subsection to a person or legal entity, directly or indirectly, may not exceed, in the aggregate, \$20,000 per year or \$80,000 during any 6 year period. In applying these limitations, the Secretary shall not take into account payments received for technical assistance. (4) EXCLUSION OF CERTAIN ORGANIC CERTIFICATION COSTS.--- Payments made not be made under this subsection to cover the costs</p>

<p>funding provided for the Organic Conversion Program should be used for technical and education assistance</p> <ul style="list-style-type: none"> • Authorize the creation of a National Organic Technical Committee to provide advice to NRCS on the implementation of the Organic Conversion Program 	<p>transition” a new, specific purpose of the program.</p> <p>- Within EQIP, \$5 million annually in mandatory funding is set aside within “Conservation Innovation Grant” section for outreach to specialty crop and organic farmers. This is a competitive grants program to “stimulate innovative approaches to leveraging federal investment in environmental enhancement and protection...”</p>		<p>associated with organic certification that are eligible for cost-share payments under section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523).</p> <p>(5) TERMINATION OF CONTRACTS.--- The Secretary may cancel or otherwise nullify a contract to provide payments under this subsection if the Secretary determines that the producer ---</p> <p>(A) is not pursuing organic certification; or</p> <p>(B) is not in compliance with the Organic Foods Production Act of 1990.”</p> <p><u>Organic Conversion report language:</u> <i>Organic conversion, technical and educational assistance</i></p> <p>The House bill authorizes \$50,000,000 over five years to provide technical assistance and cost-sharing grants to farmers trying to transition to organic farming. (Section 10303)</p> <p>The Senate amendment contains a comparable provision in the conservation title (EQIP).</p> <p>The Conference substitute deletes the House provision. Language addressing the goal of providing technical assistance to farmers trying to transition to organic farming appears in section 2501 of the conservation title.”</p> <p>SEC. 2706. DELIVERY OF CONSERVATION TECHNICAL ASSISTANCE.</p> <p>Section 1242 of the Food Security Act of 1985 (16 U.S.C. 3842) is amended to read as follows:</p> <p>"SEC. 1242. DELIVERY OF TECHNICAL ASSISTANCE...</p> <p>'(i) ADDRESSING CONCERNS OF SPECIALITY CROP, ORGANIC, AND PRECISION AGRICULTURE PRODUCERS.—</p> <p>"(1) IN GENERAL.—The Secretary shall—</p> <p>"(A) to the maximum extent practicable, fully incorporate specialty crop production, organic crop production, and precision agriculture into the conservation practice standards; and</p> <p>"(B) provide for the appropriate range of conservation practices and resource mitigation measures available to producers involved with organic or specialty crop production or precision agriculture.</p> <p>"(2) AVAILABILITY OF ADEQUATE TECHNICAL ASSISTANCE.—</p> <p>"(A) IN GENERAL.—The Secretary shall ensure that adequate technical assistance is available for the implementation of conservation practices by producers involved with organic, specialty crop production, or precision agriculture through Federal conservation programs.</p> <p>"(B) REQUIREMENTS.—In carrying out subparagraph</p> <p>(A), the Secretary shall develop—</p> <p>"(i) programs that meet specific needs of producers involved with organic, specialty crop production or precision agriculture through cooperative agreements with other agencies and nongovernmental organizations; and</p> <p>"(ii) program specifications that allow for innovative approaches to engage</p>
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			local resources in providing technical assistance for planning and implementation of conservation practices."
<p><u>Seeds and Breeds for the 21st Century</u></p> <ul style="list-style-type: none"> Amend the National Research Initiative (NRI) to list “classical plant and animal breeding” as one of the priorities for competitive research grants, and modify term limitations for NRI research grants to reflect longer-term nature of breeding programs. Reauthorize the ARS National Genetic Resource Program and increase support for the collection, preservation and evaluation of germplasm collections. Direct ARS to accelerate long-term research in this arena. Enact a successor to the Initiative for Future Agriculture and Food Systems, and include classical plant and animal breeding as a priority. 	<p>-Bill merges NRI and IFAFS, and establishes NRI as basic research and IFAFS as applied research. The term for IFAFS and NRI competitive grants is changed from 5 to 10 years, as NOC requested</p> <p>-Within IFAFS section of the bill, a provision added to make classical plant and animal breeding a priority.</p> <p>-The National Genetic Resource Program is reauthorized</p>	<p>Amends NRI to list classical and animal breeding as one of the priorities for competitive research grants, and modifies term limits for NRI research grants to reflect longer-term nature of breeding programs.</p> <p>Reauthorize the ARS National Genetic Resource Program and increase support for the collection, preservation and evaluation of germplasm collections. Direct ARS to accelerate long-term research in this arena.</p>	<p>(Section 7406) AGRICULTURE AND FOOD RESEARCH INITIATIVE (AFRI) The old NRI and IFAFS programs are merged together into a new overall CSREES competitive grants program called the Agriculture and Food Research Initiative (AFRI). Within this new program, the legislative language includes the phrase “conventional breeding, including cultivar and breed development, selection theory, applied quantitative genetics, breeding for improved food quality, breeding for improved local adaptation to biotic stress and abiotic stress, and participatory breeding” as a subset within the AFRI priority entitled “PLANT HEALTH AND PRODUCTION AND PLANT PRODUCTS.”</p> <p>The AFRI legislative language also includes the phrase “conventional breeding, including cultivar and breed development, selection theory, applied quantitative genetics, breeding for improved food quality, breeding for improved local adaptation to biotic stress and abiotic stress, and participatory breeding” as a subset within the AFRI priority entitled “ANIMAL HEALTH AND PRODUCTION AND ANIMAL PRODUCTS.”</p> <p>The term limitation for the entire AFRI program has been changed to 10 years.</p> <p>Language regarding matching grant requirements, similar to existing NRI language, is added to require a 50-50 match from a non-Federal source for applied research grants are commodity-specific and not of national scope.</p> <p><u>AFRI report language:</u></p> <p>“The Conference substitute adopts the House provision with an amendment to replace subsection (b) of the Competitive, Special, and Facilities Research Grant Act to create a new program, titled the “Agriculture and Food Research Initiative” (AFRI), to award competitive grants for fundamental and applied research, extension, and education to address food and agricultural sciences. The program combines the priority areas of the NRI with the purposes and priority areas of IFAFS. There are six priority areas in AFRI:</p> <ol style="list-style-type: none"> (1) Plant health and production and plant products; (2) Animal health and production and animal products; (3) Food safety, nutrition, and health; (4) Renewable energy, natural resources, and environment; (5) Agriculture systems and technology; and (6) Agriculture economics and rural communities. <p>The term of competitive grants awarded under AFRI may not exceed 10 years. Under AFRI, the Secretary will seek proposals to conduct research, extension,</p>

or education activities in a specific priority area, determine the relevance and merit of proposals, and award grants on the basis of merit, quality, and relevance as determined by experts in the specific subject area.

AFRI funds are to be allocated in the following manner: 60 % will be made available for fundamental research and 40 % will be made available for applied research. Of the allocation for fundamental research, not less than 30 percent will be made available for multidisciplinary research and not more than two percent will be made available for equipment grants.

Grants awarded through AFRI may also be used to assist in the development of capabilities in the agricultural, food, and environmental sciences to certain institutions, investigators, and faculty members where such development is necessary. Eligible entities that may receive grants through AFRI include State agricultural experiment stations, colleges and universities, university research foundations, other research institutions and organizations, Federal agencies, national laboratories, private organizations or corporations, individuals, or groups thereof.

AFRI funds are prohibited from being used for the construction, acquisition, remodeling, or alteration of a facility or building.

For equipment grants funded through AFRI, the cost of the equipment required may not exceed 50 percent of the Federal funds. The Secretary may waive this matching requirement under specified conditions. For grants awarded to conduct applied research that is commodity-specific and not of national scope, the grant is required to be matched with equal matching funds from a non-Federal source.

The authorization level for AFRI is set at \$700,000,000 from fiscal year 2008 through fiscal year 2012, of which not less than 30 percent is required to be made available for integrated research. (Section 7406)

The Managers expect that in providing an annual authorization of appropriations of \$700,000,000 that AFRI will receive substantial funding to carry out its purposes in the annual appropriations process. NRI and IFAFS have been consistently underfunded despite the growing list of identified needs in agricultural research, extension, and education.

The Managers created AFRI to enhance the work funded by NRI and IFAFS. As such, AFRI should receive the combined level of authorized and mandatory funding that NRI and IFAFS, respectively, were to receive in previous fiscal years. The Managers expect that AFRI be funded at increasing levels each fiscal year to meet identified priority agriculture research, extension and education demands.

The Managers are aware of the importance of supporting public sector conventional plant and animal breeding, as evidenced by the specific mention of this priority under the “plant health and production and plant products” and “animal health and production and animal products” priorities in AFRI. The

Managers intend that the term “conventional breeding,” also known as “classical breeding,” refer to breeding techniques which rely on creating an organism with desirable traits through controlled mating and selection. Because conventional breeding is critical to the development of seeds and breeds that are well adapted to local conditions and changing environmental constraints, these efforts are important to the food and agriculture sector. The Managers are aware that participatory breeding programs, where producers are involved in the process of developing new plant varieties and animal breeds, yield varieties and breeds that are better adapted to local environments. The Managers encourage an emphasis on funding of conventional plant and animal breeding as part of the new AFRI.

The Managers are aware of the need for integrated research, extension, and education activities to stimulate entrepreneurship across rural America to support business development, improve skills of current and emerging entrepreneurs, expand access to capital, and build entrepreneurial networks. Under the priority area of “agriculture economics and rural communities,” AFRI includes “rural entrepreneurship” to increase competitive funding for integrated entrepreneurship activities. The Managers intend for this priority area to include both agricultural and rural development ventures, including strengthening non-farm, self-employment for farm and rural populations.

The Managers intend that most program areas within AFRI would have grant terms of short duration. However, the Managers are aware that there are areas of research where longer-term grants are needed, such as conventional plant and animal breeding, environmental research, and nutrition research. The Managers expect the Secretary to use 10-year grant terms only when it is critical for long-term systems research.

The Managers encourage the Director of NIFA to continue to support National Research Support Project-7 and to work cooperatively with the Center for Veterinary Medicine of the Food and Drug Administration to facilitate the development and approval of drugs for minor species and minor uses for major species. (Section 7406)

In order to improve the Department's capacity to develop programs designed to address critical and emerging issues, leverage Federal resources, and promote public and private sector participation, Congress created an Integrated Research, Education, and Extension Competitive Grants Program in 1998. The Managers continue to support this important competitive grants program and have extended the authorization for these activities in section 7306 of this Act. To further expand on these activities, the Managers have included a provision in this section which directs that not less than 30 percent of the funds made available to AFRI be used for integrated research, extension, and education competitive grants. It is the intent of the Managers

			<p>that with these additional funds, the Department will be able to expand the number and scope of programs supported under this authority.</p> <p>(Section 7201) The National Genetic Resource Program is reauthorized, without additional language.</p> <p>[Section 7206(a)(1)(C)(8)] Organic Research and Extension Initiative specifies, “developing new and improved seed varieties that particularly suited for organic agriculture,” as a new purpose for the program</p>
<p><u>Competitive Markets in Organic</u></p> <ul style="list-style-type: none"> Amend the Agricultural Fair Practices Act to close loopholes which have made it difficult to enforce, and add provisions to require processors to bargain in good faith with associations of producers, including organic producer associations, instead of leaving producers to negotiate price and contract terms unilaterally with large corporate buyers. 	Nothing in House bill	Amends the Agricultural Fair Practices Act to close loopholes which have made it difficult to enforce, and add provisions to require processors to bargain in good faith with associations of producers.	Some definitional changes were made to the AFPA within the Livestock Title. However, most of the critical parts of the Senate language did not make it into the final Conference agreement.
<p><u>Organic Research</u></p> <ul style="list-style-type: none"> Combine existing CSREES organic research programs into one Integrated Organic Program (IOP), with combined mandatory funding of \$15 million annually. This includes Organic Farming Research and Extension Initiative, (authorized 	<p>-Organic Agriculture Research and Extension Initiative is reauthorized with \$5 million a year in mandatory funding, and a separate authorization of \$25 million a year, subject to annual appropriations.</p> <p>-\$3 million in mandatory funding (over of the 5 year life of the farm bill) provided for organic data collection</p>	<p>Organic Agriculture Research and Extension Initiative receives \$16 million a year over 5 years in mandatory funding.(total of \$80 million)</p> <p>-\$5 million in mandatory funding (over 5 years) provided for organic data collection, to be used for the following purposes:</p> <ol style="list-style-type: none"> 1) to collect data relating to organic production; 2) to identify and publish organic 	<p>(Section 7206) Organic Agriculture Research and Extension Initiative (OREI) receives \$78 million in mandatory funding over 4 years, with \$18 million for fiscal year 2009, and \$20 million each for fiscal years 2010 through 2012. The authorizing language is amended to add two new purposes to the program:</p> <p>“examining optimal conservation and environmental outcomes relating to organically produced agricultural products;” and,</p> <p>“developing new and improved seed varieties that particularly suited for organic agriculture.”</p> <p>Coordination language is also added to ensure that the Division Chief of the applicable Research, Education, and Extension Office coordinates the OREI projects to ensure unnecessary duplication. The provision also includes language authorizing an additional \$25 million for the program each year,</p>

<p>through the 2002 Farm Bill with \$3 mill. in annual mandatory funding), and Organic Transition Program, (about \$1.9 million in annual discretionary funding.)</p> <ul style="list-style-type: none"> • A permanent National Program Leader for Organic Agriculture should be created at the Agriculture Research Service (ARS), with at least \$25 mil. annually to be dedicated to organic-specific research, increased commensurate with the relative growth in the organic sector. National Agriculture Library should strengthen its efforts to disseminate organic research results. • Expand the 2002 Farm Bill Organic Production and Marketing Data Initiative to require USDA data collection agencies to collect and publish segregated organic data. 	<p>- Sense of Congress provision that ARS should spend research dollars on organic research commensurate with organic's retail market share</p>	<p>production and market data initiatives and surveys;</p> <ol style="list-style-type: none"> 3) to expand, collect, and publish organic census data analyses; 4) to fund comprehensive reporting of prices relating to organically-produced agricultural products; 5) to conduct analysis relating to organic production, handling, distribution, retail, and trend studies 6) to study and perform periodic updates on the effects of organic standards on consumer behavior; and, 7) to conduct analysis for organic agriculture using the national crop table. <p>-Includes Sense of the Senate language that ARS should spend research dollars on organic research commensurate with organic's retail market share.</p>	<p>subject to appropriations.</p> <p style="text-align: center;"><u>OREI Report Language:</u></p> <p>“The House bill amends section 1672B of the FACT Act by expanding the Organic Agriculture Research and Extension Initiative to examine optimal conservation and environmental outcomes for organically produced agricultural products and to develop new and improved seed varieties that are particularly suited for organic agriculture. This section authorizes \$25,000,000 in mandatory funding for each of fiscal years 2008 through 2012. Appropriations of \$25,000,000 are authorized for each of fiscal years 2009 through 2012. The Director of NARPO is to coordinate this program to avoid duplication. (Section 7310)</p> <p>The Senate amendment amends Section 1672B of the FACT Act by authorizing mandatory funds of \$16,000,000 per year for fiscal years 2008 through 2012 for the Organic Agriculture Research and Extension Initiative. (Section 7104)</p> <p>The Conference substitute adopts the House provision with an amendment to provide the initiative with a total of \$78,000,000 in mandatory funds for fiscal year 2009 through fiscal year 2012. (Section 7206)</p> <p>Organic farming has the potential to capture atmospheric carbon and store it in the soil in the form of soil organic matter. The Managers encourage continued support of the research at the Rodale Institute regarding this research as it relates to certified organic standards.”</p> <p>(Section 10302) Organic Production and Market Data Initiatives- receives \$5 million in mandatory funding, to be available until expended. In addition, \$5 million annually is authorized, subject to appropriations, to be available until expended.</p> <p style="text-align: center;"><u>Data Initiative report language:</u></p> <p>“(18) <i>Organic production and market data</i></p> <p>The House bill: (1) amends section 7407 of the Farm Security and Rural Investment Act to add pricing of organic products as new data to be included in the ongoing collection of data on agriculture production and marketing, (2) provides that the data on organics under this section shall be collected to analyze crop loss risk of organic methods of production, (3) provides \$3,000,000 in mandatory funds to be available until expended, and (4) includes a free-standing provision that requires the Secretary of Agriculture to submit to Congress a report regarding the progress made in implementing this amendment. (Section 10302)</p> <p>The Senate amendment amends section 2104 of the Organic Foods Production Act of 1990 (7 U.S.C. 6503) by granting the Secretary authority to segregate data as it relates to the organic industry by publishing organic production and marketing information and surveys. The language is intended to remedy the lack of price and yield information for organic producers. Senate</p>
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<p><u>GMO Liability</u></p> <ul style="list-style-type: none"> Establish a liability regime so that farmers suffering economic and other losses from contamination with GE material can recoup their losses from the manufacturers of GE seeds. 	<p>- Section 123 removed from bill</p>	<p>Senate Pryor of Arkansas added an amendment urge USDA to promulgate regulations regarding management and oversight of GMOs.</p>	<p>Senator Pryor’s GMO amendment was retained:</p> <p>SEC. 10204. REGULATIONS TO IMPROVE MANAGEMENT AND OVERSIGHT OF CERTAIN REGULATED ARTICLES.</p> <p>(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary shall—</p> <p>(1) take action on each issue identified in the document entitled “Lessons Learned and Revisions under Consideration for APHIS’ Biotechnology Framework”, dated October 4, 2007; and</p> <p>(2) as the Secretary considers appropriate, promulgate regulations to improve the management and oversight of articles regulated under the</p>

<ul style="list-style-type: none"> Oppose provision added to bill by House(Sec. 123), which would limit the ability of states/localities from establishing own laws to regulate GMOs. 			<p>Plant Protection Act (7 U.S.C. 7701 et seq.).</p> <p>(b) INCLUSIONS.—In carrying out subsection (a), the Secretary shall take actions that are designed to enhance—</p> <ol style="list-style-type: none"> (1) the quality and completeness of records; (2) the availability of representative samples; (3) the maintenance of identity and control in the event of an unauthorized release; (4) corrective actions in the event of an unauthorized release; (5) protocols for conducting molecular forensics; (6) clarity in contractual agreements; (7) the use of the latest scientific techniques for isolation and confinement distances; (8) standards for quality management systems and effective research; and (9) the design of electronic permits to store documents and other information relating to the permit and notification processes. <p>(c) CONSIDERATION.—In carrying out subsection (a), the Secretary shall consider—</p> <ol style="list-style-type: none"> (1) establishing— <ol style="list-style-type: none"> (A) a system of risk-based categories to classify each regulated article; (B) a means to identify regulated articles (including the retention of seed samples); and (C) standards for isolation and containment distances; and (2) requiring permit holders— <ol style="list-style-type: none"> (A) to maintain a positive chain of custody; (B) to provide for the maintenance of records; (C) to provide for the accounting of material; (D) to conduct periodic audits; (E) to establish an appropriate training program; (F) to provide contingency and corrective action plans; and (G) to submit reports as the Secretary considers to be appropriate.
<p><u>Crop Insurance and Disaster Program Equity</u></p> <ul style="list-style-type: none"> Eliminate 5 percent surcharge levied on organic producers under federal crop insurance Specify that 	<p>- Provision added that requires USDA’s Federal Crop Insurance Corporation to enter into contracts “for the development of improvements to federal crop insurance policies” for organic crops, including a review of risk and loss experience of organic crops relative to non-organic crops. If the review shows that the loss and risk history for organic crops relative to non-</p>	<p>Provisions added as follows:</p> <p>Section 1907- Surcharge Prohibition</p> <p>Provides that USDA may not require producers to pay a premium surcharge for using scientifically-sound sustainable and organic farming practices. Does allow a surcharge for individual organic crops on the basis of demonstrated risk factors (including loss history) Also</p>	<p>SEC. 12023. CONTRACTS FOR ADDITIONAL POLICIES AND STUDIES.</p> <p>Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522) is amended—</p> <ol style="list-style-type: none"> (1) by redesignating paragraph (10) as paragraph (17); and (2) by inserting after paragraph (9) the following: <p>“(10) CONTRACTS FOR ORGANIC PRODUCTION COVERAGE IMPROVEMENTS.—</p> <p>“(A) CONTRACTS REQUIRED.—Not later than 180 days after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Corporation shall enter into 1 or more contracts for the development of improvements in Federal crop insurance policies covering crops produced in</p>

<p>organic producers should be reimbursed for losses based on organic prices not conventional prices</p> <ul style="list-style-type: none"> • Rectify similar inequities in federal disaster programs 	<p>organic crops is not significantly, consistently or systemically different, then USDA is required to “eliminate or reduce the premium surcharge for coverage of organic crops.” Also, USDA is required to offer organic farmers a choice of coverage that reflects the actual retail or wholesale price received for organic crops, with the option being available to organic farmers starting in the 2009 crop year.</p>	<p>requires USDA to consult with independent experts in the field in order to evaluate the reliability of the above information.</p> <p>Payment Rates for Organic Losses: USDA will develop procedures to offer producers of organic crops a price election that would reflect the actual retail or wholesale prices, as appropriate, received by producers for organic crops, as established using data collected and</p>	<p>compliance with standards issued by the Department of Agriculture under the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).</p> <p>“(B) REVIEW OF UNDERWRITING RISK AND LOSS EXPERIENCE.—</p> <p>“(i) REVIEW REQUIRED.—</p> <p>“(I) IN GENERAL.—A contract under subparagraph (A) shall include a review of the underwriting, risk, and loss experience of organic crops covered by the Corporation, as compared with the same crops produced in the same counties and during the same crop years using nonorganic methods.</p> <p>“(II) REQUIREMENTS.—The review shall—</p> <p>“(aa) to the maximum extent practicable, be designed to allow the Corporation to determine whether significant, consistent, or systemic variations in loss history exist between organic and nonorganic production;</p> <p>“(bb) include the widest available range of data collected by the Secretary and other outside sources of information; and</p> <p>“(cc) not be limited to loss history under existing crop insurance policies.</p> <p>“(ii) EFFECT ON PREMIUM SURCHARGE.—Unless the review under this subparagraph documents the existence of significant, consistent, and systemic variations in loss history between organic and nonorganic crops, either collectively or on an individual crop basis, the Corporation shall eliminate or reduce the premium surcharge that the Corporation charges for coverage for organic crops, as determined in accordance with the results.</p> <p>“(iii) ANNUAL UPDATES.—Beginning with the 2009 crop year, the review under this subparagraph shall be updated on an annual basis as data is accumulated by the Secretary and other sources, so that the Corporation may make determinations regarding adjustments to the surcharge in a timely manner as quickly as evolving practices and data trends allow.</p> <p>“(C) ADDITIONAL PRICE ELECTION.—</p> <p>“(i) IN GENERAL.—A contract under subparagraph (A) shall include the development of a procedure, including any associated changes in policy terms or materials required for implementation of the procedure, to offer producers of organic crops an additional price election that reflects actual prices received by organic producers for crops from the field (including appropriate retail and wholesale prices), as established using data collected and maintained by the Secretary or from other sources.</p> <p>“(ii) TIMING.—The development of the procedure shall be completed in a timely manner to allow the Corporation to begin offering the additional price election for organic crops with sufficient data for the 2010 crop year.</p> <p>“(iii) EXPANSION.—The procedure shall be expanded as quickly as practicable as additional data on prices of organic crops collected by the Secretary and other sources of information becomes available, with a goal of applying this procedure to all organic crops not later than the fifth full crop year that begins after the date of enactment of Food, Conservation, and</p>
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Energy Act of 2008.

“(D) REPORTING REQUIREMENTS.—

“(i) IN GENERAL.—The Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on progress made in developing and improving Federal crop insurance for organic crops, including—

“(I) the numbers and varieties of organic crops insured;

“(II) the development of new insurance approaches; and

“(III) the progress of implementing the initiatives required under this paragraph, including the rate at which additional price elections are adopted for organic crops.

“(ii) RECOMMENDATIONS.—The report shall include such recommendations as the Corporation considers appropriate to improve Federal crop insurance coverage for organic crops.

Organic crop insurance (etc) report language:

“Research and development contract for organic production coverage improvements

The House bill mandates that the Corporation enter into one or more contracts for the development of improvements in Federal crop insurance policies for organically raised crops. Any such contracts must review the underwriting, risk, and loss experience of organic crops in order for the Corporation to determine variation in loss history between organic and non-organic production. The Corporation shall eliminate or reduce the premium surcharge for coverage of organic crops, unless the Corporation’s review documents significant, consistent, and systemic variations in loss history between organic and non-organic crops.

The House provision provides that a contract include the development of a procedure to offer producers of organic crops an additional price election reflecting actual retail or wholesale prices received by organic producers, and requires that the Corporation submit an annual report to Congress on the progress made in developing and improving Federal crop insurance for organic crops.

The Senate amendment adds a new paragraph (12) which requires the Federal Crop Insurance Corporation to offer to enter into one or more contracts to improve crop insurance coverage for organic crops. New paragraph (10) requires the Federal Crop Insurance Corporation to offer to enter into one or more contracts to develop policies to insure dedicated energy crops such as switchgrass. New paragraph (11) requires the Federal Crop Insurance Corporation to offer to enter into one or more contracts to develop policies to insure aquaculture operations. New paragraph (13) requires the Federal Crop Insurance Corporation to offer to enter into a contract to study how to incorporate the use of skiprow cropping practices to grow corn and sorghum in the Central Great Plains into existing policies and plans of insurance offered in the Federal crop insurance program. (Section 1917)

			<p>Section 1907 prohibits the Federal Crop Insurance Corporation from charging a surcharge on premiums paid to insure organic crops. It allows surcharges to be required only when consistent evidence of greater loss variability is validated on a crop by crop basis. (Section 1907)</p> <p>The Conference substitute adopts the House provision, with the inclusion of Senate provisions requiring contracts regarding dedicated energy crops, aquaculture, skiprow cropping practices, and the following additions: the Corporation is also required to offer to enter into contracts for developing a poultry policy, a policy for bee-keepers, and a study on what modifications might be need for Adjusted Gross Revenue policies to make them more useful for beginning farmers. In the subsection addressing development of aquaculture policies, more details are provided about what species should be considered. (Section 12023)</p>
<p><u>MISCELLANEOUS</u></p>	<ul style="list-style-type: none"> - ATTRA program received permanent authorization - Value Added Producer Grant received \$20 million in mandatory funding - Market Access Program is amended to specifically add organic products to the list of products eligible under this export promotion program - Pesticide Non-Discrimination Amendment- Prohibits the Secretary from discriminating against the use of specified registered pesticide products or classes of pesticide products in establishing priorities and evaluation criteria for approval of, contracts and agreements under the conservation title of this Act. (Amendment opposed by NOC) 	<ul style="list-style-type: none"> - ATTRA authorized to receive \$5 million annually, subject to appropriations. (Section 6019) - Value Added Producer Grant Program did not receive funding - - Market Access Program is amended to specifically add organic products to the list of products eligible under this export promotion program - Section 1822- Clarifies that organic farmers do not have to be “100 percent” organic in order to receive an exemption for promotion assessments on their organic crops - Provision authorizes specific appropriations funding levels for NOP, as follows: <ul style="list-style-type: none"> - \$5 million for FY 08 - \$6.5 million for FY 09 - \$8 million for FY 2010 - \$9.5 million for FY 2011 - \$11 million for FY 2012 	<p>ATTRA authorization language for \$5 million annually (subject to appropriations) is included;</p> <p>Value Added Producer Grant receives \$15 million over 4 years;</p> <p><u>Report language regarding promotion assessment exemption for organic producers</u> <i>“(20) Exemption of certified organic products from assessments</i> The Senate amendment amends section 501(e) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401 (e)) to allow farmers who have some or part of their farm certified organic to receive the exemption. Only producers that are USDA organically certified may receive the exemption for that portion of land they produce organically. (Section 1822) The House bill contains no comparable provision. The Conference substitute deletes the Senate provision.”</p> <p>Provision authorizes specific appropriations funding levels for NOP, as follows:</p> <ul style="list-style-type: none"> - \$5 million for FY 08 - \$6.5 million for FY 09 - \$8 million for FY 2010 - \$9.5 million for FY 2011 - \$11 million for FY 2012 <p>(Section 10303)</p> <p><u>NOP funding report language:</u> <i>“National organic program</i> The Senate amendment amends section 2123 of the Organic Foods Production Act of 1990 (7 U.S.C. 6522) to provide increased authorized incremental funding levels for the National Organic Program to ensure proper compliance and oversight of the National Organic Program. It also authorizes \$5,000,000 for fiscal year 2008; \$6,500,000 for fiscal year 2009; \$8,000,000 for</p>

fiscal year 2010; \$9,500,000 for fiscal year 2011; and \$11,000,000 for fiscal year 2012. (Section 1824)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide such additional sums as are necessary to carry out the program. (Section 10303)

The National Organic Program (NOP) is the first line of defense in assuring consumers that organic products certified under the program consistently meet the program's standards. The Managers are aware of concerns raised by numerous organic agriculture interests concerning the level of resources devoted to the NOP. While the program's funding level has increased over time, the Managers view the current level of funding as inadequate to permit the NOP to properly address the world-wide scope of accreditation oversight and certifier training. The Managers strongly encourage the Secretary to prepare NOP budget requests at least equal to the appropriations levels authorized in this Act.”

Pesticide Non-Discrimination Report Language

No discrimination against use of registered pesticide products or classes of pesticide products

The House bill prohibits the Secretary from discriminating against the use of specified registered pesticide products or classes of pesticide products in establishing priorities and evaluation criteria for approval of plants, contracts and agreements under the conservation title of this Act. (Section 11305)

The Senate amendment contains no comparable provision.

The Conference substitute strikes this provision. Inasmuch as the underlying House provision was a restatement of long-standing policy of the Natural Resources Conservation Service (NRCS), the managers recognize that statutory language is unnecessary.

The House provision referred to pesticides registered by the Environmental Protection Agency (EPA) in accordance with the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) and the Food Quality Protection Act (FQPA). A FIFRA registration implies that uses of pesticides have been deemed by EPA to have met established standards of safety to human health and the environment when used in accordance with the label.

Under various conservation programs authorized in Title II, the managers have directed the Secretary to establish priorities and evaluation criteria to ensure the efficient and effective use of resources.

However, it is not the intent of the managers to undermine the regulatory framework for the legal use of registered pesticides while implementing various conservation programs in this Title.

			<p>Therefore, in establishing priorities and evaluation criteria for the approval of plans, contracts and agreements under Title II of this Act, it is the expectation of the managers that the NRCS shall neither prohibit the use of specific registered pesticides or classes of pesticides, nor advocate for the use of alternatives to registered pesticides or classes of pesticides.</p> <p>The managers intend for NRCS to assist farmers wishing to adopt new technologies and specific pest management strategies that contribute to agricultural production and environmental quality. For example, programs that assist farmers in developing risk mitigation measures regarding pesticide use are entirely consistent with the current regulatory program administered by EPA and would not be in conflict with Congressional intent.</p>
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