ORGANIC FARMING RESEARCH FOUNDATION

Special Report on OFRF Policy Activities supported by FSI

As you will see from our general Year-end Report, OFRF's policy work yielded tremendous advances for organic agriculture in the United States in 2009. This special report provides additional details related to the impacts of the Foundation for Sustainability and Innovation's $3,000 June 2009 grant in support of OFRF's policy program.

Our 2009 proposal said:
We are requesting partial support for summer and fall internship positions to meet this need. The first will work at the California Institute for Rural Studies in Davis, CA, to support a six-member consortium of sustainable agriculture groups in the development of a California Organic Action Plan. The second will work with OFRF on state and national implementation of the Environmental Quality Incentives Program and the Conservation Stewardship Program. The total request for these positions is $3,000.

...
The anticipated impacts and successes of this project over time are:

1. *Greater understanding by federal policymakers of organic agriculture and what organic farmers need to be successful members of the U.S. agriculture economy and stewards of their land.*
2. *Greater recognition by policymakers and program administrators at public agricultural institutions that an organized, national organic grower constituency is prepared to advocate for policies that offer a fair share of public resources to the organic farming community.*
3. *Increased awareness in the organic and transitional farming community of new federal resources for technical and financial support for organic farming systems, particularly through EQIP and CSP.*
4. *A California Organic Action Plan that will provide focused, farmer-based input to USDA, NRCS and related state agencies on the immediate and long-term development of new farming, environmental stewardship and "green payment" technical and financial assistance programs.*

With FSI support, OFRF contributed $500 for a summer intern housed at CIRS in Davis, and Chelsea Bardot Lewis was hired for the position. Chelsea worked with the partnership group throughout the summer to coordinate development of a draft California Organic Action Plan. The partner group includes OFRF, California Certified Organic Farmers, California Institute for Rural Studies, Californians for Pesticide Reform, Center for Food Safety, Environmental Working Group (California office), and Pesticide Action Network. The plan is intended to promote dialogue and spur creative policy development to support organic agriculture in California. It will play an important role in coordinating the efforts of the many organizations working on issues pertaining to the organic sector in the state.

Chelsea completed work on a 44-page draft Plan in December and presented it publicly in a workshop at the Ecological Farming Conference at Asilomar in January. We used $400 of FSI funds to make her participation at EcoFarm possible. A full copy of the plan is included with this report for your review. The "draft" label remains on it because the collaborative group did not go through a formal approval process for it this year; however, the text is considered final as it currently stands. Key concluding remarks included the following:

While this paper includes a catalog of policies that have been implemented to encourage more widespread adoption of organic agriculture, it is by no means exhaustive. For instance, more research could be done on Canadian policies and

programs. Furthermore, more information is needed on the successes and challenges associated with each program or policy. A valuable next step would be to interview key stakeholders involved in implementing these policies to determine which ones may be feasible for California. ... Furthermore, an important aspect of European action planning efforts that was not within the scope of this project was an analysis of existing, non-agricultural state and federal policies that impact organic growers.

The collaborative group remains actively engaged in advancing this process and plans to work with another intern this summer to develop an implementation plan for the recommendations in the report. This is expected to focus on specific strategic steps to secure greater investment of state and federal resources in organic farming research, education and transition/conversion in California.

Last fall, OFRF hired UC Santa Cruz undergraduate student Adam Lee as a policy program intern working in our office in Santa Cruz. Beginning in October, Adam worked under the direction of OFRF policy staff Mark Lipson and Tracy Lerman to help us ensure that farmers across the U.S. access major new resources available for organic farming systems through the USDA Natural Resources Conservation Service (NRCS). The focus of the work in the fall was the deadline for 2010 applications for participation in NRCS's $50 million Environmental Quality Incentives Program Organic Initiative (EQIP-OI). OFRF worked closely with NRCS to evaluate its 2009 program and farmer response to it. Short application timelines were identified as a key challenge in 2009. However, an initial deadline to apply for 2010 contracts was again very short and landed during December holidays, making it unlikely that all eligible producers would complete their applications in time. Under Tracy's direction, Adam contacted 90 farming group and community leaders around the country to make sure that they were aware of the deadline and had OFRF's educational materials to share with their producer networks. He made and responded to many more calls over the course of his work in the fall, providing key personal contact and support for farm community leaders to ensure that word got out quickly. This helped to raise awareness of the EQIP-OI program and its initial deadline.

Fortunately, OFRF also succeeded in securing an extension of the deadline to no earlier than March 12, 2010 for contract applications for the 2010 season. With that extension in place, Adam continued his work with us for another quarter (Jan-Mar), again making many calls and sending and responding to many emails with grower groups and leaders. Adam also coordinated with Organic Valley Family of Farms, the nation's largest organic farmer cooperative with over 1,600 members, to ensure that their members received OFRF's educational materials related to EQIP-OI opportunities. We do not yet have application data for the 2010 program, but we have received positive feedback from growers and NRCS about the extensive outreach OFRF was able to provide to ensure the success of this key program.

Adam chose to receive course credit for his degree program at UC Santa Cruz rather than a stipend for the fall and winter quarters, so we did not spend the remainder of the FSI grant funds last fall as planned. He has continued his work here this spring, however, and is now a paid intern. We expect to expend all FSI funds by early June, as Adam continues to work with Tracy on communications with our "grasstops" network regarding effective implementation of the EQIP-OI. We will be happy to report to you again when it is fully expended.

Thank you again for your generous and valuable investment in our work with these members of the Organic Farmers Action Network. We look forward to continued partnership with FSI, as we all strive to advance organic agriculture in policy and farming systems.

ORGANIC FARMING RESEARCH FOUNDATION

Year-end Report for 2009

The second half of 2009 brought major advances toward meeting our long-term objectives. In addition to the highlights reported here, we invested significant time in laying the groundwork for organic agriculture's growth in 2010 and beyond. All of this was accomplished with the support of a dedicated community of individual donors, corporate underwriters and foundation grantmakers, despite the slow pace of economic recovery.

EQIP contracts help farmers pay for better conservation practices.

OFRF policy and communications staff continued to focus on effective implementation of the major new organic initiatives in U.S. Department of Agriculture conservation programs. We devoted considerable resources to help organic producers learn about and apply to the Environmental Quality Incentives Program Organic Initiative (EQIP-OI) in the spring, and more than 4,300 farmers and ranchers submitted applications to participate. They applied for financial and technical assistance to transition land to organic management or improve conservation practices on their existing organic operations. By October, the Natural Resources Conservation Service (NRCS) had written contracts totaling $38 million – *the largest single-year federal investment in organic agriculture ever*. This was a quantum leap for U.S. organic agriculture, but left $12 million on the table from the total 2009 EQIP-OI allocation of $50 million. OFRF efforts to ensure that the program is fully subscribed in 2010 are critical to sustaining this annual funding.

Throughout the summer and fall, OFRF worked closely with national NRCS leaders as they implemented this major new program and began planning for 2010. We advised NRCS in the development of an action plan for the ongoing implementation of the Organic Initiative, which already had another $50 million committed for the coming year. OFRF took the lead on developing and conducting an online survey of organic producers to provide early feedback from the 2009 EQIP-OI. Our report on the results led to some helpful changes in the next round of the program and pointed to some longer term challenges, including institutional resistance to organic in some ground-level NRCS offices. OFRF also advocated successfully to NRCS leaders for more reasonable

application deadlines for the 2010 EQIP-OI following an initial announcement of short time frames and holiday season due dates. The deadlines for all states were clarified to be no earlier than March 12, 2010 as a result.

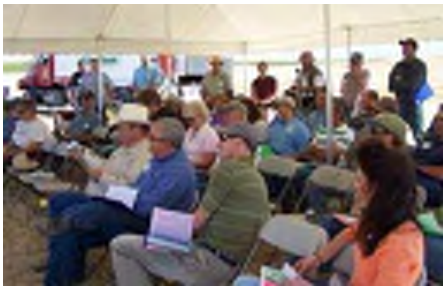
OFRF also worked with NRCS to support the roll-out of its $2 billion Conservation Stewardship Program (CSP) in the summer and fall. As with the EQIP Organic Initiative, we conducted a focused communications campaign to ensure that organic farmers and ranchers knew about this opportunity for contract-based support of conservation practices on their land. In October, NRCS announced that it had received more than 21,000 applications to participate, covering more than 33 million acres nationwide. This significantly oversubscribed the 2009 acreage limit of 12.8 million – a good sign for CSP's future funding. We also continued our existing dialogue with CSP leaders about a "crosswalk" for organic farmers, allowing them to gain some level of recognition and ranking in the program by virtue of their organic certification. The goal of the crosswalk is to relieve producers of some of the lengthy paperwork burden associated with each program. While not an exclusively organic program, CSP is potentially a major source of support for organic growers by validating the conservation benefits of organic systems.

All of our policy work in 2009 was supported by continued growth of our Organic Farmers Action Network (OFAN). By the end of 2009, the Network counted more than 2,600 members across all 50 states – a 49% increase over 2008 membership. OFAN updates and alerts were a primary communication tool with producer communities for disseminating timely information about the NRCS contract opportunities. The updates also focused on ongoing needs and issues facing organic farmers across the country and provided tools for farmers to make their voices heard in D.C. Examples of these included links and talking points for commenting on NRCS conservation practice standards; encouraging participation in regional USDA hearings on food safety policy and regulations; and invitations to participate in "farmer fly-ins" to Washington, D.C. OFRF facilitated an OFAN farmer fly-in in July, paying full travel costs for four organic producers from key districts to go to D.C. to provide direct farmer input to USDA and Congressional leaders.

OFRF's experienced policy staff also continued to advocate for organic farmers through research, monitoring, analysis and communication with key agriculture program leaders. During the fall Mark Lipson and Ariane Lotti briefed a number of high-level USDA officials, including Kathleen

Merrigan, Deputy Secretary of Agriculture (a former OFRF board member); Rajiv Shah, Undersecretary for Research, Education and Extension; Molly Jahn, Deputy Under Secretary for Research, Education, and Economics (a former OFRF grantee); Roger Beachy, Director of the National Institute of Food and Agriculture; Edward Knipling, Administrator of the Agricultural Research Service; and Dave White, Chief of the Natural Resources Conservation Service; as well as Jill Auburn, Division Chief, Agricultural Systems and Technology (a founding OFRF board member), Miles McEvoy, Deputy Administrator of the National Organic Program; Keith Jones, Chief of Staff to the House Subcommittee on Horticulture and Organic Agriculture; and Cathy Greene, Senior Agricultural Economist in the Economic Research Service. They discussed a range of topics related to improving and expanding organic farming. OFRF also provided recommendations to Deputy Secretary Merrigan for the President's FY2011 budget.

OFRF continued to lead by example, as well, investing in the development and sharing of new knowledge. The OFRF board of directors awarded seven new grants totaling $128,058 in November. The funded projects address research needs in fruit production, cover crops for organic seed production, pest management techniques in fields and greenhouses, organic dairy feeding regimes, and a farmer-to-farmer education program in Alabama. Past grantees continued to submit reports on their work, too. One very successful project marked another milestone for organic agriculture: the first Pest Management Strategic Plan (PMSP) for an organic crop.



At Kris Taylor's farm near Idaho Falls, farmers learn about the latest research on sprout control in organic potatoes

The Northwest Coalition for Alternatives to Pesticides (NCAP) spearheaded the plan for organic potato production in the West, paving the way for similar plans for other organic crops. NCAP's Jennifer Miller noted, *"One of our goals is to make Idaho known as the organic potato state. Part of that is helping to get resources in place for farmers and that includes getting more research. But this isn't just about Idaho--a lot of potatoes are grown in the West and that's why we worked with other states as well."* USDA's Office of Pest Management Policy facilitates development of PMSPs, which address pest management needs by state or region for individual commodities. PMSPs help to identify research, education and regulatory needs for a

particular crop and region. More than 100 such plans are in place for conventional production practices and posted on the National IPM Information Center web site.

To ensure that all organic farmers and those interested in transitioning to organic have access to the results of projects like this, we published the findings of more than 20 studies in print or online this fall. In December we sent the 17th issue of our *Information Bulletin*, with nine project reports, free to 22,000 contacts, including all of the certified organic producers and processors in the U.S. We also posted on our web site detailed summaries for the 22 projects the board funded in November 2008 and March 2009, along with reports from 11 other projects funded previously. OFRF also has a growing social media presence now, with over 1,000 fans linking to our FaceBook page in the first three months since its launch in the fall. We are using FaceBook and Twitter to get information out to our constituents in new ways and to engage new communities, linking them to longer content on our web site, www.ofrf.org.

Finally, we maintained our role as a key source of public information and opinion on organic farming science and policy. Grants Program Director Jane Sooby co-authored a letter with Xin Zhao of the University of Florida to the journal *Science* in response to its publication in August of a submission by Clancy et al. titled "Organics: evidence of health benefits lacking." Our response, titled "Focus on Enhancing Phytochemical Content," was published in the October 23, 2009 issue and effectively rebutted the assertion by the Clancy letter that organic production methods may not significantly influence the nutrient levels of food crops. A full copy of our letter is available on our web site, www.ofrf.org.

Like many organizations across the U.S., OFRF's revenue declined in 2009. As a result we reduced our budget somewhat for the second half of the year and used some of our operating reserves to help cover expenses. This allowed us to continue the momentum of our programs while taking measures to increase our financial efficiency wherever possible. We greatly appreciate the support of all of our donors during a difficult economic time for many individuals and organizations. We look forward to fully funding the important work that faces us in 2010 and to securing new funding commitments to allow us to meet the high demand for our services.

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The Environmental Quality Incentives Program

UPDATE: The following states are still accepting applications for the 2010 EQIP Organic Initiative:

Connecticut: deadline April 16, 2010
Colorado: deadline April 16, 2010
Nebraska: deadline April 16, 2010
Ohio: deadline May 14, 2010
Virginia: deadline May 1, 2010

We are reaching out to NRCS offices to find out if other states are still accepting applications, and will post any new information to this page. If your state is still accepting applications and is not listed here, **please let us know**.

The Environmental Quality Incentives Program (EQIP) is a federal program that helps farmers and ranchers who want to protect natural resources on their farms. Producers can apply for funds and technical assistance through this program. EQIP has a new Organic Initiative available only for organic producers and those transitioning to organic.

We will regularly update this page with new information about EQIP and the Organic Initiative. If you want to receive updates about EQIP and other federal agriculture programs by email, join the **Organic Farmers Action Network**. If you have any questions, contact Tracy Lerman, Policy Organizer at (831) 426-6606 x 108 or **tracy@ofrf.org**.

More Info

General Information

The Environmental Quality Incentives Program (EQIP) is a voluntary U.S. Department of Agriculture (USDA) conservation program administered by the **Natural Resources Conservation Service** (NRCS, an agency within USDA). EQIP provides financial and technical assistance to growers who face threats to soil, water, air, and related natural resources on their land. Through EQIP, NRCS develops contracts with agricultural producers to implement conservation practices that address environmental natural resource problems. Payments are made to producers once conservation practices are completed according to NRCS requirements. EQIP is open to applications from all agriculture producers, regardless of whether or not they are organic.

The EQIP Organic Initiative

In 2009, NRCS created the EQIP Organic Initiative, a targeted program in

Policy

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Federal Legislation

Congressional Organic Caucus

Biotechnology and Organic

Policy Internship

EQIP which provides financial and technical assistance specifically to existing organic farmers and to growers transitioning to organic production systems. The Organic Initiative funds conservation measures specific to organic production systems. USDA allocated $50 million for the Organic Initiative in 2009, and has the same amount for 2010. Sign-up for the 2010 Organic Initiative is open until at least March 12, 2010, though sign-up is open later than that in some states. **See below for more information on deadlines, including state specific deadlines.**

Certified organic growers and those transitioning to organic can apply to both the regular EQIP and the EQIP Organic Initiative. The regular EQIP has higher payment limitations but is a much more competitive program. The EQIP Organic Initiative has lower payment limitations, but the pool of applicants will be smaller and less competitive. Visit the **EQIP webpage on the NRCS website** for more information on the non-organic EQIP.

Eligibility

The EQIP Organic Initiative is open to agricultural producers who are:

- Interested in transitioning to organic.
- In the process of transitioning to organic.
- Already certified organic and interested in transitioning more acreage to organic.
- Already certified organic and interested in adopting conservation measures on their farm.
- Already certified organic and interested in transitioning more acreage to organic AND adopting conservation measures on their farm.

Other eligibility requirements include the following:

- The applicant must be either an agricultural producer with at least $1,000 in farm income or a private, non-industrial owner of working forest land.
- The applicant must be the owner or operator on record and must have documentable control over the land for the EQIP contract period.
- The applicant's average annual adjusted gross income must not exceed $1 million, unless two-thirds of that income is from agriculture, ranching, or forestry operations.
- The applicant is in compliance with provisions to protect highly erodible land and wetlands. For more information, read the **NRCS webpage on these compliance provisions**.

Practices

In 2009, the EQIP Organic Initiative had six core conservation practices related to organic farming. Producers applied to NRCS for financial and technical assistance for implementing these six practices on their farms. In addition to the six, some states offered facilitating practices for which producers could receive assistance.

This year, states must select which practices they will offer to growers under the initiative. States have until February 19, 2010 to decide which practices they will offer. NRCS Headquarters has provided state offices with a **comparison chart identifying conservation practices** that align with requirements of the National Organic Program. Contact your **state NRCS office** or your **local NRCS Service Center** to find out which practices your state will offer.

Payments

State NRCS offices must develop payment schedules for each of the practices they offer through the Organic Initiative by February 19, 2010. In developing the FY 2010 Organic Initiative payment schedules, states must take into consideration increased costs and income foregone as a result of implementing a practice on an organic or transitioning operation.

Producers who receive contracts through the initiative will receive 75 percent of the cost of implementing the conservation practices. Beginning, socially disadvantaged, and limited resource farmers (those considered historically underserved by the USDA) will receive 90 percent of the cost of implementing the conservation practices.

Participants in the EQIP Organic Initiative can receive a maximum of $20,000 per year, and no more than $80,000 over six years.

The Application Process

Producers interested in applying for the EQIP Organic Initiative should visit their **local NRCS Service Center** to begin the application process. Below are the basic steps for applying to the program. Please note that there are different requirements depending on whether you are a certified organic producer or are transitioning to organic production.

All applicants have to fill out a **Conservation Program Application (form NRCS-CPA-1200)**. Applicants also need to establish a record with the USDA Farm Service Agency (FSA) at their local **FSA Service Center**, if they have not already done so. The FSA Service Centers are often in the same building as the NRCS Service Centers.

Certified organic producers must submit a copy of their current Organic System Plan and the name and contact information of the USDA-accredited certifying agent for their operation.

Producers transitioning organic production must submit a "self-certification" letter that states the applicant "agrees to develop and implement conservation practices for certified organic production that are consistent with an organic system plan." Transitioning producers must also have contacted a USDA-accredited certifying agent that you plan to certify with and provide NRCS with the name. The USDA National Organic Program has an online **list of USDA-accredited certifying agents**.

If you applied to the EQIP Organic Initiative in 2009 and your application was deferred, you will receive a letter from NRCS informing you of your options for 2010. If you do not receive a letter, please contact your **local NRCS Service Center**.

Deadlines

Although the application process for EQIP is continuous, NRCS establishes periodic deadlines (typically once a year) where they rank all of the applications they have received to determine who will get a contract. **The national ranking cutoff date for the 2010 EQIP Organic Initiative is no earlier than March 12, 2010. States are allowed to establish ranking cutoff dates later than the national date.** Below is an alphabetical list of states we know of whose ranking cutoff dates are later than the national dates. Applications received after the ranking cutoff date in your state will be ranked at the next ranking cutoff date.

2010 EQIP Organic Initiative State Ranking Cutoff Dates
If your state is not listed here, your state's ranking cutoff date is most likely March 12, 2010. If you know that your state's cutoff date is later than March 12 but it is not listed here, **please let us know**.

Connecticut: April 16, 2010
Colorado: April 16, 2010
Illinois: March 26, 2010
Louisiana: March 26, 2010
Missouri: March 19, 2010
Nebraska: April 16, 2010
Nevada: March 19, 2010
Ohio: May 14, 2010
Rhode Island: April 2, 2010
Texas: April 2. 2010
Virginia: May 1, 2010

If we hear of other states whose ranking cutoff dates are later than March 12, we will post it.

The ranking cutoff date for the regular, non-organic EQIP varies by state, and in some states has already passed. Call your **state NRCS office or visit your state NRCS webpage** to find out any state specific information about EQIP.

Ranking

NRCS established two separate ranking pools for applications, one for transitioning farmers without any current certified organic production, and one for existing certified organic farmers who are either adding new transitional production or adopting new conservation measures on existing organic production. In both cases, those in these special ranking pools will be competing only against applicants in the same pool, and will not compete with applicants in the much, much larger general EQIP pool. Each State Conservationist will decide how to split that state's allocation between the two ranking pools.

Other Resources

Getting EQIPed: USDA Conservation Programs for Organic and Transitioning Farmers - An archived webinar about the EQIP Organic Initiative from eOrganic, the organic portal on eXtension, USDA Cooperative Extension's online interactive learning environment.

Organizations In Your State That Can Assist You In Applying to EQIP

This list will be updated as needed, so please check back. If your organization has web-based information and/or expertise in assisting farmers applying for EQIP and wants to be listed here, contact Tracy Lerman, Policy Organizer, at **tracy@ofrf.org**.

NRCS National Webpage on the EQIP Organic Initiative

NRCS Organic Point of Contact List (pdf) - The list of organic point persons in each NRCS state office (updated April 2010).

The EQIP Organic Initiative Guidance for 2010 (pdf) - This document is the instructions developed by the NRCS headquarters on how states must implement the 2010 EQIP Organic Initiative.

NRCS Organic Initiative 2010 - the National Sustainable Agriculture Coalition's (NSAC) webpage with in-depth information about the EQIP Organic Initiative.

Accessing the Environmental Quality Incentives Program (EQIP) Organic Initiative for Conversion or Expansion - the National Center for Appropriate Technology's (NCAT) webpage with comprehensive information on the EQIP OI.

NCAT's EQIP Organic Initiative webpage in Spanish

The Midwest Organic and Sustainable Education Service (MOSES) webpage on the EQIP OI - this page has a list of Frequently Asked Questions about the EQIP OI.

Page updated April 9, 2010.

ORGANIC FARMING RESEARCH FOUNDATION

ORGANIC FARMERS ACTION NETWORK

POLICY ALERT

January 28, 2010

2010 EQIP Organic Initiative Deadline is March 12, 2010

Updated Program Information Available on OFRF Website

Now is the time to apply for the USDA's Environmental Quality Incentives Program (EQIP) Organic Initiative. USDA has again allocated $50 million for this program, which serves certified organic growers and those transitioning to organic farming systems. The program provides financial and technical assistance to growers to implement conservation practices relevant to organic agriculture. **Interested producers have until March 12, 2010 to sign up for the 2010 program.** To sign up, visit **your USDA Natural Resources Conservation Service (NRCS) local service center**.

Eligible Applicants

The EQIP Organic Initiative is available to agricultural producers who are:

- Interested in transitioning to organic.
- In the process of transitioning to organic.
- Already certified organic and interested in transitioning more acreage to organic.
- Already certified organic and interested in adopting conservation measures on their farm.
- Already certified organic and interested in transitioning more acreage to organic AND adopting conservation measures on their farm.

Organic producers who are exempt from certifying are still eligible to participate in the program. Additional information on eligibility is listed on our **EQIP Organic Initiative Resource Page**.

If you applied to the Organic Initiative in 2009 and your application was deferred, you will receive a letter from the NRCS informing you of your options.

Payments

Producers who receive EQIP Organic Initiative contracts with NRCS are paid 75 percent of the cost for the organic conservation measures they implement. Beginning, limited resource, and socially disadvantaged producers (those considered "historically underserved" by the USDA) are paid up to 90 percent. The program provides up to $20,000 per year with a maximum total of $80,000 over six years.

March 12 is the last day to submit your application for this year's funding. The process can be complicated, so we urge you to start now.

More Information

OFRF has updated information about the 2010 EQIP Organic Initiative, including application instructions, criteria for applying, information about the practices and payment schedules, and a list of organizations that assist growers in their state, on our **EQIP Organic Initiative Resource Page**. This page will be updated as needed, so check back frequently.

Organic and transitioning producers can also apply for the **regular EQIP**, which funds on-farm conservation activities, but not specifically related to organic farming systems. This program has higher payment limits, but the application process is much more competitive due to the larger number of applicants. The 2010 ranking cutoff date for the regular EQIP may have passed in your state – check **your state's NRCS website** for more information.

If you have any questions, please contact Tracy Lerman, OFRF Policy Organizer, at **tracy@ofrf.org** or 831-426-6606 x 108.

Join the Organic Farmers Action Network today!

Organic Farming Research Foundation, 303 Potrero St. #29-203, Santa Cruz, CA 95060
tel. 831-426-6606, action@ofrf.org, www.ofrf.org.

ORGANIC FARMING RESEARCH FOUNDATION

ORGANIC FARMERS ACTION NETWORK

POLICY ALERT

December 18, 2009

UPDATE: USDA Allocates $50 million for 2010 EQIP Organic Initiative

Sign-up Deadlines Arriving Soon
Visit Your Local NRCS Office for More Info

Last week we sent you an OFAN alert encouraging you to consider applying to the Environmental Quality Incentives Program (EQIP), which includes the Organic Initiative. **We recently learned that the USDA is again allocating $50 million specifically for the EQIP Organic Initiative in 2010.** This is good news for growers transitioning to organic and certified organic growers who want to transition new ground or implement new conservation practices on their farms. **However,** 2010 ranking cutoff dates* **for both the regular EQIP and the Organic Initiative are quickly approaching; if you want to be considered for either program, you should start the process right away.**

To find out the 2010 ranking cutoff dates* for regular EQIP, check with your local Natural Resources Conservation Service (NRCS) office. The 2010 ranking cutoff date* for the EQIP Organic Initiative is not yet set, but will likely be in early 2010. Your local office should help you determine the best program for your operation.

If you have a pending EQIP Organic Initiative application from 2009, or if you applied for the program after your state's 2009 ranking cutoff date, your application should still be eligible for the 2010 ranking. However, you may benefit from revising the application. Applicants with pending or deferred 2009 applications should receive a letter from NRCS explaining what their options are for 2010. Check with your local NRCS Service Center to learn the status of your application.

OFRF will regularly post state deadlines for regular EQIP and the EQIP Organic Initiative as well as other helpful information and resources on our EQIP Resource Page. Check regularly for updated information.

Please contact Tracy Lerman, OFRF Policy Organizer, at tracy@ofrf.org if you have any questions.

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*While the application process for EQIP and the EQIP Organic Initiative is continuous, NRCS state offices periodically rank all of the applications they have to determine which ones will receive contracts. These ranking cutoff dates typically occur once a year but states sometimes have more than one ranking round.

Join the Organic Farmers Action Network today!

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tel. 831-426-6606, action@ofrf.org, www.ofrf.org.

ORGANIC FARMING RESEARCH FOUNDATION

ORGANIC FARMERS ACTION NETWORK

POLICY ALERT

One Week Left to Complete our Survey on the 2009 EQIP Organic Initiative

If you are a farmer and have not yet completed OFRF's survey on the USDA's 2009 Environmental Quality Incentives Program (EQIP) Organic Initiative, please fill it out today.

We need to hear from all farmers, not just those who have an EQIP Organic Initiative contract. We want to hear from conventional *and* organic producers; from producers who applied to the Organic Initiative *and* those who didn't. Whether or not you received a contract through the EQIP Organic Initiative, please help us improve the program by sharing your views through our short survey.

Click here to fill out our survey on the 2009 EQIP Organic Initiative.

In order for us to get data to USDA in time to affect the 2010 Organic Initiative, **this survey will only be available until November 10. Please fill it out today.**

Click here to fill out our survey on the 2009 EQIP Organic Initiative.

If you have any questions, please contact Tracy Lerman, OFRF Policy Organizer at (831) 426-6606 x 108 or **tracy@ofrf.org**

Background
Last spring, the United States Department of Agriculture's Natural Resources Conservation Service (NRCS) created a special initiative as a part of the Environmental Quality Incentives Program. This initiative, called the Organic Initiative, provides financial and technical assistance to agriculture producers who want to improve their organic operations or transition land to organic production.

Now that 2009 program sign-up is over, OFRF is gathering comments from farmers and will use those comments to make recommendations to NRCS on ways to improve the 2010 Initiative. This survey is only the first step in gathering farmer input. OFRF will continue to solicit growers' ideas and send them to NRCS in order to improve future programs.

Join the Organic Farmers Action Network today.

Organic Farming Research Foundation, 303 Potrero St. #29-203, Santa Cruz, CA 95060
tel. 831-426-6606, action@ofrf.org, www.ofrf.org.

The Conservation Stewardship Program (CSP)

What is CSP?
The Conservation Stewardship Program (CSP) is a comprehensive working lands program available through the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS). CSP rewards producers for practices and systems that protect the environment and natural resources. The program targets practices that conserve or improve soil, water, air, energy, biodiversity, and wildlife habitat. Through CSP, producers receive technical and financial assistance for maintaining existing conservation measures and for adopting additional conservation practices. The NRCS will will award five-year CSP contracts to qualifying producers for up to $200,000. Enrollment for the program is nationwide and continuous. **The 2009 sign-up for CSP is closed. We will update this page with information for the 2010 sign-up once NRCS makes it available.**

Benefits for Organic Farmers
CSP rewards producers for the conservation benefits of their existing organic farming and ranching systems. Organic practices are among the more than 70 activities CSP targets. Some of these include organic cropping and livestock systems, establishment of pollinator habitat, conservation tillages, resource conserving crop rotations, rotational grazing, and continuous cover cropping. Practices that sequester carbon and reduce greenhouse gasses are also rewarded. In addition, the 2008 Farm Bill requires NRCS to provide technical assistance specific to organic producers.

More Info
- **How to Sign up for CSP**
- **Frequently Asked Questions About CSP**
- **Organizations Assisting Farmers Applying to Conservation Programs**
- **Useful Resources for Farmers**

If you have any questions, contact Tracy Lerman, Policy Organizer at (831) 426-6606 x 108 or **tracy@ofrf.org**.

How to Sign up for CSP

(Note - steps 1 and 2 must have been completed by September 30, 2009 in order to be considered for the 2009 funding pool. We will update this page with information about the 2010 sign-up when NRCS makes it available.)

1) Complete a producer self-screening checklist to see if CSP is right for you. This checklist will determine if you meet the programs applicant eligibility, land eligibility, and stewardship threshold eligibility. You can **download the checklist from the NRCS website** or fill it out at **your local NRCS Service Center**.

2) Fill out a Contract Program Application in your local NRCS Service Center. This application is a simple 3 page form that asks you basic questions about your operation. You can **download the form and supplemental information from the NRCS website**.

3) Establish a record at the USDA Farm Service Agency (FSA) if you have not already done so. In order to apply for any USDA conservation program, you must be an operator in the FSA farm records management system. **You must have this done by October 30, 2009 for the 2009 sign-up.** You can establish a record in the FSA system at your **local FSA Service Center**.

4) Determine your ranking score by completing the Conservation

Policy

Organic Farmers Action Network

Federal Legislation

Congressional Organic Caucus

Biotechnology and Organic

Policy Internship

Measurement Tool at your local NRCS Service Center. Farmers who are eligible applicants for CSP complete this new online tool (soon to be available on the NRCS website) which will evaluate your existing conservation level and proposed additional improvements. This step may be started anytime after mid September and must be completed by the end of October. Check with **your local NRCS service center** for specific dates in your region.

NRCS will rank applicants based on their ranking score and will determine which applicants are eligible for enrollment by about mid-November.

5) NRCS field staff will conduct an on-site field verification. If your application is approved for enrollment, NRCS field staff visit your operation to verify that the information provided in your application is correct.

6) Develop a contract with NRCS. Once your application is field-verified, you will work with NRCS field staff to develop a contract and a conservation stewardship plan. The conservation stewardship plan is the schedule of conservation activities to be implemented, managed, or improved during the contract's life. Implementation of the plan begins in 2010, with the first CSP payment made in October of 2010.

Useful Resources for Farmers

Farmers' Guide to the Conservation Stewardship Program - from the National Sustainable Agriculture Coalition.

A list of Frequently Asked Questions about CSP

OFRF Policy Staff interviews NRCS Chief Dave White about CSP - read the full article and listen to audio clips.

OFRF Podcast on CSP - OFRF Senior Policy Analyst Mark Lipson talks about CSP and the benefits to organic growers.

Conservation Stewardship Program Estimated Payment Ranges - an NRCS fact sheet about the estimated range of payments CSP participants can expect to receive.

USDA Update on the New Conservation Stewardship Program - a webinar interview with NRCS Chief Dave White and NRCS staff and power point presentation about CSP.

The NRCS Conservation Stewardship Program Information Page - the official program information page from the Natural Resources Conservation Service.

The NRCS CSP Conservation Activity List - the list of activities that CSP rewards. Applicants can already be practicing these activities or list them as activities that they plan to implement on their operation.

Accessing the New Conservation Stewardship Program - a comprehensive website with detailed information on CSP from the National Center for Appropriate Technology.

New Conservation Stewardship Program and **Ten Easy Steps to Participate in the Conservation Stewardship Program** - The Center for Rural Affair's information pages on CSP.

Using CSP on Your Farm - a fact sheet put out by the Land Stewardship Project.

The National Sustainable Agriculture Coalition's **press releases** announcing the 2009 CSP (scroll down to find them.)

Help Shape the Conservation Stewardship Program - Send in Your Comments by October 28, 2009 - archived action alert from the **Organic Farmers Action Network**.

Page updated April 9, 2010.

Organic Farming Research Foundation. P.O. Box 440, Santa Cruz, CA 95061

ORGANIC FARMING RESEARCH FOUNDATION

ORGANIC FARMERS ACTION NETWORK

POLICY ALERT

September 3, 2009

Conservation Stewardship Program Deadline Approaching Four Weeks Remain for 2009 Sign Up

You still have time to sign up for the 2009 Conservation Stewardship Program (CSP), but the deadline is approaching quickly. You have until September 30, 2009, to complete the **initial application**.

You can access detailed information on how to apply and obtain helpful CSP resources on OFRF's **CSP Resource Page**. Resource Page highlights include:

- **A list of Frequently Asked Questions about CSP**
- **A list of organizations providing assistance to organic growers applying to Conservation Programs**
- **An interview with NRCS Chief Dave White on the benefits of CSP for organic growers**
- **A podcast of OFRF Senior Policy Analyst Mark Lipson providing an overview of CSP**

What is CSP?
The Conservation Stewardship Program (CSP) is a comprehensive working lands program rewarding producers for practices that improve natural resources and the environment. CSP provides technical and financial assistance to producers for maintaining existing conservation measures and for adopting additional conservation practices.

Benefits for Organic Farmers
CSP rewards producers for the conservation benefits of their existing organic farming and ranching systems. Organic practices are among more than 70 activities CSP targets. Some of these include organic cropping and livestock systems, establishing pollinator habitat, conservation tillage, resource-conserving

crop rotations, rotational grazing, and continuous cover cropping. Practices that sequester carbon and reduce greenhouse gases are also rewarded. In addition, the 2008 Farm Bill requires NRCS to provide technical assistance specific to organic producers.

To learn more about the Conservation Stewardship Program, including detailed instructions on how to submit an application, please visit our **CSP Resource Page**.

******

Thank you once again for all of your advocacy work. Please send questions and comments to Tracy Lerman, OFRF Policy Organizer: tracy@ofrf.org.

Join the Organic Farmers Action Network today!

Organic Farming Research Foundation, 303 Potrero St. #29-203, Santa Cruz, CA 95060
tel. 831-426-6606, action@ofrf.org, www.ofrf.org.

Toward a California Organic Action Plan

Margaret Reeves and Chelsea Bardot Lewis
January 21, 2010
EcoFarm Conference

CA Policy Action Network for Sustainable Agriculture - Organic Working Group

- California Institute for Rural Studies
- Californians for Pesticide Reform
- CCOF
- Environmental Working Group
- Organic Farming Research Foundation
- Pesticide Action Network
- Center for Food Safety

The Approach

- Collaborative research for effective advocacy and policy entrepreneurship
  - Building on California's past achievements
  - Learning from others' experiences
  - Flexibility and adaptability
- Presentation of findings coupled with questions to consider
  - Goal: stimulate dialogue

Justification for a COAP

- Only 0.6% of CA cropland is in organic production
- Coordinated approach needed for policy reform
- Window of opportunity
  - Shift in tone from USDA
  - Upcoming Farm Bill campaign
  - Leverage momentum from the NOAP

Seeding an action plan…

Photo: Paul Cary Goldberg

What can we learn from history?

- Secure buy-in from CA organic growers
- Linking organic to health benefits
  - Food safety
  - Nutrient density
- Clarifying meaning

Current trends and policy implications

- Green et al (2009). “Emerging issues in the U.S. organic industry.” USDA ERS.
- Balance of supply-side and demand-side policies
- More and better data needed
- Encourage efficient marketing infrastructure

Political Challenges

- Powerful agribusiness lobby
  - “Feeding the world” argument
- Organic in the mainstream
  - “Conventionalization” and intensification
- Internal conflict within sustainable agriculture sector

Key Policies Include

- Recognition of benefits
- Conservation payments
- Cost-share and tax rebates
- Research and technical assistance
- Stakeholder coordination
- Market coordination
- Consumer education and incentives
- Institutional purchasing

Planning for Action

- What can we learn from the EU action planning process?
- What can we learn from the NOAP, and what does California have to offer?
- What funding sources exist?

California Organic Action Plan:
Feasibility Study Part I

Chelsea Bardot Lewis
Masters of Science Candidate
Friedman School of Nutrition Science and Policy
Tufts University

For

The Organic Action Plan working group of the California Policy Action Network for Sustainable Agriculture—C-PANSA: California Certified Organic Farmers, California Institute for Rural Studies, Californians for Pesticide Reform, Center for Food Safety, Environmental Working Group (California office), Organic Farming Research Foundation, Pesticide Action Network

January 2010

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Acknowledgements

This paper reflects eight weeks of exploration into the organic sector in California. The findings, while preliminary, are intended to promote dialogue and spur creative policy development around the California Organic Action Planning process.

The outline for this work was developed by Ron Strochlic, who played an instrumental role in creating the academic framework for the project, and was a constant source of support. CIRS Intern Paige Culver conducted in-depth research on EU policies, contributing a significant portion of the "Consumer Education" section of this paper, and making astute observations concerning the EU and U.S. approaches to organic. Alida Cantor and Lisa Kresge at CIRS also lent support.

Special thanks goes to Mark Lipson, who, through a series of interviews and in detailed feedback helped to contextualize the work within the broader organic movement at the state and federal level. Tracey Brieger, Kari Hamerschlag, Margaret Reeves, and Claudia Reid similarly shared their insights into California's agricultural policy landscape. Mark Van Horn, Cathy Greene, Karen Klonsky and Rex DuFour provided creative ideas and a wealth of information on the state of organic agriculture in California, the U.S., and abroad.

Ms. Bardot Lewis wishes to thank Jalal Elhayek, Jessica Lattif, Allie Quady, and Asta Schuette – fellow "Merriganistas" from the Friedman School – for their insight, and her husband Nate Lewis, an organic farmer in New England, for his encouragement.

Introduction

"Organic farming is neither exclusively one type of environmental social movement, nor is it simply a form of land management that follows a specific set of standards. Rather, organic food and farming incorporates both of these while providing the basis for an economically viable livelihood for organic farmers" (Schmid et al 2008).

The Need for a Policy Framework to Promote Organic Agriculture in California

The organic movement has reached a pivotal point in its development, having achieved legitimacy on the national policy stage, but continuing to capture only a small portion of the market share and a fragment of total farmland acreage. California has been at the forefront of the movement to promote organic agriculture, as the first state to pass legislation creating organic standards and a registration program, and the home of many of the nation's most respected organic experts and organizations. While the majority of the organic fruits and vegetables grown in the U.S. still come from California, of the state's 81,000 farms, only 3,515 – a mere 3.8% – have some (but not necessarily all) of their land in organic production. Organic acreage has been increasing, but **California's 150,000 acres in organic production represent only 0.6% of the state's farmland** (USDA 2007a, USDA 2007b).

Organic agriculture offers numerous environmental, health and social benefits, including improved air, water and soil quality; increased carbon sequestration and reduced greenhouse gas emissions; improved wildlife habitat (including pollinators) and increased water efficiency. It also offers healthier conditions for farmers, agricultural workers and residents of rural communities, while providing consumers with access to healthy food.

Despite its multifunctionality, **until the 2008 Farm Bill, the U.S. took a strictly market-based approach to promoting organic agriculture, and California followed its lead, offering no substantial policy interventions to support or even recognize the benefits of organic.** The EU, by comparison, has implemented a variety of policies, including direct payments, to support organic food and farming. The EU provides significantly more funding and financial support for organic programs and research: in 2005, 70-80 million euros went to organic programs and research in the EU, while U.S. federal funding was about 7 million dollars (Dimitri and Oberholzer 2006). The differences in U.S. and European approaches may help explain the fact that Europe has a nearly four times greater percentage of land in organic production than the U.S. (1.9% vs. 0.5% of all farmland), with nearly five times as much farmland in organic production (7.8 vs. 1.6 million hectares) (Willer and Kilcher 2009).

Window of Opportunity

However, the favorable political climate in Congress and at USDA offers a **window of opportunity to promote policy interventions at the state and federal level**. Kathleen Merrigan, one of the authors of the Organic Food Production Act, was named Deputy Secretary of Agriculture, and has pledged to integrate organic into every agency at USDA, broadening its reach beyond the "silo" of the Agricultural Marketing Service. The 2008 Farm Bill provided for a significant increase in funding for organic agriculture, and

$50 million was allocated for an organic transition cost-share initiative through the Environmental Quality Incentives Program. In a June 2009 report, USDA explicitly recognized the environmental benefits of organic agriculture, including: reduced pesticide residues in water and food; reduced nutrient pollution; improved soil tilth, soil organic matter, and productivity; lower energy use; carbon sequestration; and enhanced biodiversity. It also admitted that the National Organic Program (NOP) has had little impact on environmental externalities caused by conventional agricultural production methods because the organic adoption rate is so low (Greene et al 2009). In another report, USDA found that demand had outpaced supply, and organic handlers faced critical shortages that stifled the growth of the industry (Dimitri and Oberholzer 2009). **Because strong demand signals are not stimulating supply, a market-based approach cannot succeed in promoting an increase in organic farming and its associated economic, environmental, and social benefits**.

It is generally accepted that government intervention in the market is justified to: fix negative effects of earlier interventions; correct imperfect competition; improve access to information; or compensate for a failure to value public goods and externalities (Stolze and Lampkin 2009). Each of these is appropriate rationale to apply to the case of organic agriculture.

Many states have preempted the federal government in policies to support organic food and farming. The Midwest has been particularly active with several state- and county-level interventions aimed at increasing organic farmland acreage as a means of promoting rural development. Despite strong grassroots support for the organic movement, **California is no longer at the forefront of state-level policy entrepreneurship**, as evidenced by the defunct California Department of Food and Agriculture (CDFA) Organic Program. CDFA organic registration is no longer collecting valuable data, and the program has failed to promote the expansion of the organic sector.

Developing a California Organic Action Plan

Given its historical role with respect to promoting a more sustainable food system, California is uniquely positioned to take a leadership role in developing and promoting policies to expand organic agriculture. However, there is no statewide organization that represents the public interest aspects of organic agriculture. CCOF, which had driven much of the development of organic policy in California (including essentially single-handedly driving the overhaul of the California Organic Production Act in 1990), is ultimately obligated to act in the interests of its members. This may limit the support or leadership that can be provided for public policy initiatives that would increase the number of competitors in the organic marketplace. While California has myriad organizations working on issues directly and indirectly related to organic agriculture, no one group has set forth a strategic plan or vision for the future of organic in the state. **In the presence of this organizational vacuum, a California Organic Action Plan could play an important role in coordinating the efforts of the many organizations working on issues pertaining to the organic sector in the state.**

In 2004, the EU adopted the European Action Plan for Food and Farming (EAP), a 21-point plan to promote and improve organic agriculture. In the EAP, the EU explicitly recognizes the social and environmental benefits of organic agriculture, including pesticide reduction, nutrient cycling, soil fertility, biodiversity, and animal welfare. The plan includes a number of action items geared towards increasing the acreage under organic production, such as increasing information about organics and promoting the benefits of organic agriculture to consumers; improving data collection; encouraging EU member states to develop their own regional and national organic action plans; strengthening research on organic agriculture; and improving organic standards and inspection systems (Commission 2004). Most EU member states have their own organic action plans and programs in addition to the overall EU plan (Proceedings 2007).

This document is the first step in adapting the EU model to create an organic action plan suited to the economic, policy, and market environments of California. The first section presents the state and federal context which organic policy advocates are operating under, including the historical development of the movement, the current picture of production, and industry trends. The second section outlines types of policies currently being implemented domestically and in Europe. The conclusion includes suggestions for next steps. Appendix A presents an outline for the completion of this phase of the project, and Appendix B is the "Golden Rules" for Organic Action Plans from the European Organic Action Plan Final Report.

Recognizing that the concept of organic farming does not belong to any one organization, but has been developed and sustained by producers, consumers and advocates since its birth, our goal is that the action planning process will provide a venue for California's organic stakeholders to participate in the evaluation and adaptation of proposed policies and programs. This document is intended to stimulate dialogue towards the creation of a dynamic plan for the future of organic food and farming in California.

Section 1: The State of Organic Agriculture in California

1.1) Development of Organic Food and Farming Policy

Organic Policy Development in the U.S.

J.I. Rodale is considered the pioneer of organic growing methods in the U.S., first applying the practices advocated by Englishman Sir Albert Howard to his experimental farm in Pennsylvania in the 1940s. The concept of healthy soil, attained through incorporation of organic matter such as animal manure, mulch, and cover crops, was at the foundation of these methods. Howard's work was a departure from Justus Von Liebig's "NPK mentality" of synthetic inputs for soil fertility that had become popular during the mid-19th century (Heckman 2005; McCullem-Gomez and Riddle 2009). Heckman (2005) describes Howard and Rodale's contributions to organic agriculture in greater depth. His analysis also reveals confusion over the term "organic" dating back to the first years of its use, when critics misrepresented the principles of organic agriculture as being based on organic chemistry, instead of a "philosophy of living systems."

The organic movement grew during the 1960s and '70s with the creation of cooperatives and buying clubs, which established industry publications and organized conferences and other events. As the supply chain lengthened with increased demand, these consumer- and farmer-initiated organizations created independent third-party certification systems (Kuepper 2002). On the west coast, J.I. Rodale helped establish California Certified Organic Farmers and the Oregon-Washington Tilth Organic Producers Association in the early 1970s (Baker 2005).

Organic agriculture emerged at the national level in 1980, when the USDA published its *Report and Recommendations on Organic Farming*. The report proposed increased communications between the USDA and the organic sector, but received considerable backlash from the Regan administration, which tried to bury it. However, support for the movement continued to grow at the grassroots level, and several land grant colleges began to offer applied courses in organic agriculture (Heckman 2005).

Organic food consumption entered mainstream consciousness during the 1989 Alar episode, spurred by a CBS "60 Minutes" report on the use of the carcinogenic pesticide in apple production. U.S. supporters of conventional agriculture have accused organic advocates of sensationalizing and taking advantage of food scares, but American consumers have historically been less strongly affected by food scares than Europeans (Dimitri and Oberholtzer 2005).

The initial organic demand bubble burst as the Alar scare subsided, but sufficient growth enabled grassroots organizers to galvanize around the issue to promote legislation for organic certification standards. With no federal support or coordination of the certification system, there were considerable differences between the organic certifiers in different parts of the country. The 1990 Organic Foods Production Act (OFPA) directed the USDA to appoint the National Organic Standards Board (NOSB) and establish the National Organic Program (NOP). After over a decade of debate over implementation, during which the USDA received more comments on its first proposed NOP rule than on

any other rulemaking to date, the final rule went into effect in 2002 (McCullem-Gomez and Riddle 2009).

While the original bill included funding for research and promotion, in its final iteration the OFPA was stripped down to solely labeling and standards, and the NOP was siloed in the Agricultural Marketing Service. **We are now dealing with the ramifications of suspending support for research and development**. One symptom of the dearth of research on organic is the trend towards input substitution, or the application of the conventional farming paradigm to organic systems by replacing approved inputs for banned ones. Instead, research into biological systems could to change the fundamental approach to agriculture, as was the original intent of the organic movement (Lipson 2009).

Organic Policy Development in California

California played an integral role in the development of organic food and farming policy in the U.S. In 1973, California Certified Organic Farmers (CCOF), the nation's first grower certification organization, was formed by 54 farmers with the purpose of developing a set of production standards. Pushed by CCOF, California passed the Organic Production Act in 1979, the nation's first organic farming legislation. The 1979 Act established a legal definition of organic growing practices (largely based on CCOF standards), but had no budgetary appropriation for enforcement (Guthman 2004b). The conventional agriculture industry was hostile towards organic, and the 1979 law was relegated to the Health and Safety Code, indicating its categorization as a health food market niche.

Misuse of the organic label was reported from time to time, particularly during the hasty growth of the organic sector after the Alar scare, and the California Organic Foods Act was overhauled in 1990 to establish enforcement provisions and authorize funding for implementation through the California Department of Food and Agriculture. The California Organic Products Act (COPA) was passed in 2003, amending the 1990 law to conform to NOP regulations (Guthman 2004b).

During the interim period between the passage of the COPA in 1979 and the OFPA final rule in 2002, the California definition of organic became the de facto national standard. California led the nation in both organic supply and demand, and firms who wanted to buy raw materials or sell finished products were subject to the state's rules. Funded in large part by organic grower registration fees, CDFA and county agricultural offices played an important role in enforcing the standards, as there was still no accreditation of certifiers. Although the CDFA continues to administer a state organic program, once the NOP rule went into effect in 2002, many aspects of COFA were superseded (Lipson 2009).

What can we learn from history?

Perhaps the most important lesson to be learned from the history of the organic movement in California is the central role played by growers. CCOF, as a representative of grower interests, was incredibly active in pushing for the creation, codification, and

regulation of the organic standards, but has not sponsored legislation or developed a policy platform to promote the growth in the number of acres or farms managed organically. **It will be of the utmost importance to secure buy-in from the state's organic growers in order for this action plan to be successful.** The plan should include policies that will make it attractive to existing growers, for example: green payments for established growers (as opposed to only transition incentives), research and extension, marketing promotion and infrastructure development, and consumer education and other demand-side supports.

The history of organic in relation to food safety issues is an interesting one. The Alar episode had a short-lived effect on the organic market, despite the industry's best effort to promote organic as safer. The 2006 E. coli outbreak that originated from an organic spinach farm further weakened the link between food safety and organic. **A stronger argument than food safety for the human health benefits of organic food is its nutritional superiority.** In 2008 the Organic Center conducted a literature review of 28 peer-reviewed studies comparing organically- and conventionally-grown produce, and found that organic foods are more nutrient dense (Benbrook et al 2008).

It is also interesting to note the confusion over the meaning of the term "organic" dating back to the origins of its use. The codification of a legal definition of organic was a powerful step towards clarifying the term, but some consumer confusion remains over its meaning. The proliferation of other certifications ("cage-free," "humane," etc.) may be adding to this confusion.

1.2) Current Status of Organic Agriculture

Summary of the Organic Sector in the U.S. and California

Growth in the organic sector is largely consumer-driven. A recent USDA study found that, "significant price premiums, fast-paced growth in demand, and fluctuating market conditions have characterized the U.S. organic sector since the beginning of the decade". In the early part of the decade, before the economy weakened, demand generally outpaced supply, although the market varied by sector. In 2004, 44% of organic handlers reported inadequate supply of ingredients or products. While demand has continued to grow despite the current economic climate, the rate of growth has slowed, indicating that during recessions infrequent buyers may limit their consumption of organic products, and the rate of new buyers may decline (Greene et al 2009).

Organic food is still among the fastest growing sectors of the food industry, with annual average sales growth of over 20% in the first half of the decade. In 2008, U.S. organic food sales totaled over $21 billion. More than a quarter of American consumers buy organic products weekly, and over two-thirds buy organic products at least occasionally (OTA 2007). Once found only in small natural products markets, organic foods are now sold in mainstream stores such as Wal-Mart and Costco (Greene et al 2009).

However, U.S. organic food sales comprised only 2.8% of all food sales in 2006. Fruits and vegetables is the largest category of organic sales, with nearly 40% of total organic food sales, followed by dairy, with 16%. Organic meat has experienced the greatest

growth, with 29% in 2006 and 55% in 2005. Sales of organic non-food products also experienced 26% growth between 2005 and 2006 (OTA 2007). Organic farm level sales in California have been on pace with the rest of the nation, with an average of 20% growth annually between 2000 and 2005 (Klonsky and Richter 2007).[1]

Between 1990, when the OFPA was passed, and 2002, when the regulations went into effect, the acreage of certified organic farmland nearly doubled. Between 2002 and 2005, that number doubled again. However, the rate of expansion has slowed – and even decreased – in some organic sectors, such as cotton and soybeans. Overall, only 0.5% of farmland (including rangeland) in the U.S. is organic. Nearly 5% of vegetable acreage and 2.5% of fruit and nut acreage is under organic management, but only 0.2% of corn and soybean crops were certified organic in 2005 (Greene et al 2009).

In California, certified organic acreage increased by over 30% between 2000 and 2005. However, the number of certified organic growers who registered with the state of California actually fell by approximately 5% during this time period, perhaps indicating industry consolidation (Klonsky and Richter 2007). In California, the top 3% of growers manage nearly 70% of the state's organic acreage. Nationwide, consolidation exists to a slightly lesser extent, with 4% of growers controlling 60% of U.S. organic acreage (USDA 2007a).

California's 3,515 certified organic farms comprise about or 17% of the national total. Washington comes in a distant second with 1,207 farms (USDA 2007a). Furthermore, California encompasses 60% of organic vegetable, fruit and nut acreage in the U.S. (Klonsky 2008). Because of the predominance of high-value, specialty crops, California has 14% of the nation's organic acreage, but is responsible for over 38% of farm gate sales, averaging $1,780 per acre. Montana, by comparison, which ranks second in terms of organic acreage, most of which is in pasture, averages only $45 per acre (USDA 2007a). The high price of land in California creates the constant pressure to produce more crop value per acre and encourages intensification (Guthman 2004c).

[1] **Data on the Organic Industry:** Data on the organic industry has been scarce and often flawed. The Census of Agriculture, administered by the USDA National Agricultural Statistics Service (NASS), collects some data on the organic sector. As a follow-up to the 2007 census, NASS is conducting its first-ever wide-scale survey of organic agriculture. The Organic Production Survey will capture additional information on how the growth of organic farming is "changing the face of U.S. agriculture" (USDA 2007a).

California is one of only a few states with a state-run organic program. Under the 2003 California Organic Producers Act, all producers, handlers, processors, and retailers of commodities labeled as organic are required to register with the Department of Food and Agriculture (CDFA). This registration system provides data about the size and composition of the organic sector in California (Klonsky and Richter 2007).

There are many discrepancies between CDFA and USDA data. According to Karen Klonsky, Cooperative Extension Specialist at the University of California, Davis, this is due to the fact that some farmers are not registering with CDFA at the level required, and the state has not been rigorously enforcing the registration requirement. USDA data is also flawed, and exaggerated numbers have been reported. Where discrepancies were found, this report uses the USDA data. **Better data on organic food and farming at the state and federal level is imperative.**

Despite its position as the national leader in organic agriculture, only 3.8% of all farms and only 0.6% of cropland (150,000 acres) in California are certified organic. There are an additional 190,000 acres of pastureland under organic management, bringing the percentage of California organic farmland acres to approximately 1.5%. Nationwide, merely 0.25% of 925 million farmland acres is used for certified organic production (USDA 2007a).

Figure 1: California's Agricultural Regions

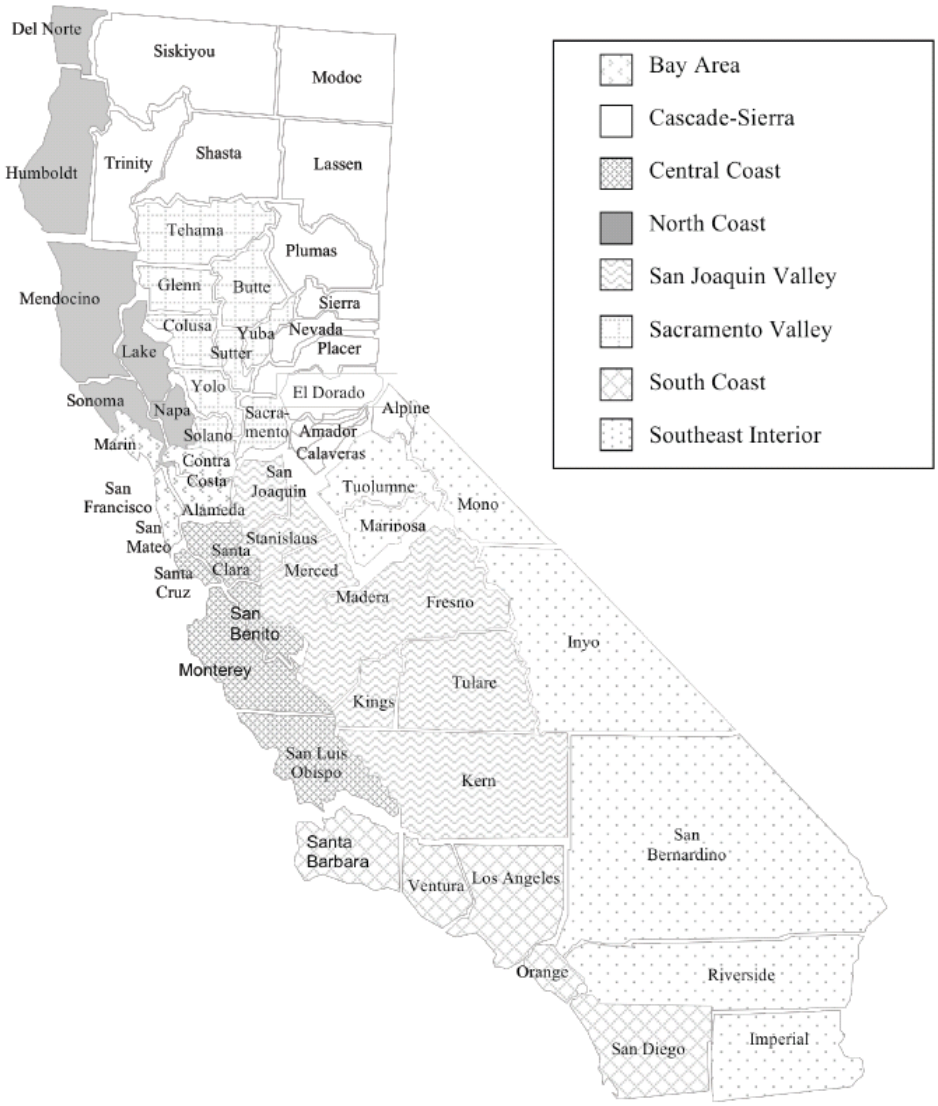

Image from Klonsky (2007)

California Organic Farmland Summary by Acreage

As of 2005, the San Joaquin Valley has the greatest acreage of certified organic farmland. The Sacramento Valley and the North Coast are the second and third largest regions in terms of organic acreage (Klonsky and Richter 2007).

Organic production can be divided into the following categories: vegetable crops; fruit and nut crops; livestock, dairy, poultry and apiary; field crops; and nursery, greenhouse and floriculture.

The Central Coast has by far the greatest acreage of organic vegetable crops, with 52% of the state total, while the San Joaquin Valley comes in a distant second with 18%. The San Joaquin Valley comprises nearly 40% of the fruit and nut crop acreage in the state, followed by the North Coast with 18%. The North Coast is the leader in livestock, dairy, poultry and apiary, with about 33% of the state's acreage in this category, followed by the San Joaquin Valley with 20%. The Sacramento Valley comprises 40% of field crop acreage, followed by the Cascade-Sierra region with 28%. 32% of the state's acreage (only 342 total acres) in the nursery, greenhouse and floriculture category is in the Cascade Sierra Region, and 13% is in the Central Coast (Klonsky and Richter 2007).

California Organic Farmland Summary by Value of Sales

In 2005, the top five organic commodities by value of farm gate sales in California were dairy, salad mix, strawberries, carrots, and table grapes (Klonsky 2008). The Central Coast has the highest organic farm level sales value, followed closely by the San Joaquin Valley. The South Coast has the third highest farm level sales (Klonsky and Richter 2007).

The Central Coast earns more than half of the state's organic vegetable crop sales, and the San Joaquin Valley comes in a distant second with 18%. The San Joaquin Valley receives 37% of the fruit and nut crop sales in the state, followed by the Central Coast with 18%. The San Joaquin Valley is also the leader in livestock, dairy, poultry and apiary sales, with about 48%, followed closely by the North Coast with 42%. The Sacramento Valley receives about half of the state's field crop sales, followed by the Cascade-Sierra region with 22%. 41% of the farm gate sales from the state's nursery, greenhouse and floriculture industry goes to the Central Coast, which has only 45 acres of production, and sees sales of over $70,000 per acre in this category (Klonsky and Richter 2007).

Klonsky (2008) observes several trends in organic agriculture in California. First, sales are growing at double-digit rates, while the number of acres and growers has remained more constant. Furthermore, while vegetable and fruit crops still dominate, with 80% of sales, for the first time in 2007 field crop acres exceeded vegetable crop acres. Also, livestock and poultry sales are now growing at a faster rate than produce.

1.3) Trends in Organic Agriculture

Economics

A report published by the USDA Economic Research Service in June 2009 highlights several trends in the organic sector. First, supply has not kept up with demand, and over half of organic handlers surveyed by the Organic Trade Association reported that the supply squeeze for organic raw ingredients had limited their growth. Organic feed grains and soybean supplies have been especially tight (Greene et al 2009).

Concurrently, U.S. organic imports have increased. In 2002, the value of imports was between $1.0-1.5 billion, and the value of exports was only $125-250 million.[2] Since then, organic imports – particularly of soybeans, coffee, tea, cocoa and tropical produce – have increased considerably. Imports have likely increased both because of the lack of domestic supply as well as lower farm labor costs in developing countries. Small-scale, diversified, direct-marketing operations are least susceptible to foreign competition (Greene et al 2009).

The report also found that organic operations have higher costs, mostly due to labor substitution for chemical inputs, evidencing the need for research into biological solutions to reduce inputs into organic systems. Despite higher costs, price premiums remain as demand continues to outpace supply, and ERS analyses of both organic dairy and soybean producers found that they were at least as profitable as their conventional counterparts in the first half of the decade (Greene et al 2009). However, even a small increase in supply could make many organic farming operations less profitable than conventional, particularly when the opportunity costs of unpaid labor on dairy farms is taken into consideration.[3] **It is important, therefore, to balance policies that promote an increased supply with those that address marketing issues, decrease costs, increase demand or otherwise support farm gate prices.**

Marketing and Consolidation

While there has been some consolidation at the farm level, the structure of the organic processing industry has changed significantly over the past decade. Howard (2009) presents the rampant consolidation in the organic processing industry as evidence of the "conventionalization" of the organic sector as a whole, enabled in part by the passage of the organic standards, which increase consumer confidence in "industrial" organic. While it appears that consumers are faced with an increasing variety of organic products, these products are manufactured by a decreasing number of firms. Corporations such as General Mills and Kraft expand into the organic market through horizontal integration (quietly acquiring small, independent firms) and concentric diversification (introducing organic versions of mass market or private label brands).

[2] Again, import and export data for organic is grossly flawed, and these numbers represent broad generalizations and estimations.

[3] Dairy farmers, particularly those who operate on a small scale, do not normally record the full number of hours they and their family members put into the farm business on accounting documents. However, the opportunity cost of unpaid labor does come into consideration as farmers make management decisions.

Changes in the structure of the organic processing sector, as well as increased consumer demand, have led to an increase in organic sales through supermarkets, drugstores and mass merchandisers. Knudson (2007) finds that the organic industry is evolving into two markets. The health market, which is the larger of the two, consists of consumers who buy organic food primarily because of its perceived health benefits. Organic foods that enter this market are treated as commodities and are sold at large retailers such as Wal-Mart and Costco. It is difficult for individual producers and small-scale distributors to enter the health market, particularly with the increasing consolidation of retail operations.

The second market is the "traditional" organic market, whose consumers are interested in the social aspects of food production such as environmental health, and local and small-scale production models. Growth in the health market has been much faster than that of the traditional organic market, but there are fewer barriers to entry for small-scale producers, and consumers in this market tend to be less price-sensitive (Knudson 2007).

Perhaps because of the changing structure of the organic industry, studies indicate that consumers prefer local over organic, and are willing to pay premiums for local foods (Greene et al 2009). Although locally grown and organic labels are not necessarily competitive, California's large-scale organic industry may not be able to maintain its share of the national market, and could face falling prices.

Policy Implications of Current Trends

In order to analyze the current trends and create meaningful policy, organic advocates need reliable, consistent data on production, marketing, and economics (at both the farm level and for the food system as a whole). **We do not currently have the breadth of data needed, and the vast discrepancies between CDFA and USDA statistics indicate that the data we do have are not accurate.**

Organic and local advocates must avoid the tendency, often encouraged by the media, to fragment the sustainable agriculture movement. Local agriculture usually *is* organic, particularly in California, as the most established direct-market producers in any area have typically achieved certification. These farmers often serve as mentors to newer growers, who may not be certified, but are growing using organic methods.

Given the bifurcation of the organic supply chain, as well as the perceived tension between local and organic, policies are needed to help California growers address marketing issues as they contemplate transitioning to organic. Marketing may be more of a barrier to organic transition than production expertise, and diversification of marketing channels should be encouraged to help stabilize farm income. **In the absence of an efficient marketing infrastructure, bottlenecks can hinder the growth of the organic sector, even in the presence of ample supply and strong demand.**

Because California leads the nation in the number of large-scale organic operations, it is often the target of the "conventionalization" critique in the U.S. **In developing a policy platform, conventionalization must be addressed, and policies analyzed to ensure size-neutrality**. For instance, research that moves organic production away from input

substitution and towards the development of biological systems would make small farmers competitive.

1.4) Challenges Facing Organic Agriculture

Political Pushback

Organic agriculture is beginning to shed its stigma as unscientific and irrational. As Dave White, Director of NRCS for the Obama administration, pointed out in a 2009 interview, "the taboo [against organic] is residue from another time" (White 2009). However, there is still a powerful agribusiness lobby that argues that organic agriculture is unable to attain yields high enough to feed the world, and commonly portrays the movement as elitist. Food safety arguments have also been used against organic, particularly since the 2006 E. coli outbreak. **While many of these arguments have been rebutted by peer-reviewed research, myths of the inferiority of organic are still commonplace in the public psyche.**

Organic gardening has been promoted at the highest levels of the federal government, with the People's Garden at the USDA, and the highly publicized White House kitchen garden on the south lawn. In May 2009, Sacramento's "WE Garden in Capitol Park" became the first edible garden at any statehouse in the nation. However, these efforts have seen pushback from powerful conventional agriculture industry groups such as the Mid-America CropLife Association, which started a letter writing campaign in response to the White House garden initiative, urging the Michelle Obama to use "crop protection products." Although many, including some CropLife members, felt that the industry group was misled in its approach, the campaign highlights some of the key arguments used by the conventional agriculture lobby, including higher yields per acre and per hour of farm labor (CropLife 2009).

The full power of "big ag" was seen most recently during the debate over the Waxman-Markey climate control bill, during which major concessions were made to protect the industry in an amendment added at the last minute by Rep. Peterson (head of the House Agriculture Committee). The amendment explicitly exempted agriculture and forestry from the definition of "capped sector," and placed USDA, not EPA, in charge of the offsets program, which could lead to payments to conventional farmers for their role in carbon sequestration (Samuelsohn 2009). The California conventional agriculture lobby is equally powerful at the state level, and is sure to be a factor in the passage of pro-organic farm policy.

Organic in the Mainstream: Integrity of the Standards and Internal Conflict

A theme in the literature on organic policy, both here an in Europe, is the differentiation between organic farming as a social movement or policy discourse, and as an industry or market good. Tomlinson (2008) posits that while the organic standards encompass a set of size-neutral management decisions, the term "organic" is rooted in a social movement that values small-scale and local production, and this indistinctness in terms has lead to consumer confusion. Organic farming as a movement is unique in that it opposed conventional farming not through public protest but by demonstrating an alternative

(Stolze and Lampkin 2009). **As the organic alternative enters the mainstream, the social movement actors at its roots have less control over shaping its values.**

Julie Guthman, associate professor at UC Santa Cruz, has written extensively about the mainstreaming, or "conventionalization," of organic agriculture, specifically in California. She argues that as larger firms enter the organic market, they will "alter the conditions under which all organic growers participate in the sector by unleashing the logic of intensification" (Guthman 2004c). As companies such as Wal-Mart begin to drive the organic industry, more people will have access to organic food and the acreage of organic land will increase. However, critics argue that in order to meet the increased demand there will be a shift towards larger organic farms and firms, less diversity in cropping systems, greater tendency towards input substitution, greater dependence on imports, pressure to weaken the USDA organic standards and a downward pressure on prices that will affect domestic producers' profits (Dimitri and Oberholzer 2009). This shift has also increased concerns over migrant labor; just prices, wages and benefits for farmer and farmworkers; and fair contracting practices (Henderson 2009).

There has been some evidence of large firms eroding the integrity of the organic standards. In 2006, the Cornucopia Institute published a report entitled "Maintaining the Integrity of Organic Milk" (Kastel 2006), which presented evidence of large confinement dairy operations marketing their product as organic. A USDA investigation of Aurora Dairy found that the company had "labeled and represented milk as organically produced, when such milk was not produced and handled in accordance with the National Organic Program regulations" (SLBJ 2007), leading to the filing of a class action lawsuit against the dairy in 2007. While the lawsuit was dismissed in June 2009, the episode left the organic label tarnished in the eyes of the consumer. Some organic advocates blamed Cornucopia for discrediting the sector. **Internal conflict within the organic sector makes it more vulnerable to the many external threats it still faces.**

Washington Post picked up on this internal conflict in a July 2009 article entitled "Purity of Federal 'Organic' Label is Questioned" (Kindy and Layton 2009), one of a string of media pieces challenging the superiority of organic food and farming. The authors describe the tensions between keeping the standard pure and encouraging the growth of the industry, promoting conflict between small growers such as Arthur Harvey and large industry groups such as the Organic Trade Association. Deputy Secretary Merrigan has pledged to increase the capacity of the NOP and step up enforcement of the standards, but **grassroots coordination is needed to preserve confidence in the organic brand**. In order to reassert stakeholder involvement in directing the future of the sector, the National Organic Action Plan summary document calls for "practical, transparent and participatory mechanisms to continually improve the OFPA, the NOP regulation, and enforcement mechanisms (Henderson et al 2009).

Section 2: Organic Promotion Policies

2.1) Overview

Organic Policy in California

Aside from regulatory support through the CDFA organic regulatory program, there are few state policies that promote organic conversion, despite compelling environmental quality rationales to do so. However, the organic movement has been able to use existing state programs to their advantage, and several nonprofit-government partnerships are discussed in more detail below.

California is one of the only states to have its own organic program, and the only one that requires growers to pay for a separate state registration in addition to their third-party certification. While it was important on both a state and national level before the NOP went into effect in 2002, critics of the program say that it has outlived its usefulness and provides only a bureaucratic hassle and a financial burden for the state's organic growers. **The creation of a strategy for organic policy in California should assess the efficacy and value of the CDFA organic program** (Lipson 2009).

Organic Policy in the U.S.

Despite its shortcomings in offering a clear vision or goals for the growth of the organic sector, as well as its continued under-funding, the NOP has succeeded in raising organic farmer status and increasing consumer confidence, exposure to organics, and demand. The organic movement's political clout has continued to grow, and with an unprecedented level of grassroots campaigning, some substantial victories were achieved for organic agriculture in the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill). While there is much room for improvement, the government's relationship with organic agriculture is moving from purely market support mechanisms towards provisions that provide increased funding for research and extension, and direct financial support to organic farmers and those transitioning to organic production (Greene et al 2009).

2008 Farm Bill legislation included significant organic provisions, including conservation payments, cost share funding, research, market data collection and analysis, and other items, including increasing authorized funding for the NOP from $2.6 million to $5 million in 2008 and $11 million by 2012. Furthermore, at the Organic Summit, a conference of organic stakeholders, Deputy Secretary Merrigan pledged to integrate organic into every sector of USDA, not just AMS. This statement indicates that the current administration views organic as more than just a market niche.

California organic action planning efforts are timely in regards to this change in tone from the USDA. It is increasingly important that a vision for the future of the sector and a policy framework are established so that organic promotion policies are not introduced piecemeal, leading to contradictions and inefficiencies. Furthermore, as discussed in the last section, there has been and will continue to be pushback from conventional agricultural interests, and a coordinated front is necessary to confront future challenges and address vulnerabilities. While significant work has been done to increase

the capacity and influence of organic agriculture organizations, as evidenced from the hard-earned victories in the 2008 Farm Bill, the power of the "big ag" lobby should not be ignored.

Organic Policy in Other U.S. States

While California still leads in organic production, other states have been more proactive in encouraging the growth of the organic sector. As a region, the Midwest has had the most progressive legislation to support organic conversion. Woodbury County, Iowa is often mentioned as the leader in progressive sustainable agricultural policy, with a tax rebate for organic conversion as well as a local food purchase policy as part of its rural economic development program. Other policies in the Midwest include organic advisory councils or task forces; memoranda of understanding (MOUs) promoting collaboration between multiple departments to promoting organic agriculture; and support of research and technical assistance.

Outside of the Midwest, the Pennsylvania Department of Agriculture administers the Path to Organic Program, which provides a financial incentive for farmers to transition to organic. In Hawaii, a bill has been introduced in both the House and the Senate that would establish a Hawaii organic food center to provide infrastructure support and consumer education. A House bill in Massachusetts would promote local and organic food in schools.

Organic Policy in the EU

Table 1
Organic farming policy instruments used in Europe by 2006.

Policy instrument	Supply side	Demand side
Legal instruments regulations	• Council Regulation (EEC) No. 2092/91 of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs • Council Regulation (EC) No. 1804/1999 of 19 July 1999 supplementing Regulation (EEC) No. 2092/91 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs to include livestock production	• Council Regulation (EEC) No. 2092/91 of 24 June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs • Council Regulation (EC) No. 1804/1999 of 19 July 1999 supplementing Regulation (EEC) No. 2092/91 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs to include livestock production
Financial instruments	• Producer support by area payments: conversion and/or maintenance • Inspection cost support • Investment grants • Animal welfare improvement programme	• Support for marketing initiatives • Public procurement projects • Investment grants for processing and distribution • Support for marketing of quality agricultural products • Support for new sales structure • Feasibility studies • Market analyses and inventories • Investment grants for consumer cooperatives
Communicative instruments	• Advice and technical assistance • Vocational training and education programmes • Research • Investment grants for demonstration projects • Support for capacity building and institutional structures • Financial reporting	• Information and promotion campaign • Public education • EU/state logo • Research • Support for fairs, exhibitions and organic events • Research • Production and market statistics

From Stolze and Lampkin 2009

By nearly every measure, the EU has had more success in promoting organic conversion than the U.S. Compared with the 0.5% of farmland under organic management in the U.S., the EU has 2.4% of its farmland certified as organic (Padel 2001). Austria, Sweden,

the Czech Republic, Greece, Italy, Latvia, and Switzerland all have between 7 and 12% of utilized farmland under organic management. Italy, which is less than three quarters the size of California, has 16 organic farms for every one in California, and almost 15 times the amount of organic farmland (Guthman 2004c). Comprehensive, though slightly dated, data on the organic sectors in the U.S. and EU can be found in the ERS report "Market-Led Versus Government-Facilitated Growth" (Dimitri and Oberholzer 2005).

Unlike in the U.S., where until the 2008 Farm Bill the only economic incentive for organic was the price premium associated with certification, the EU has taken a more proactive approach to promoting organic methods, using legal, financial and communicative policy instruments since the early 1990s. Policies include: support for transitioning to and maintaining organic production, processing and marketing through agri-environment and rural development programs; support for research and extension; the development of action plans; and the continuing reforms of the main commodity elements of the Common Agricultural Policy (CAP) (Nicholas et al 2006).

2.2) Key Policies

Recognition of Benefits

Although it had recognized the presence of environmental benefits of organic agriculture prior, the USDA first explicitly acknowledged several specific, scientifically proven benefits a 2009 ERS report. The report cited: reduced pesticide residues in water and food; reduced nutrient pollution; improved soil tilth, soil organic matter, and productivity; lower energy use; carbon sequestration; and enhanced biodiversity. It also admitted that the NOP has had little impact on environmental externalities caused by conventional agricultural production methods because the organic adoption rate is so low (Greene et al 2009). **Now that the environmental benefits of organic agriculture have been acknowledged, the USDA and CDFA should be encouraged to recognize the benefits of organic to human health, and more research should be conducted around other social and economic benefits.**

European Policies

Government acknowledgement of the multiple functions of organic farming in Europe has been a major driver in implementing the variety of policies that increase the amount of farmland under organic management. Environmental benefits were the first to be recognized in both Europe and the U.S. The EU first recognized the environmental impact of agriculture in a Green Paper published in 1985. A direct result of this publication was the introduction of agri-environmental programs that pay farmers to implement certain environmentally friendly methods (Kleijn and Sutherland 2003). Organic agriculture is also recognized to have benefits for rural development, and direct payment programs for organic are administered by rural development departments (Zander et al 2008).

Questions to consider about recognizing the multifunctionality of organic agriculture

1) Recognition of benefits has proven to be a valuable first step in passing organic support policies. What are the gaps in the research that are preventing the USDA and/or CDFA from recognizing further benefits of organic?

Conservation Payments

Perhaps the greatest difference between the U.S. and the EU is that the U.S. does not have any form of direct payment specifically for organic growers. However, organic growers can take advantage of the provision in the 2008 Farm Bill enhancing coordination between the Conservation Stewardship Program (CStP) and the NOP. This measure is intended to streamline the process for organic farmers to qualify for CStP incentive payments, which compensate producers for either adopting or maintaining conservation activities. The goal is to enroll 12.77 million acres per year in the program at an average annual payment of $18 per acre, with 5% of acres are made available to beginning farmers, and another 5% to socially disadvantaged producers. CStP also offers technical assistance to participating growers (Johnson 2008).

EU Policies

There are a variety of demand and supply side measures used to promote organic agriculture in the EU, but **direct area payments for organic conversion and maintenance remain the most significant type (in terms of government expenditure) of support measure in nearly every European country** (Zander et al 2008). Agri-environment schemes, which pay farmers for ecosystem services, were first introduced in Denmark, Austria, Sweden, and several other countries in the 1980s. In 1992, the EU Common Agricultural Policy (CAP) was reformed, and agri-environment payments were included under the "second pillar," or the Rural Development Programme. By 1994, all EU member states were required to implement direct payments specifically for organic agriculture (Daniel and Perraud 2009).

While the "first pillar" of the CAP, which manages commodity subsidies, receives more of the EU agricultural budget share, major reforms in 2003 signaled that rural development programs would continue to grow in importance (Offermann et al 2009).

The specifics of direct payment schemes vary from country to country, but the basic approach requires farmers to enter a 5-year contract, committing them to produce under organic methods for the duration of the contract or refund their payment. Most countries allow both newly converting and existing farmers to qualify for aid, as well as staged or partial farm conversions. Several countries limit qualification based on farm size (as measured by acreage and/or revenue). In 2001, 62% of organic land was enrolled in a policy support program, at a total cost of €500 million, which averaged to about €180 per acre. There was significant difference in per acre payments among countries, with the UK averaging about €40, and Greece at over €400 (Dimitri and Oberholzer 2005).

Zander (2008) and Offerman (2009) found that the longer direct payment programs are in place, and the higher the level of support, the more dependent farmers become on them. There was also correlation between high levels of support and inefficient resource use. Furthermore, despite widespread support for organic agriculture across the EU, these direct payment programs are likely to change in many countries due to budget constraints.

Existing organic farmers in the U.S. have been skeptical of government interventions to increase the acreage of organic production, citing over-saturation and price collapse in the organic sector in Europe after payment programs were implemented. While there has been some evidence of this, particularly in the organic milk market in the UK, the organic sector is too diverse in both marketing practices and elasticity of demand to draw firm conclusions about the effect of government intervention on farm gate prices (Dimitri and Oberholzer 2005, Greene 2009).

Questions to consider about conservation payment programs
1) How do we implement payment programs with provisions for encouraging continued improvement in resource use efficiency and flexibility in management decisions?

2) How can California build state-level policy around existing federal policy such as CStP?

Cost-Share

Certification cost-share was the first organic policy implemented in the U.S., with the first funds allocated in 2002. The 2008 Farm Bill authorized $22 million in mandatory funding (up from only $5 million in 2002) for the National Organic Certification Cost-Share Program, which reimburses producers and handlers for up to 75% of their annual certification costs, with a cap of $750 per operation (Johnson 2008). California is one of just two states that administer the distribution of federal cost-share funds independently.

The California State Assembly just passed AB 1401, a bill that would establish a "Transition to Organics" fund to supplement the federal cost-share program. Grants are capped at $250 per recipient, and are meant to help producers during the first year of the three-year certification process (Sander 2009). Analysts have noted that while the bill has a noble goal, it is likely to produce little more than noise around the organic movement, and is not predicted to have a major impact increasing organic acreage in the state. **Piecemeal legislation such as AB 1401 demonstrates the need for a cohesive vision for organic food and farming policy in California.**

The first federal provision of direct financial support to farmers to convert to organic production was implemented in May 2009, through the Environmental Quality Incentive Program (EQIP). The program provides cost-share payments for conservation practices, which are capped at $20,000 annually and $80,000 over a 6-year period (Johnson 2008). EQIP is administered through NRCS state offices. Of the $50 million that was allocated from EQIP for organic production for the pilot year, California received $3 million. Along with the six core conservation practices highlighted by the National Organic Initiative (conservation crop rotation, cover cropping, nutrient management, pest management, prescribed grazing, and forage harvest management), California identified more than a dozen other practices that can qualify (NRCS 2009). As of June 10, 2009, California had received 163 EQIP applications, including 105 from newly transitioning growers and 58 from existing organic farmers (Lipson 2009).

At the state level, Iowa and Pennsylvania both have independent incentive programs to reward farmers for transitioning to organic. In 2005, Woodbury County, Iowa instituted an Organics Conversion Policy, intended to "increase per capita income, provide incentives for job creation, attract economic investment, and promote the health and safety of its citizens and communities" (Woodbury County 2005), as well as potentially reduce or eliminate federal farm subsidies. The program provides up to $50,000 each year in property tax rebates for farm operations that convert to organic in order to offset transition and certification costs. Producers must achieve organic certification by the end of the third year of program participation and maintain certification for the remaining two years.

Pennsylvania Department of Agriculture administers Path to Organic, a program of the Center for Farm Transitions within the Bureau of Market Development. Producers may receive up to $7,500 per year, or up to $30,000 over four years. A total of $500,000 was appropriated for 2009. Funds may be used to implement practices outlined in the Organic Systems Plan, such as building, machinery or equipment, working capital, or lost opportunity costs. Once the operation has achieved organic certification, it is no longer eligible for payments, but must remain certified for at least 5 years (Pennsylvania Department of Agriculture 2009).

Questions to consider about cost-share programs

1) Does the California certification cost-share program need work, or should we move our focus to other policies?

2) What can we learn from the introduction of AB 1401?

3) How did Woodbury County come to recognize organic agriculture as a rural development measure? How can we encourage this recognition in California?

4) How can we build state policy to increase the efficacy of EQIP in California?

Research and Technical Assistance

Research and technical assistance are commonly cited limiting factors for the growth of the organic sector. **There has been a call for "fair share funding," to match the percentage of government spending on organic to at least its market share.** In 2007, the USDA spent 1.2% of its research budget investigating organic systems, while the market share of organic was 3.5% (Henderson 2009). By comparison, in 2002, nearly 7% of the research budget of Switzerland's Federal Office of Agriculture went to the organic sector (Niggli and Willer 2002).

The 2008 Farm Bill did make steps towards fair share funding, authorizing $78 million in mandatory funding (with the authority for additional appropriations of $25 million per year) for the Organic Agriculture Research and Extension Initiative (OREI), USDA's main competitive grants program for organic studies (OFRF 2008). OREI funds research that assists existing organic farmers and ranchers with whole farm planning, ecosystem integration, and other projects that promote the growth and marketing of high quality

organic products. While still less than the organic research budget in EU states, which together averaged $90 to $110 million per year in 2005 (with Germany, The Netherlands, Switzerland, and Denmark accounting for 60% of those funds), the funding for OREI in the 2008 Farm Bill is a five-fold increase over the 2002 allocation (Schmid et al 2008).

Organic advocates have criticized land-grant universities for neglecting the organic sector in their research and agricultural extension work. Organic has been cast as "unscientific," (in part, perhaps, because if its exclusion of genetically modified organisms) and research universities have been reluctant to put resources into the sector. California had a UC Organic Farming Research Workgroup, but it has been defunct since 2007. There are many independent researchers, small farm advisors and county-level extension programs focusing on organic agriculture independently, but there is no upper level support for communication infrastructure from the UC administration (Van Horn 2009).

In 2001, the UC Sustainable Agriculture Research and Education Program (SAREP) received a grant from the Heller Foundation to introduce a model of organic research and technical assistance that had SAREP's Davis office as the headquarters, with organic advisors scattered throughout four counties in California. However, when the grant that funded the effort ran out after three years, its funding was not continued through the University. **While the UC administration is now more open to supporting organic agriculture, budgetary constraints make the addition of new programs highly unlikely at present** (Van Horn 2009).

SAREP, while not specifically focused on organic, is now the hub for organic in the UC system. The program has fought to become a well-respected program within the university, and is now noted for its transparency and credibility. Any effort to promote organic research, education and technical assistance in the UC system would probably be administered through SAREP (Van Horn 2009).

Other land grant universities do have programs specifically for organic. The University of Minnesota, a leader in organic agriculture research, runs the Organic Ecology Research and Outreach program. Organic Ecology administers the Minnesota Organic Farmers' Information Exchange (MOFIE), which connects producers interested in transitioning with experienced farmers. The Center for Environmental Farming Systems at North Carolina State administers the Organic Research Unit on 100 acres, as well as an organic grain production and marketing project. The University of Tennessee teamed with the state's Department of Agriculture to launch an organic initiative, funding research projects, workshops, and extension agent positions. Michigan State University, Purdue University, and the University of Illinois formed the New Ag Network to disseminate research and provide technical assistance to organic farmers.

In addition, Iowa State University houses the Leopold Center, which is funded by a state program that levies fees from sales of pesticides and nitrogen fertilizers to support environmental protection. While not exclusively organic, the Leopold Center collects and disseminates peer-reviewed research on organic agriculture.

Both the state and federal governments have also supported nonprofits' efforts to provide technical assistance to organic farmers. The California State Water Board recognized that organic farming practices contribute to water quality improvement, and in 2005 awarded CCOF with a two-and-a-half year grant for their Going Organic program. Similar to MOFIE, this program matches current organic farmer mentors with farmers interested in transitioning to organic production, providing a support network that addresses the barriers to conversion. The Rodale Institute in Pennsylvania has partnered with the USDA Risk Assessment Agency to develop an online course on organic transition. The US EPA has funded the nonprofit Florida Organic Growers to provide technical assistance to farmers interested in transitioning to organic agriculture or reducing pesticide use.

Questions to consider about research and technical assistance

1) Incorporating organic curriculum into agricultural programs is often overlooked. How can we support organic education in the UC schools?

Suggestion from Mark Van Horn: higher education master plan that includes state universities, the UC system, and community colleges to promote collaboration towards integrating organic curricula into the classroom.

2) The Leopold Center has a unique funding stream. Are there opportunities to set up a similar fund for organic research in California?

3) Can we use the "fair share funding" platform to call for the UC to increase spending on organic research?

4) Are there grant opportunities outside of USDA and CDFA that California sustainable agriculture nonprofits could be taking advantage of?

5) What are the technological issues facing the state's organic farmers? What are appropriate goals to set for tackling these issues?

6) A research and development agenda is needed for the state. What stakeholder groups should be involved in identifying and prioritizing researchable problems?

<u>Stakeholder Coordination</u>

A low cost policy that has been implemented in several Midwestern states is to increase communication among stakeholders in the organic sector, and between these stakeholders and the government. Minnesota, Wisconsin and Illinois all have organic advisory councils or task forces that are mandated by state statute to advise the state agriculture departments on policy for expanding organic food production. Members are selected by either the governor or the agriculture department. Organic farmers, businesses (retailers, processors and/or distributors) and consumers are represented on all three of the councils. Minnesota and Wisconsin require representation from organic certification agencies and non-profits representing producers. The state departments of Agriculture, Commerce and Economic Opportunity and Human Services are represented on the Illinois task force. In

Minnesota, the University of Minnesota plays an active role, with a representative from Extension, as well as faculty member on the Task Force. Minnesota also has one representative from the USDA.

There is a California Organic Products Advisory Council (COPAC) that works with the CDFA within the boundaries of the COPA regulatory program. It is not tasked with expanding organic agriculture in the state, and has not been an effective stakeholder forum. The 15-member board is composed of six producers (at least one fish, dairy or eggs), one wholesale distributor, two technical representatives, one environmental representative, two processor representatives, two consumer representatives, and one retail representative. AB 557, which was passed through the Legislature and vetoed by the governor in October 2009 would have added an organic certifier to the COPAC, increasing its numbers to 16. AB 557 was strongly endorsed by CCOF (CCOF 2009).

In Minnesota, two memoranda of understanding (MOUs) promote collaboration between multiple organizations to promoting organic agriculture. In the first MOU, which was signed in 2001 between the NRCS and the Organic Trade Association (OTA), the NRCS agreed to provide technical assistance to organic producers in the implementation of soil and water conservation practices. In addition, the OTA and NRCS agreed to share information and cooperate fully to advance conservation and organic production. In 2003, the Minnesota Department of Agriculture, the University of Minnesota, the Extension Service, NRCS, and FSA signed an MOU on organic agriculture, the first partnership of this kind to in the U.S. It was updated in 2008, and added the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, the USDA Risk Management Agency, and the USDA Rural Development program to the original signatories. The goal of the MOU is to "inform agencies of how state or federal programs could utilize and support organic agriculture, and to work with appropriate organizations to identify opportunities and needs as well as ensure coordination and avoid duplication of state agency efforts regarding research, teaching and extension work relating to organic agriculture" (MDA 2008).

Questions to consider about stakeholder coordination
1) How can we reformat the COPAC so that it is an effective stakeholder forum for expanding organic agriculture in the state?

2) Has the MOU in Minnesota been successful? Can it be replicated in California?

Market Coordination
The 2008 Farm Bill provided $5 million in first-time mandatory funding for organic market data collection and analysis, with an additional $5 million per year authorized. While still a relatively small amount, it is an improvement from the 2002 Farm Bill, in which no mandatory funding was authorized (OFRF 2008).

In June 2009, the Canadian organic standards went into effect, and the U.S. and Canada signed an equivalency agreement to streamline trade between the two countries. CCOF also has a global market access program to assist domestic growers in exporting to

foreign countries. To support this work, in 2003 CCOF applied for and received funding for market promotion and international trade through the CDFA California International Market Promotion for Agriculture (CIMPA) program (CCOF 2009).

While Canada has typically taken a market-based approach to organic promotion similar to the U.S., in an April 2009 letter Ontario Minister of Agriculture, Food and Rural Affairs Leona Dombrowsky pledged to work with the Organic Council of Ontario to complete a "Farm to Fork Sector Analysis" (Dombrowsky 2009). This analysis will provide an overview of organic production, processing, distribution and retail in order to develop recommendations to advance the sector.

Canada was also the first country to track organic trade data, monitoring 41 organic commodities in 2007, and expanding the program to 61 commodities in the following year. Agriculture and Agri-Food Canada has plans to expand the program in upcoming years to help the organic industry determine market potential. An online database allows users to search for import and export data by commodity (AAFC 2008). In Quebec, the Ministry of Agriculture provides additional marketing support, including compiling lists of buyers of organic grains (Duval 2004).

Questions to consider about market coordination
1) With similar history to the U.S., with respect to organic promotion, how could Canada serve as a model for policy decisions in California?

2) Has the Canadian trade monitoring initiative influenced organic farmers' cropping decisions? How is the data diffused to farmers?

Consumer Education

Perhaps the most striking difference between US and European organic policy is the EU's implementation of demand-side policies to increase consumer demand for organic food. In 2008, the Directorate General for Agriculture and Rural Development of the European Commission launched an-EU wide campaign to promote organic consumption. Under Council Regulation (EC) No 2826/2000 of the Common Agriculture Policy (CAP), 50% of individual member-state's campaigns are financed by the EU. Extensive outreach material has been developed for individual state governments, companies, and non-profit organizations (Commission 2008c).

This marketing material includes an EU-recognized logo, radio and television announcements, and print material. The radio and television material is used both by local media and distributed over the Internet. The print material, which includes brochures, banners, and leaflets, can be printed straight from the campaign's website to be used by individual campaigns (Commission 2008a; 2008b). The European Action Plan states that further amendments will be made in order to increase organic promotion to consumers (Schmid et al 2008b).

Many individual member states have also implemented their own promotion programs. Of note are the sophisticated campaigns in Italy, Spain, The Netherlands, and France,

which target specific groups, and have detailed action plans. Target groups include women and infants, hospitals, schools, traditional retailers (such as butchers and bakers), and journalists. Based on market analysis, these demographic groups are targeted through a variety of education programs, including: information counters in supermarkets; toll-free information hotlines; newspaper articles; television press coverage; and organic food tastings and large information fairs (Commission 2008b; Defra 2008, Ministerio 2006, Agence Bio 2008).

While not supported at a state or federal level, healthcare advocates in the U.S. have begun to promote organic and sustainable agriculture. The American Medical Association (AMA) recently put out a statement saying that:

> "Healthy diets are rich in fruits, vegetables, and whole grains, and low in unhealthy fats, sodium, and added sugars, but they also support environmental sustainability, economic viability, and human dignity and justice. Unhealthy food systems are not sustainable, and contribute to the very health problems the health care system is trying to solve – at extraordinary costs both economically and in terms of quality of life. It is essential that health care organizations become both models and advocates of healthy, sustainable food systems that promote wellness and that 'first do no harm'" (Rabinowitz 2009).

Out of this recognition, the Physician's Plus Insurance Corporation in Madison, Wisconsin, instituted an Eat Healthy Rebate that refunds a portion of the cost of a Community Supported Agriculture (CSA) share from two organic farms (PPIC 2009).

Questions to consider about consumer education

1) Many non-profits in California are already working to educate consumers about the benefits of organic. How can the state bolster these efforts?

2) What was the level of push-back from conventional farmers in the EU to government promotion of organic? How was this resistance addressed?

3) How can we leverage the AMA's recent statement on the link between health care and the food system into state legislation promoting the health benefits of organic?

3) Are there small, locally-owned insurance companies in California that would be interested in replicating the model put forth by Physician's Plus in Wisconsin? Are there low-cost policy measures that could be used to encourage insurance companies to do so?

<u>Organic-to-Institution</u>

Farm-to-school programs in the U.S. have mostly focused on local procurement over organic, and have been supported from the bottom-up, rather than as a result of a state or federal level policy. The Berkeley Unified School District led the way on organic food procurement in California and the nation with its 2004 Food Policy, setting the goal that food served should be organic "to the fullest extent possible, as defined by CCOF" (BUSD 2004). The comprehensive school lunch program includes a free breakfast, and costs $1.40 per meal, in comparison to the typical $0.85 to $0.95 per meal in the rest of

the state. Because of the higher costs, the program is not self-supporting, and has been funded by a grant from the Chez Panisse Foundation. When that grant ran out last year, the school district paid $250,000 to cover the shortfall. However, the program must be self-sustaining next year, as the district will not have the money to subsidize it (Finz 2009).

The USDA Food and Nutrition Service has provided some small grants and technical assistance to institutions interested in organic and local food procurement. It highlights the Olympia School District's "Organic Choices Salad Bar" as an example of a financially self-supporting program. Since 2002, the program has taken advantage of the Department of Defense Fresh Fruit and Vegetable program, a partnership between USDA and the DoD that utilizes existing military distribution channels to deliver fresh, domestically grown produce to schools participating in the federal school lunch program. By eliminating desserts from the elementary school menu (at the request of parents and teachers) and reducing waste, the program has been able to operate without any outside funding, and has seen a 16% increase in participation rate (FNS 2005).

The opportunity to expand demand for organic products by building community-based food systems was addressed by Roots of Change's Vivid Picture Project, a sustainable food agenda for California. Their "Get Fresh" initiative suggests the development of a regional supply and purchasing infrastructure, catalyzing CDFA's "market districts" and the California Farmers Market Association to develop relationships between growers and institutions (Ecotrust 2005). Although this effort was primarily focused on local and regional purchasing, the development of alternative processing and distribution infrastructures would also support organic growers.

European Policies

European countries have taken the lead in promoting public procurement of organic food. **In 1999, the Italian government passed a law to facilitate the purchase of organic and local food in school and hospital cafeterias, expanding the meaning of the phrase "best value" to include food safety, nutrition, and education.** The Rome School Meal Program, for example, increased the percentage of organic food in the 140,000 it serves daily from 10% in 2002 to 70% in 2004, at an additional cost of approximately $0.30 per meal. The program's success has been accounted to attention to market capacity, gradual change, an ongoing contract monitoring process, transparency, and creativity. While Rome remains the largest example of public organic procurement in Italy, there are over 300 school districts serving organic meals (MacLeod and Scott 2007).

In 2003, the British Department of Environment, Food and Rural Affairs (Defra) adopted an internal sustainable food procurement policy for the thirteen catering facilities serving Defra staff, as well as refreshments for meetings and conferences. A study of the six contractors supplying Defra found that challenges included high and rapidly fluctuating prices, as well as inconvenience and high delivery costs associated with local and organic distributors (MacLeod and Scott 2007).

Scandinavia has been very active in its promotion of organic food procurement. **In Sweden, the Environmental Protection Agency supports, through a climate change mitigation program, the city of Malmö in its ambitious effort to provide 100% organic food in all school meals** (which are provided for free throughout the country). The biggest challenge to this effort has been that organic food is generally marketed in a raw, unprocessed form, and some school kitchens are not equipped to prepare the food on the large scale required (Mikkelsen et al 2007)

To reach its goal of increasing organic food production and consumption to 15% by 2015, the Norwegian Agricultural Authority funds organic procurement initiatives in several institutions and businesses. The first national pilot project was established in 2002 at the St. Olav's Hospital, and similar projects are now funded in workplace canteens, schools and food services at music festivals and sports events (Mikkelsen et al 2007).

Denmark has administered a Green Procurement program for over 15 years, through which it gives grants to local school districts and hospitals. Some have criticized the national policy for not setting concrete goals for organic food consumption. However, **the Danish government has favored a flexible policy that can be adjusted to local needs, funding a wide variety of procurement schemes throughout the country** (Mikkelsen et al 2007).

Questions to consider about institutional procurement

1) Do California's public institutions have the capacity to prepare meals using unprocessed organic ingredients?

2) To what degree should we promote public procurement of processed organic foods?

3) What can we learn from the Olympia School District about creating economically self-sustaining programs?

4) What are the relative benefits of instituting concrete goals versus flexible policies?

Action Plans

Perhaps the most significant lesson organic policy advocates can learn from the EU experience is the importance of developing an integrative approach, balancing supply-push and demand-pull policies through the development of action plans. Initially, most EU policies for organic were supply-side support, leading to short- to medium-term marketing problems. For instance, organic milk supplies in some countries increased so quickly that prices dropped, causing some producers to drop their certification and others to go out of business (Dimitri and Oberholzer 2005). Although decreases in supply and increases in demand have absorbed the organic milk surplus, the experience has led some in the U.S. organic industry to be wary of government intervention. In order to avoid supply surpluses in the future, action plans in the EU serve as a strategic tool for achieving policy goals, integrating multiple policy fields and ensuring complementary directives (Stolze and Lampkin 2009; Schmid et al 2008).

Process

The European Commission, in collaboration with the Research Institute of Organic Agriculture (FiBL) and the International Federation of Organic Agriculture Movements (IFOAM) EU Group, published a resource manual entitled "Organic Action Plans: Development, implementation and evaluation" in 2008. The manual outlines the action planning process used by the EU and individual member states, and includes history, case studies, and methods to inform action plan creation, implementation and evaluation (Schmid et al 2008).

Individual countries, such as Denmark, published action plans as early as 1995, but the development of a European organic action plan was not discussed until 2001, at the International Conference on Organic Food and Farming in Copenhagen. The Council of Agriculture Ministers requested that the European Commission develop a proposal to promote organic food and farming, and after a three-year consultation process with stakeholders and experts, as well as European Parliament and state representatives, the European Action Plan for Organic Food and Farming was published in June 2004 (Schmid et al 2008).

Stakeholder participation was a key component during the exploratory phases of the action planning process at the state and EU level, regardless of whether the approach was top-down (initiated by policy makers) or bottom-up (initiated by the organic sector). Haring et al (2009) found that the three main benefits of multi-stakeholder involvement are the creation of partnerships, the variety and quality of information gathered, and the dissemination of results. However, stakeholders were not involved with the actual preparation of the plan or the selection of individual action points (Schmid et al 2008b).

Methods are detailed further in the resource manual (Schmid et al 2008), but the four general phases of the process are agenda setting, policy formulation, implementation, and evaluation. **Project reports and action plan analyses stress the importance of both an implementation plan and an evaluation protocol as part of the initial action planning process.** The implementation plan identifies human and financial resources that can be leveraged to achieve the objectives. It can also help identify the factors outside of the agricultural policy realm that will influence policy implementation, and determine how to control these factors. Evaluation is an important component of the EU action planning process, and most action plans integrate evaluation into the implementation plan from the start.

Plan Characteristics

Action plans introduced by the 15 European states, as well as the European Commission's Action Plan for Organic Food and Farming, typically share a set of characteristics, including:

- Stakeholder participation in action planning process and an emphasis on grassroots empowerment;
- Explicit statement of the importance of organic farming in the context of agricultural policy;
- Analysis of the current situation;

- Reviews of related policies and identification of related policy areas (e.g. environment, trade); and
- Formulation of specific goals.

The development of quantitative targets for land under organic management are commonly included in action plans as a tool for EU governments to show their level of commitment to organic farming. Acreage targets are set based on the amount of land deemed necessary to sustain a viable agricultural sector, and to accrue a benefit to society (Dimitri and Oberholzer 2005). Other targets address the share of nationally produced organic products, the market share of organic, organic sales per capita and agro-tourism development. For instance, the English action plan includes a target that 70% of indigenous organic food consumed domestically be sourced from UK producers by 2010 (Schmid et al 2008b).

The European Action plan includes 21 points under four key themes:
1. Consumer information and promotion (including the creation of a logo);
2. Improved research, data collection, market transparency, and technical support;
3. Full use of policy instruments provided by Rural Development Programmes and other existing initiatives; and
4. Improve the transparency, coordination and implementation of organic regulatory scheme (Schmid et al 2008).

Work has been done to implement many of the key action points for each category. However, critics were dismayed with the lack of a designated budget for the effort, as well as the lack of targets for the development of the organic sector. It also failed to analyze the interaction of organic farming with the reformed CAP and Rural Development Programmes (Dimitri and Oberholzer 2005).

U.S. National Organic Action Plan

The National Organic Action Plan (NOAP) builds on the EU action planning experience, with a strong focus on grassroots stakeholders. The Rural Advancement Foundation International initiated the planning process, and the National Organic Coalition provides federal policy leadership. Since 2006, 300 participants from 28 states have attended dialogue meetings at 11 different venues across the country. At the NOAP national summit in February, 2009, 85 participants reviewed the feedback from the dialogue meetings, and summarized them into five themes that provide a framework for the project:

- To ensure organic integrity and continued organic quality improvements.
- To ensure a fair marketplace for U.S. family farms and workers.
- To ensure access to healthy organic food for all U.S. income levels.
- To maximize U.S. organic production potential to ensure an increasing U.S.-produced share of the U.S. organic marketplace and ensure that each state maximizes its potential to meet in-state organic demand.
- To move U.S. organic food and agriculture policy from its focus on the marketplace to encompass the significant goals associated with the public good, including social change, public health and environmental protection

Goals, objectives and benchmarks for the NOAP are outlined in the discussion paper, "Towards a National Organic Action Plan." Next steps for the NOAP process are to increase government support and engagement, encourage broad participation to evaluate progress towards and barriers to achieving goals, and use this evaluation to inform the Farm Bill 2012 platform (Henderson et al 2009).

What can we learn from European and U.S. Action Plans?
Schmid et al (2008b) analyzed the eight European action plans in an attempt to determine what makes a successful action plan. They found it hard to make generalizations about the characteristics leading to success, but stressed the importance of situating action plans within the context of the market and policy environment. "To have a clear picture of this market and policy environment seems to be one of the most important corner stones of the development of future of organic action plans," they conclude.

Most action plans include quantifiable targets, which have been a useful tool for European nations to show their commitment to organic agriculture, as well as publicize their progress. The California Organic Action Plan should include **specific, realistic targets for the acreage of organic agriculture to be reached by a specific date**.

Much of the evaluation literature from the EU emphasizes the **importance of stakeholder involvement** at an early stage in the action planning process. Furthermore, there is anecdotal evidence that **involving a range of government representatives** leads to a more successful action plan. Along with the USDA, the following California agencies are relevant to organic agriculture policy:

- Department of Food and Agriculture
- Environmental Protection Agency
- Health and Human Services Agency
- Resources Agency
- Community Colleges Board of Directors, Trustees of State Universities, University of California Board of Regents

The Research Institute of Organic Agriculture published a set of "golden rules" for organic action plans in their EC-funded Project Synthesis Report (Schmid et al 2008b) that may also be helpful for the California action plan (see Appendix C).

Other questions to consider about organic action planning in California
1) How does our effort dovetail with the national effort?

Conclusion: Suggestions for Next Steps

While this paper includes a catalog of policies that have been implemented to encourage more widespread adoption of organic agriculture, it is by no means exhaustive. For instance, more research could be done on Canadian policies and programs. Furthermore, more information is needed on the successes and challenges associated with each program or policy. A valuable next step would be to interview key stakeholders involved in implementing these policies to determine which ones may be feasible for California.

Furthermore, an important aspect of European action planning efforts that was not within the scope of this project was an analysis of existing, non-agricultural state and federal policies that impact organic growers. For instance, AB 32, the California Global Warming Solutions Act of 2006, required the Air Resources Board to develop a scoping plan outlining actions to reduce greenhouse gas emissions to 1990 levels by 2020. The central feature of the scoping plan is a cap and trade program, which sets a limit on GHG emissions from capped sectors, and implements a market-based scheme to allow for trading of emissions allowances.

While agriculture is not a capped industry, its role in climate change mitigation is crucial. The plan's dominant strategy for agriculture is promoting voluntary adoption of manure digester technology. The ARB is also analyzing the impact of agricultural use of nitrogen on GHG emissions. The California Climate and Agriculture Network (CalCAN) has been active in promoting sustainable agriculture within the context of AB 32, and more research should be done on this and other policies that are not explicitly agricultural as part of the Organic Action Planning process.

Finally, stakeholder involvement, particularly from organic producers, should be incorporated as soon as possible to promote buy-in for the planning process. A California Organic Action Plan Workshop has been scheduled for the January Eco Farm conference. Given the size diversity and power imbalances within the organic industry, it will be crucial to ensure that all organic stakeholders are fairly represented in the creation of an action plan. C-PANSA should discuss a strategy to ensure an open and transparent process.

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Appendix A: Project Outline

I. Introduction – ***Completed July 2009***
   a. Need for this effort
      i. Public policy case – organic farming offers numerous environmental, health and social benefits
      ii. Current efforts to promote organic are not having significant impacts
      iii. only 3.8% of California farms and 0.6% of farmland are organic
      iv. Organic not keeping pace with 15-20% growth rates for sector as a whole
         1. Domestic supply of organic insufficient to meet demand
      v. U.S. market-based approach is not working – see NOAP "what is not working"
         1. Need for policy framework to promote, support and incentivize organic
            a. Potentially based on EU framework

II. Literature review
   a. Organic agriculture in the U.S. and California – ***Completed July 2009***
      i. Historical and current efforts to promote/codify organic
      ii. Current status of organic agriculture in the U.S./California
         1. key regions
         2. acreage
         3. crops
         4. value
         5. trends
   b. Overview of organic promotion policies – ***Completed July 2009***
      iii. Key regions
         1. California
         2. U.S.
         3. other U.S. states (MN, PA, Woodbury County, IA)
         4. EU and individual European countries
      iv. Key policies and lessons learned
         1. describe, quantify level of success, and outline challenges for the following policies
            a. explicit recognition of benefits of organic agriculture
            b. green payments for current and transitioning farmers
            c. cost share
            d. technical assistance
            e. market coordination
            f. consumer education
            g. research
            h. increased access for low income communities- ***research needed***
            i. other
      v. implementation and oversight mechanisms – ***research needed***
   c. Other policies that effect organic agriculture – ***research needed***

III. Benefits of organic agriculture – what is the estimated value of the ecosystem and health services provided by organic agriculture? (or, "what are the current costs of conventional agriculture?)
   a. GHG/climate change
   b. Air/water quality
   c. Farmworker and rural health
   d. Biodiversity (pollinators)
   e. Soil health and conservation
   f. Water conservation
   g. Healthier food

IV. Costs of implementing EU and other policies to promote organic farming
   a. Overall costs
   b. Costs per policy
      i. Which policies are higher/lower cost?
      ii. Any low-cost/high-impact policies?
   c. Farm-level costs (per acre) of organic v. conventional
      i. By sector: field crops; fruit and nut crops; livestock, dairy, poultry and apiary products; nursery, forestry and flowers; and vegetable crops.
         1. Nutrient management
         2. Pest management
         3. Human capital and labor
         4. Certification and marketing
         5. Cost of conversion

V. Cost/Benefit Analysis of Organic Conversion
   a. Estimated costs of implementing policies vs. value of ecosystem/health benefits of organic
   b. Different scenarios that would change the costs/benefits

VI. Potential challenges
   a. Grower interest in organic conversion
      i. Perceive barriers to conversion
         1. Cost of inputs
         2. transitional costs
         3. certification costs
         4. paperwork burden
         5. Labor - access to and cost of
         6. Access to credit
         7. Prices
         8. Access to markets
         9. Culture and aversion to risk
      ii. Farm characteristics correlated with interest in conversion
         1. Crops
         2. Farm size
         3. Region
         4. Marketing channels
         5. Land tenure
   b. Opposition from conventional agriculture and related industries

c. Impacts on farm gate prices
    i. Impacts of increased organic production and competition
d. Market coordination
    i. Supply and demand projections
    ii. What will happen to prices under current consumer demand?
e. Yield data (can organic feed the world?)
    i. By crop and region
f. Current economic climate in CA and U.S.
g. Concerns from within the organic sector about increased competition
h. Barriers to increased access by low income communities

VII. Conclusions

a. Is this approach feasible?
    i. Cost-benefit analysis
    ii. Ability to address challenges
    iii. Consumer/market demand
    iv. Political will – state and federal levels
    v. Opposition
b. If feasible, next steps
    i. Given U.S. policy framework, which aspects of international policy are applicable to a U.S./California context?
    ii. Which policies can be implemented in California and which will require changes at the federal level?
    iii. Implementation mechanisms
        1. legislative
        2. reform of CDFA Organic Program
c. Organizations to involve
    i. Single organization to spearhead effort (if so – existing org? new?)
    ii. Coalition approach
        1. potential members
        2. structure

Appendix B: "Golden Rules" for Organic Action Plans
From the ORGAP Final Report
Schmid et al (2008b)

1. EU rules of good governance require **stakeholder participation and transparency**. Thus, stakeholders such as decision-makers, policy-makers, related administrations, programme managers, and stakeholders from organic sector and neighbouring sectors, as well as potential beneficiaries should participate in the Action Plan development process as early as possible and preferably from the very beginning. The development of the Action Plan will benefit from a participatory approach to stakeholder integration, as this approach will integrate the varying values and perspectives on the subject from the very outset and will help ensure high degree of acceptance of the outcome of the process. As stakeholder processes bear the risk of putting the brake on policy development, efficient procedures of stakeholder integration must be used. The ideal stakeholder is legitimated by a powerful group of actors, can make substantial contributions to the issue, is interested and has the required resources at his/her disposal (time, money, information).

2. **Good communication** is essential to the acceptance and the success of the Action Plan, thus an effective strategy and sufficient resources for its implementation, covering the entire period of the Action Plan development, must be allocated. Communication helps legitimise the Action Plan and allows for the exchange of information and support.

3. An Organic Action Plan is a **means to an end and not an end in itself**. Thus Action Plans serve as a strategic instrument to achieve the policy goals of a national or regional government. The views on the desired policy goals to be achieved and organic farming's potential to contribute to these policy goals might differ between government and organic sector stakeholders. The Action Plan therefore needs to make explicit the strategic view of the role organic farming should play in the general context of agricultural policy.

4. In order to ensure a targeted and tailored policy design, the **objectives** underlying an Action Plan need to be **precisely formulated** at the outset. Operational objectives are specific, measurable, accepted, realistic and time-dependent. As Organic Action Plans tend to be an instrument addressing a multitude of objectives, it is essential to prioritise the objectives and to find compromises between divergent and sometimes conflicting interests of the various stakeholders. Vague objectives may be supported by all influential stakeholders, however precisely formulated objectives allow for better monitoring and evaluation of the Action Plan.

5. Prior to any formulation of Action Plan steps and measures, the potential as well as the obstacles of the organic sector must be identified during a **status-quo analysis against the background of the Action Plan objectives**. Using structured approaches like the SWOT Analysis allows for responding directly to the identified weaknesses and strengths.

6. Parallel to the status-quo analysis, **policy areas related to the Action Plan and their impact to organic** agriculture must be reviewed. This review helps identify potentially conflicting or supportive policy areas.
7. The steps, action points or measures of an Action Plan directly respond to the results of the of the organic sector status-quo analysis, taking account of the prioritisation of the objectives. **Steps, action points and measures are targeted and tailored to the respective problems** in a way that is effective, efficient and feasible.

8. A **good implementation plan** will help in the successful delivery of the action points. The plan must take account of the different administrative levels involved and the competence at each level necessary for implementation. The action points must be matched with sufficient financial and personnel resources.

9. A successful Action Plan will **involve a range of relevant government departments and ministries** as well as Agriculture and Food, including for example: Health, Education, Sustainable Development, Environment and Research.

10. The main focus areas of Action Plans and other policies for organic food and farming should consist of a **balanced mix of 'supply-push' and 'demand-pull' policy measures** through integration of market and public support mechanisms. Such a broad approach also implies a focus on specific issues that need to be addressed with tailored measures, at national or regional level.

11. **Countries with a short tradition in Action Plan development** and countries with emerging organic sectors should consider following questions:
a. Does the personnel and financial resources of NGOs allow for active participation?
b. Are relevant stakeholders experienced in stakeholder processes?
c. What is the level of knowledge of governmental and non-governmental stakeholders about Action Plans as well as about organic food and farming?
d. Are training and seminars required to provide stakeholders with the basic knowledge required for Action Plan development?

12. **Monitoring and evaluation procedures** should be **included from the outset**. A central part of an Action Plan is the definition of indicators for evaluation and the establishment of appropriate systems for capturing relevant data for evaluation.

13. Action Plan evaluation is a vital part of the policy cycle and a tool for further development of the plan. **Evaluation procedures** should therefore be an **integral part of the Action Plan**.

14. Successful **evaluation** will have a **clearly defined purpose and the scope and must be planned from the outset in accordance with the state of organic sector state development.** The type of evaluation required, and a definition of how and by whom the results are to be used is necessary. Evaluation procedures should aim to meet appropriate international standards.