

Origin of Organic Dairy Livestock

Milk sold or represented as organic must be from livestock that have been under continuous organic management for at least one year. This one-year transition period is allowed only when converting a conventional herd to organic. Once a distinct herd has been converted to organic production, all dairy animals must be under organic management from the last third of gestation.

REGULATORY UNCERTAINTY HAS CREATED INCONSISTENT ENFORCEMENT AND ECONOMIC HARM TO FARMERS

Due to the lack of specificity in the regulations, some USDA-accredited certifiers allow dairies to routinely bring non-organic animals into an organic operation, and transition them for one year, rather than raise their own replacement animals under organic management from the last third of gestation. Additionally, some farmers are allowed to remove organic dairy animals from a herd, raise them using conventional feed and other prohibited management practices, and then re-transition them back to organic. This practice of continuously transitioning and/or cycling dairy animals in and out of organic production is a violation of the organic standards.

Farmers who do not raise their own organic replacement animals have lower costs of production, creating an economic disadvantage for organic farmers who comply with the organic regulations. Our analysis indicates that organic dairy farmers who raise their calves according to the organic standard from birth spend an average of \$600-1000 more per calf than farmers who raise calves conventionally and transition them to organic at one year of age.

ACTION BY USDA IS REQUIRED TO ENSURE STRONG AND CONSISTENT STANDARDS

In 2015, USDA issued a proposed rule, which clarified the regulations around origin of livestock while still allowing for a one-time transition of a conventional herd to organic. Public comments reflected widespread consensus and support for the proposed rule. However, a final rule was never published and, in 2017, it was removed from USDA's Unified Regulatory Agenda without explanation.

ASK: Require that USDA immediately issue a final rule on the origin of livestock based on the 2015 proposed rule in the Fiscal Year 2020 Appropriations legislation.

In February 2019, the Organic Trade Association's Dairy Sector Council sent a letter to USDA urging the agency to publish a final rule. The signatories on the letter represented over 90 percent of the current U.S. organic dairy market. From small family farms to some of the largest organic dairies and companies in the world, the organic dairy industry united to demand strong and consistent standards.

Last year, growth in the U.S. dairy sector slowed for the second year in a row. Still the second-largest organic category, sales were \$6.5 billion in 2018, up 0.8 percent from 2017.

ORGANIC TRADE ASSOCIATION
Bold Steps to
PROMOTE and PROTECT
ORGANIC

FOCUS
ON SOLUTIONS

CONTINUOUS
IMPROVEMENT

EMBRACE
INNOVATION

PLAN FOR
THE FUTURE