



May 4, 2020

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

Dear Secretary Perdue:

Thank you for your leadership in navigating the challenges the food and agriculture sectors are experiencing during this difficult time. We would like to take this opportunity to share with you some of the unique and pressing circumstances the organic food sector is experiencing during the COVID-19 pandemic.

The \$52-billion-a-year organic sector is a diverse food and agriculture system representing hundreds of specialty crops and grains, livestock, poultry, dairy, fiber, packaged goods and other value-added products. The U.S. organic industry is comprised of farms and business of all sizes, represented in all 50 states, providing economic benefits to rural communities.

The economic opportunity provided by the USDA organic program has served as a lifeline for farmers and businesses, providing stability and resiliency in an agriculture economy that can be rife with uncertainties caused by fluctuating markets and other challenges. Although organic farmers and businesses are resilient, creative, and cautiously optimistic during this unprecedented time, there are many unknowns about what the future will hold, and concern over the potential long-term impacts to the sector as a result.

Organic is a distinct supply chain, and is experiencing unique challenges related to certification, inspections, global trade, and shifting markets. Organic businesses like the rest of agriculture are also concerned about keeping their workforce safe, and ensuring healthy food gets to those who need it most during these difficult times.

### **Organic Certification and Inspection Continuity**

As the outbreak continues to create supply chain disruptions such as capacity constraints, increased demand, supply shortages, and facility closures, certified organic farmers and handlers need to quickly adjust to bring on new land, processing lines and/or facilities, and storage units. This creates a unique challenge because an on-site inspection must be conducted for a person or operation seeking new certification. For organic operations requesting an addition or update to its existing certification, the new land or facility must quickly move through the certification process, which typically includes an on-site inspection. Certified organic products must also meet very specific packaging and labeling requirements. Overall, this leads to reduced flexibility and unique supply chain challenges for organic businesses and farms when on-site inspections are not possible.

The continuity of organic inspection operations is critical to the compliance of the organic supply chain, and the health and safety of organic farmers, processors and inspectors must remain at the center of all decision-making. Fortunately, there are many inspection tools and technologies that can be used to verify organic compliance while travel restrictions and advisories associated with the novel coronavirus are in place.

- During this unprecedented time, it is critical that USDA support the organic marketplace by allowing accredited certifiers to utilize emergency remote inspections when on-site inspections are not possible.

Additionally, we have heard reports from multiple State Departments of Agriculture that the Farm Service Agency, which oversees the Organic Certification Cost-Share program, has yet to release funds to reimburse eligible producers for their certification costs from Fiscal Year 2020. The funding cycle started last October and ends in September. This assistance is critical to small producers that sell into local markets and community supported agriculture (CSAs). These farmers are especially vulnerable right now, and depend on certification cost-share assistance. If a farmer or business fails to pay their organic certification fee on time, they are at risk of being issued a non-compliance by their certifier and having their organic certification revoked.

- We request that FSA release these funds immediately and allow USDA accredited certifying agents in addition to State Departments of Agriculture to administer and distribute cost-share funds to certified operations. This will improve efficiency and ensure that funding is provided to those who need it most.

### **Global Organic Trade and Enforcement**

This pandemic has caused disruption for businesses that operate internationally. Organic is a global market where integrity in the supply chain is critical, USDA must continue efforts along with the private sector to reduce fraud in the U.S. and abroad. Organic is dependent on significant imports. There are many ingredients, specialty crops and grains that are still not available in sufficient quantities domestically to meet the demand of the U.S. organic industry. This could lead to further supply constraints if international trade slows. Now more than ever, international supply chains must be strengthened.

- Although there have been calls by numerous stakeholders to halt all rulemakings and new regulations during the COVID-19 pandemic, the organic industry depends upon important updates to the organic regulations. We ask that you continue to prioritize the Strengthening Organic Enforcement rulemaking, and ensure a timely release of the proposed rule as soon as possible.

U.S. organic exports provide new sales opportunities for suppliers, and help to meet overseas demand for U.S. organic. In 2019, tracked U.S. organic exports were over \$680 million, with organic apples, grapes, lettuce, spinach, and other fresh commodities leading sales. However, there is increased uncertainty regarding how to access and fully take advantage of international markets in these times.

- Due to the cancellation of numerous trade shows, trade missions, foreign buyers' missions, and other export promotion activities funded through the Market Access Program, we urge USDA to allow flexibility for 2020 funding to be used for other export market development opportunities that do not require travel. We appreciate the flexibility already granted on payments for canceled or postponed activities, and the ability to roll over unused funding due to cancelations.

### **Shifting Market Impacts**

Organic food is consumed primarily in the home, and is less dependent on the food service industry resulting in initial short-term resilience. As demand has moved to retail, organic businesses are working overtime to continue to keep food on the shelves and feed the American people. However, the constantly shifting retail market and unpredictable consumer purchasing behavior since the pandemic began have presented challenges for organic farmers and businesses of all sizes.

Retailers have reduced SKUs as they focus on core products, which has hurt many specialty and premium products. The organic industry is made up of thousands of small businesses, food start-ups and emerging brands, and products that are experiencing hardship due to the reduction in shelf space and lost opportunities for business as retailers are overwhelmed with the urgent challenges caused by COVID-19.

Lastly, a protracted long-term recession resulting in a significant reduction of buying power from the public could result in market harm for organic products, which are sold at a premium price. This creates added risk and uncertainty as farmers head into harvest and planting. Organic farmers have diversified operations that grow multiple crops, and it is difficult to forecast the shifting buying preferences of consumers during this time.

- Any major disruptions to organic are more likely to develop over the long term. We request that USDA ensure that future financial assistance be made available to cover impacts due to COVID-19. Additionally, we ask that USDA 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 the Coronavirus Food Assistance Program (CFAP).

### **Labor and Workforce Safety**

As you know, there have been major disruptions in the agriculture workforce due to COVID-19. From farm to shelf, at the forefront of our membership's mind is concern about maintaining the safety of their workforce. In general, organic farming is more labor intensive. We echo the concerns that have already been raised by a majority of agriculture stakeholders for the need to maintain a stable supply of labor.

- We ask that you continue to work with other federal agencies such as FEMA to ensure an adequate supply of personal protective equipment flows to the food and agriculture sectors. Small businesses are especially at a disadvantage for acquiring PPE, so we ask that you provide them enhanced support.

## Emergency Food Assistance

Many small- and medium-sized organic farmers and businesses serve local and regional markets. Those that participate in short supply chains and regional food systems have been impacted by stay-at-home orders, which have closed many local farmers' markets, restaurants and schools that served as a primary source of business for these operations. Some of them are struggling to adapt, and could benefit from USDA commodity purchases that supply community-based feeding programs.

- We are pleased that USDA announced \$3 billion in purchases of fresh produce, meat and dairy for the new Farmers to Families Boxes program, and placed an emphasis on proposals that focus on local and regional food purchasing. We ask that you use Section 32 authority in addition to the new food boxes program, to make surplus commodity purchases from producers that serve local and regional markets.

Thank you again for your leadership during this crisis. We look forward to working together with you and your staff to preserve a healthy, diverse agricultural economy, and ensure that the organic sector will continue to provide opportunities for producers and consumers.

Sincerely,



Laura Batcha  
CEO, Organic Trade Association

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.