



Testimony and hearing transcript of Laura Batcha
CEO and Executive Director, The Organic Trade Association
House Committee on Agriculture
Subcommittee on Biotechnology, Horticulture, and Research
A 2022 Review of the Farm Bill: Horticulture and Urban Agriculture

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LAURA BATCHA:

Chairwoman Plaskett, Ranking Member Baird, and members of the committee, thank you for holding this hearing and inviting me to testify on behalf of the organic sector. I'm Laura Batcha, CEO of the Organic Trade Association. Our members represent the entire organic supply chain, including growers, shippers, processors, certifiers, regional farmers' associations, brands, and retailers in all 50 states.

Last year, organic sales in the US grew by more than 12 percent, reaching a record high of \$62 billion. Today, more than 15 percent of produce sold, nearly 10 percent of dairy and eggs, and more than 7 percent of packaged food sold in the United States are certified organic, demonstrating the importance that consumers place on this sector.

Today, we released the results of a study by a -- by the firm, Edelman, that's an organic follow-on to their widely cited consumer trust barometer. What we found was that 89 percent of consumers say that the USDA should update the organic standards periodically, and 87 percent of consumers expect these updates to reflect evolving understandings about soil, climate, health, animal welfare, and more.

Yet less than 45 percent of the general population gives USDA high marks today for the stewardship of the organic program. Organic's at a critical juncture and inflection point. We know that consumers have fueled the strong growth of the industry for over 20 years, but the marketplace is becoming more crowded with new certifications and label claims.

What sets USDA Organic apart from other private certification and marketing claims is that the standards are developed and enforced by federal law and regulations. It's a voluntary regulatory program where the market rewards businesses and farmers who choose to opt in and meet these strict standards. And participation in the program is an important opportunity to diversify farms, create sustainable practices and livelihoods.

For the last 20 years, organic standards have remained largely static. In fact, when it comes to organic practice standards, only one major rule has been implemented by USDA in the last 12 years. Well, two. We've heard one announced this morning, so, we appreciate that. Nearly two dozen other recommendations to improve the standards have been submitted to USDA by the National Organic Standards Board the federal advisory committee established in the Organic Foods Production Act of 1990. They all remain unimplemented.

The very purpose of the Organic Act is to create uniform, robust standards for marketing of organic products nationwide. Many of these recommendations address -- address inconsistencies and lack of clarity in the existing regulations that have led to competitive harm and market failure. Others improve sustainability outcomes in organic production systems.

That's why OTA supports H.R. 2918, the Continuous Improvement and Accountability in Organic Standards Act, a bipartisan piece of legislation introduced by Representatives Peter DeFazio, Rodney Davis, Chellie Pingree, Ron Kind, Dan Newhouse, and Jimmy Panetta. The bill updates the way USDA would administer these standards and sets forth

a future process by which the National Organic Program can adapt in a more timely and transparent fashion.

We applaud the announcement this morning by Undersecretary Moffitt that USDA is publishing the Organ -- Origin of Livestock rule, nineteen years in the making since that recommendation was handed off to USDA. While we're encouraged that USDA has started the process of moving forward on the regulatory backlog, in the next farm bill, we'd like to see this legislation be reintroduced with a focus on institutionalizing a more stable future for organic by restructuring the public-private partnership, investing in oversight and enforcement, and prioritizing continuous improvement.

Organic provides economic opportunities for farmers and businesses, creates jobs, and lifts rural economies, while also utilizing sustainable farming practices that are proven to help mitigate the threat of climate change. There's an important opportunity to invest in conservation, technical assistance, as well as focus market development and infrastructure to address supply chain constraints and increase domestic production of organic.

We look forward to working with Congress and members of this committee to advance organic in the 2023 Farm Bill. Thank you for the opportunity to provide my testimony this morning to inform federal policy, and I'm happy to address any of your questions.

STACEY PLASKETT:

Thank you. Ms. Batcha, the USDA is reportedly finalizing three key and much-anticipated organic industry regulations under the National Organic Program addressing, one, transitioning dairy cows; two, livestock handling and poultry living conditions; and oversight and enforcement of NOP-certified products.

Some of these proposals date back to the mid-2000s. We're really excited that that's actually happening. What's the importance of USDA finally finalizing these National Organic Program regulations to the US organic industry?

LAURA BATCHA:

Thank you for that. I can't underscore how important it is that these three rules are finalized. The first we heard of this morning in terms of Origin of Livestock being finalized and then the other two rules you mentioned. But additionally, there are almost two dozen additional rules still in the pipeline.

I think the thing that's important to remember is, oftentimes, these rules, as in the case of the two livestock rules and the import oversight rule that was authorized in the last farm bill, these regulations level the playing field for producers. So, they're all playing by the same -- same rules. If you're entering the marketplace, you know that other farmers, regardless of where they are in the country or around the globe, are following the same set of standards.

So, you're -- you can understand what the marketplace is expecting from you, and -- and it's a fair level playing field. I think the other important thing is that as these standards have languished at USDA, it's driven private certification into the market and required producers and handlers to seek additional certification on top of their organic certification, which complicates their production systems, adds costs, and -- and confuses the -- the value of the seal in the marketplace.

And they're -- they're having to do that to compensate for the standards not having been finalized. It also stalls opportunities in innovation. So, if the playing field is not level globally, it disincentivizes US producers to enter the market and produce some of these important crops domestically, in the case of livestock feeds and other grains.

So, it impacts farmers at a very granular level in terms of cost and the playing field globally and across the country, as well as innovation in the marketplace and advancing organic. So, I appreciate your question. Thank you.

JAMES BAIRD:

So, Ms. Batcha, can you -- would you care to elaborate about your working with the land-grant universities and how you see that?

LAURA BATCHA:

Thank you. One of the important programs that supports organic production systems is the Organic Research and Extension Initiative program. So, those are important research dollars. We administer a nonprofit organization called The Organic Center that -- that convenes science and does invest directly in science at universities, increasingly at land-grant universities.

And we also play a role in helping connect organic agricultural researchers across universities to coordinate and discuss and share research priorities with each other. We're really fortunate that, this year for the first time, we've been able to work with the Foundation for Food and Agriculture to provide some matching grants for industry investment in organic research focusing on land-grant universities.

So, thank you.

CHELLIE PINGREE:

Thank you very much, Madam Chair. Appreciate your holding this hearing. And I really appreciate all of the witnesses' testimony today. Thank you so much for spending your time with us and really helping us to think forward about the farm -- farm bill. I won't

have a chance to dialogue with all of you, but I just want you to know we really will take in everything that you had to say today.

And it's very useful to all of us. So, for Laura Batcha, you know, glad to be here with you today to celebrate finally that rule moving forward. And I know how important it is to organic dairies. So, thanks for the work that the Organic Trade Association has done to also push on that. You know, we're talking so much about the convergence between climate change and agriculture, and that will certainly be an important component of the farm bill.

But I'd love to hear from your perspective, you know, from organic growers, how we make sure that people understand the connection between what organic growers really have already done in terms of climate change, you know, the critical practices that are so foundational to organic certification.

And, also, what else do you think the USDA could be doing to make sure we make that connection and really are ensuring that organic farmers are rewarded for what they're doing as we go forward, thinking about our programs?

LAURA BATCHA:

First, I want to thank you for all your strong leadership and support on helping get that Origin of Livestock rule across the finish line. So, we really appreciate your leadership. You know, the climate-smart agriculture discussion is interesting because it's, you know, now climate-smart agriculture has become, you know, such a buzz.

And I think, you know, when you think about organic agriculture and the requirements of the production standard to include fostering soil biodiversity, cover cropping, hedgerows, green manures, these are many of the same practices that are being looked at as the key tools to advance climate-smart agriculture.

And they're embedded in the standards, and they always have been. We had a -- we have a group of members in town this week, 150 folks from across the country. And one of our farmer members from Montana said yesterday to USDA that, you know, climate smart is the new buzz, but organic has always been soil smart.

And that's built into what the production practices are all about. I think it's also important that as we look at, for example, the pilot program that USDA is launching right now, we also have a built-in market reward and claim in the marketplace that can be leveraged in terms of helping the public understand the choice that you make with organic and how that ties to climate-smart agriculture.

I think the things we're hearing from producers about any programs related to climate-smart agriculture and making sure, number one, that, you know, the early adopters are also rewarded in the system, the folks who have been doing this all along. Our research shows that on whole organically managed soils have about 17 percent higher levels of sequestered carbon than soils as a whole in farms across the country.

So, they need to -- need to be included in the program and rewarded for their efforts over the last number of decades. I also think there needs to be really good crosswalks with the oversight and the paperwork and the certification and the farm plans that are required in organic so that there can be streamlined qualification for programs that USDA may -- USDA may roll out so the farmers don't have to start over again and redemonstrate their climate-smart status.

I think we also have some creative ideas that may require some support from the committee in the next farm bill that could, you know, bring the USDA seal more into the

-- the future and allow that seal to communicate directly, some of these values of organic production related to climate.

CHELLIE PINGREE:

Great. Well, thank you for all that. I look forward to working with you and, certainly, on organic farmers in general and making sure that all of the things that you mentioned are included.

JIMMY PANETTA:

Great. Thank you, Madam Chair, and thank you for having this hearing. And thanks to all of our witnesses, those who are here in the room, those who are here virtually.

Appreciate your testimony information that will definitely be used as we head into the Farm Bill 2023. Laura, Ms. Batcha, good to see you again, as always.

You know, based on the question that you just answered, you talked a lot about streamlining the regulations. But also in your testimony, you talked about infrastructure capacity improvements. Can you elaborate a little bit more on the supply-chain improvements that -- you know, what they would do, what they might look like, and how they would bolster the organic industry?

LAURA BATCHA:

Thank you for that, and nice to see you as well. When a farm transitions to organic, they have to transition their whole farm for three years or the portion of their farm that they're bringing in to organic. But they also have to develop new markets for their products.

And the organic product off the farm has to be handled in a certified organic facility all the way through to the finished product.

So, if they grow the product on the farm, they have to be able to move that through the processing infrastructure that -- that the commodities touch. One of the challenges with increasing the amount of organic production at the -- at the farm level in the US is access to those markets, whether or not it be livestock processing, grain milling/handling facilities, and especially for the small- and medium-sized operations to have those facilities close enough to the farm that it makes the transportation and the management of that -- of that process reasonable.

So, we're really looking at a regional approach that is commodity-specific that really looks at some of the bottlenecks in the supply chain and invest there. But it's just a requirement of taking that product all the way through to the marketplace.