

Investing in the Organic Opportunity



Farmers and businesses choose to take on the additional requirements of organic production and handling for various reasons. For many operations, organic is an opportunity for diversification and risk mitigation in their production and marketing. While organic has grown to a more than \$70b sector at retail, we have not seen adequate growth in U.S. organic acres to keep pace with demand. This is an important opportunity for U.S. farmers to diversify and capture a value-added product premium.

There are many reasons for this:



Overly complex and costly certification process not clearly linked to risk.



The need for technical assistance to help growers in transition.



Compounding regulatory costs and a lack of appropriate infrastructure.



Fraud in foreign markets and bottlenecks in infrastructure that are necessary for farmers to bring their products to market.



Inadequate market data that prevents farmers from making informed business decisions.

Our one pager, *Organic – A Different Kind of Regulation*, points to policy priorities that will help improve domestic production: fraud prevention, sound and sensible certification, and elements of the Continuous Improvement in Accountability and Organic Standards Act (CIAO). The other leg needed to stand up the organic opportunity for U.S. farmers are:



- **Organic Dairy Data Collection** (in both the Senate and House farm bills in 2024 and bipartisan support in H.R.6937 in the 118th).
 - In addition to supporting the dairy sector, transparency in feedstuff pricing will support grain farmer and beef cattle ranchers.



- **Research:** Coordination across agencies and ongoing OREI at current levels



- **Organic Market Development:**
 - Creates new opportunities for domestic supply chains with priority focus on feedstuffs, grains, produce, and dairy
 - Supports farmers investing in domestic infrastructure (\$10k-100k)
 - Expand processing capacity into regions that lack the appropriate scale
 - Bring new products to market, replacing unnecessary foreign imports
 - Protect feedstuff users from international market fluctuations



- **USDA Organic Seal Renovations:** USDA developed a list of approved copy for retailers to use in organic displays. Examples of these call-outs that we would like to have as "lock up" options with the USDA logo:
 - Organic – Traced from farm to store
 - Organic – Protected by law
 - Organic – Shaped by public input
 - Organic - No artificial colors, flavors, or preservatives
 - Organic - No growth hormones or antibiotics

For more information, contact:

Ivanna Yang, Vice President of Government Affairs

iyang@ota.com • (314) 600-8749

444 N. Capitol St. NW, Suite 445A, Washington D.C. 20001

OTA.com • @OrganicTrade