

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 \$600-1,000 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.

The prolonged inaction of USDA to complete rulemaking prompted Congress to direct, by law, the USDA to issue a final rule in 180 days. That deadline came and went almost a year ago.

ASK: USDA must immediately issue a final rule on the origin of livestock that reflects the policies contained in the original proposed rule that the industry overwhelmingly supported.

The organic dairy industry is united in agreement that final rulemaking on origin of livestock is needed to clarify that dairy herd transition is one-time event. 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.

ORGANIC TRADE ASSOCIATION
Bold Steps to
PROMOTE and PROTECT
ORGANIC

FOCUS
ON SOLUTIONS

CONTINUOUS
IMPROVEMENT

EMBRACE
INNOVATION

PLAN FOR
THE FUTURE

Summary of the Proposed Rule on Origin of Livestock

On April 28, 2015, the USDA Agricultural Marketing Service (AMS) published a proposed rule to amend the origin of livestock requirements and clarify the requirements for the transition of dairy animals (cows, goats, sheep) into organic production. The proposed rule would also clarify how breeder stock should be managed on organic livestock farms.

NEW REQUIREMENTS UNDER THE PROPOSED RULE

- A producer (e.g., an individual or corporation starting or operating a dairy farm) may transition non-organic dairy animals to organic milk production **only once**.
- The transition must occur over a continuous 12-month period and all transitioning animals must end the transition at the same time.
- After the transition period ends, the producer is not allowed to transition any additional animals to organic production. The producer may only add dairy animals that have been under continuous organic management since the last third of gestation, or transitioned dairy animals sourced from another certified organic dairy farm.
- Producers are eligible for a one-time transition only if they start a new organic dairy farm or convert an existing non-organic dairy farm to organic production.
- Producers that only raise heifers for organic dairy farms are not eligible the one-time transition.
- Non-organic breeder stock must be under organic management throughout the last third of gestation and the lactation period during which time they may nurse their own offspring.
- Under the proposed rule, the following systems that continuously bring in non-organic replacements onto an organic operation will be prohibited:
 - heifer development facilities that routinely purchase conventional calves, raise them for 1 year organically, and then sell to organic dairies
 - farms that routinely purchase non-organic replacement heifers and transition them to organic dairy production on an ongoing basis
- The proposed rule does not limit movement or sale of transitioned animals. Once transitioned, the proposed rule would not distinguish between transitioned livestock and those that were under continuous organic management from the last third of gestation onward.

COMMENTS RECEIVED

Comments were submitted to USDA during the original comment period for the proposed rule.

Comments were received from producers, processors, retailers, certifiers, advocacy groups, certified operations, and consumers. Substantive comments highlighted some areas of the proposed rule that would need clarification in order to clarify the intent of the rule and ensure consistent implementation of the final rule. USDA would need to consider these points and determine a clear path forward in the final rule.