



National Sustainable Agriculture Coalition

**Written Statement Submitted to the
Subcommittee on Agriculture, Rural Development, FDA and Related Agencies
U.S. House of Representatives
April 2009**

Thank you for the opportunity to present our funding requests for the fiscal year 2010 Agriculture, Rural Development and Related Agencies appropriations bill. The National 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.

Below is a summary of our requests, followed by a brief description and rationale for each item. Once the President's budget requests are released we will fill in those lines in our summary and distribute the request summary to all Members of the Subcommittee.

Cooperative State Research, Education, and Extension Service

Sustainable Agriculture Research and Education Program

FY 09 Actual	\$14.4 M (<i>research & education</i>) + \$4.6 M (<i>extension</i>) = \$19.0 M total
USDA 10 Request	TBA
NSAC 10 Request	\$25 M + \$5 M = \$30 M total

Organic Transitions Program

FY 09 Actual	\$1.8 M
USDA 10 Request	TBA
NSAC 10 Request	\$5.0 M

Agriculture and Food Research Initiative

FY 09 Actual	\$201.5 M (<i>including at least \$60.5 M for integrated projects</i>)
USDA 10 Request	TBA
NSAC 10 Request	\$250 M (<i>including at least \$75 million for integrated projects</i>)

AMS, ERS, NASS

Organic Production and Marketing Data Initiative

FY 09 Actual	\$500,000 appropriated (<i>plus \$5 M one-time 2008 Farm Bill boost</i>)
USDA 10 Request	TBA
NSAC 10 Request	\$5 M (<i>divided \$3 M - AMS; \$1.5 M - ERS; \$0.5 M - NASS</i>)

Farm Service Agency

Direct Farm Ownership and Operating Loans -- Program Levels

FY 09 Actual	\$222.3 M + \$575.1 M (+\$174 M in the stimulus bill = \$749 M total)
USDA 10 Request	TBA
NSAC 10 Request	\$350 M + \$750 M

Beginning Farmer Individual Development Account (IDA) Pilot Program

FY09 Actual	N/A
USDA 10 Request	TBA
NSAC 10 Request	\$5 M

Rural Business and Cooperative Service

Value-Added Producer Grants

FY 09 Actual	\$18.9 M
USDA 10 Request	TBA
NSAC 10 Request	\$30 M

Rural Microentrepreneur Assistance Program

FY 09 Actual	\$4 M <i>(i.e., no limitation on \$4 M in Farm Bill direct funding)</i>
USDA 10 Request	TBA
NSAC 10 Request	\$30 M <i>(no limitation on Farm Bill \$4 M mandatory + \$26 M discretionary)</i>

Rural Coop Development Grants

FY 09 Actual	\$5.9 M
USDA 10 Request	TBA
NSAC 10 Request	\$8.25 M

Appropriate Technology Transfer for Rural Areas (ATTRA)

FY 09 Actual	\$2.6 M
USDA 10 Request	TBA
NSAC 10 Request	\$3.0 M

General Provisions

Organic Agriculture Research and Extension Initiative

FY 09 Actual	no limitation on \$18 M in Farm Bill direct funding
USDA 10 Request	TBA
NSAC 10 Request	no limitation on \$20 M in Farm Bill direct funding

Beginning Farmer and Rancher Development Program

FY 09 Actual	no limitation on \$18 M in Farm Bill direct funding
USDA 10 Request	TBA
NSAC 10 Request	no limitation on the \$19 M in Farm Bill direct funding

Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers

FY 09 Actual	no limitation on \$15 M in Farm Bill direct spending
USDA 10 Request	TBA
NSAC 10 Request	no limitation on \$20 M in Farm Bill direct spending

Farmers' Market Promotion Program

FY 09 Actual	no limitation on \$5 M in Farm Bill direct funding
USDA 10 Request	TBA
NSAC 10 Request	no limitation on \$5 M in Farm Bill direct funding

Conservation Security Program

FY 09	no limitation on farm bill direct funding
USDA 10 Request	TBA
NSAC 10 Request	no limitation on farm bill direct funding <i>(estimated \$752 million)</i>

Wetlands Reserve Program

FY 09	no limitation on mandatory farm bill funding
USDA 10 Request	TBA
NSAC 10 Request	no limitation on direct farm bill funding <i>(estimated \$473 million)</i>

Cooperative State Research, Education, and Extension Service

Sustainable Agriculture Research and Education (SARE). We urge you to support an appropriation of **\$30 million in FY 10** for the SARE competitive grants program, divided among **research and education grants (\$25 million)** and **extension and professional development grants (\$5 million)**. SARE has funded farmer-driven research, education, and extension initiatives into profitable, environmentally and socially sound practices for over twenty years. In FY 09, the SARE program was funded at \$19 million, just under a third of the \$60 million authorized in the 1990 Farm Bill. The FY 09 total includes \$14.4 million for research and education grants and \$4.6 million for extension and training grants.

Unique opportunities will result from a significant funding increase to \$30 million in FY 10:

- Trigger the authorized but unfunded *federal-state matching grant program* to leverage state and private money and build capacity at the state level. By law, the basic research and education portion of SARE must meet or surpass the \$15 million mark for the matching grants program to take effect. We urge that \$18 million be appropriated for the regular research and education program, plus an additional \$7 million to start-up the matching grant program.
- Invest in *long-term systems research trials* and accompanying education and extension/outreach. Long-term systems research is crucial to addressing 21st-century agriculture systems challenges and successfully dealing with climate change, creating sustainable biofuels, and sequestering carbon.
- Support and cultivate the *next generation of sustainable agriculture researchers and practitioners*. Due to lack of funds, less than one in ten research and education proposals submitted to SARE is funded while the interest in and promise of sustainable food and agricultural systems continues to rise substantially.

We strongly urge an increased commitment to SARE through an appropriation of \$30 million in FY10 that is consistent with sustainable agriculture's expanding role within our food and farming system and with the program's award-winning and cost-effective delivery of services.

Organic Transitions Research. We request **\$5 million for FY 10**, up from \$1.8 million in FY 09. Beginning in FY 09, the Organic Transitions integrated program will be combined with funding from the Water Quality integrated program to fund multi-year projects examining the effects of organic systems on water quality. The combined funding will focus resources on one of the best known solutions to critical water quality problems. Increasing the appropriation will allow the organic program to cooperate with other priority natural resource programs to provide environmental solutions in an integrated program with strong farmer delivery mechanisms built in. The increase will also help bring total USDA support for organic research and extension closer to a share of the overall research budget more closely reflecting the organic share of the market, a share which continues to lag well behind trends in agriculture.

Agriculture and Food Research Initiative. We recommend **\$250 million in FY 10**, up from \$201.5 million in FY 09. AFRI was created by the 2008 Farm Bill to replace the National Research Initiative, authorized in 1990, and the Initiative for Future Agricultural and Food Systems, authorized in 1998. We support funding for integrated research, education, and extension national programs under AFRI of at least \$75 million. We oppose the merging the Section 406 integrated programs into AFRI. We strongly support the four new AFRI program priorities (those not previously contained in either NRI or IFAFS): **conventional plant breeding, conventional animal breeding, domestic marketing strategies, and rural entrepreneurship**. We urge the Subcommittee to include report language encouraging the Department to begin new national programs within AFRI to respond to these four congressional priorities.

AMS/ERS/NASS

Organic Production and Market Data Initiatives. We request **\$5 million in FY 10** for this crucial program, divided in the following way: \$3 million for AMS, \$1.5 million for ERS, and \$0.5 million for NASS. As the organic industry rapidly matures and grows, it needs national data for production, pricing, and marketing of organic products. Authorized in the 2002 Farm Bill and receiving very modest baseline funding of \$0.5 million a year starting with the FY 05 bill, this Initiative begins to address the tremendous backlog of organic data-collection needs at the USDA data-collection agencies. Congress reauthorized this Initiative in the 2008 Farm Bill and provided it with a one-time boost of \$5 million in direct spending (all of which has been spent) plus an additional authorization of appropriations of \$25 million for FY 08-12. The information generated by the initiative is critical to organic farmers gaining equitable access to crop insurance, credit, marketing, and other farm programs.

Farm Service Agency

Direct Farm Ownership and Direct Operating Loans. We recommend **\$350 million for ownership loans and \$750 million for operating loans.** Direct loans play a very significant role in helping beginning and minority farmers and ranchers get established in agriculture and deserve continuing support. The 2008 Farm Bill updated the loan limitation level for both types of loans and also create a parallel increase in the authorization for appropriation so that the per loan limit increase would not shrink the number of borrowers served. Whether the number of borrowers shrinks, though, ultimately depends on the Subcommittee providing a funding increase consistent with the increased authorization.

The continuing financial crisis is dramatically increasing demand for both direct and guaranteed loans. The economic recovery bill responded with extra funding for direct operating loans, money that has already been fully utilized. Unfortunately, the stimulus bill did not include direct farm ownership funding, which lags even further behind demand. FSA is still short of direct operating money and very short of direct ownership money for FY 09, and will therefore start FY 10 with a major deficit. **We urge the inclusion of at least \$50 million in budget authority for FY 09 direct lending in the FY 09 supplemental appropriations bill** plus an increase in direct lending to a level of at least \$350 million for ownership and \$750 million for operating loans for FY 10.

Beginning Farmer and Rancher Individual Development Account Program. This new competitive grants program authorized by the 2008 Farm Bill enables beginning farmers and ranchers to open an Individual Development Account (matched savings account) in order to save for a farming-related asset including, farmland, farming equipment, breeding stock, trees, or similar expenditures. The Farm Bill authorizes \$5 million a year for the program. A 50% local match is needed to obtain the federal grant. This program creates the technical infrastructure as well as the incentives to assist individuals who might not historically be able to save to make asset-building purchases to get started in farming. **We urge you to invest in the future of a diverse U.S. agriculture by supporting the full \$5 million amount for this exciting new program.**

Rural Business and Cooperative Service

Value-Added Producer Grants Program. VAPG offers grants to farmers and ranchers developing new farm and food-related businesses that boost farm income, create jobs, and increase rural economic opportunity. As farmers and rural communities face tough economic times, VAPG grants encourage the kind of entrepreneurship and innovation in agriculture that enable farms and communities to survive economically. Furthermore, strong interest in farm-to-school programs is generating significantly increased demand for mid-tier value chains and local food enterprises to aggregate local production and makes it available in a form usable by school cafeterias, exactly the kind of rural development strategy VAPG is

designed to support. VAPG is an excellent investment in rural economic recovery. **We request VAPG funding of \$30 million.**

Rural Microentrepreneur Assistance Program. RMAP provides business training, technical assistance, and loans to owner-operated businesses with up to ten employees. Small businesses make up 90 percent of all rural businesses and micro-businesses are the fastest growing segment in many rural areas. With nearly one quarter of rural jobs attributable to micro-enterprises, small business development provides a major economic stimulus opportunity for rural communities.

This program is critical to preventing a credit freeze to an essential part of the rural economy. It will help create jobs, attract young people, build assets, create local markets, and alleviate poverty. **NSAC requests that RMAP be funded at \$30 million, inclusive of \$4 million of mandatory farm bill funding.**

Rural Community Development Grants. The RCDG program is a competitive grants program providing matching grant funding to non-profits or institutions of higher education that operate cooperative development centers that assist groups, including farmers, seeking to form cooperatively-owned businesses in rural areas. The program, begun in 1993, is authorized at \$50 million, but has never been appropriated at more than \$6.5 million annually even though the agency regularly can fund only half of the eligible applicants. Given the jobs crisis in rural America, this grant program can provide crucial support to stimulate economic activity and job creation. **We encourage an appropriation of \$8.25 million in FY 2010.**

Appropriate Technology Transfer for Rural Areas (ATTRA) Program. We recommend **\$3 million in FY 10**, a slight increase over the \$2.6 million the program received in FY 09. As the national information service for sustainable and organic agriculture, ATTRA answers practical questions on matters ranging from agronomic methods to small business start-up strategies from farmers, agricultural professionals, and others who call its 1-800 number. The toll-free lines are staffed 12 hours per day in both English and Spanish, and its extensive website has more than 250 free downloadable publications. A modest increase in program funding will help address the burgeoning interest in sustainable and organic agriculture as well as in on-farm renewable energy alternatives by increasing ATTRA's capacity as an accurate, expert, and timely information- and technical-assistance- provider.

No CHIMPs. We congratulate Congress for coming close in the FY 09 bill to ending the practice of reducing farm bill direct spending for conservation, rural development, energy, and research through general provision limitations. We urge the Subcommittee to continue this practice. In particular, we call attention to four competitive grants programs and two conservation programs that are among NSAC's high priority programs. We urge your strong support for the **Organic Research and Extension Initiative, Beginning Farmer and Rancher Development Program, Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers, and Farmers' Market Promotion Program**, as well as the **Conservation Stewardship Program** and the **Wetlands Reserve Program**. We urge you to keep the FY 10 bill clean of any new limitations on direct funding for conservation, rural development, energy, organic, beginning and minority farmers, and research.