

August 30, 2021

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U.S. Department of Agriculture

**Docket: AMS–TM–21–0058**

**Federal Register Number 2021-15145**

**Re: Investments and Opportunities for Meat and Poultry Processing Infrastructure**

Thank you for the opportunity to provide input on USDA’s efforts to improve infrastructure, increase capacity, and hasten diversification across the meat and poultry processing sector. The Organic Trade Association (OTA) is the membership-based business association for organic agriculture and products in North America. OTA is the leading voice for the organic trade in the United States, representing over 9,500 organic businesses across 50 states. Our members include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, consultants, retailers and others. OTA’s mission is to promote and protect organic with a unifying voice that serves and engages its diverse members from farm to marketplace.

Organic is a voluntary regulatory program for farmers and businesses who choose to meet a strict federal standard and market their products under the USDA organic seal. The \$62-billion-a-year U.S. organic industry is an increasingly important part of American agriculture and represents one of the fastest-growing food and farming sectors in the U.S. and global marketplace<sup>1</sup>. Organic provides economic opportunities for farmers, creating jobs and lifting rural economies<sup>2</sup>, while also utilizing sustainable farming practices that are proven to help mitigate the threat of climate change<sup>3</sup>. Organic also provides a safe, healthy choice to consumers, who are increasingly seeking out the trusted USDA Organic seal on the food and products they purchase for their families.

### **ORGANIC INDUSTRY DATA FOR MEAT AND POULTRY**

Organic meat sales grew dramatically in 2020 as consumers sought both fresh and frozen organic meats and poultry. Consumers consider organic meat and poultry to be healthier for you, clean and produced with humanely raised animal welfare standards. While organic meat and poultry is the smallest organic food category, it saw the second highest rate of growth in 2020. The now \$1.8 billion category grew 24.7% in 2020, up from 9.9% growth in 2019, with product subcategories maintaining some of the highest organic product sales growth rates – ranging from 22% for poultry to 35% for pork.

Demand however, was thwarted by the lack of a steady, consistent supply of organic meat and poultry. Increasingly, shoppers chose products bearing third party animal welfare certification, rather than organic. At

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<sup>1</sup> [The Organic Trade Association. 2021 Organic Industry Survey](#)

<sup>2</sup> [Jaenicke, Edward C. 2016. U.S. Organic Hotspots and Their Benefit to Local Economies](#)

<sup>3</sup> [The Organic Trade Association. 2020. Advancing Organic to Mitigate Climate Change](#)

the start of the year, organic meat and poultry were already on a trajectory of steady growth. Once the pandemic hit, demand accelerated as consumers began to eat all of their meals at home. This uptick was seen everywhere from breakfast sausages and bacon to lunch meats and meat cuts and ground meat for dinner. In 2020, the supply chain was hit at several intersects. Raw supply was at times constrained. There were shortages in processed meats and other categories as manufacturers needed to retool amid evolving health and safety guidelines, to manage the safety of the workforces involved. Organic slaughter facilities – already stretched thin – also had unprecedented wait times.

## PROCESSING/DISTRIBUTION INFRASTRUCTURE IMPROVEMENTS

A significant limit to the continued growth and sustainability of the U.S. organic meat and poultry industry is a gap in processing and distribution capacity. Overcoming these barriers will require a multi-faceted and regionally oriented approach, as well as a significant financial investment in organic processing and distribution infrastructure to support domestic supply chains.

- **Invest \$100 million in organic processing and infrastructure for organic livestock and poultry.** Investment in organic processing and distribution infrastructure is critical to support domestic supply chains. All processing facilities that handle organic product are required to maintain an organic certification and systems plan to ensure compliance with the organic regulations and prevent commingling and contamination of organic and non-organic product. To transition more acreage to organic and support farmers transitioning, USDA must put an equal emphasis on increasing processing capacity and supporting market development opportunities to ensure a healthy organic marketplace. USDA should establish a competitive grant program for market and infrastructure development to expand organic processing capacity. The program will assist companies in retooling, refurbishing and rebuilding processing facilities to meet organic market demand across all regions, commodities and scales.

## MARKET DEVELOPMENT

- **Purchase \$100 million in organic food for nutrition programs.** Many U.S. commodities rely on USDA's purchasing power and nutrition procurement programs for supply chain management. However, organic food has largely been shut out of federal feeding programs such as the school lunch program, the Women, Infant, and Children (WIC) program, and emergency food assistance programs despite the fact that over 80% of U.S. households purchase some organic products on a regular basis. USDA should establish a pilot program, and work with states to increase purchases of organic food and reduce barriers to purchasing organic food within feeding programs. USDA nutrition programs must be modernized to meet consumer needs and demand while also supporting climate-friendly agriculture and reflecting the diversity of U.S. agriculture. Cost should not be a barrier. For example, USDA should purchase both certified organic and certified transitional to support farmers through the transition process with a stepped-up premium. At the very least, USDA should purchase organic food for feeding programs in line with organic's current overall market share to ensure equitable access. Over 15% of fruits and vegetables sold in the U.S. are certified organic and over 8% of dairy and eggs sold are organic. Therefore, at a minimum, federal nutrition purchasing should reflect the current market share for organic products.

## **EXPANDING TECHNICAL ASSISTANCE & RISK MANAGEMENT TOOLS**

- Invest \$50 million in technical assistance to organic and transitioning farmers and ranchers by developing a competitive grant program for organizations that provide regionally adapted programs and services that support farmers transitioning to organic.
- Reduce or waive industry contributions under USDA-NRCS cooperative agreements from 50:50 to 25:75 for organic technical assistance providers.
- Increase USDA conservation program payments to farmers for organic management practices that build soil health including cover cropping, crop rotations, using organic soil amendments, and conservation tillage.
- Expand and adapt crop insurance and farm loan program options to better accommodate organic pasture-based livestock production systems and premiums, eliminate policies that penalize farms when transitioning to organic production, and remove all caps on loans and programs for organic producers if similar caps are not in place for conventional producers.

## **ADVANCE ORGANIC STANDARDS**

Strong standards provide the foundation for the USDA organic program. For the organic premium to be recognized in the marketplace, there has to be a clear distinction backed by consistent, enforceable standards. Organic is a voluntary regulatory program for farmers and businesses who choose to meet strict standards and market their products under the USDA Organic seal. However, the federal regulatory apparatus at USDA has stifled innovation and continuous improvement within the industry. In the past 10 years, industry has advanced 20 consensus recommendations for improvements to the organic standards, yet USDA has not completed rulemaking on a single one of them. USDA should work with industry to repair the public-private partnership and advance organic standards. This is the number one challenge facing the organic sector and without addressing it, all other assistance and investments USDA makes in organic will be meaningless.

- Realign staffing and resources at the National Organic Program to include an increased focus on organic standards development. Currently, NOP has 63 full-time staff yet only two are dedicated to organic standards development.
- Publish in the Federal Register and take public comment on an Organic Improvement Action Plan comprised of the backlog of NOSB recommendations that have not been implemented. The plan must include detailed timelines, prioritization, and implementation plans for dealing with each recommendation.
- Establish a new framework for advancing federal organic standards to keep up with the marketplace and ensure the credibility of the USDA Organic seal.
- Improve oversight and ensure consistent enforcement of USDA accredited third-party certification agents by including the specific evaluation of how certifiers are interpreting and implementing new regulations and updates to the standards.



Thank you for providing this opportunity to comment on building a more resilient, equitable and climate-friendly food system.

Sincerely,

Laura Batcha  
Executive Director/CEO  
Organic Trade Association