



# ORGANIC TRADE ASSOCIATION 2023 FARM BILL PRIORITIES

## Background

The \$63 billion annual U.S. organic food and fiber sector is integral to today's American agriculture and represents one of the country's fastest-growing food production and processing categories. This sustained growth over the past 20 years is a result of a straightforward premise: the marketplace rewarding and confirming the value of producers and processors using organic methods and practices.



**The benefits of organic go far beyond the farm gate, from the protection of soil, water, air, and livestock to human health and local rural economies buoyed by job creation and entrepreneurship.**

Because organic food and products start with the farm, the Organic Trade Association's (OTA) Farm Bill priorities are centered on extensive consultations and recommendations by our Farmers Advisory Council (FAC), one of the largest coalitions of organic farmers and farming organizations in the U.S. The FAC represents more than 9,500 growers and is inclusive of all regions and crop types, including meat and livestock products, grains, fruits, and vegetables. In addition to consulting with our FAC, the trade association hosted a series of workshops with nearly 300 certifiers, growers, consumer-facing brands, retailers, and non-profit organizations to determine policies that will support organic agriculture into the next decade and beyond.

These diverse participants agreed that to continue to grow the global organic marketplace and bring further economic benefits to U.S. producers and their locally connected supply chains, the next farm bill must include financial and policy investments to ensure; **1) organic standards are responsive to marketplace demands, 2) research and risk management tools are fair and equitable in their support of organic producers, 3) conservation and climate-smart programs recognize the historical contributions of organic producers in protecting natural resources, and 4) organic supply chains are resilient in the face of known and unknown risks such as disease, weather, and increasing costs.**

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# POLICY PRIORITIES



- ✓ Continuous Improvement and Accountability in Organic Standards
- ✓ Conservation and Climate
- ✓ Research and Data Collection
- ✓ Crop Insurance Risk Management
- ✓ Certification Cost-Share
- ✓ Technical Assistance
- ✓ Market and Infrastructure Development



## Responsive Organic Standards



USDA's National Organic Program (NOP) develops and enforces the national standards for organically produced agricultural products sold in the United States. It also accredits third-party organizations to certify farms and businesses as meeting the U.S. organic standards, allowing the use of the USDA Organic seal. Unlike other private food labeling and marketing claims, the USDA organic program continues to be the only agricultural production and processing system that is clearly defined and enforced by federal law.

Building off the progress made in the 2018 Farm Bill, Congress must continue to protect the integrity of the USDA Organic label, the producers and processors that lawfully abide by the standards, and the consumers that pay a premium for USDA organic by bolstering USDA's resources and authority to enforce the U.S. organic standards worldwide and combat fraud.

While standards compliance and enforcement are essential to consumer trust, consumers also expect the U.S. organic standards to evolve and remain fresh. Congress must ensure the organic standards continuously improve over time and hold USDA accountable for moving at the speed of the marketplace.

The 2023 Farm Bill should:

- ✓ **Authorize annual funding for NOP to keep pace with organic industry growth with a 10% increase each year to the existing \$24 million-per-year authorization over the life of the Farm Bill.**
- ✓ **Continue mandatory funding of \$5 million for NOP to upgrade and maintain technology systems.**



- ✓ **Update the Organic Foods Production Act to establish a preplanned, predictable timeline (no less than once every five years) to review and update the organic standards to meet consumer expectations in the evolving marketplace.**
- ✓ **Increase NOP oversight of certifiers to ensure standards are interpreted and implemented consistently.**
- ✓ **Require USDA accreditation of third-party material review organizations and incorporate them into the existing organic certification system.**
- ✓ **Strengthen NOP's authority to take enforcement actions against false or misleading organic claims on all agricultural products, including non-foods.**

## Thriving American Farmers



Organic farming creates jobs and provides farmers with greater stability. U.S. farms and ranches sold \$11.2 billion in certified organic commodities in 2021, up 13% from 2019. Despite the progress Congress made in supporting the needs of organic farmers by authorizing and funding organic research and data collection, establishing organic price elections for crop insurance, and incentivizing organic practices in conservation programs, organic farmers need equitable and appropriately tailored support through USDA programs in order to thrive.

### EQUITABLE RESEARCH AND RISK MANAGEMENT

With the creation of the Organic Research and Extension Initiative (OREI), Congress recognized that there must be research dedicated to the unique needs of organic agriculture to ensure optimal conservation and environmental outcomes and to examine new and improved methods and practices suited for organic agriculture, including seed varieties.

As the core principles of organic agriculture, such as crop rotation, cover crops, and emphasis on healthy soil biota, become increasingly embraced by producers worldwide, now is the time to invest in funding a robust U.S. organic research effort.

The 2023 Farm Bill should:

- ✓ **Increase funding for the OREI to \$100 million annually by the end of the 2023 Farm Bill and improve extension and outreach activities to ensure that the benefits of organic research support farmers in the field.**



Farming is a risky business. Weather, insects, disease, prices, and once-in-a-lifetime events like the pandemic, can cause wide swings in farm income. Organic growers already utilize risk management strategies such as enterprise diversification, but many need the security of crop insurance, which lenders increasingly require to obtain financing.

Sound and accurate data is needed to support the development of crop insurance products and risk management tools appropriate to the needs of organic growers and bolster the effectiveness of many USDA programs. Organic market data collection must keep up with the growth in the organic sector.



The 2023 Farm Bill should:

- ✓ **Increase mandatory funding for the Organic Data Initiative (ODI) to \$10 million over the life of the Farm Bill and authorize up to \$5 million annually for appropriations.**
- ✓ **Direct USDA to collect comprehensive market and data information on the organic sector by integrating data collection into routine USDA surveys and segmenting organic data in reporting results to the public.**

Because of the increasing importance of crop insurance to many organic growers, OTA also advocates for updates to USDA's Risk Management Agency's policies and procedures so that organic growers are treated fairly and equitably.

The 2023 Farm Bill should:

- ✓ **Adapt existing USDA risk management tools, such as crop insurance, authorized by the Farm Bill and ensure that they are updated to adequately meet the unique needs of the organic sector.**

## **CONSERVATION AND CLIMATE**

With the current focus on the intersection of agriculture and climate change, lessons can be learned from early adopters of climate-smart practices like those used in organic production. Over a decade ago, Congress recognized organic agriculture's ability to sequester carbon, writing in the conference report accompanying the 2008 Farm Bill that "organic agriculture has the potential to capture atmospheric carbon and store it in the soil in the form of soil organic matter."

As Congress develops the next Farm Bill, OTA strongly encourages policymakers to recognize and acknowledge organic agriculture as the forerunner to the current robust public conversations on the role of agriculture in mitigating climate change, improving soil health, and adapting to consumer preferences for a more transparent and responsive agriculture sector.



The 2023 Farm Bill should:

- ✓ **Increase and prioritize funding for the EQIP Organic Initiative and Conservation Stewardship Program for conservation practices that build soil health, including cover cropping, crop rotations, organic soil amendments, and conservation tillage.**
- ✓ **Require USDA to integrate organic system plans for NOP into current and future USDA conservation, pollinator, and climate-smart verification programs, thereby recognizing relevant organic agricultural practices and its certification process, where applicable, and reduce paperwork burdens on producers for compliance with those programs.**

## Resilient Organic Supply Chains



Resilient supply chains can resist and recover from external shock by mitigating supply chain disruptions and limiting the impact of those that occur. Over the last decade, U.S. organic food sales grew at an average pace of 9% per year, outpacing the 5% annual growth rate for non-organic food. The organic sector's extraordinary growth has created a significant disparity between domestic supply and end-user demand, none more acute than in U.S. organic livestock feed markets.

As the Covid-19 pandemic and the war in Ukraine illustrated, major worldwide trends and events have enormous potential for widespread supply chain disruption. Congress must invest in building domestic organic production and local supply chain capacity.

The 2023 Farm Bill should:

- ✓ **Codify and provide continued funding for key elements of USDA's recently announced Organic Transition Initiative to ensure this comprehensive effort continues, including:**
  - Technical assistance for organic and transitioning farmers.
  - Market development and infrastructure grants to expand domestic organic production and processing capacity.
  - Organic and transitional commodity purchases for USDA procurement programs.



- ✓ **Incentivize the entry of new organic producers, including historically underserved and socially disadvantaged producers, by increasing USDA's Organic Certification Cost-Share Program's reimbursement rate from 50% to 75% up to a maximum of \$1,500 per certification scope and taking concrete steps to streamline and simplify the reimbursement and application process.**
- ✓ **Increase the mandatory funding level of USDA's Local Agriculture Market Program (LAMP) to \$75 million and create equitable funding pools for the Farmers Market and Local Food Promotion Program and the Value-Added Producer Grant Program (VAPG) with a 10% carve out for qualifying organic proposals within VAPG.**

In the last five years, organic exports have increased by 24%, creating jobs in the US and driving demand overseas. Expanding the Market Access Program (MAP) will create new opportunities for U.S. farmers, especially when targeted to emerging growth sectors, and compete against foreign investment in trade promotion. In 2021, nearly \$1 million in MAP funding was invested in the organic sector, leading to over \$48 million in projected overseas sales for U.S. businesses. Congress must ensure that foreign market access remains robust for producers and processors who desire to enter those markets.



The 2023 Farm Bill should:

- ✓ **Increase USDA's Market Access Program (MAP) funding to \$400 million annually and the Foreign Market Development (FMD) program funding to \$69 million annually.**

*The Organic Trade Association (OTA) is the membership-based business association for organic agriculture and products in North America. Founded in 1985, OTA grows and protects organic with a unifying voice that serves and engages its diverse members from farm to marketplace. Today, the trade association is the voice of the \$63+ billion organic industry, representing more than 10,000 businesses across 50 states through direct membership and its Farmers Advisory Council. OTA members come from across the industry and supply chain, including growers, shippers, processors, certifiers, farmers' associations, distributors, consultants, retailers, and beyond.*

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