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My Voice: Farm Bill's Opportunity to Support Organic Agriculture

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The pending new federal farm bill presents an opportunity to upgrade U.S. farm policy so that it better addresses the importance and unique needs of organic agriculture. The U.S. currently is experiencing a domestic shortfall of organically produced food as consumer demand continues to outpace supply. Organic food now constitutes about 3.5 percent of total U.S. retail food sales and is projected to grow to 10 percent by 2012. Nevertheless, only about one-half of 1 percent of all U.S. cropland was certified organic in 2005, the latest year for which comprehensive data are available. A similar percentage of U.S. pastureland that year was organic.

According to U.S. Department of Agriculture data, there were 90 certified organic farms in South Dakota in 2005. These farms' approximately 60,000 acres of organic cropland made up less than one-third of 1 percent of total cropland in the state. (They also had nearly 13,000 acres of certified organic pasture and rangeland.) Some of these farms have operated successfully for many years.

In contrast to the U.S., the latest data (2006) for the European Union show 4 percent of the agricultural area there to be under organic production. Austria is the highest, at 13 percent, and 9 percent of Italy's agricultural area is organic. Sweden is at 7 percent, Denmark 5 1/4 percent, Germany nearly 5 percent, and the United Kingdom nearly 4 percent.

Why the big difference between Western Europe and the U.S.? Many factors have been at work, but a very important distinction exists between European and American public policy. European farmers have long received financial assistance to convert to organic farming methods. These programs exist because there is a general consensus in Europe that organic agriculture offers valued environmental, public health and rural economic benefits.

Studies carried out by South Dakota State University in the past two decades have shown that organic farms often can be economically competitive with more conventional farms. Even with today's high prices for conventional commodities, organic corn and soybeans command prices double those of their conventional counterparts, and organic wheat commands prices about 80 percent higher than conventional wheat.

Yet studies and surveys have shown that a number of obstacles hold many farmers back from converting to organic. Among those obstacles are the risks and costs involved in the transition to organic. Yields



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often fall briefly during the transition process. Also, farmers do not qualify for organic price premiums until a three-year transition period is completed. The European transition assistance programs help farmers get through this phase between farmers' conversion to organic and when they can receive premiums that often go along with being certified organic.

What was to be a new federal farm bill in 2007 still is under consideration in Congress. The House of Representatives passed its version of a new farm bill in July, but it was not until December that the Senate passed its version. Conference Committee deliberations to resolve differences between the two bills are just getting under way.

Both bills contain provisions for a new national organic conversion assistance program, patterned at least in part after Western European programs. Money for technical and cost-share assistance would be made available to farmers. The House bill authorizes a new program but does not provide mandatory funding. In the Senate bill, funding and implementation would come under the already existing Environmental Quality Incentives Program.

Also, funding would be strengthened in both House and Senate bills for organic certification cost-share and for organic agriculture research and extension. The House version provides \$5 million a year for the Organic Agriculture Research and Extension Initiative, and the Senate version provides \$16 million a year. Funding directed explicitly to organic research would provide vital information for organic farmers who need data to make planting decisions, access markets, and apply for crop insurance.

Citizens concerned about environmental sustainability, healthy food and the economic viability of family farms should push Congress now to establish and adequately fund policies that encourage organic agriculture. That includes creating, for the first time in the US., a national organic conversion program. It also includes funding the Organic Agriculture Research and Extension Initiative to the level proposed in the Senate farm bill.