



*A publication of the RSC Sunset Caucus from co-chairs Kevin Brady (R-TX) and Jason Chaffetz (R-UT)
Rep. Jim Jordan (R-OH), RSC Chairman*

Eliminate the National Organic Certification Cost-Share Program

December 12, 2012

Program or Item Targeted: National Organic Certification Cost-Share Program

Cost of Program or Item: In FY 2008, Congress allocated \$22.0 million for the program on a one-time basis as a part of the Food, Conservation and Energy Act of 2008 (2008 Farm Bill). For FY 2012, \$5.747 million was allotted.

Background on Program or Item to Be Sunsetting: The National Organic Certification Cost Share Program was created in the 2002 Farm Bill, with a \$5 million authorization. The program provides cost share assistance, through participating states, to organic producers and/or organic handlers to assist in obtaining certification. Agricultural products grown and processed according to USDA's national organic standards are certified by a USDA-accredited state or private certification organization. Farmers who market their products as organic must receive certification. Participants of the National Organic Certification Cost Share Program may be reimbursed for up to 75 percent of their organic certification costs, not to exceed \$750 per year. In the 2008 Farm Bill the amount was inflated as a one-time allocation to \$22 million, an increase of 440% above the previously authorized level.

Why This Program or Item Is Wasteful: According to a report issued by the USDA in March 2009, the average individual payment was \$389.89. Even if it were appropriate for the federal government to incentivize "organic" production, a \$390 one-time payment would hardly be the reason for a farmer to switch production methods. Further, it has been widely discussed that certification costs have risen and are expected to continue to rise due to an increased interest in marketing organic products resulting in a higher demand to become certified (certifying bodies have to undergo various reorganization efforts to meet the large increases in demand for certification services). This development highlights the fact that that market forces surrounding organic production work even without this cost-share program. Additionally, elimination of this program would not affect small-scale producers, as those who market less than \$5,000 of organic products annually are not required to become certified (though they have the option of doing so).

MEMBER ACTION ITEM: RSC Chairman Jim Jordan introduced H.R. 408, the Spending Reduction Act; one of this bill's provisions would repeal and defund the National Organic Certification Cost-Share Program. RSC Members may want to consider introducing stand alone legislation to eliminate the program. For more information, or if you are interested in introducing stand alone legislation on this topic, please contact Rick Eberstadt at Rick.Eberstadt@mail.house.gov.

If you would like to participate in eliminating wasteful programs with the RSC Sunset Caucus, please e-mail Rick.Eberstadt@mail.house.gov.

Note: Not every item featured in the Waste Action Alerts is necessarily endorsed by the RSC. These Alerts highlight the individual initiatives of members of the RSC Sunset Caucus.

*"The RSC Sunset Caucus uncovers government waste and seeks to eliminate it,
working to sunset programs that taxpayers shouldn't be paying for."*

