



SIX STATES WITH ONE VOICE
AT THE NATIONAL TABLE

Farm Bill Information Session

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Northeast Organic
Dairy Producers Association
Annual Meeting and Field Days
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2012 Farm Bill

- Senate passed a bill in June
- House Agriculture Committee passed a bill in July
- Stalled in House over \$16.5 billion in cuts to SNAP



2012 Farm Bill

- 2008 Farm Bill Expires September 30th
- 37 programs expire with it
- Commodity program support expires with 2012 crop year
- MILC expires December 31, 2012
- Crop insurance unaffected
- Possible reversion to permanent law (parity pricing) with no action and no extension - \$37.28 Cwt!



2012 Farm Bill

The Way Forward:

- Pass a five-year farm bill in the lame duck session.
- Pass a short-term (3 to 12 mo.) extension of programs with existing baseline along with some disaster relief.



2012 Farm Bill

Both Bills Include:

- Dairy Margin Insurance Program/ Dairy Market Stabilization Program
- Directive to USDA to develop crop insurance products suitable for diversified crop and livestock
- Organic production and market data initiative funding at \$5 million mandatory and \$5 million discretionary per year
- Local and regional food data initiative



2012 Farm Bill

Both Bills Include:

- Maintains organic initiative within EQIP, maintains separate payment limit
- Regional Equity Provision
- New resources for Specialty Crops
- New resources for local food aggregation and distribution
- Allows SNAP beneficiaries to purchase CSA shares



2012 Farm Bill

Senate Bill Includes:

- \$100 million in mandatory funding for SNAP incentives
- \$65 million in discretionary funding for Rural Business Development Grants
- Reauthorizes ATTRA
- Maintains NOCCS program
- Directs RMA to develop full organic price series within 3 years



New England
Farmers Union

2012 Farm Bill

Senate Bill Includes:

- Mandatory funding for REAP and BCAP
- Ties receipt of subsidized crop insurance to conservation compliance



2012 Farm Bill

House Bill Includes:

- Small school local food purchase in lieu of USDA commodities
- More local and fresh fruits and vegetables under DoD Fresh Program
- \$50 million mandatory funding for VAPG



2012 Farm Bill

House Bill lowlights:

- Repeals fair competition measures passed in 2008 farm bill and blocks rulemaking
- Weakens review process for GE crops
- Limits states ability to impose local health and safety laws to products grown elsewhere



WHAT'S UP WITH THE FARM BILL?

Congress Punts -- there is no Farm Bill
Update from Steve Etka, National Organic Coalition
www.NationalOrganicCoalition.org 10.10.12

The House and Senate have adjourned, and are not scheduled to return until mid November for a Lame Duck session after the elections. While Congress did take action to pass a 6-month continuing resolution to fund the appropriations bills at roughly last year's funding levels (or slightly higher), Congress left town without taking any final action on the Farm Bill. Attempts to move a new Farm Bill, or even a short-term extension of the 2008 Farm Bill, have failed in the House, even though the House Agriculture Committee reported out a Farm Bill in July with strong bipartisan support. House Leadership has made it clear that they did not have the votes to pass either the new bill or an extension of the old bill, at least not before the election.

So when Congress returns for the Lame Duck session in November, it is expected that there will be another attempt to take some action on the Farm Bill.

In the meantime, the lack of final Farm Bill action by Congress leaves agriculture, and particularly organic, in a very precarious and uncertain situation. Because some of the core organic programs are funded with mandatory funding through the Farm Bill, and others are funded through the annual appropriations process, it's confusing to figure out how these programs will be affected by the Congressional inaction.

In a nutshell, all the organic programs that received mandatory funding through the 2008 Farm Bill - the National Organic Certification Cost Share Program, some parts of the Organic Data Initiative (ODI), and Organic Agriculture Research and Extension Program (OREI)-- are essentially without funding until Congress takes some action on a new Farm Bill.

But organic programs such as operating funds for NOP, the Organic Transition (research) Program, and some Organic Data Initiative functions will continue to be funded as part of the 6-month continuing resolution, and the EQIP Organic Initiative will be funded through 2014 sign-ups. It is expected that these programs will likely receive funding very similar, if not identical, to the levels they received last year, though USDA will have some discretion to adjust funding levels between various USDA programs.

Sequester?

But there's another wrinkle in all of this, which is the \$1.2 trillion (over 10 year) "sequester" (i.e. budget cut) that is scheduled to kick in on January 1, 2013, as a penalty for Congress' inability to make its own set of budget cuts through the "Super Committee" process last year. However, there is a good chance that when Congress returns in November they will take action to suspend that sequester, or push it back temporarily. If they don't, it will likely mean a cut of about 8 percent in most appropriated USDA programs for FY 2013. (For those who really want to understand the sequester process in more detail, NSAC has done a very good blog on this subject- <http://sustainableagriculture.net/blog/revised-sequestraion-cuts/>)

Here's our best analysis of the status of each of our key organic programs:

- **Organic Certification Cost Share Programs**

The organic farmers in the 16 AMA states (CT, DE, ME, MD, MA, NH, NJ, NY, PA, RI, VT, WV, HI, NV, UT, WY) will continue to receive certification cost share assistance, because the AMA program is funded on an ongoing basis through Crop Insurance law, and is therefore not affected by the lapse in the Farm Bill.

However, for the 34 non-AMA states the \$22 million that was provided for the National Organic Certification Cost Share program by the 2008 Farm Bill is nearly gone, which means that organic handlers *nationwide* and organic farmers in the non-AMA states will no longer have access to certification cost share assistance until Congress returns and takes action on a new Farm Bill, or extends the current Farm Bill with funding for this program.

- **Organic Agriculture Research and Extension Initiative (OREI)**

OREI funding lapsed on October 1st, which means that there will be no new grant making cycles under this program unless and until Congress reauthorizes the program and provides new funding for it. In theory, if Congress were to come back and pass a new Farm Bill in November or December, USDA would be able to make up for lost time without a huge disruption in the program, but it still creates a great deal of uncertainty.

- **Organic Data Initiative (ODI)**

The \$5 million in mandatory funding that was provided for ODI by the 2008 Farm Bill has been fully expended. However, some ODI functions have also been funded through the annual appropriations process and are expected to continue, including \$300,000 for AMS, \$500,000 for ERS, and possibly \$250,000 for NASS. If the budget sequester discussed above actually kicks in on January 1, 2013, it could result in some small cuts to these functions (as much as 8 percent). If Congress decides to pass a new Farm Bill, it will likely include additional mandatory funding for ODI as well.

- **Organic Transition Program**

This research program received \$4 million through the appropriations process last year, and as a result of the continuing resolution passed by Congress this week, it will continue to be funded at roughly that same amount, at least for the next 6 months. This program has been administered jointly with the OREI program, but unlike OREI, the Organic Transition Program is not disrupted by the Farm Bill lapse. If the budget sequester discussed above actually kicks in on January 1, 2013, it could result in some small cuts to the program (as much as 8 percent).

- **ATTRA**

ATTRA will continue to receive funding at roughly the same level as last year (\$2.25 million) as a result of the continuing resolution, and is not directly impacted by the Farm Bill lapse. If the budget sequester actually kicks in on January 1, 2013, it could result in some small cuts to the program (as much as 8 percent).

- **National Organic Program (NOP)**

The operating budget for NOP is funded through the appropriations process, and therefore NOP should continue to receive funding at roughly the same level as last year (\$6.9 million). If the budget sequester discussed above actually kicks in on January 1, 2013, it could result in some small cuts to NOP (as much as 8 percent), although AMS leadership would likely have some discretion to insulate some programs from cuts by cutting other programs at greater levels. If Congress returns in November to pass a new Farm Bill, it will likely include additional mandatory funding for equipment and technology upgrades, as well.

- **EQIP Organic Initiative**

Earlier this year, several conservation programs, including EQIP, were given an extension until 2014, although following the Continuing Resolution, at reduced funding levels. Enrollments for the EQIP Organic Initiative are happening now on a continuous basis.

Farm Bill Scenarios for Lame Duck Session

There are many scenarios about what could happen with the Farm Bill during the Lame Duck session. Most of the scenarios hinge on the outcome of the Presidential and Congressional elections, and are therefore unknown right now. To give an example, if the Republicans keep their majority in the House, and also take control of either the White House and/or the Senate, they may feel like it would benefit them to start over next year with a new Farm Bill process where they would have more control. However, if the White House and Senate stay in Democratic Party control and the Republicans remain in control of the House, there may be more willingness to get moving to pass a new Farm Bill on the House floor in November. But there are too many unknowns at this point to make any real predictions.

For Up-To-Date Farm Bill Analysis Go To NSAC's Website: www.SustainableAgriculture.Net