

Thank you Chairman Bishop, Ranking Member Fortenberry and distinguished Members of the subcommittee for the opportunity to testify today.

My name is Nate Powell-Palm and I am a first generation, certified organic, grain farmer and cattle rancher from Belgrade, MT. On my farm, Cold Springs Organics, I raise 875 acres of certified organic wheat, field peas, straw, cattle and hay.

I got my start in agriculture when I was nine years old and my parents, who while not farmers by profession but certainly by heart, allowed me to purchase a calf to raise and sell at the Gallatin County 4-H Fair. From learning how to control and gentle a 1200 lb animal to keeping good business records, I fell in the love with the day to day work of livestock raising.

From that first experience raising one 4-H calf, I became determined to get into the cattle business. Towards the end of my 12th year, I applied for and was awarded a junior agriculture loan from the Montana State Department of Agriculture. With the \$3400 note, I purchased 3 pregnant cows, a stock trailer, feed and fencing and I was off to the races.

After 3 calf crops, my small herd was performing well and my enthusiasm for agriculture was growing daily. My ranch bank account however, was not. Indeed, I started a firewood chopping and delivery company when I was 14 in order to ensure I could make my loan payments. With each drop of the ax, my thoughts went to what I was missing in my understanding of farming.

In 2006 I first became acquainted with certified organic agriculture when I purchased certified organic hay for my cattle from two pioneering farmers in Helena, MT. Over the next two years, and hundreds of conversations, I learned about this other farming world- a world where farmers *request* to be inspected and certified to verify the excellence of their practices, where farmers sell their crops and livestock into markets where demand outstrips supply, and consumers are willing to pay a premium. A world which makes farming for a good living, possible. I learned about the world of certified organic farming.

Certified organic farming, in its essence, is the process of maximizing farm land's production potential by building the soil, increasing the soil carbon organic matter, suppressing disease and weeds through crop rotation, and enhancing natural resources on the farm such as riparian areas and wildlife habitat. Organic farming gives farmers the chance to omit synthetic pesticides, herbicides, and fertilizers from their farming practice and replace them with practices that strengthen rather than deplete their soil. Practices like crop rotation, cover crops and the incorporation of livestock manure.

Certified organic farming practices hold not only solutions to the financial volatility of farming but also, and maybe more importantly, offers potential answers to the unpredictable future facing all farmers and people. As the climate changes, we farmers need our land to be resilient. The largest possible sink for pulling carbon out of the air is building organic matter in the soil. Organic farming shines in this arena. According to Ghabbour, E.A. *et al.* 2017, certified organic farms sequester 26% more carbon than conventional farms. Increased organic matter (carbon) in the soil means increased water holding capacity- this is especially impactful as greater water holding capacity means that during periods of immense precipitation the land absorbs more water with less running off as flood water. In times of drought water holding capacity means there's more water in the soil for the crops.

And while increasing organic matter not only makes our farmland more healthfully adaptive to climate change, it also makes it more resilient to market change. By adopting organic practices such as crop rotation to build soil fertility, and control weeds and pests, farmers spend less money on off-farm inputs like synthetic herbicides, fertilizers and pesticides. In lean economic times, like the market conditions we are currently experiencing in conventional agriculture, less money leaving the farm means less chance of farmers defaulting on lines of credit, less farm bankruptcies, fewer broken families and communities, and one less generation of Americans who are forced to leave the farm due to farm insolvency. Facilitating a farming system which allows farmers to replace these expensive off-farm products with organic practices results in greater soil health and carbon sequestration. Certified organic farmers have fewer dollars leaving the farm while additionally receiving market premium due to the robust demand for organic food.

Indeed, according to Crowder et al 2015, organic farms are 35% more profitable than conventional farms.

Certified organic farming works because the rules are enforced. The National Organic Program, a division of the USDA, offers accreditation to certification companies who administer the certification process for farmers and food manufacturers. Farmers opt in to be certified, pay the fees necessary to administer the program, and gain access to the thriving organic foods market.

In 2008 I applied for and received organic certification via the Montana Dept. of Agriculture which is National Organic Program (NOP) accredited by the USDA. In 2018 I completed my 11th organic inspection.

After my certification was granted I quickly joined the Montana Organic Producers Coop, a 22 member marketing cooperative through which member producers sell certified organic, grass-fed beef to large institutional buyers, like Whole Foods. Individually, we are too small to qualify as a supplier but together, we have made a formidable certified organic supplier partner to a number of institutions. I currently serve as the Vice President of the Board for MOPC.

In conventional ranching, producers typically sell their calves to a feedlot shortly after weaning off the mother cows. Joining the Montana Organic Producers Coop allowed me to keep my animals and finish them myself on grass pasture (raising them all the way until they are large enough to harvest for meat) while receiving upwards of a 30% price premium. Because of this market, I was confident that I could go out and begin leasing larger pieces of land to expand my herd and ranching business.

Shortly before starting my junior year of college at Montana State University, I sent 90 cold call letters to nearby land owners sharing how, if I could lease their land, I would transition it to certified organic, improve and build the soil and be able to pay them an above market rent. I received 10 replies and began my expansion, ultimately leasing the 875 acres of organic land I farm today.

One of the multiple components to qualifying for organic certification is practicing a robust crop rotation, a farming practice where farmers don't grow the same crop year after year. To rotate my hay fields I decided to grow a 20 acre field of certified organic soft white spring wheat, the type of wheat one would use to make croissants or cookies. After selling this wheat crop, I found that I could nearly double the net revenue from a field by growing certified organic grain in rotation with my pasture and hay, thus allowing me to further consider growing my business and hiring other young people interested in farming.

My story is just one of thousands concerning the economic opportunities found in organic farming. In 2016 Penn State University published a study titled U.S. Organic Hotspots and their Benefit to Local Economies in which they found that when a given U.S. county realizes a high number of organic farms and food manufacturers, the average household income for that county is \$2,000 higher than the national average, and the poverty rate of that county is lowered by 1.35%.

By 2017 I had 240 of my acres in a grain rotation with the balance of my land in pasture and hay and had added an employee to help with the farming. While I had good markets for my organic wheat, I knew I could further improve my soil and productivity by raising legumes such as yellow peas, lentils, or garbanzo beans. I just needed to find contract customers.

In 2016 I joined the Organic Trade Association and attended their 2016 Policy Days Conference here in DC. At this conference, I sat in on the annual Grains Council meeting. Several farmers, myself included, noted to the grain buyers in the room, that in order to increase farm soil health, crop diversity and economic stability we need to have demand for all of the crops in our rotation, not just wheat. We need grain buyers to take our entire grain rotation. To do so we need food makers to be creative in what ingredients they use to make foods traditionally eaten by every day Americans.

In that OTA conference meeting was a representative for Annie's Mac and Cheese, a subsidiary of General Mills Inc. In 2017, the folks at Annie's reached out to me and said

that they wanted to re-imagine their traditional mac and cheese by adding yellow peas to their pasta recipe. In doing so, they would give me a market for my organic yellow peas (which by fixing nitrogen critically improves my soil fertility), buy my durum wheat, and deliver a protein packed certified organic elbow pasta to consumers who are eager to spend their dollars on products they know improve the environment, combat climate change, and support the economic sustainability of the farmer. The first batch of this pasta hit the shelves bearing my and my Farm's name and story in 2018, and was a resounding success. We have our second edition of single origin, complete crop rotation food products coming out this spring with more Montana organic farmers now participating.

Everything I have just shared with you is possible because of the trust consumers place in the organic seal. This trust stems from the guarantee that through the National Organic Program organic unconditionally means organic. It is a transparent, rigorous certification process which allows farmers to be economically compensated for clearly defined land stewardship practices by which all certified organic farms agree to abide through the certification process. Since 1990 the organic industry has grown from \$1 billion dollars to \$50 billion in 2017. And this double digit growth is not stopping. According to Nielsen. *UPC Scan Data of 100,000 Households*. (2016), 82% of all American households have certified organic products in their refrigerator or cupboard. This market growth, consumer trust, and farming community impact is only possible through a fully funded National Organic Program who's critical job it is to maintain an unflinching accountability to the highest of organic practices and standards.

As we see though out the country, the challenges of farming, including climate change, are resulting in farmers being forced to give up their agricultural heritage and profession. But we do have a solution: certified organic farming.