



June 22, 2020

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Docket ID: FSA–2020–0004

RE: Notice of Funding Availability; Coronavirus Food Assistance Program (CFAP) Additional Commodities Request for Information

Dear Mr. Secretary:

Thank you for this opportunity to provide comment on the Coronavirus Food Assistance Program (CFAP) Additional Commodities Request for Information.

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.

The Coronavirus Food Assistance Program (CFAP), implemented through final rulemaking on May 21, 2020, is an important program to provide financial relief to farmers who have been negatively impacted by the effects of the coronavirus pandemic. However, the CFAP payment calculation does not take into account the increased cost of production for organic farmers nor the cost premium of organic products. USDA is now requesting comments regarding additional commodities for inclusion in CFAP that were not already identified with payment rates in the previously published final rule.

The Organic Trade Association continues to urge USDA to take into account the increased cost of production for organic farmers, and cover market losses outside of commodity price declines when calculating direct payments as part of CFAP. We identified this as one of several priorities for the organic sector in our letter to USDA dated May 4, 2020. The lack of organic-specific payment rates is a concern shared by Congress. A letter from Representatives Peterson, Costa, Plaskett, and Vela to USDA dated June 9, 2020, asks USDA to recognize the cost premium of organic crop by differentiating organic prices for certified organic products.

OTA encourages USDA to explore alternative payment calculations that can accommodate the increased diversity of crop and livestock products on organic farms. The current CFAP payments are based on individual crop or livestock products whereas organic farms more commonly derive their income from multiple crop and/or livestock products. USDA should consider modeling the payment calculation after the Whole Farm Revenue Protection crop insurance program, which accounts for diversified organic products at their full organic values.

We also encourage USDA to extend the timeframe during which the price declines are calculated for CFAP eligibility. Significant declines for some crops began in late April and are ongoing. This indicates that CFAP payments should account for longer-term price declines so that delayed impacts from the coronavirus pandemic can be included. For example, Organic Feed-Grade Wheat demonstrates a greater than 5% price decline during the time period specified in the CFAP request for comments. However, extending the time period into May shows that Organic Feed-Grade Corn also has experienced a greater than 5% price decline. (Note: The examples listed here are not exhaustive of the organic crop and livestock products that may have experienced price reductions or increased marketing costs as a result of the coronavirus pandemic.)

Certified Organic Crop	U.S. Organic Price* the two weeks ending on January 18, 2020	U.S. Organic Price* the two weeks ending on April 11, 2020	% Change
Organic Feed-Grade Wheat	\$ 9.23	\$ 8.08	-12%

** U.S. organic delivered commodity prices as reported by Mercaris market price survey data.
Prices for grains and oilseeds delivered to first purchase handler*

Certified Organic Crop	U.S. Organic Price* the two weeks ending on January 18, 2020	U.S. Organic Price* the two weeks ending on May 30, 2020	% Change
Organic Feed-Grade Corn	\$ 8.62	\$ 6.79	-21%

** U.S. organic delivered commodity prices as reported by Mercaris market price survey data.
Prices for grains and oilseeds delivered to first purchase handler*

On behalf of our members across the supply chain and the country, the Organic Trade Association thanks you for your commitment to preserving a healthy, diverse agricultural economy, and ensuring that the organic sector will continue to provide opportunities for producers and consumers.

Sincerely,

Laura Batcha
Executive Director/CEO
Organic Trade Association