
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2347 Session of
2008

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MARCH 12, 2008

REFERRED TO COMMITTEE ON AGRICULTURE AND RURAL AFFAIRS,
MARCH 12, 2008

AN ACT

1 Amending Title 3 (Agriculture) of the Pennsylvania Consolidated
2 Statutes, providing for an organic farming transition
3 program; and establishing the Organic Agriculture Development
4 Fund.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Title 3 of the Pennsylvania Consolidated Statutes
8 is amended by adding a chapter to read:

9 CHAPTER 49

10 ORGANIC AGRICULTURE

11 Sec.

12 4901. Short title of chapter.

13 4902. Purpose of chapter.

14 4903. Definitions.

15 4904. Duties of department.

1 4905. Establishment of fund.

2 4906. Transition program.

3 § 4901. Short title of chapter.

4 This chapter shall be known and may be cited as the Organic
5 Agriculture Development Act.

6 § 4902. Purpose of chapter.

7 The purposes of this chapter are as follows:

8 (1) To encourage producers to make a long-term
9 commitment to organic agriculture.

10 (2) To encourage further development of the organic
11 agriculture industry by including organic agriculture in any
12 and all promotional and other economic development programs
13 which are made available to other industry sectors.

14 (3) To promote the development and adoption of
15 economically and ecologically sound organic agriculture
16 methods, harvesting and irrigation techniques through:

17 (i) The control of pests and diseases of
18 agricultural importance through alternatives that
19 eliminate the use of pesticides and petrochemicals.

20 (ii) The production, processing and distribution of
21 food and fiber in ways that consider the interactions
22 among soils, plants, water, air, animals, tillage,
23 machinery, labor, energy and transportation to enhance
24 the viability of agricultural soils, public health and
25 resource conservation.

26 (iii) The expansion of marketing opportunities and
27 promotion of products produced through the practice of
28 organic agriculture which will encourage the purchase of
29 Pennsylvania-grown foods and promote regional food
30 security.

1 (iv) The coordination of research and educational
2 activities on organic agriculture among private and
3 public agencies and organizations and individuals within
4 this Commonwealth.

5 § 4903. Definitions.

6 The following words and phrases when used in this chapter
7 shall have the meanings given to them in this section unless the
8 context clearly indicates otherwise:

9 "Fund." The Organic Agriculture Development Fund established
10 in section 4905 (relating to establishment of fund).

11 "Operating revenues." The total gross operating earnings of
12 a producer in a given year determined by adding the revenue for
13 each of the producer's agricultural products.

14 "Organic system plan." An organic plan submitted under
15 section 2114(a) of the Organic Foods Production Act of 1990
16 (Public Law 101-624, 104 Stat. 3935) and agreed to by the
17 producer and a certifying agent under that section.

18 "Producer." A person engaged within this Commonwealth or a
19 production area within this Commonwealth in the business of
20 producing agricultural commodities or causing agricultural
21 commodities to be produced.

22 "Revenue." The amount determined by multiplying the market
23 price paid to a producer for an agricultural product by the
24 producer's actual yield for that agricultural product.

25 "Revenue loss." The amount equal to the difference between
26 the average of the producer's operating revenues for the three
27 years prior to the first year of transition and the operating
28 revenue for a year of transition to organic production.

29 "Task force." The Pennsylvania Organic Advisory Task Force
30 under section 4904(c) (relating to duties of department).

1 "Technical and educational assistance." The conveyance of
2 information and counsel regarding economic and business
3 planning, marketing and organic practices, such as entomological
4 practices and pest and weed control and prevention, that satisfy
5 organic practices.

6 § 4904. Duties of department.

7 (a) Promotion of opportunities for organic agriculture.--In
8 order to promote opportunities for organic agriculture in this
9 Commonwealth, the department shall:

10 (1) Survey producers and support services and
11 organizations to determine information and research needs in
12 the area of organic agriculture practices.

13 (2) Work with The Pennsylvania State University and
14 Pennsylvania-based nonprofit organic and sustainable
15 agriculture research institutions to demonstrate the on-farm
16 applicability of organic agriculture practices to conditions
17 in this Commonwealth.

18 (3) Administer the programs of the department so as to
19 work toward the promotion of organic agriculture in this
20 Commonwealth.

21 (4) Inform agencies of how Federal or State programs
22 could utilize and support organic agriculture practices.

23 (5) Work closely with producers, The Pennsylvania State
24 University and Pennsylvania-based nonprofit organic and
25 sustainable agriculture research institutions, and other
26 appropriate organizations to identify opportunities and needs
27 as well as to ensure coordination and avoid duplication of
28 State agency efforts regarding research, teaching, marketing
29 and extension work relating to organic agriculture.

30 (6) Collect the annual organic inspection reports for

1 each producer receiving payment under this chapter for a
2 minimum of ten years from the first year of transition to
3 organic methods of agriculture.

4 (b) Report.--By November 15 of each even-numbered year, the
5 department, in conjunction with the task force created under
6 subsection (c), shall report on the status of organic
7 agriculture in this Commonwealth to the committees in each house
8 of the General Assembly with jurisdiction over agriculture. The
9 report shall include:

10 (1) A description of current Federal or State programs
11 directed toward organic agriculture including significant
12 results and experiences of those programs.

13 (2) A description of specific actions the department is
14 taking in the area of organic agriculture, including the
15 proportion of the department's budget spent on organic
16 agriculture.

17 (3) A description of current and future research needs
18 at all levels in the area of organic agriculture.

19 (4) Suggestions for changes in existing programs or
20 policies or enactment of new programs or policies that will
21 affect organic agriculture.

22 (5) A description of market trends and potential for
23 organic products.

24 (6) Available information, using currently reliable
25 data, on the price received, yield and profitability of
26 organic farms, and a comparison with data on conventional
27 farms.

28 (7) Available information, using currently reliable
29 data, on the positive and negative impacts of organic
30 production on the environment and human health.

1 (c) Task force.--

2 (1) The secretary shall appoint a Pennsylvania organic
3 advisory task force to advise the secretary on policies and
4 practices to improve organic agriculture in this
5 Commonwealth. The task force shall consist of the following
6 residents of this Commonwealth:

7 (i) Three farmers using organic agriculture methods.

8 (ii) Two organic food wholesalers, retailers or
9 distributors.

10 (iii) One accredited organic certification agent.

11 (iv) Two organic food processors.

12 (v) One representative from The Pennsylvania State
13 University Agriculture Extension Service.

14 (vi) One representative from a Pennsylvania
15 postsecondary research institution.

16 (vii) One representative from a nonprofit
17 organization representing producers.

18 (viii) One at-large member.

19 (ix) One representative from the United States
20 Department of Agriculture.

21 (x) One organic consumer representative.

22 (2) The task force shall meet at least twice each year.

23 (3) The terms of members shall be determined by the
24 secretary.

25 (4) Task force members shall be entitled to actual
26 expenses incurred while engaged in performing duties of the
27 task force.

28 (5) This subsection shall expire December 30, 2016.

29 (d) Registration of State organic production and handling
30 operations.--The secretary may facilitate the registration of

1 State organic production and handling operations, including
2 those exempt from organic certification according to 7 CFR
3 205.101 (relating to exemptions and exclusion from
4 certification), and certification agents operating within this
5 Commonwealth.

6 § 4905. Establishment of fund.

7 (a) Establishment.--There is hereby established within the
8 State Treasury, the Organic Agriculture Development Fund, which
9 shall be an interest-bearing restricted revenue account, in
10 which shall be deposited such moneys as are appropriated, given,
11 granted or donated for purposes of this chapter by the Federal
12 Government, the Commonwealth or any other governmental or
13 private agency or person.

14 (b) Purpose.--Moneys deposited in the fund and interest
15 earned on moneys deposited in the fund shall be used solely for
16 the purpose of carrying out the provisions of this chapter.

17 § 4906. Transition program.

18 (a) Intent.--It is the intent of the General Assembly that
19 farmers be offered an incentive to use organic agriculture best
20 management practices as an approved farm management plan to
21 accomplish the following:

22 (1) To improve the profitability of Commonwealth farms,
23 increase self-employment opportunities for farmers,
24 revitalize local and regional food systems and encourage
25 innovation in farming.

26 (2) To restore nutrients to soils and to avoid the use
27 of synthetic fertilizers, herbicides and pesticides on farm
28 fields as a means of preventing chemicals from entering
29 surface water and groundwater.

30 (3) To sequester carbon in the soil as a means of

1 reducing greenhouse gases in the atmosphere.

2 (b) Establishment.--The department shall establish an
3 organic farming transition program, a cost-sharing and an
4 incentive program for fiscal years 2008 through 2014 to
5 reimburse producers of agricultural products for the costs of
6 transition to organic production and to provide financial
7 assistance to producers of agricultural products for losses in
8 yields during the transition to organic production.

9 (c) Administration of program.--

10 (1) The department shall use the moneys appropriated to
11 the fund to assist producers to develop and implement
12 infrastructure and practices necessary to transition land and
13 animals to meet the requirements of the Organic Foods
14 Production Act of 1990 (Public Law 101-624, 104 Stat. 3935)
15 and to provide financial assistance to producers for losses
16 in yields during transition to organic production.

17 (2) The department may only pay a producer under this
18 section if the producer:

19 (i) Submits to the department an organic transition
20 plan that contains the following:

21 (A) An organic system plan approved by an
22 accredited organic certification agent.

23 (B) The expected costs for infrastructure and
24 practices.

25 (C) The environmental and economic benefits
26 derived from the infrastructure or implementing
27 organic practice standards.

28 (D) A demonstration of the existence of a market
29 or the reasonable expectation of a future market for
30 the products to be produced.

1 (E) A schedule setting out sufficient
2 information from which to determine operating
3 revenues for that part of the producer's farming
4 operations intended to be converted to organic for
5 each of the three years preceding the date of the
6 organic transition plan.

7 (ii) Agrees to adhere to the organic system plan
8 approved by an accredited organic certification agent or
9 an organic system plan as amended by an accredited
10 organic certification agent for a period of at least ten
11 successive years.

12 (iii) Agrees to receive technical and education
13 assistance from the department, farm extension agents of
14 The Pennsylvania State University, or from organizations,
15 institutions and consultants with cooperative agreements
16 with the department relating to the development and
17 implementation of organic practice standards or other
18 aspects of transition to organic production, including
19 marketing, business and risk management plans.

20 (iv) Agrees to submit to annual verification by an
21 accredited organic certification agent to determine
22 compliance of the producer with organic certification
23 requirements.

24 (3) The department shall only pay producers under this
25 section for the costs of the following:

26 (i) Organic practices and activities during
27 transition to certified organic production consistent
28 with an approved plan to transition to certified organic
29 production.

30 (ii) Farm infrastructure necessary to implement

1 organic practice standards, so long as the infrastructure
2 is consistent with an approved plan to transition to
3 certified organic production.

4 (iii) Organic livestock welfare measures, so long as
5 the infrastructure or practices and activities are
6 necessary to implement an organic practice standard and
7 are consistent with an approved plan to transition to
8 certified organic production.

9 (iv) Advanced organic practices consistent with
10 approved certified organic production.

11 (v) Technical assistance, including the costs of
12 developing an approved transition plan under this
13 section.

14 (vi) Other measures the department, after
15 consultation with the task force, determines are
16 appropriate.

17 (4) The department shall provide a producer with
18 financial assistance in an amount equal to the revenue loss
19 for that part of the producer's farming operations being
20 converted to organic during a year of transition to organic
21 production.

22 (5) The maximum amount paid to a producer for transition
23 to organic production under this section, whether for payment
24 of costs or revenue loss, or an aggregate of both, shall be
25 \$10,000 per fiscal year for a period of not more than four
26 successive years, except:

27 (i) In the case of a producer who annually produces
28 three or more specialty crops, the producer may not
29 receive payments under this section that in the aggregate
30 exceed \$20,000 per year for a period of not more than

1 four successive years.

2 (ii) In the case of a producer whose principal
3 farming enterprise is livestock, the individual or entity
4 may not receive payments under this section that in the
5 aggregate exceed \$20,000 per year for a period of not
6 more than four successive years.

7 (6) A certified organic producer under the national
8 organic production program shall be eligible for
9 reimbursement and financial assistance under this section to
10 make the transition to organic production for new lands and
11 livestock.

12 (d) Schedule and manner of payment.--

13 (1) The department shall pay a producer the amount for
14 which the producer qualifies under subsection (c) by February
15 15 of each year of transition to organic production.

16 (2) By December 31 of the same year, the producer shall
17 submit to the department a report of actual transition
18 expenses paid and a report of operating revenues and revenue
19 loss, if any, resulting from the producer's organic farming
20 operations for that year.

21 (3) If the annual total of actual transition expenses
22 and revenue loss is less than the amount paid under paragraph
23 (1), the balance shall be deducted from the payment for the
24 next year.

25 (4) The producer shall return to the department any
26 balance on hand at the end of the fourth year of transition
27 to organic production with the report for the fourth year.

28 (e) Termination of payments.--The department shall terminate
29 payments under this section and shall require repayment in whole
30 of payments already received if the department determines that

1 the producer is not pursuing organic certification under the
2 Organic Foods Production Act of 1990.
3 Section 2. This act shall take effect in 60 days.