

July 13, 2016

The Honorable Tom Vilsack
U.S. Department of Agriculture
Washington, DC 20250

Dear Secretary Vilsack:

The undersigned national organizations deeply appreciate the Department's dedication to improving conservation support for organic and transitioning to organic farmers and ranchers, and we welcome the opportunity to submit the following FY 2017 recommendations for a key component of that commitment, the Environmental Quality Incentives Program (EQIP) Organic Initiative (OI).

The Organic Initiative is an important resource for organic and transitioning farmers across the country, but steadily declining participation levels suggest that substantial barriers remain to successful implementation of the program. We are extremely concerned that despite continued growth of the organic sector, total enrollment in the Organic Initiative has continued to decline between fiscal years 2009 and 2015.¹

With only a few months remaining before the FY 2017 EQIP sign-up begins, we strongly urge NRCS to make the following administrative changes to improve access to conservation assistance for organic and transitioning to organic producers. These improvements require no new legislative or regulatory action, but they can and should be made before the next sign-up period. In order to respond to the continued and growing need for additional producers to transition to organic production to fulfill market demand, as well as the need for ongoing conservation support for certified organic producers, we offer the following recommendations for improving EQIP (including EQIP OI and General EQIP) in FY 2017.

1. Support Transitioning to Organic Producers within the Organic Initiative

Farmers and ranchers transitioning to organic face a unique set of challenges, and the Organic Initiative has enormous potential to provide them with much needed support through conservation planning and technical and financial assistance. As a percentage of total Organic Initiative contracts, transitioning contracts have grown to account for over half of annual financial assistance obligated through the Organic Initiative. It is telling that for transitioning farms, enrollment has not tailed off in the same way it has for certified organic participants. Nearly all of the decrease has come from among certified organic farmers.

As demand for organic production continues to grow, the Organic Initiative can ensure that farmers and ranchers are able to fulfill the conservation-related requirements of an Organic System Plan (OSP), including protecting biodiversity, improving soil health, minimizing erosion, and protecting water quality. Practices such as crop rotation, cover crops, nutrient and pest management, wildlife habitat management, field borders, and buffer strips can offer much needed support for producers beginning the process of transitioning to organic.

¹ In FY 2015, only 339 contracts were awarded through the Organic Initiative, which is less than 25 percent the total number of contracts awarded when the program first began in 2009.

The original legislation in Congress that led to the creation of the Organic Initiative was focused on organic transition, and participation from transitioning producers is the only component of the program that has remained constant over time. By refocusing the initiative on transition and making program improvements to support transition, there is a huge win-win opportunity to increase conservation and environmental benefits while simultaneously addressing the substantial market shortages for organic crops and livestock.

Recommendations: Refocus the Organic Initiative to target it to producers transitioning to organic production.

Provide flexible bundles of conservation practices for both cropping and livestock systems and provide robust bonus incentives for adoption of these flexible transition suites of practices. In addition, allow participants to choose from among all the other conservation practices on top of the basic bundles in order to meet additional site specific conservation goals for their farms.

Allocate acres to states based on a number of factors, including past participation as well as an anticipated level of interest from transitioning producers, and instruct all state and local offices to actively promote this option to producers initiating or in the process of transitioning to organic production.

2. Improve Access to General EQIP Funds for Certified Organic Producers

In addition to making the Organic Initiative focused on transitioning producers, it is equally important to ensure that opportunities for certified organic producers are expanded within general EQIP. This increased access for certified organic participants can be achieved through the establishment of organic performance targets within general EQIP.

Performance targets should reserve funding for certified organic participants, based on organic data for each state, as well as growing market demand for organic production. We applaud NRCS for beginning to track organic participants through ProTracts within general EQIP for the first time in FY16, and we believe this presents an opportunity to now ensure that this overall pool of funds is accessible and effective for organic applicants.

Given that the same individual conservation practices are available in general EQIP and the Organic Initiative, the opportunity to support targeted conservation efforts for certified producers will continue in general EQIP. We understand that many states have been encouraging organic EQIP applicants to go to the general pool where they will not be subject to the lower payment limit, and in some cases states choose to not offer the initiative at all. By creating performance targets and reserving funding for certified organic participants within general EQIP, NRCS can streamline and simplify the process through which organic applicants can equitably access EQIP funds.

Recommendation: NRCS should establish organic performance targets within general EQIP for each state. These targets should ensure that certified organic applicants can access general EQIP funds, and NRCS should clarify that organic producers are not subject to the lower payment limit that is applied within the Organic Initiative. Performance targets and reserved funding levels should be based on current EQIP participation levels, the number of certified operations within a given state, and organic demand for the crops and livestock produced in the state.

3. Clarify that Transitioning/ Exempt Producers are not Required to Complete an OSP during the Life of a Contract

NRCS regulations state that participants who are transitioning to organic production (including participants who are exempt from certification) will develop an Organic System Plan (OSP) and implement conservation practices that are consistent with OSP requirements and purposes of the Organic Foods Production Act of 1990. However, the National Organic Program (NOP), in accordance with the Organic Foods Production Act, does *not* require an OSP for transitioning or exempt producers and makes no provision for it. The interpretation that exempt and transitioning producers are required to have an OSP (as has been the case in previous years) is more stringent, and in fact, not in line with NOP requirements.

Therefore, it is critical for NRCS to provide clarification to the states that exempt and transitioning producers do not have to complete an OSP prior to the completion of their contract. A misinterpretation of this requirement is likely discouraging transitioning and exempt farmers and ranchers from participating in the Organic Initiative. It should be recognized that participants seek conservation assistance at different stages of the transition process, and as a result, it may take longer than three years to achieve certification, at which point a producer would be required to complete an OSP.

Recommendation: Provide clarification within the EQIP Organic Initiative guidance, as well as a separate bulletin to the states, explaining that exempt and transitioning participants are *not* required to complete an OSP as part of their Organic Initiative contract. This guidance should also urge NRCS to actively promote and reach out to transitioning producers in support of the opportunity.

Thank you for considering these joint recommendations. We hope they can be put in place for the FY 2017 enrollment period and we stand ready to assist with implementation of the changes through robust promotion and outreach activities with our members and farmer constituency.

Sincerely,

Organic Farming Research Foundation
National Organic Coalition
National Sustainable Agriculture Coalition
National Young Farmers Coalition

cc:

Robert Bonnie
Ann Mills
Jason Weller
Tony Kramer
Mark Rose
Jeff White
Betsy Rokala
Lindsay Haines