

SPECIAL EDITION
Weekly Update
Sustainable Agriculture Coalition
June 5, 2007

We are issuing another special edition of the Weekly Update to cover breaking news on agricultural appropriations and drafts of the House farm bill rural development, specialty crop, and organic titles and provisions prepared in advance of the Subcommittee markups scheduled for Wednesday and Thursday. We will issue the regular edition on Friday, including the results of those markups.

Agricultural Appropriations – Allocation and Mark-up Set: Yesterday, the House Appropriations Committee released its allocations to each of the 12 subcommittees. The Agriculture Subcommittee will be working with a \$1.1 billion increase over current year levels for the FY 08 bill. Instead of the \$17.7 billion in discretionary spending currently or the \$17.8 billion proposed by the President, the subcommittee will write its bill to an \$18.8 billion allocation. The mark-up has also now been schedule – it will happen on June 12, exactly one week from today. That means this week is the time for last ditch messages to appropriations offices on SARE, ATTRA, organic research, CSP funding, and the other sustainable agriculture priorities. SAC appropriations testimony with a list of priorities is on the website.

Action Alert Updates: Thanks to everyone who has mobilized calls on Value-Added Producer Grants, Rural Micro-Enterprise, Farmers Market Promotion Program, and Organic Certification Cost Share! As you will read below, we have made some measure of progress on each of these priority issues, though not in each case as much as we would like. Nonetheless, it bodes well for improvements once the overall funding situation for the farm bill becomes clearer.

House Farm Bill Rural Development Title: In anticipation of the Wednesday morning meeting of the House Ag Subcommittee on Specialty Crops, Rural Development, and Foreign Agriculture to consider Farm Bill provisions under its jurisdiction, House Ag Committee Chairman Collin Peterson (D-MN) made public his proposal for the Farm Bill Rural Development title on Monday afternoon. Overall, the Chairman's mark contains few surprises, as lack of any Farm Bill baseline funding for rural development made it unlikely any programs would be proposed for authorization with mandatory funding.

This theme held true for an important component of SAC's Farm Bill agenda, the ***Value-Added Producer Grant program***, for which the Chairman would substitute \$40 million in annual appropriations for the program's current mandatory annual funding of the same amount. The Chairman's VAPG proposal would also reserve 10 percent of grant funds for projects which serve beginning and socially disadvantaged farmers, a change consistent with SAC priorities, though other SAC-recommended policies for improving and expanding VAPG were excluded.

However, Rep. Jeff Fortenberry (R-NE) is expected to offer an amendment during tomorrow's subcommittee meeting supporting the prioritization of VAPG projects aimed at helping small and mid-sized family farms gains access to new markets, one of the several key changes recommended in the SAC farm bill platform. We are fairly confident the majority of our recommended changes will be made in the Senate chair's farm bill proposal when it comes out several weeks from now, though it is good if at least some of our items also show up in the House bill.

The Chairman's rural development proposal includes the ***Rural Entrepreneur and Micro-Enterprise Program***, another important SAC Farm Bill priority. Although the Chairman's mark provides only \$20 million in annual discretionary funding for the program, far short of the \$50 million in mandatory annual funding SAC endorses, the inclusion of the micro-enterprise program is a positive early indication of the strong support this program is receiving from many members of Congress. In the last farm bill, the Senate bill included the program, with mandatory funding, but the House version of the bill did not

include it at all, and it was lost in conference. So having the House bill include the full authorization is a huge step forward. Congratulations in particular to the Center for Rural Affairs for getting this to happen, as well as for facilitating the Fortenberry amendment on VAPG.

Representative John Barrow (D-GA) will offer an amendment at tomorrow's mark-up to create a new authorization for the ***Appropriate Technology Transfer for Rural Areas (ATTRA) program***. We expect it to pass, and congratulate the National Center for Appropriate Technology in advance for getting off to a good start to get the authorization settled in the farm bill and therefore hopefully increasing the chances for good funding results in the appropriations bill.

Other programs of special interest to SAC and slated for reauthorization in the Chairman's mark include ***Rural Business Opportunity Grants (RBOG) and the Rural Strategic Investment Program (RSIP)***. RBOG would be reauthorized without changes, while RSIP would be approved for up to \$25 million annual discretionary funds. The chairman's mark also includes a change sought by the National Cooperative Business Association to allow for ***Rural Cooperative Development Grants*** to be three year grants instead of one year grants in certain circumstances.

Horticulture and Organic Agriculture: Just this evening the Chairman's proposal for organic and horticultural specialty crop provisions was made public, with Subcommittee mark-up scheduled for Thursday afternoon. Like the Rural Development Title, Farm Bill baseline funding for organic and horticulture-related provisions is non-existent, but the Chairman's mark would provide mandatory funding for some of these programs dependent on the availability of money through the so-called Farm Bill contingency reserve, through which \$20 million in additional Farm Bill money may or may not materialize. While reserve fund dollars are not real dollars at this point in the process, the provisions for reserve fund dollars do signal an intent to get real mandatory funding that is in sharp contrast to the rural development title where all of the provisions are just plain old authorizations without an intent to fund them with mandatory dollars.

One such program is SAC's ***Farmers Market Promotion Program***, for which the Chairman's proposal provides \$5 million in mandatory annual funding for Fiscal Years 2008 to 2010, followed by \$10 million in annual mandatory funding in Fiscal Years 2011 and 2012. If the reserve fund is realized, this would provide FMPP with \$35 million in mandatory funding over the life of the Farm Bill, significantly less than the \$20 million in annual mandatory funding SAC recommends to meet burgeoning public demand for the program, but far more than the small discretionary funding the program currently receives.

The ***National Organic Certification Cost Share Program***, another SAC initiative, is also slated to receive mandatory funding if Farm Bill reserve funds are provided. The Chairman would fund the program at \$25 million over the life of the Farm Bill and would raise the cap an individual farmer can receive to \$750, both consistent with the SAC recommendations.

The mark also includes revisions to the ***Organic Production and Market Data Initiative*** to keep USDA working on segregated production, marketing, and pricing data, and requiring them to report on progress within a half year after the farm bill passes.

The remainder of the Chairman's Farm Bill proposal for horticulture and organics is dominated by horticulture provisions tied to specialty crop production. Again linked to materialization of reserve funds, ***Specialty Crop Block Grants***, one of the top priorities of the Specialty Crop Farm Bill Alliance, are slated to receive \$175 million in mandatory funds over the life of the Farm Bill. Contingent mandatory funding is also provided for a new ***Early Pest Detection Program***, to the tune of \$100 million over the life of the bill. The mark also includes nearly \$1 billion in mandatory funds over the life of the bill for purchase of ***fruits and vegetables for school feeding programs***. This funding is not contingent on the reserve fund, so in a sense, it's the most real and concrete measure in either of the mark-ups this week.