The Food, Conservation and Energy Act of 2008

Initiatives for Organic and Locally-Grown Production

- **ORGANIC COST-SHARE CERTIFICATION:** The legislation provides cost-share assistance to organic farmers or handlers to offset the cost of becoming USDA certified. Annual payment to a producer or handler is capped at $750. The bill provides $22 million in mandatory funds for fiscal year 2008 to remain available until expended.

- **ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE:** Competitive grants that are authorized to research institutions to develop needed organic production and marketing information for organic producers with $78 million funds dedicated to this needed research.

- **CLASSICAL/CONVENTIONAL PLANT BREEDING:** Within the National Research Initiative classical plant breeding is made a priority. This action will help organic producers obtain plant varieties that are best suited to their regions and environmental conditions.

- **ORGANIC PRODUCTION AND MARKET DATA INITIATIVES:** USDA is required to collect, publish, and conduct statistical analysis and surveys concerning organic production and markets. The organic industry has grown very rapidly, yet basic price and yield information is lacking. To correct this information deficit, the bill provides $5 million in mandatory funds to collect this needed information. In addition, $5 million, in appropriations is also authorized for each of fiscal years 2008 through 2012.

- **ORGANIC CONSERVATION PRACTICES:** The Secretary of Agriculture is directed to incorporate specialty crop and organic production fully into conservation practice standards. Technical assistance and locally available conservation technical expertise is enhanced for organic and specialty crop producers. Additionally, conservation practices related to organic transition and production systems are clarified under EQIP and are listed as eligible activities.

- **CROP INSURANCE:** Organic producers currently are required to pay a surcharge of five percent for crop insurance premiums, which results in very few producers participating in risk protection. The farm bill requires USDA to evaluate premium levels and price elections for organic crops, requiring both to be established by price and loss history for individual organic crops rather than through arbitrary surcharges.

- **DISTRIBUTION OF LOCALLY GROWN FOODS:** Several initiatives are included to help spur the distribution and marketing of locally or regionally produced foods.

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The bill expands the Farmers’ Market Promotion Program, which provides targeted grants to help promote and improve farmers’ markets, roadside stands, and other direct producer-to-consumer marketing opportunities. A $33 million boost in mandatory funding is provided to develop and expand farmers markets across the country.

The Business and Industry Loan Program is modified to provide loans to individuals, cooperatives, businesses, and other entities to establish and facilitate enterprises that process, distribute, aggregate, store, and market locally or regionally produced agricultural food products. The Secretary of Agriculture is required to reserve at least five percent of the B+I program’s funds for these types of activities.

The Value-Added Product Market Development Program is modified to provide grants to farmers and cooperatives to facilitate the aggregation and marketing of locally-grown foods. USDA is required reserve 10 percent of funds each fiscal year for local and regional supply networks that link independent producers with businesses that market value-added agricultural products.

The bill encourages institutions receiving funds through the farm bill and through the Child Nutrition Act to purchase locally grown and locally raised agricultural foods.

Mandatory funding of $5 million is dedicated for increasing access to healthy affordable foods, including locally-produced agricultural products in underserved communities. The Center may provide sub-grants to entities that want to establish or assist enterprises that process, distribute, aggregate, store, and market healthy affordable foods.