



April 3, 2024

Ms. Michelle Arsenault
National Organic Standards Board
USDA-AMS-NOP

Docket: AMS-NOP-23-0075

**RE: Certification, Accreditation, Compliance Subcommittee (CACS)
Organic Food System Capacity and Constraints
Discussion Document**

Dear Ms. Arsenault:

Thank you for this opportunity to provide comment to the Certification, Accreditation, Compliance Subcommittee (CACS) on its Organic Food System Capacity and Constraints Discussion Document.

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. Our members include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, brands, retailers, and others. OTA's mission is to grow and protect organic with a unifying voice that serves and engages its diverse members from farm to marketplace.

OTA circulated NOSB's questions to our stakeholder networks and received responses to the prompts regarding market constraints. OTA thanks NOSB for carefully considering stakeholder feedback on market constraints and responds to NOSB questions in turn:

1. Are we retaining our existing organic acres and producers or are we experiencing overall loss of current organic producers?

The 2022 USDA NASS Ag Census data reported the overall number of farms and ranches in the United States decreased seven percent from 2017. However, certified organic farms were down only four percent over the same period. Of our respondents, half reported an overall loss of organic producers while a quarter responded our existing organic acres and producers are being retained.

The retention of organic farms compared to conventional farms may speak to the resilience of organic farming models and diversification as a risk mitigation method. While we are encouraged by the UDSA investment in the Organic Transition Initiative, its impact on retaining or increasing organic producers will take more time to observe and document.

2. Are existing organic producers expanding or contracting acres of organic production?

The 2022 NASS Ag Census reported the number of acres transitioning into organic was down 43% from 2017. Half of our survey respondents reported decreasing organic acres. One responded reported organic dairies are expanding production in 2023 and 2024.

The plateau in new organic farms and smaller number of transitioning acres likely reflects the diminishing premiums organic commodity crops have seen in recent years under elevated conventional corn and soybean prices. USDA must continue to invest in domestic grains supply chain infrastructure and markets to ensure a thriving domestic marketplace, and protect feedstuff growers and users from international market fluctuations. Beyond processors and markets for byproducts and rotation crops, all market participants would benefit from price and inventory reporting on a monthly or more frequent basis that would allow for proper crop planning, risk monitoring and price discovery.

3. What additional infrastructure is needed to make organic supply chains leaner and more efficient?

Survey respondents offered a variety of suggestions to improve organic supply chains:

- Increased processing capacity, and bulk and finished goods storage
- Consumer education and marketing
- Development of markets for byproducts and rotation crops.
- Reducing the burden for farmer record keeping – this could be financial support, or it could be right sized documentation based on the size and risk of the farming enterprise.
- Rapid, affordable and regionally located testing for unavoidable residue.
- Data on pricing and inventory on a monthly or more frequent basis.

4. What organic processing capability do we need to establish?

Dairy

The organic dairy industry has a unique supply chain and challenges. Survey respondents continue to identify market gaps in the organic dairy industry. There is a need for right sized dairy processing infrastructure for process dairy products on a small to moderate scale (cheese, whey and lactose, butter and buttermilk). The building out of organic dairy processing should be accompanied by more robust milk price and feedstuff cost data collection and reporting. A lack of milk price and feedstuff data puts both organic dairies and organic grain producers at a disadvantage compared to conventional operations who have access to regularly reported market data.

Fiber

Organic fiber was identified as a key area for investment in the Organic Market Development Grant Program. However, fiber only received 6 of the first 103 projects awarded through the program. The organic fiber market has enormous growth potential and needs support to build out processing for hemp, cotton, and wool. Existing USDA grants rarely pay for equipment, and the industry requires strategic support for spinning and other specialized fiber equipment. Organic hemp is driving the hemp market but lacks infrastructure to reach its full potential and could benefit from:

- Support for organic cotton processing infrastructures especially at spinning stage
- Support for organic hemp production, harvest, and post-harvest processing infrastructure, and incentivize incorporation of hemp in to crop rotation

Meat and Poultry

Organic livestock farmers consistently report difficulty accessing the organic meat market for lack of local processing facilities. This problem disproportionately affects small farmers who may not be at scale to access processing plants hundreds of miles away. As a result, many organic farmers turn to other labels that are available through conventional processing, such as “all-natural” or “grass-fed,” and do not receive the benefit of the USDA Organic seal. USDA’s many meat processing grant programs do not have set-asides for organic meat and poultry processing facilities. To enable greater support:

- Expand access to dedicated organic meat and poultry processing facilities
- Encourage USDA to expand current meat processing support programs to include funding specifically or prioritized for organic meat and poultry

Establish a USDA certified transitional program

Certification of farms in transition can be a key aspect of encouraging increased domestic organic production by providing technical support and supply chain recognition. While various certifiers have transitional certification programs, these are not harmonized and lack consistent oversight. Transitional certification can prevent “surprises” for operations going through the certification process, because the operation has been inspected and audited during each year of its transition. Furthermore, operations enrolling in a transitional certification program will support supply chain management as transparency in future growth of organic acreage can facilitate appropriate business planning and contract development for buyers and producers. Currently it is not clear what requirements there are for supply chain partners and any requirements for segregation or marketing and therefore have greater risks in entering this marketplace. The program would also help develop transitional markets, enabling a supply-chain premium for transitional crops that can incentivize producers to move towards organic and can reduce the financial burden that a three-year transition period poses.

- OTA submitted an application to USDA Agricultural Marketing Service’s Quality Systems Assessment Program to establish a USDA Certified Transitional Program. USDA made a formal announcement approving the program in early 2017 but months later withdrew the program with no explanation. USDA should reestablish this program and begin accepting applications from qualified certifiers immediately.



Consumer Education

Consumer education must continue to be a priority in organic market programs. Respondents reported “regenerative” is taking market share from organic, a concern OTA increasingly hears from the industry.

In a recent Edelman study, 50% of the general US population indicated a high level of trust in the USDA organic seal. Additionally, the concerns consumers care about the most coincide with many of the elements of the organic standards, such as pesticide use, environmental impacts, genetically modified organisms, and animal welfare. However, there is widespread confusion about what it means to be organic, and consumers do not fully understand the label’s attributes and the benefits of organic production. Only a quarter of Americans strongly believe there is enough accessible, easy to understand information about organic publicly available.¹

- Organic market development funding must continue to be dedicated to innovative proposals to educate retailers and consumers on the benefits of organic food and fiber

Invest in organic research. As farmers experience ever-changing growing conditions under climate change, it is not the time to pull back on investments in organic research. The Organic Transition Initiative has presented significant opportunities for organic and transitioning farmers. However, the industry, NOSB, and USDA must not lose sight of the importance of organic research as markets continue to develop. Organic research benefits all of agriculture and this has been proven by the large-scale adoption of many organic practices now being labeled and tracked as climate smart. USDA investments in research should be targeted so they can have broad application and prioritizing investments in organic research allow for application by all producers.

On behalf of our members across the supply chain and the country, OTA thanks the National Organic Standards Board for the opportunity to comment, and for your commitment to furthering organic agriculture.

Respectfully submitted,

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Organic Trade Association

cc: Tom Chapman
Co-CEO
Organic Trade Association

¹ Benchmarking Trust in Organic. Edelman. May, 2022.