



June 11, 2025

Erin Healy, Director, Standards Division
National Organic Program
USDA-AMS-NOP

Docket: AMS-NOP-22-0063

RE: Proposed Recission of Market Development for Mushrooms and Pet Food

Dear Ms. Healy:

Thank you for this opportunity to provide comments on the National Organic Program's (NOP) proposal to rescind the Market Development for Mushrooms and Pet Food final rule. The Organic Trade Association (OTA) is the membership-based business association for organic agriculture and products in the United States. OTA is the leading voice for the organic trade in the United States. Our members include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, brands, retailers, and others. OTA's mission is to grow and protect organic with a unifying voice that serves and engages its diverse members from farm to marketplace.

OTA strongly opposes this proposed rule to rescind the Market Development for Mushrooms and Pet Food final rule. The final rule is a result of over 15 years of stakeholder engagement, National Organic Standards Board (NOSB) deliberation, and numerous opportunities for industry comment and feedback. Organic is a voluntary program built on a public-private partnership to deliver market differentiation, consumer trust, and economic opportunity. While USDA may seek to remove barriers to industry with the repeal of regulation, rescinding this rule runs counter to this goal. The organic trade voiced its support for these rules, which resulted in deregulatory action by removing restrictions on organic production, opening up markets and economic opportunity. Additionally, rescinding these standards without a factual basis or meaningful stakeholder engagement, and in direct contradiction to prior USDA findings, renders the action arbitrary and capricious under the Administrative Procedure Act (APA).

Clear rules bring economic opportunity and a fair playing field

By clarifying and finalizing specific production standards for mushrooms and pet food, the rule removed uncertainty and inconsistency for farmers and businesses and opened the organic market to these two sectors previously excluded or stifled by regulatory uncertainty. OTA supports the development of market opportunities, and we applauded NOP's release of the final rule as it aligns directly with our mission to grow the industry. Clear standards support consistency in production, a fair playing field in

the marketplace, and a commonly understood definition of organic by the consumer. The USDA’s proposal to rescind removes this clarity and runs counter to its own intent of being deregulatory.

The introduction of organic pet food standards that parallel the labeling of how organic human food products appear in the marketplace offers consumers a familiar and accessible way to choose organic for their animals. The final rule issued in 2024 provided long-overdue regulatory clarity for the organic pet food sector, which has shrunk from \$125 million in sales in 2015 to just \$104 million in sales in 2024¹. Consumer sales data from 2014 and 2024, shows a stagnant or steadily declining trend in U.S. organic pet food penetration into the total pet food market. This is a stark contrast to the 200% growth experienced by the organic sector, or the 261% growth experienced by the Pet Food and Treat sector². The lack of defined standards stifled growth and discouraged innovation. The rule aligned organic pet food formulations with AAFCO nutritional guidelines, authorized the use of organic animal by-products, and permitted essential amino acids necessary for complete and balanced pet food production. Had these rules been implemented earlier, and if organic pet food had grown at rates comparable to the broader organic or pet food sectors, the market could be worth an estimated \$375 to \$452 million today—representing \$271 to \$348 million more than current levels. This missed opportunity far exceeds the USDA’s estimated \$30,702 in domestic regulatory burden cited in the final rule³. Organic farmers and businesses in the U.S. have already missed a crucial opportunity and rescinding the rule creates uncertainty that will further hinder growth.

Cumulative Annual Growth % of the Organic Market, 2010-2024

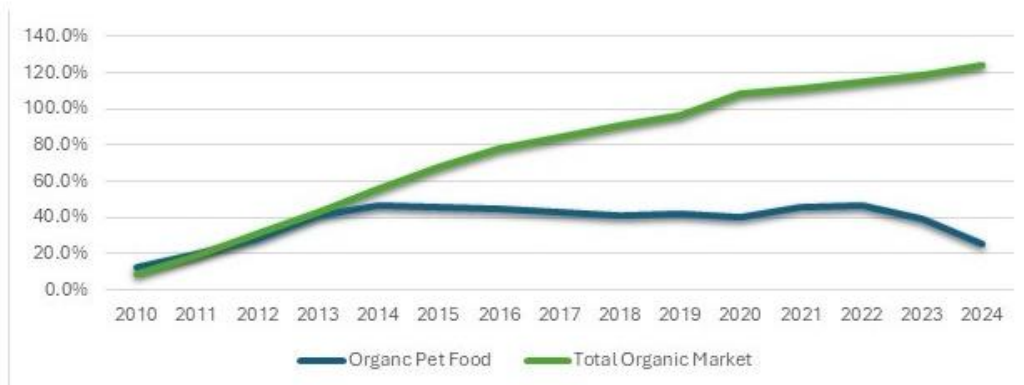


Figure 1: OTA Organic Market Report, 2025

¹ OTA’s Organic Market Report 2025 - <https://ota.com/resources/market-analysis>

² OTA’s Organic Market Report 2025; American Pet Product Association. 2010: <https://www.petfoodindustry.com/news-newsletters/pet-food-news/article/15454954/appa-releases-2010-pet-industry-spending-figures-2011-pet-owners-survey>; 2024 - <https://americanpetproducts.org/industry-trends-and-stats>. Projection calculated by growth rates less base year sales.

³ National Organic Program: Market Development for Mushrooms and Pet Food, 7 CFR Part 205, Doc. No. AMS-NOP-22-0063, proposed March 11, 2024, <https://www.regulations.gov/document/AMS-NOP-22-0063-0001>

U.S. Organic Pet Food Penetration Into Total Pet Food Market, 2014-2023

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
0.56%	0.53%	0.51%	0.48%	0.46%	0.45%	0.42%	0.41%	0.38%	0.32%

U.S. Organic Pet Sales, 2014-2023 (million \$USD)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
130	129	127	125	124	125	122	129	130	120

U.S. Organic Pet Sales by Growth, 2014-2023

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
4.8%	-0.5%	-1.4%	-1.6%	-1.3%	0.8%	-1.8%	5.3%	0.6%	-7.4%

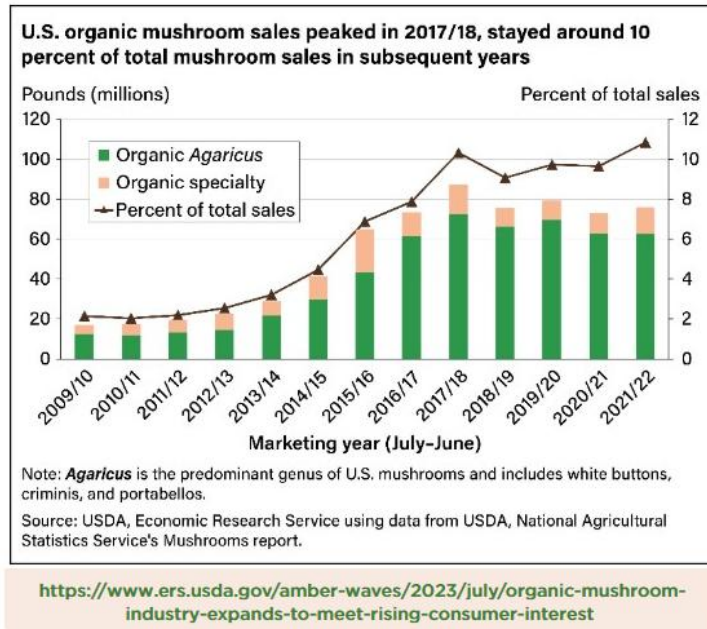
Regulation brings additional opportunity for organic livestock producers

The pet food industry utilizes 6.4 million tons of animal by-products annually, valued at \$8.5 billion⁴. The use of slaughter by-products presents a market opportunity and potential price premium for organic livestock producers, who otherwise divert this to markets for which there is currently no ability to receive an organic premium, thereby further suppressing both the pet food and livestock market potentials. Without the regulatory framework of the Market Development rule, organic producers—especially livestock farmers in states such as Pennsylvania, California, Wisconsin, North Carolina, Arkansas, Virginia, West Virginia, and Texas—would lose access to this market and the organic premiums it provides.

Lack of clear mushroom standards stifles growth

In general, OTA has found organic markets with defined federal organic standards under the National Organic Program have been more successful than markets that operate outside the definition of the National Organic Program. Clear standards bring certainty to market participants and clarity to organic consumers. While countries like Canada have had organic mushroom standards in place for years, U.S. producers are falling behind. Since 2017, growth of the organic mushroom marketplace has come from imports. USDA's Economic Research Service reported \$654 million in U.S. mushroom imports, with OTA estimating over \$120 million is in organic imports—mostly from Canada. Rescinding domestic standards risks further erosion of competitiveness for U.S. mushroom growers. A 2023 Report from USDA's Economic Research Service shows that the U.S. organic mushroom product peaked in 2017 while the percentage of sales continued to grow. In the 8 years prior, sales growth and U.S. production were perfectly correlated. Starting in 2017, we see increased foreign competition taking market share and preventing and impeding the further domestic growth of mushrooms. This trend is in direct conflict with OTA's priorities for U.S organic agriculture as well as this administration's policy priorities for agriculture at large.

⁴ American Feed Industry Association. *Pet Food Production and Ingredient Analysis*. March 2025.
<https://www.afia.org/pub/?id=acc22f76-f91e-ba27-3fdd-7cc941cb1c34>



Arbitrary and Capricious

The only justifications provided in this rule for its rescission are:

- “This proposed rescission rule will only have minor impacts on small entities engaged in organic mushroom operations and pet food producers. This proposed rescission of the rule is expected to have a beneficial effect on these small entities, lowering costs related to paperwork burden and otherwise allowing operators and producers to continue to engage in beneficial and often industry-standard practices without additional regulatory costs. The same is true for certifying agents that certify organic mushroom or pet food operations,” and
- “This proposed rule is deregulatory and so would not impose any additional information collection requirements; rather, it would reduce future collection requirements by removing reporting burdens.”

These justifications appear to treat the rules as part of a broad departmental rescission effort rather than evaluating them individually. As previously noted, the pet food rule specifically allows for the use of materials that were previously restricted, helping to open a sector that had been effectively excluded from the organic marketplace. The rescission proposal fails to acknowledge the additional regulatory burden being created or address the concerns raised in the final rule.

There are several examples of where this rescission rule fails to individually review the merits and costs of this rule. While not exhaustive here are some examples:

- The following is stated in the final rule but not addressed in the recission rule: “Some certifying agents have allowed organic slaughter by-products in pet food, while other certifiers have not. These contradictions create uncertainty for businesses that currently produce organic pet food and are a barrier to businesses that would like to start producing organic pet food or selling slaughter by-products to the organic pet food market,” and “These regulatory gaps have increased the risk for businesses in the organic pet food market, hindered production innovation, and limited the market for organic slaughter by-products⁵.” The proposed recission rule would remove market access to the organic livestock producers who now can sell animal byproducts to pet food manufacturers with an organic premium. In the USDA’s National Agricultural Statistics Service 2021 Organic Survey (most recent available), it was estimated that animal agriculture was valued at \$2.2 billion with over 3,750 operations⁶. In its last report, USDA’s Economic Research Service estimated that byproducts account for an added 10.3% on average to the value of cattle⁷.
- Products are already on the market with taurine, which will create conflicts with statements in the final rule, “As synthetic taurine was previously not approved for organic pet food.” Products like Purina Beyond Organic Chicken and Carrot recipe would be out of compliance and face costs from government induced regulatory burden⁸. This omission undermines the justification for recission, and disregards previously acknowledged regulatory inconsistencies.



BEYOND ORGANIC CHICKEN AND CARROT RECIPE PATÉ NATURAL CAT FOOD WITH ADDED VITAMINS, MINERALS & NUTRIENTS

GUARANTEED ANALYSIS:

Crude Protein (Min)	7.0%
Crude Fat (Min)	5.0%
Crude Fiber (Max)	1.0%
Moisture (Max)	78.0%
Ash (Max)	3.2%
Taurine (Min)	0.05%

INGREDIENTS: Organic chicken, organic chicken broth, organic chicken liver, organic carrots, **MINERALS** [potassium chloride, zinc sulfate, ferrous sulfate, manganese sulfate, copper sulfate, potassium iodide], organic guar gum, choline chloride, **taurine**, salt, **VITAMINS** [thiamine mononitrate (Vitamin B-1), Vitamin E supplement, niacin (Vitamin B-3), calcium pantothenate (Vitamin B-5), pyridoxine hydrochloride (Vitamin B-6), Vitamin A supplement, riboflavin supplement (Vitamin B-2), Vitamin B-12 supplement, menadione sodium bisulfite complex (Vitamin K), folic acid (Vitamin B-9), Vitamin D-3 supplement]. B434320

Manufactured by: Nestlé Purina PetCare Company, St. Louis, MO 63164 USA

Certified Organic by: Bioagricert, SRL

Beyond Organic Chicken and Carrot Recipe Paté is formulated to meet the nutritional levels established by the AAFCO Cat Food Nutrient Profiles for maintenance of adult cats.

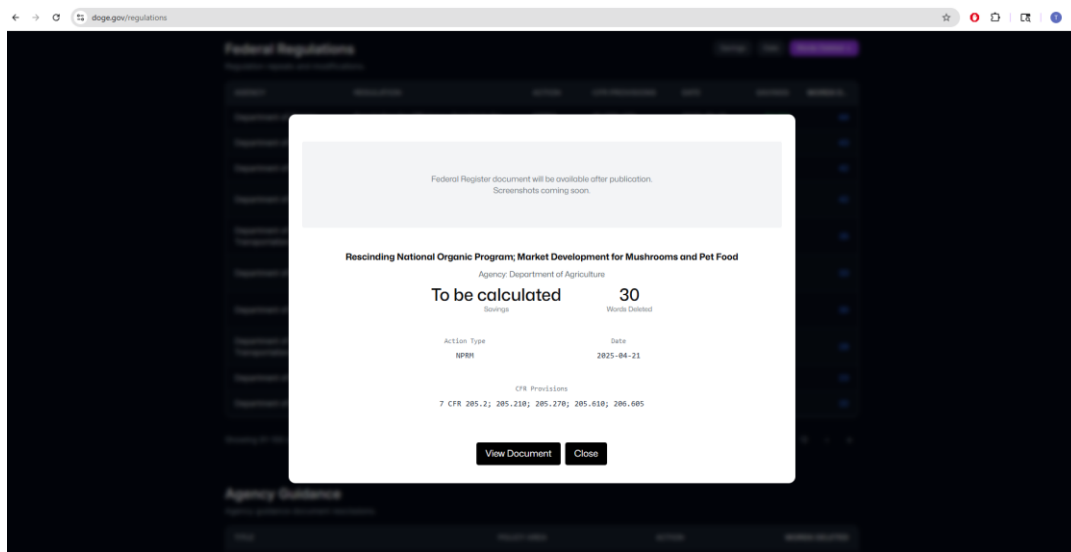
⁵ National Organic Program: Market Development for Mushrooms and Pet Food, 7 CFR Part 205, Doc. No. AMS-NOP-22-0063, December 23, 2024, <https://www.regulations.gov/document/AMS-NOP-22-0063-3397>

⁶ NASS 2021 Organic Survey: <https://quickstats.nass.usda.gov/results/2ECF149E-6CE9-34B7-AB48-A1D008531040>

⁷ USDA ERS: Where’s the (Not) Meat? Byproducts From Beef and Pork Production: https://ers.usda.gov/sites/default/files/laserfiche/outlooks/37427/8801_ldpm20901.pdf?v=76449

⁸ <https://www.purina.com/cats/shop/beyond-organic-natural-chicken-carrot-pate-wet-cat-food>;
https://www.purina.com/sites/default/files/products/files/B434320_Beyond_Organic_Chicken_Carrot_Recipe_Pate_Natural_Cat_Food.pdf

- The final rule states, “Clear standards will promote growth in the development of these markets by increasing consistency in certification and enforcement and removing uncertainty as a regulatory barrier to production and certification.” This directly contradicts the rationale for rescission, which offers no factual basis or supporting analysis to justify the decision.
- The final rule states, “Certifiers’ attempts to interpret the existing crop standards for mushroom production are currently inconsistent, which may lead to producers inconsistently applying the standards to substrate, spawn, and compost for mushroom production.” Yet the proposed rescission fails to acknowledge this regulatory inconsistency or offer any analysis to address the issue.
- The final rule states, “The absence of mushroom-specific standards, their unique biological differences, and the resulting inconsistent enforcement, creates an uneven playing field for certified operations. For example, some operations may be required to source organic inputs, incurring additional expenses, whereas others are not. Unfair competition caused by different interpretations of the organic mushroom standards, as well as the possibility of future regulatory changes, may have reduced the willingness of businesses to invest in this sector.” Despite this, the proposed rescission overlooks these barriers and offers no substantiated rationale for reversing course.
- The Department of Government Efficiency (DOGE) website cites this rule in “Regulation repeals and modifications.” It cites the removal of 30 words and indicates no savings was calculated⁹. References to this rule’s contribution to regulatory “efficiency”—based solely on word count—fail to capture the significant economic and market losses created by rescinding a rule that brings needed clarity and certainty to the organic sector.



⁹ Department of Government Efficiency, Federal Regulations: <https://doge.gov/regulations>



Mushroom rules and pet food rules should be considered on their own merits

OTA urges USDA to consider organic mushrooms and organic pet food sections of this rule independently, evaluating each on its own merits rather than as part of a bundled rescission. These are two distinct sectors with unique production methods, regulatory needs, and market opportunities. Lumping them together under a single proposed rule undermines the careful deliberation each deserves. Organic mushrooms face challenges stemming from biological differences and inconsistent enforcement, while organic pet food has been constrained by outdated restrictions and regulatory burden. The final rule offered tailored solutions to address each sector's issues and should be reviewed and decided upon individually.

Lack of consultation with the National Organic Standards Board undermines public trust

The USDA organic seal is the most recognized and trusted certification label and is backed by a federal standard. Unlike previous regulatory actions, this proposal was issued without consultation with the NOSB. In proposing to rescind the final market development rule, USDA bypasses the NOSB, ignores 15 years of public engagement, and proposes a rule the organic trade did not ask for and undermines the transparency and public accountability at the core of the organic program.

OTA respectfully urges USDA to withdraw this proposed rule, maintain the 2024 final rule in force, and reengage with the NOSB and stakeholders to ensure any future changes reflect the needs of the organic community and the public interest. Removing 30 words of regulatory text at the cost of organic livestock, organic mushroom products, and organic—and potentially organic—pet food companies across the United States is simply unfair to these American businesses. On behalf of our members across the supply chain and the country, OTA thanks the National Organic Program for the opportunity to comment, and for your commitment to furthering organic agriculture.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Rice", is positioned above the typed name.

Scott Rice
Sr. Director, Regulatory Affairs
Organic Trade Association

cc: Tom Chapman
Co-CEO
Organic Trade Association