



National Sustainable Agriculture Coalition

Written Statement on FY 2012 Requests Submitted to Subcommittee on Agriculture, Rural Development, FDA, & Related Agencies U.S. House of Representatives – April 14, 2011

Contact: Ferd Hoefner (fhoefner@sustainableagriculture.net), Policy Director, and Greg Fogel (gfogel@sustainableagriculture.net), Policy Associate

Thank you for the opportunity to present our FY 2012 funding requests. NSAC is an alliance of organizations that advocates for policies that support the economic, social and environmental sustainability of agriculture, natural resources and rural communities. Our USDA requests are as follows, in the order they appear in the appropriations bill: Departmental Administration, Office of Advocacy and Outreach, \$7 M; NASS and AMS, Organic Data Initiative, \$1.25 M (NASS) + \$0.3 M (AMS); NIFA, Sustainable Agriculture Research and Education, \$30 M; NIFA, Agriculture and Food Research Initiative, \$325 M; NIFA, Organic Transitions Program, \$5 M; AMS, Federal-State Market Improvement Program, \$2.6 M; FSA, Direct Farm Ownership and Operating Loans, \$600 M + \$1050 M; FSA, Beginning Farmer Individual Development Accounts, \$5 M; NRCS, Conservation Technical Assistance, \$898.6 M; RBCS, Value Added Producer Grants, \$30 M; RBCS, Rural Microentrepreneur Assistance Program, \$8.7 M; RBCS, Rural Business Opportunity Grants, \$7.5 M; RBCS, National Sustainable Agriculture Information Service, \$3 M; General Provisions, Mandatory Conservation Programs, Conservation Stewardship Program and Wetlands Reserve Program, no limitation on direct Farm Bill funding; We also oppose changes in mandatory program spending to provisions for beginning and minority farmers, organic and specialty crops, farmers markets, rural microenterprise, or community food grants.

REQUESTS & JUSTIFICATIONS IN BRIEF

DEPARTMENTAL ADMINISTRATION

Office of Advocacy and Outreach. The Office of Advocacy and Outreach administers the Outreach and Technical Assistance for Socially Disadvantaged Farmers and Ranchers program, the

farm labor grant program, and coordinates policy and outreach in two vital areas – small and beginning farmers, and socially disadvantaged or minority farmers. We support USDA’s request for **\$3.0 million** for the OA&O + **\$4.0 million** for a new farm labor grant program.

NATIONAL AGRICULTURAL STATISTICAL SERVICE

Organic Production and Market Data Initiative. NSAC requests \$1.55 million (split between \$0.3 million for AMS and \$1.25 million for NASS) for this Initiative. As the organic industry surpasses \$29 billion, the information collected through this multi-agency initiative is vital to maintaining markets, creating risk management tools, and negotiating equivalency agreements with foreign governments. The \$0.3 million for AMS is to collect and distribute price data. The \$1.25 million is for NASS to prepare, conduct, and analyze a follow-up survey to the 2008 Organic Production Survey, as it prepares for the 2012 Census of Agriculture.

NATIONAL INSTITUTE OF FOOD AND AGRICULTURE

Sustainable Agriculture Research and Education Program (SARE). We support the USDA request for **\$30 million** for this innovative competitive grants program, divided among **research and education grants (\$25 M)** and **extension and professional development grants (\$5 M)**. We propose the **Federal-State Matching Grants program** be included in the total for research and education grants (as per the SARE authorization) and funded at \$7 million. SARE has helped turn farmer-driven research, education and extension initiatives into profitable and environmentally sound practices for over twenty years. Funding SARE at \$30 million would jumpstart the Federal-State Matching Grant program as well as the already-approved emphasis on farming systems research, while allowing the existing award-winning research program to continue.

Agriculture and Food Research Initiative. We request **\$350 million** for this, the largest of the NIFA competitive grants programs. AFRI provides competitive grants for fundamental and applied research, extension, and education to address food and agricultural issues. We urge the

inclusion of report language directing USDA to make AFRI “integrated” subprograms fully competitive and open to all AFRI eligible persons and entities.

Organic Transitions Research Program. We request **\$5 million** to maintain the funding level established in FY 10 and in the USDA request. The final FY 11 continuing resolution cuts the program by 20 percent, from \$5 M to \$4 M. Maintaining the FY 10 funding level will allow cooperation with natural resource programs to provide environmental solutions with strong farmer delivery mechanisms built in. Without full funding, organic research will fall further behind in its fair share of the research budget, a share that continues to lag behind trends in agriculture.

AGRICULTURAL MARKETING SERVICE

Federal-State Market Improvement Program (FSMIP). The FSMIP provides matching funds to state departments of agriculture to help grantees increase marketing efficiency and innovation, reduce costs, stabilize food prices, and support local and regional food marketing opportunities. NSAC supports the USDA request of **\$2.6 million**.

FARM SERVICE AGENCY

Direct Farm Ownership and Operating Loans. Direct loans provide a crucial source of capital for beginning farmers and others not well served by commercial credit. Launching the next generation of farmers requires a commitment to providing capital for the purchase of land and equipment. The final FY 11 continuing resolution cuts these two programs by a combined \$225 million, while the USDA 2012 request proposes a net decrease of \$125 million. In light of the increasing age of farmers and the challenges faced by young and limited resource farmers, it is critical that we fund these direct loan programs in the most effective way possible. We ask that Congress appropriate sufficient funds to provide for program levels of **\$600 million for** Direct Farm Ownership loans and **\$1,050 million** for Direct Operating Loans.

Beginning Farmer and Rancher Individual Development Account (IDA) Program.

We urge you to provide **\$5 million** for this program, as authorized in the 2008 Farm Bill. This competitive grants program enables beginning farmers and ranchers to open an IDA (matched savings account) to save for asset-building purchases, including farmland, equipment, breeding stock, or similar expenditures. A 50% local match is required.

NATURAL RESOURCES CONSERVATION SERVICE

Conservation Technical Assistance. CTA supports farmers enrolling in financial assistance programs and helps farmers with conservation planning and implementation. CTA also funds assessment of conservation practices and systems that underpin the conservation programs, as well as NRCS collection, analysis, and dissemination of information on the condition of the nation's natural resources. NSAC supports the CTA funding level of **\$898.6 million** in the USDA request. We also support the addition of report language encouraging a modest net increase in the percentage of Farm Bill mandatory funding that may be used for technical assistance.

RURAL BUSINESS AND COOPERATIVE SERVICE

Value-Added Producer Grants. 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. VAPG grants encourage the kind of entrepreneurship in agriculture that enables farms and communities to survive economically. Furthermore, strong interest in farm-to-school programs is generating greater demand for mid-tier value chains and enterprises that aggregate local production and make it available to cafeterias, exactly the kind of rural development strategy VAPG is designed to support. 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 areas. RMAP creates jobs and local markets and alleviates poverty. NSAC supports the USDA request of **\$ 8.7 million, inclusive of \$4 million of mandatory funding.**

Rural Business Opportunities Grants. RBOG supports planning activities to improve economic conditions in rural areas, including but not limited to regional food system development. Grants have been used to add value to livestock processing and marketing, utilize biomass, develop renewable energy and agricultural resources, and support year-round growing technologies. NSAC supports the USDA request of **\$7.5 million.**

National Sustainable Agriculture Information Service. The Information Service, also known as Appropriate Technology Transfer for Rural Areas, provides critical support to farmers and Extension agents throughout the country. NSAC supports restoration of funding for this national program authorized by the Farm Bill, requested by USDA, and implemented precisely according to statute. We urge **\$3.0 million** for FY 12.

GENERAL PROVISIONS – CHANGES IN MANDATORY PROGRAMS

The cuts proposed in the President's request to the Conservation Stewardship Program, Environmental Quality Incentives Program, Wetlands Reserve Program and other mandatory conservation programs would slash the baseline for the 2012 Farm Bill by \$5 billion. These programs provide critical public benefits such as clean water, erosion reduction, and carbon sinks. Farmer demand exceeds available dollars, a fact the carefully negotiated Farm Bill took into account. **We strongly oppose the proposed cuts to these critical conservation programs. We also oppose changes in mandatory program spending to provisions for beginning and minority farmers, organic and specialty crops, farmers markets, rural microenterprise, or community food grants.**