



May 16, 2014

David Hancock
NASS Clearance Officer
U.S. Department of Agriculture
Room 5336, South Building
1400 Independence Avenue SW
Washington, DC 20250–2024

Re: NSAC Comments on Docket Number 0535-0249

Submitted via Email to: ombofficer@nass.usda.gov

The National Sustainable Agriculture Coalition (NSAC) welcomes the opportunity to submit comments on the Organic Survey that the National Agricultural Statistics Service (NASS) is proposing for crop year 2014. In addition to the attached written comments, NSAC has had in-person meetings and email communications with NASS program staff to discuss these recommendations in further detail.

The National Sustainable Agriculture Coalition is a national alliance of 40 family farm, food, rural, and conservation organizations that together take common positions on federal agriculture and food policies to advance sustainable agriculture. NSAC has had a research, extension, and education committee since its founding in 1988 and research issues remain a very important priority for the Coalition. NSAC's research policy work focuses on the development, funding, and implementation of USDA and other federal research, education, extension, and integrated programs that examine and advance sustainable food and agricultural systems – including organic production systems.

Over a third of our Coalition members are actively working on issues facing organic agriculture, including organic research and data collection; education and outreach; and providing technical assistance with organic certification. Having reliable data on any agricultural sector is critical for policymakers, farmers, businesses, and crop insurance providers to make sound policy, business, marketing, and risk management decisions. For organic and conventional farmers alike, state and national data on agricultural production are very useful in helping producers identify what sectors are strong, and where there is room for growth. The tremendous growth of the organic sector over the past few decades presents huge opportunities for businesses and other elements of the organic supply chain. These opportunities would not be as apparent without consistent, uniform data on these sectors, and projections for their future growth and overall economic health.

Background

The Food, Conservation, and Energy Act of 2008 required and provided funding for the U.S. Department of Agriculture (USDA) to “develop surveys and report statistical analysis on organically produced agricultural products” through the Organic Production and Market Data Initiatives. In

carrying out this provision, the National Agricultural Statistics Service (NASS) conducted in 2008 the first-ever Organic Production Survey (OPS) as a follow-on to the 2007 Census of Agriculture.

The OPS provided the first comprehensive snapshot of the growing organic sector in the U.S., and provided a reliable source of public information critical to farmers and handlers in making informed decisions about their operations, and to policymakers in analyzing the economic benefits, challenges, and trends of organic agriculture. It has also helped to legitimize organic agriculture as an important part of a diverse American agriculture.

USDA's Risk Management Agency (RMA) used additional funding provided by the Organic Production and Market Data Initiatives to develop organic price elections for several crops so that organic farmers participating in federal crop insurance would be compensated at the organic (not conventional) price they would have received absent their crop failure. To date, RMA has developed organic price elections for corn, soybeans, cotton, processing tomatoes, avocados, and certain stonefruit crops and is working toward having organic price elections available in the next two years for wheat, barley, oats, almonds, apples, pears, blueberries, table grapes, and certain stonefruits. NSAC has long supported these efforts and has continued to advocate and secure funding for these important efforts since the initiative was authorized in 2008.

As part of an ongoing dialogue with NASS, NSAC and several other stakeholders from the organic community met with NASS officials in 2011 to discuss the agency's plans for another Organic Production Survey as a follow-on to the 2012 Census of Agriculture that the agency was in the process of developing at the time. Issues discussed included timeline and funding considerations, as well as the value of having a timely follow-on to the Census.

In response to the concerns that were raised during this meeting, NSAC joined the National Organic Coalition, the Organic Farming Research Foundation, and the Organic Trade Association on a letter to NASS Administrator Cynthia Clark, formalizing our request for NASS to undertake the preliminary steps needed to conduct an Organic Production Survey for crop year 2013, as a follow-on to the 2012 Census (see Appendix A for specific recommendations included in this letter).

One concern that NASS cited as a potential barrier in conducting this survey was the lack of funding to take on additional data collection activities within the agency. Over the course of the next three years, NSAC and our allies within the organic community were successful in obtaining additional funding for the Organic Production and Market Data Initiatives, including \$2.25 million in fiscal year 2014 that Congress specifically designated to support an Organic Production Survey as a follow-on to the 2012 Census:

Organic Production Survey—In 2008, NASS conducted the first-ever comprehensive Organic Production Survey as a follow-on survey to the 2007 Census of Agriculture. Published in February 2010, the survey has provided information vital to the organic sector's growth. The Committee believes the Organic Production Survey should be conducted on a regular basis to properly assess the characteristics, trends, and changes in the sector, and recommends an increase of \$2,250,000 within the Census of Agriculture for an Organic Production Survey [H.R.3547].

Additionally, the 2014 Farm Bill that was signed into law earlier this year reauthorizes the Organic Production and Market Data Initiatives and provides \$5 million in additional funding to support organic data collection activities over the next five years – including data collection for RMA to

establish prices for all organic crops by the 2015 crop insurance year, and to rely upon all available data sources to do so.

In that light, NSAC makes the following recommendations on how NASS should best utilize the \$2.25 million that was provided for the Organic Production Survey in the fiscal year (FY) 2014 agriculture appropriations bill. We believe that Congress was very specific with how this funding should be used when they passed the Consolidated Appropriations Act of 2014, and while we realize NASS is exploring a range of options regarding how to use this funding, we are not certain that those options comport with the appropriations bill. Our recommendations aim to support NASS's data collection efforts on the organic sector by building upon previous successful surveys and expanding our understanding of the health and growth potential for the organic sector.

Recommendations

1. Expand the proposed 2014 Organic Survey to include the full set of questions asked in the 2008 Organic Production Survey.

This is our strong preference in how NASS should proceed with the Organic Survey proposed for crop year 2014. While we are supportive of NASS's efforts to collect data needed by RMA in order to meet the Congressional mandate to develop full organic price elections by 2015, we are concerned that the proposed RMA survey is intended to replace the more comprehensive Organic Production Survey that Congress specifically designated funding for in their FY 2014 appropriations bill. The 2008 Organic Production Survey provided a valuable baseline of how our domestic organic sector was performing at the time, and it is vitally important to be able to continue to build upon this data by collecting *the same type of data using the same scope of potential respondents and the same methodology* as the previous survey conducted in 2008.

The methodology and scope of the 2011 Certified Organic Production Survey (COPS), upon which the proposed 2014 Organic Survey is based, is substantially different from the 2008 OPS and will therefore be insufficient in making comparisons between the two surveys or drawing conclusions on specific trends within the organic sector between the years that the survey was conducted. While we recognize that the purpose of this survey is to satisfy RMA's urgent data needs, and while we support those efforts, we would be very concerned if this survey would displace a more comprehensive organic follow-on survey to the Census of Agriculture.

For example, the 2011 COPS only captured price and yield information from certified organic producers, while the 2008 OPS collected comprehensive production and marketing data from both certified and exempt producers. Over 3,600 exempt organic operations were surveyed in the 2008 OPS and were omitted from the 2011 COPS. This omission means that the survey is not truly representative of the number of organic farms operating and the contribution of organic products to the marketplace.

We are therefore pleased that the proposed 2014 Organic Survey will survey *both certified and exempt producers*, and urge the Agency to maintain the broadest pool of potential respondents and in line with the previous audience targeted in the 2008 OPS. We do, however, express concerns with how respondents self-identify as "exempt" from organic certification, and recognize that there may be some misunderstanding in what is meant by the term "exempt." Some producers may feel they are

“exempt” from certification if they follow organic practices on their farms but choose not to pursue certification through USDA’s National Organic Program, and may not take the time to flip to the Instruction Sheet which clearly defines exempt as “following the rules of a certified organic producers but exempt from paying for the certification due to having annual organic sales of less than \$5,000.” We would therefore request additional clarification on the first page of the survey in the first instance where “exempt” and “organic” are mentioned – perhaps even stating the full definition on the first page rather than in the Instruction Sheet. For recommendations on specific language to accurately represent “exempt” status in organic production, we recommend that NASS contact the National Organic Program for guidance.

As proposed, the 2014 Organic Survey is much more limited in scope than the 2008 OPS and will be inadequate in providing the most comprehensive trend data on what has happened within the organic sector over the past five years. Please refer to Appendix B for a complete list of questions that were collected in the 2008 OPS but excluded from the proposed 2014 Organic Survey. As NSAC stated in 2011 during ongoing communications with NASS, we still feel that it is of the utmost importance for NASS to institute a regular organic survey as a follow-on to the Census of Agriculture in their long-term data collection plans (see recommendation #6 for additional details on this point).

While much of the price, yield, and production data that is being proposed in the 2014 Organic Survey is similar to the data collected in the 2008 OPS – and will therefore provide useful trend data for production and yield histories and hopefully be useful to RMA in developing organic price elections – there are several questions that were included in the 2008 OPS that are currently excluded from the 2014 survey. These are questions related to marketing practices, transitioning cropland, federal crop insurance, production practices, and challenges facing organic producers. Excluding these questions will result in a significant missed opportunity to fully understand how those aspects of organic production have changed over the years.

Examples of the types of data which are not currently included in the proposed 2014 Organic Survey, and for which the organic community and general public will not have trend data unless these questions are retained in the Survey as they were in 2008, include:

- Whether the number of organic farmers enrolling in federal crop insurance has increased over the past five years;
- What type of land farmers are transitioning from conventional to organic production and how this aligns with the demand for organically produced crops or livestock products;
- Whether organic production costs are keeping in line with organic price premiums and how these trends may impact whether an organic farmer decides to expand or scale back their business in the future;
- Trends in farming challenges faced by organic producers – production problems, price issues, regulatory problems, market access, management issues, or other – information vital for guiding priority setting in research, extension, education, and technical assistance programs for organic producers;

- What specific production practices organic farmers most utilize on their farms to manage pests, diseases, and fertility, conservation of soil and other resources, and related challenges that are key in identifying the most pressing research and technical assistance needs to ensure the competitiveness of the organic sector; and
- Any data on organic floriculture, mushroom, or nursery production, which will place these producers and other businesses along the supply chain at a severe disadvantage compared to other sectors of the organic economy.

We understand the need to minimize the annual reporting burden placed on farmers for data collection purposes, and NSAC, along with the thousands of farmers we represent, share that concern with NASS. Our strong preference would therefore be for NASS to conduct a single comprehensive organic survey, rather than conducting a more abbreviated survey in 2014 and a more complete organic production survey in 2015.

We therefore are recommending that NASS fully expand the proposed 2014 Organic Survey to include the full set of data questions asked of organic farmers in 2008, and to build upon this survey with additional clarifying questions that address pressing issues currently facing the organic sector (such as new food safety regulations), rather than conducting an additional survey to organic producers next year. Please see recommendation #4 for additional details on this point. In line with this approach, we would urge NASS to conduct an Organic Production Survey as a regular follow-on survey to future Censuses of Agriculture – using the 2008 Organic Production Survey as the baseline upon which to build future surveys.

This approach would allow NASS to both minimize the reporting burden on farmers and collect the most comprehensive set of data and provide urgently needed trend data on the performance and growth opportunities within the organic sector.

2. If unable to include all the 2008 questions in the proposed 2014 Organic Survey, conduct the full Organic Production Survey in crop year 2015, modeled after the 2008 Organic Production Survey.

Although we strongly urge NASS to expand the 2014 Organic Survey to include all of the questions included in the 2008 OPS, we realize NASS and RMA are facing both internal and external pressure to finalize this survey as quickly as possible in order to disseminate it to farmers at the end of this year. We also understand that there may be factors outside NASS's control that may make the agency unable to expand the scope of the proposed survey to the extent needed from the organic community.

In the imperfect scenario in which NASS is unable to fully expand the 2014 survey in a timely manner in order to meet current data collection deadlines, NSAC would then urge the agency to develop a full Organic Production Survey to be disseminated for crop year 2015. As stated earlier, Congress provided \$2.25 million in direct appropriations for FY 2014 for the express purpose of NASS conducting an Organic Production Survey in line with the 2008. If NASS is unable to meet Congress's directive to complete this survey in 2014, we would then urge the agency to complete this more comprehensive survey the following crop year. NSAC, along with several other organic

stakeholders, have raised this issue in several meetings, memos, and other lines of communication with the agency over the past three years. We would like to use this opportunity to again reiterate our support for NASS to conduct an Organic Production Survey as a regular follow-on survey to the Census of Agriculture – using the 2008 Organic Production Survey as the baseline upon which to build future surveys.

We are very concerned with the prospect of the proposed 2014 Organic Survey becoming the new baseline organic survey, and feel that the exclusion of a substantial number of pertinent questions that have provided valuable information to the organic sector over the past five years would be a significant shortcoming. Please see recommendation #6 for additional details on this point.

There are several considerable downsides to conducting a more abbreviated Organic Survey in 2014 (as is proposed) and following up with a more comprehensive Organic Production Survey in 2015. These drawbacks include an increased reporting burden placed on farmers, a potential lower response rate with each subsequent survey, and the longer duration between when the Census was conducted and the follow-on survey (which decreases NASS's ability to go back to the same exact pool of respondents who completed the 2012 Census of Agriculture).

Despite these drawbacks, NSAC strongly feels that a full Organic Production Survey, even if conducted a year later, would be significantly more beneficial to the industry and policymakers than only having the much more narrow Organic Survey conducted in 2014. We also feel this more robust survey would allow NASS to expand the data collected from organic farmers with additional clarifying questions that address pressing issues currently facing the organic sector (such as new food safety regulations). Please see recommendation #4 for additional details on this point.

3. If unable to undertake a full survey in 2014 or 2015, at the very least expand the proposed 2014 Organic Survey to include high-priority questions from the 2008 Organic Production Survey, and identify relevant data that can be extracted or collected from other sources.

As stated earlier, NSAC's strong preference is to expand the current Organic Survey to include the full range of data collected in the earlier Organic Production Survey conducted in 2008. Please refer to Appendix B for a complete list of questions that were collected in the 2008 OPS but excluded from the proposed 2014 Organic Survey.

Our second preference would be to split the Organic Production Survey into two segments – one to be conducted for crop year 2014 as is proposed with the RMA funded Organic Survey, and a second to be conducted for crop year 2015, to include the more comprehensive list of questions asked in the 2008 OPS and additional clarifying questions.

If, however, NASS is unable to fully expand the 2014 Organic Survey, nor justify the respondent burden to conduct a second follow-on survey in 2015, then our final (and least desirable) recommendation would be for NASS to include several high-priority data questions from the 2008 OPS in the 2014 survey. These would include:

A. Production practices – This information is extremely valuable in demonstrating what specific practices organic farmers are implementing on their farms to control pests, weeds, and diseases; build soil fertility; conserve soil and water; and manage livestock. For the 2014

(or 2015) survey, we would urge that “green or animal manures” be broken out into two separate categories (as they represent two distinct sources of nutrients with markedly different impacts on the soil and cropping system), and the addition of crop rotations (including length of rotation), use of cover crops, and whether the producer integrates crops and livestock on their farm. Since a green manure is simply a cover crop tilled into the soil, we recommend that “cover crops and green manures” be shown as one practice, and “animal manures” as a separate practice.

B. Production challenges – This data is important to understand the barriers that may be impeding the growth or expansion of existing organic farms (such as high costs of certification or low yields) where technical assistance, financial assistance, or more research may be needed to address these challenges. Additionally, this data would be more useful to the organic community if the production challenges were broken down by specific barriers such as soil quality problems, nutrient management, invertebrate pests, vertebrate pests, crop diseases, weeds, livestock health problems, and weather extremes.

C. Production costs – This data is extremely important in understanding which specific expenses (i.e. fertilizers, seeds, labor, feed) are higher or lower for organic versus conventional production. The organic community regularly uses this information in order to analyze the long-term profitability and future trends of the organic sector as input costs changes.

D. Input availability – This information is critical in understanding whether organic farmers have sufficient access to organic inputs, including certified organic seed (a pressing research issue) and organic feedstock required for organic livestock products, including meat, dairy, and eggs. Additionally, it would be useful to know how much certified feedstock is self-produced, the amount sourced off-farm, and how far farmers travel to access organic feedstock.

E. Federal crop insurance enrollment – In order to track the increased participation of organic farmers in federal crop insurance programs, it is vital that the organic community and policymakers have another data point to evaluate this trend since the last Census was conducted, especially since many hurdles have been removed to make organic crop insurance more feasible and attractive for organic producers.

F. Transitional cropland – In analyzing the growth of the organic sector, it is helpful to know which types of agricultural lands are transitioning from conventional to organic production to better understand the growth trends of the sector. It would also be useful to better understand if third-year transitioning land is used as certified feedstock.

There are some questions collected in the 2008 OPS that may be able to be cross-tabulated or collected from other planned surveys or data collection efforts – including demographic information in the 2012 Census of Agriculture and any proposed follow-on survey related to local and regional food production. We would urge NASS to make this information available and to disaggregate the Census and any other follow-on survey data for both certified and exempt organic producers.

Finally, there are several additional questions that were not included in the 2008 OPS and that we urge NASS to include in either the 2014 Organic Survey or 2015 OPS that address pressing issues

facing the organic sector. Please see the following recommendation for additional data we would urge NASS to collect in the proposed and future surveys.

4. Include additional clarifying questions in the 2014 Organic Survey (or Organic Production Survey if a full follow-on survey is completed in crop year 2015) in order to collect urgently needed data on pressing issues facing the organic sector.

In addition to the clarifying questions proposed in the previous recommendation, we would urge NASS to consider several other data questions in this year's survey, or the Organic Production Survey if conducted in 2015. These include:

A. Number of years farmland has been certified – Understanding how long farmers have been certified and which practices or challenges are associated with newer versus more established organic farmers is a critical data need. It would also be incredibly valuable to know how long farmland has been farmed organically, which would provide important historical data on how long land is staying in organic production and provide a picture of the growth of the movement. Getting land certified is not a simple process, and it would be helpful to know: are farmers staying committed to the same piece of land over time?

B. Enterprise diversification – NASS already collects information on the crops and livestock products grown on each organic operation, and it would be valuable to better understand the degree of diversification on organic farms as compared to non-organic farms (or average for all US farms) related to how many crops and how many kinds of livestock/animal products are produced and marketed, and whether an operation has an integrated crop/livestock system and produces both food crops and animal products.

C. Estimated percent of land left uncultivated for on-farm biodiversity – There is little data currently available regarding how much farmland is currently left uncultivated for pollinator habitat or habitat for beneficial organisms that help protect crops from pests, even though it is widely recognized by ecologists as being very important for supplying these ecosystem services to farmers. In addition to the amount of land left uncultivated, it would be important to ask the reasons for, and constraints against, preserving uncultivated land and deciding how much to preserve. While we encourage NASS to include this question on the Organic Survey, it would be more valuable to be able to compare on-farm biodiversity on organic farms to conventional farms, in order to make some accurate comparisons and analysis of the benefits of different farming systems. We would therefore urge NASS to also include this question in the 2017 Census of Agriculture.

D. Demographic information – As demand for organically and locally produced agricultural products continue to increase, it would be useful to better understand where the growth in the organic sector is occurring (i.e. rural vs urban vs peri-urban) in order to ensure allocation of appropriate resources and identify infrastructure needs.

E. GMO contamination – We appreciate the addition of the question to the proposed 2014 survey that would collect information on the economic losses that organic farmers can document due to the unintended presence of GMO material in organic crops for sale. We would urge that this question be further expanded to cover all costs borne by organic

farmers to prevent contamination (i.e. for buffers, testing, and late planting) as well as direct economic losses resulting from contamination. Currently, USDA states they lack this information and which has inhibited a deep level of understanding about the true impacts that GMO contamination has caused the organic industry. This data would provide a more comprehensive and accurate figure than just market losses alone.

F. Food safety – The Food and Drug Administration (FDA) is promulgating new food safety regulations as part of the implementation of the Food Safety Modernization Act that will impact many farming operations, including organic operations. It is very clear that FDA lacks very basic data about farming practices to accurately quantify and classify the scope and impact of the new regulations on the farming sector. Two types of data are needed. The first concerns whether a farm packs and holds produce, and if yes, whether that produce was grown on that farm or on another farm under different ownership. This is critical information for understanding how different operations will be regulated and whether they will be subject to more than one regulation. The second set of information concerns whether farms are implementing food safety practices and why (i.e., due to regulations, buyer requirements, or another reason). This is important to help establish baseline information for future calculations about adoption of practices. Since these issues are not exclusive to organic farms, we would urge NASS to include this question on the Organic Survey, to begin establishing data that FDA urgently needs in order to effectively implement new food safety rules, and to also include this question on the 2017 Census of Agriculture in order to expand FDA's understanding of the broader practices on both conventional and organic farms.

5. Make responses to the Organic Survey mandatory, in line with the 2008 Organic Production Survey.

Participation in the Census of Agriculture is required by law in order to ensure that the federal government, policymakers, and the general public have the most accurate count of farms in the United States and the most complete understanding of what is happening within our country's farm sector at regular and consistent intervals. Likewise, participation in the 2008 Organic Production Survey was required by law, and therefore produced the most comprehensive and accurate snapshot of the organic sector at that time.

We are very concerned that the proposed 2014 survey is voluntary (if it is to indeed replace this year's more comprehensive Organic Production Survey) and would thus expect the total response rate to be substantially lower than the 2008 OPS and thus yield a much more incomplete snapshot of our country's organic sector. Such an approach could result in figures suggesting a decline in the organic sector when compared to prior survey results, when in fact the lower figures are the result of a lower rate of survey responses.

We would therefore urge the agency to mandate participation in the 2014 Organic Survey, as it has done for other follow-on surveys to the Census of Agriculture, unless NASS plans to administer a second, more complete Organic Production Survey in 2015, per our recommendations outlined in #2. If so, then we would urge NASS to require participation in the 2015 Organic Production Survey.

6. Build future Organic Production Surveys into NASS's long-term data collection efforts as a regular follow-on survey to the Census of Agriculture in future years.

The Federal Register Notice from Monday March 17 states that the “USDA Risk Management Agency (RMA) has made a formal agreement with NASS to conduct [the Organic Survey] as an *annual survey*, as funding permits, with a rotation of crops,” rather than as a regular survey “originally designed to be conducted *once every five years* as a follow-on-survey to the Census of Agriculture.”

We are very concerned that the current survey that NASS has proposed in this Federal Register will become the survey instrument to replace the more comprehensive Organic Production Survey that was conducted in 2008. While we understand that different USDA agencies may need access to agricultural data at more frequent intervals, we believe that the Organic Production Survey should remain as it was originally designed as a regular follow-on survey to the Census of Agriculture to be conducted every five years. If specific agencies have more urgent needs, it may be possible to conduct a survey in the off years with a much narrower scope, depending on what data the agencies require. However, the more comprehensive survey modeled off of the 2008 OPS should be the default instrument to build upon as a follow-on to the Census, not the more limited survey as is proposed in the 2014 Organic Survey. It may be possible to build on additional questions to the 2008 OPS to meet the needs of various agencies (such as the Risk Management Agency's need for price data on specific crop varieties in order to develop organic price elections for federal crop insurance plans).

Regardless of whether NASS expands the current 2014 survey to include the questions from the 2008 OPS, or conducts a stand-alone Organic Production Survey in 2015, it is of the utmost importance for NASS to build a comprehensive Organic Production Survey as a regular follow-on survey to the Census of Agriculture into their long-term data collection plans.

In order to assess the progress made on USDA's strategic plan which outlines a goal of increasing the number of organic farms in the U.S. by 25 percent by 2015, it is vitally important to have a source of reliable data to assess the trend lines of growth in organic farms and production. The 2008 OPS provided a first-ever wealth of information on the performance, growth, challenges, and economic characteristics of organic farmers across the country, and how they differed from their conventional counterparts.

However, this data is only as good as the data that follows in future years which is needed to assess progress and measure trends of any sector. One of the reasons we have such a sophisticated understanding of our country's agricultural sector is because USDA has regularly conducted the Census of Agriculture using the same methodology and roughly the same questions year after year. As a result, USDA, policymakers, and the general public has access to decades and decades of historical data which allows them to better understand what has happened in the farm economy over the past century. We are hopeful that we can continue to build upon the data collected on the organic sector in the 2008 OPS in future years, with regular follow-on surveys to the Census of Agriculture that collect the most comprehensive and consistent information on the sector as possible.

We would also urge NASS to continue to engage stakeholders within the organic community in this process, in order to receive input on what additional data needs may exist within the organic sector at any given time.

7. Develop a strategic plan to guide USDA's activities in developing full organic price elections.

As stated previously, NSAC has been supportive of the agency's ongoing efforts to make the federal crop insurance program work better for organic producers. NSAC advocated for funding through the Organic Production and Market Data Initiatives, which included funding to assist USDA in these efforts. NSAC has been supportive of RMA's recent decision to remove the surcharge placed on organic farmers enrolling in federal crop insurance, and continued progress in developing organic price elections for all insurable commodities.

The 2014 Farm Bill directs RMA to "offer producers of organic crops price elections for all organic crops produced in compliance with standards issued by the Department of Agriculture under the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) that reflect the actual retail or wholesale prices, as appropriate, received by producers for organic crops, as determined by the Secretary using all relevant sources of information" as soon as possible, but not later than the 2015 reinsurance year.

While we support RMA's efforts to collect additional information on organic prices through the proposed 2014 Organic Survey, we remain skeptical that this survey, on its own, will provide sufficient data for RMA to meet Congress's mandate. In addition to the survey that NASS and RMA are proposing, we would also encourage USDA to develop a strategic plan that outlines what specific activities need to be undertaken by which agency and under what timeframe in order to reach the end goal of offering producers organic prices on all insurable commodities as quickly as possible.

In closing, NSAC and our member groups within the organic community believe there is much value in a comprehensive and regular Organic Production Survey as a regular follow-on to the Census of Agriculture. We understand that NASS faced many unforeseen difficulties and budgetary constraints due to the appropriations processes for FY 2012, 2013, and 2014. Throughout those processes, as well as throughout the 2014 Farm Bill process, NSAC has advocated for continued and increase funding for NASS to collect data, including for the organic sector. We do see a way forward to meet both the current data needs of NASS and RMA and the data needs of the organic community, policymakers, and the general public. We thank you for serious consideration of our recommendations, and would welcome any additional feedback we can provide.

Sincerely,



Ferd Hoefner, Policy Director
National Sustainable Agriculture Coalition



Juli Obudzinski, Senior Policy Specialist
National Sustainable Agriculture Coalition

Appendix A. Organic Stakeholder Letter to NASS in Support of Organic Production Survey

July 13, 2011

Cynthia Clark
Administrator, USDA – NASS
Room 5041-A South Building
1400 Independence Ave SW
Washington, DC 20250-2000

Via email: Cynthia_clark@nass.usda.gov

Re: Proposal to establish the Organic Production Survey as a regular follow-on to the Census of Agriculture

Dear Administrator Clark:

We are submitting the following proposal for your consideration following our meeting in April about the Organic Production Survey. At that meeting, we expressed our strong support for further surveys on the organic sector, and together discussed how to create a regular Organic Production Survey as a follow-on to the five-year Census of Agriculture. Below is our proposal for creating such a regular follow-on survey.

Background

The Food, Conservation, and Energy Act of 2008 required the U.S. Department of Agriculture (USDA) to “develop surveys and report statistical analysis on organically produced agricultural products” through the Organic Production and Market Data Initiatives. In carrying out this provision, the National Agricultural Statistics Service (NASS) conducted in 2008 the first-ever Organic Production Survey (OPS) as a follow-on to the 2007 Census of Agriculture.

The OPS provided the first comprehensive snapshot of the growing organic sector in the U.S., and provided a reliable source of public information critical to farmers and handlers in making informed decisions about their operations, and to policymakers in analyzing the economic benefits, challenges, and trends of organic agriculture. It has also helped to legitimize organic agriculture as an important part of a diverse American agriculture.

Proposal

We propose to establish the OPS as a regular follow-on to the Census of Agriculture, beginning in the FY 2013 budget. NASS presently conducts the Census of Agriculture on a five-year cycle, and the OPS would also be on a five-year cycle but would occur a year after the Census. The first OPS was conducted in 2008, and the second one would have to occur in 2013 to be a regular follow-on to the Census of Agriculture.

We have discussed the need to continue the OPS with NASS, and the agency has indicated that it would need funds in FY 2013 and 2014 to conduct another OPS. The funds in FY 2013 would be

to undertake the preparation work for conducting the survey (NASS conducts surveys on the calendar year). The FY 2014 funds would support the majority of the work.

The costs of surveying are directly related to the amount and type of data collection. To conduct the OPS in 2008, NASS used \$1.25 million. Given the growth of the organic sector, we propose \$1.5 million over two years to conduct a second OPS, and that this priority be reflected in the Administration's Fiscal Year 2013 and 2014 budget requests to Congress.

Justification

- Organic agriculture is one of the fastest growing sectors of agriculture, providing jobs in rural communities, opportunities to farmers and ranchers nationwide, and healthy food to consumers.
- Every industry needs accurate and timely statistics to grow and thrive.
- USDA has not historically collected adequate data and statistics on the growing organic sector.
- Establishing the OPS as a regular, follow-on survey to the Census of Agriculture is critical to providing accurate and timely information on the organic sector and its trends.
- Undertaking the OPS as an immediate follow-on to the Census of Agriculture provides the best opportunity to leverage scarce resources, because it takes advantage of the most up-to-date database of organic producers, which will be provided through the Census survey process itself.
- Reliable public information about the organic sector can be used to help shape future decisions regarding farm policy, funding allocations, and availability of goods and services.

Questions and Clarifications

We have three outstanding questions on the details of the proposal about which we are seeking clarification:

1. Could you please provide further details about what activities are involved in the "preparation work" for conducting a survey? (Second paragraph under the "**Proposal**" section)
2. Could you please provide further details about what activities are involved in the "majority of the work" for conducting the survey? (Second paragraph under the "**Proposal**" section)
3. Could you please provide further details about how the proposed \$1.5 million would be split between FY 2013 and FY 2014? (Third paragraph under the "**Proposal**" section)

We look forward to hearing from you with comments and further details. We are aware that the planning for the FY 2013 budget has started, and we are prepared to work with you to move this proposal through the process and secure the funding necessary to conduct another Organic Production Survey.

Sincerely,

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Cc:
Christina Messer, Chief, Census Planning Branch, NASS
Joe Reilly, Associate Administrator, NASS
Mark Lipson, Organic and Sustainable Agriculture Policy Advisor, USDA

Appendix B. Contrast between the Proposed 2014 NASS Organic Survey (OS) and 2008 Organic Production Survey (OPS)

Data that is not currently included in the 2014 OS as proposed (but included in the 2008 OPS), which NSAC urges to be included:

1. Transitioning cropland, pastureland, rangeland

- a. The 2012 Census and proposed 2014 Organic Survey collects data on *total acres* transitioning into USDA NOP organic production, but does not disaggregate this into transitioning cropland vs. transitioning pastureland vs. transitioning rangeland.
- b. In analyzing the growth of the organic sector, it is helpful to know which types of agricultural lands are transitioning from conventional to organic production to better understand the growth trends of the sector.

2. Floriculture and bedding crops, food crops grown under protection, mushrooms, nursery crops, propagative materials, Christmas trees, mohair

- a. The 2012 Census collects data on acres and value for all of these crops, and does not disaggregate organic sales or acreage from non-organic. Without further data collection, we will lack trend data that is necessary to understand whether these sectors are growing, declining, or remaining stable, and how these sectors are performing in various regions.

3. Organic sales as percentage of market value of all agricultural sales

- a. This is important to understand because it brings to light whether producers are pursuing organic certification for all of their agricultural products or just a percentage.

4. Percent of organic sales from value-added products

- a. Useful in understanding how important value-added production is to organic farmers, especially in comparison to non-organic farmers
- b. This may be able to be calculated if both total gross sales from organic products and total gross sales from value-added organic products are collected in the proposed 2014 OS or 2012 Census.

5. Organic production costs

- a. *Total production expenses* (i.e. average per farm, organic certification expenses, fertilizer, agricultural chemicals, fuel, seeds, hired labor, livestock, feed, interest, property taxes, rent, custom work, repairs, and utilities) are collected in 2012 Census.
- b. *Percentage of production expenses for organic production* is not collected in either 2012 Census or the proposed 2014 Organic Survey. It is important to understand which

production costs are higher or lower for organic production, which is needed to analyze long-term profitability and future trends as input costs changes.

6. Organic production practices

- a. This is useful information to show what production practices organic farmers are implementing on their farms to control pests (biological pest management, beneficial insects/organisms, pest resistant varieties, crop rotation), weeds and soil fertility (no-till, low till, compost, mulch, crop rotation, cover crops and green manures, animal manures), conserve water (buffer strips) and manage livestock (rotational grazing, free-range).
- b. The 2012 Census does collect data on the number of farms using rotational or management-intensive grazing and no-till and the number of acres in no-till or conservation tillage.

7. Production contracts, which includes percent of total production under contract in 2008 OPS

- a. The 2012 Census includes data on total production contracts per agricultural commodity, but does not disaggregate for organic commodities.
- b. This information is useful in understanding how organic producers are marketing their products in order to better understand how organic products are bought, sold and distributed within the agricultural economy.

8. Direct to retail/consumer and wholesale market sales

- a. The proposed 2014 Organic Survey does not collect detailed information on the types of direct to consumer markets (on-site, farmers market, CSA), retail markets (natural foods stores, conventional grocers, restaurants, institutions), and wholesale markets (natural grocer vs conventional grocer buyer, processor, distributor) that organic producers use to market and sell their products.
- b. This detailed marketing data is very useful to understand the specific marketing venues where organic producers can succeed in selling their products and also where consumers are most likely able to find and purchase organically produced products.
- c. The 2012 Census does collect data on the number of farms that sell through a CSA, and it's possible that some of these questions may be able to be included in a follow-on survey related to local and regional food sales.

9. Local and Regional Sales

- a. The 2008 OPS collects data on the first point of sale for organic commodities (local, regional, national, international), which is extremely useful in understanding how organic producers market their products and what supply chains are necessary in which parts of the country to support these market channels.

- b. Some of these questions may be able to be included in a follow-on survey related to local and regional food sales.

10. Primary production challenge

- a. The 2008 OPS collects a wealth of information on the primary challenges facing organic producers (regulatory problems, price issues, production problems, market access, management issues). This data is important to understand the barriers that may be impeding the growth or expansion of existing organic farms, such as high costs of certification or low yields, where financial assistance or more research would be needed to address these challenges.
- b. Other specific data that was collected in the 2008 OPS include whether or not organic farmers had sufficient access to organic seed (a pressing research issue) and whether organic inputs were available (such as organic feed for organic dairy products).

11. Organic Crop Insurance Enrollment

- a. In order to track the increased participation of organic farmers in federal crop insurance programs, it is vital that we have another data point to evaluate this trend since the last Census was conducted (especially since many hurdles have been removed to make organic crop insurance more feasible and attractive for organic producers).
- b. The 2012 Census does collect data on the total number of acres enrolled in federal crop insurance, but does not disaggregate this information by organic acreage.

12. Years involved in organic agricultural production

- a. This category helps to illustrate the number of beginning farmers and ranchers that are getting into organic agriculture each year.
- b. This data is collected in the 2012 Census of Agriculture and can be cross-tabulated with organic producers.

13. Five-year production plan, which focuses on whether producers plan to scale-up, scale-down or keep production levels constant

- a. Having this information assists in understanding the needs of farmers, and make projections on future production levels.

14. Net household income from organic sales

- a. With this information it is easier to understand the percentage of organic farmers that are full time growers and how viable organic agriculture is as a sole means of income.