

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 2347** Session of
2008

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MARCH 12, 2008

AS REPORTED FROM COMMITTEE ON AGRICULTURE AND RURAL AFFAIRS,
HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 24, 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 "SPECIALTY CROP." A CROP OTHER THAN A COMMON COMMODITY. <—
30 EXAMPLES, WITHOUT LIMITATION, OF COMMON COMMODITIES ARE CORN,

1 SOYBEAN AND WHEAT.

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

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

9 § 4904. Duties of department.

10 (a) Promotion of opportunities for organic agriculture.--In
11 order to promote opportunities for organic agriculture in this
12 Commonwealth, the department shall:

13 (1) Survey producers and support services and
14 organizations to determine information and research needs in
15 the area of organic agriculture practices.

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

21 (3) Administer the programs of the department so as to
22 work toward the promotion of organic agriculture in this
23 Commonwealth.

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

26 (5) Work closely with producers, The Pennsylvania State
27 University and Pennsylvania-based nonprofit organic and
28 sustainable agriculture research institutions, and other
29 appropriate organizations to identify opportunities and needs
30 as well as to ensure coordination and avoid duplication of

1 State agency efforts regarding research, teaching, marketing
2 and extension work relating to organic agriculture.

3 ~~(6) Collect the annual organic inspection reports for~~ <—
4 ~~each producer receiving payment under this chapter for a~~
5 ~~minimum of ten years from the first year of transition to~~
6 ~~organic methods of agriculture.~~

7 (6) FOR EACH PRODUCER RECEIVING PAYMENT UNDER THIS <—
8 CHAPTER, COLLECT:

9 (I) THE ANNUAL INSPECTION REPORTS FOR EACH OF THE
10 FIRST FOUR YEARS FROM THE BEGINNING OF TRANSITION TO
11 ORGANIC METHODS OF AGRICULTURE; AND

12 (II) THE ANNUAL ORGANIC CERTIFICATIONS FOR EACH OF
13 THE NEXT SIX YEARS FOLLOWING THE END OF THE PERIOD UNDER
14 SUBPARAGRAPH (I).

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

21 (1) A description of current Federal or State programs
22 directed toward organic agriculture including significant
23 results and experiences of those programs.

24 (2) A description of specific actions the department is
25 taking in the area of organic agriculture, including the
26 proportion of the department's budget spent on organic
27 agriculture.

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

30 (4) Suggestions for changes in existing programs or

1 policies or enactment of new programs or policies that will
2 affect organic agriculture.

3 (5) A description of market trends and potential for
4 organic products.

5 (6) Available information, using currently reliable
6 data, on the price received, yield and profitability of
7 organic farms, and a comparison with data on conventional
8 farms.

9 (7) Available information, using currently reliable
10 data, on the positive and negative impacts of organic
11 production on the environment and human health.

12 (c) Task force.--

13 (1) The secretary shall appoint a Pennsylvania organic
14 advisory task force to advise the secretary on policies and
15 practices to improve organic agriculture in this
16 Commonwealth. The task force shall consist of the following
17 residents of this Commonwealth:

18 ~~(i) Three farmers using organic agriculture methods.~~ <—

19 (I) FIVE CERTIFIED ORGANIC FARMERS FROM AT LEAST <—
20 THREE DIFFERENT SECTORS OF AGRICULTURE, INCLUDING
21 LIVESTOCK, COMMODITIES AND SPECIALTY CROPS.

22 (ii) Two organic food wholesalers, retailers or
23 distributors.

24 (iii) One accredited organic certification agent.

25 ~~(iv) Two organic food processors.~~ <—

26 (IV) ONE ORGANIC FOOD PROCESSOR. <—

27 (v) One representative from The Pennsylvania State
28 University Agriculture Extension Service.

29 (vi) One representative from a Pennsylvania
30 postsecondary research institution.

1 (vii) One representative from a nonprofit
2 organization representing producers.

3 (viii) One at-large member.

4 (ix) One representative from the United States
5 Department of Agriculture.

6 (x) One organic consumer representative.

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

8 (3) The terms of members shall be determined by the
9 secretary.

10 (4) Task force members shall be entitled to actual
11 expenses incurred while engaged in performing duties of the
12 task force.

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

14 (d) Registration of State organic production and handling
15 operations.--The secretary may facilitate the registration of
16 State organic production and handling operations, including
17 those exempt from organic certification according to 7 CFR
18 205.101 (relating to exemptions and exclusion from
19 certification), and certification agents operating within this
20 Commonwealth.

21 § 4905. Establishment of fund.

22 (a) Establishment.--There is hereby established within the
23 State Treasury, the Organic Agriculture Development Fund, which
24 shall be an interest-bearing restricted revenue account, in
25 which shall be deposited such moneys as are appropriated, given,
26 granted or donated for purposes of this chapter by the Federal
27 Government, the Commonwealth or any other governmental or
28 private agency or person.

29 (b) Purpose.--Moneys deposited in the fund and interest
30 earned on moneys deposited in the fund shall be used solely for

1 the purpose of carrying out the provisions of this chapter.

2 § 4906. Transition program.

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

7 (1) To improve the profitability of Commonwealth farms,
8 increase self-employment opportunities for farmers,
9 revitalize local and regional food systems and encourage
10 innovation in farming.

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

15 (3) To sequester carbon in the soil as a means of
16 reducing greenhouse gases in the atmosphere.

17 (b) Establishment.--The department shall establish an
18 organic farming transition program, a cost-sharing and an
19 incentive program for fiscal years 2008 through 2014 to
20 reimburse producers of agricultural products for the costs of
21 transition to organic production and to provide financial
22 assistance to producers of agricultural products for losses in
23 yields during the transition to organic production.

24 (c) Administration of program.--

25 (1) The department shall use the moneys appropriated to
26 the fund to assist producers to develop and implement
27 infrastructure and practices necessary to transition land and
28 animals to meet the requirements of the Organic Foods
29 Production Act of 1990 (Public Law 101-624, 104 Stat. 3935)
30 and to provide financial assistance to producers for losses

1 in yields during transition to organic production.

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

4 (i) Submits to the department an organic transition
5 plan that contains the following:

6 (A) An organic system plan approved by an
7 accredited organic certification agent.

8 (B) The expected costs for infrastructure and
9 practices.

10 (C) The environmental and economic benefits
11 derived from the infrastructure or implementing
12 organic practice standards.

13 (D) A demonstration of the existence of a market
14 or the reasonable expectation of a future market for
15 the products to be produced.

16 (E) A schedule setting out sufficient
17 information from which to determine operating
18 revenues for that part of the producer's farming
19 operations intended to be converted to organic for
20 each of the three years preceding the date of the
21 organic transition plan.

22 (ii) Agrees to adhere to the organic system plan
23 approved by an accredited organic certification agent or
24 an organic system plan as amended by an accredited
25 organic certification agent for a period of at least ten
26 successive years.

27 (iii) Agrees to receive technical and education
28 assistance from the department, farm extension agents of
29 The Pennsylvania State University, or from organizations,
30 institutions and consultants with cooperative agreements

1 with the department relating to the development and
2 implementation of organic practice standards or other
3 aspects of transition to organic production, including
4 marketing, business and risk management plans.

5 (iv) Agrees to submit to annual verification by an
6 accredited organic certification agent to determine
7 compliance of the producer with organic certification
8 requirements.

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

11 (i) Organic practices and activities during
12 transition to certified organic production consistent
13 with an approved plan to transition to certified organic
14 production.

15 (ii) Farm infrastructure necessary to implement
16 organic practice standards, so long as the infrastructure
17 is consistent with an approved plan to transition to
18 certified organic production.

19 (iii) Organic livestock welfare measures, so long as
20 the infrastructure or practices and activities are
21 necessary to implement an organic practice standard and
22 are consistent with an approved plan to transition to
23 certified organic production.

24 (iv) Advanced organic practices consistent with
25 approved certified organic production.

26 (v) Technical assistance, including the costs of
27 developing an approved transition plan under this
28 section.

29 (vi) Other measures the department, after
30 consultation with the task force, determines are

1 appropriate.

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

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

12 (i) In the case of a producer who annually produces
13 three or more specialty crops, the producer may not
14 receive payments under this section that in the aggregate
15 exceed \$20,000 per year for a period of not more than
16 four successive years.

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

22 (6) A certified organic producer under the national
23 organic production program shall be eligible for
24 reimbursement and financial assistance under this section to
25 make the transition to organic production for new lands and
26 livestock.

27 (7) THE DEPARTMENT SHALL ASSURE THAT A PRODUCER MAKING <—
28 APPLICATION UNDER THIS CHAPTER DOES NOT RECEIVE PAYMENT IN
29 ANY FORM FROM MORE THAN ONE FEDERAL OR COMMONWEALTH PROGRAM
30 FOR A PARTICULAR INDIVIDUAL TRANSITION COST.

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

2 (1) The department shall pay a producer the amount for
3 which the producer qualifies under subsection (c) by February
4 15 of each year of transition to organic production.

5 (2) By December 31 of the same year, the producer shall
6 submit to the department a report of actual transition
7 expenses paid and a report of operating revenues and revenue
8 loss, if any, resulting from the producer's organic farming
9 operations for that year.

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

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

17 (e) Termination of payments.--The department shall MAY <—
18 terminate payments under this section and shall MAY require <—
19 repayment in whole of payments already received if the
20 department determines that the producer is not pursuing organic
21 certification under the Organic Foods Production Act of 1990.

22 Section 2. This act shall take effect in 60 days.