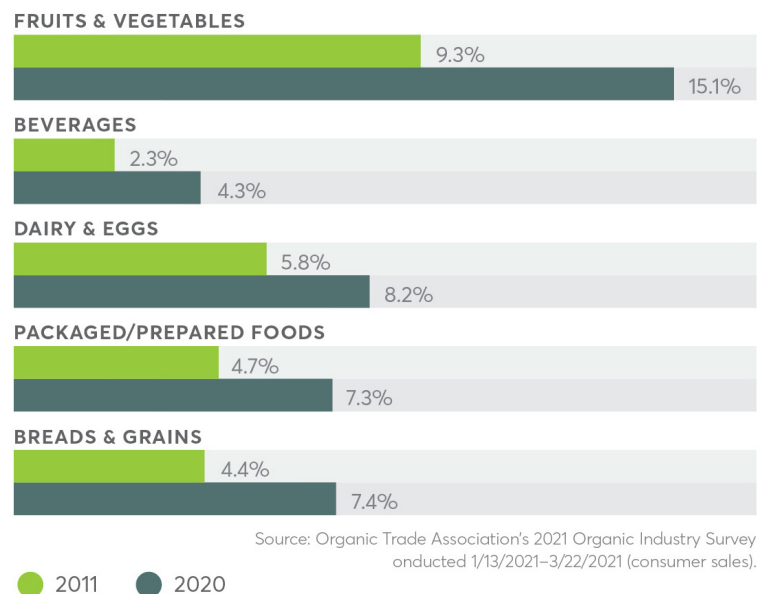


Organic is an increasingly important part of American agriculture and represents one of the fastest-growing food and farming sectors in the U.S. and global marketplace. Organic provides economic opportunities for farmers, creating jobs and lifting rural economies, while also utilizing sustainable farming practices that are proven to help mitigate the threat of climate change. Organic provides a safe, healthy choice to consumers, who are increasingly seeking out the trusted USDA Organic seal on the food and products they purchase for their families.

A STRONG AND GROWING INDUSTRY

- In 2020, **organic sales** grew by 12.4%, reaching a record high of **\$62 billion**; organic sales are currently growing 2x faster than the overall U.S. food market.
- **Organic farms** expanded by 39% in recent years, even while the total farms in the U.S. shrank by 3%.
- Over 82% of **U.S. households** today stock organic products in their kitchens.

U.S. Organic Food Penetration of Total Food Market by Category, 2011 vs. 2020



PROTECTING THE ENVIRONMENT

- Organic agriculture is a **regenerative system** requiring **practices that advance sustainability in agriculture** like crop rotation, cover cropping, building soil health, increasing biodiversity, and reducing nutrient pollution.
- **40% fewer carbon emissions** and 50% less new reactive nitrogen (an extremely potent greenhouse gas) are released by organic operations.
- Research shows **organic soils already sequester 26% more carbon** than soils from nonorganic farms

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GOOD FOR FARMERS, GOOD FOR FAMILIES

- Organic farming **creates jobs** and provides farmers with greater stability.
- **Organic hotspots kick-start rural economies**— counties with high levels of organic agricultural activity whose neighboring counties also have a high level of organic activity—boost median household incomes by an average of \$2,000, and reduce poverty levels by an average of 1.3 percentage points.
- The average **value** of products sold from organic farms is double the average value sold from all U.S. farms.
- Parents **trust** organic; 71% of surveyed parents use organic produce, over 60% stock organic milk and packaged foods at home.

FEDERALLY CERTIFIED AND GUARANTEED

Unlike other private market claims” the USDA Organic label is backed by 3rd party inspection, federally enforced, and provides traceability from the farm to the consumer.

- Certified organic operations are inspected at least once a year and must submit organic system plans annually to their certifier for review and approval.
- Organic depends upon a strong and responsive USDA organic program that provides oversight and uniform, robust standards.



The **Organic Trade Association** (OTA) is the membership-based business association for organic agriculture and products in North America. We are the leading voice for organic trade in the United States and for US organic products worldwide. In total, OTA represents over 9,500 diverse organic businesses across 50 states. Our members include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, consultants, retailers and others.

Consumer trust in organic relies on strong and regularly updated standards that are verified and enforced by the USDA National Organic Program (NOP). It's been 20 years since the organic regulations went into effect and despite growing consumer demand and industry consensus on nearly two dozen updates the standards have remained static, with only one update (the 2010 pasture rule for livestock) having been implemented in the last two decades.

A broken federal regulatory apparatus is stifling innovation and preventing the organic industry from delivering on its promise to the consumer to reflect the latest understandings on soil, climate, health, animal welfare, and more.

The Continuous Improvement and Accountability in Organic Standards Act (CIAO) will restore trust in the public-private partnership between USDA and stakeholders and ensure government moves at the speed of industry innovation and evolving consumer expectations by

- **Requiring USDA to issue an Organic Improvement Action Plan** to clear the significant backlog of National Organic Standards Board (NOSB) recommendations that have not yet been implemented. The plan must include detailed timelines, prioritization, and implementation plans for dealing with each recommendation.
- **Building a new framework for advancing federal organic standards** by ensuring that government keeps pace with the strong standards that businesses and consumers expect. Under this framework, USDA will be required to issue a final rule implementing a recommendation within one year of NOSB passage (when the recommendation is supported by 2/3 of the board).
- **Improving oversight and ensuring consistent enforcement** by including the specific evaluation of how USDA accredited third-party certifiers are interpreting and implementing new regulations and updates to the standards and reporting annually to Congress.



89%

of consumers say that the USDA should review and update the organic standards periodically.



87%

of consumers expect organic standards to be updated to reflect evolving understandings about soil, climate, toxicology, animal welfare, etc.



COSPONSOR H.R. 2918
THE CONTINUOUS IMPROVEMENT
AND ACCOUNTABILITY IN
ORGANIC STANDARDS ACT

To cosponsor, contact:

- **Kris Pratt** (kris.pratt@mail.house.gov) with Rep. Peter DeFazio
- **Janie Costa** (Janie.costa@mail.house.gov) with Rep. Rodney Davis

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EXPANDING CIAO IN THE NEXT FARM BILL TO SECURE ORGANIC'S FUTURE

STRUCTURE OF THE PUBLIC-PRIVATE PARTNERSHIP

Organic is a voluntary regulatory program that depends upon a clear market distinction backed by a trusted, verified and enforced claim. The next farm bill must include support and adequate funding for the USDA National Organic Program (NOP). The NOP currently operates on an annual budget of \$20 million and serves several functions including the accreditation and oversight of third-party certifiers, carrying out compliance, oversight and enforcement of the U.S. organic regulations in the U.S. and abroad, and setting uniform standards for organic certification.

- ✓ **Authorize funding for the NOP to keep pace with organic industry growth and direct specific resources towards standards development**
- ✓ **Update the structure of the NOP to allow for prioritizing standards and market development along with maintaining strong compliance and enforcement**

ENFORCEMENT AND OVERSIGHT

Although progress has been made in recent farm bills to provide NOP with more resources, authority and tools to increase enforcement and prevent fraud in the marketplace, there are still loopholes that remain. USDA's scope of authority must be expanded to combat the improper use of the term organic in industries such as personal care, textiles, dietary supplements and businesses such as grocery stores, dry cleaners and restaurants. The fraudulent use of the term organic misleads consumers and hurts the USDA organic label and brand. The NOP's accreditation function should also be updated to align with best practices in third-party certification systems and auditing.

- ✓ **Require NOP to accredit third-party material review organizations that review agricultural inputs for compliance with the organic standards**
- ✓ **Grant NOP the authority to take enforcement actions against false organic claims on non-food products**
- ✓ **Improve and strengthen the external oversight of the NOP and increase consistency in certification**

CONTINUOUS IMPROVEMENT

Continuous improvement is the bedrock of organic but it is not expressly required by the law or regulations. USDA must collaborate with accredited certifiers to advance the outcomes on farms, ranches, and facilities certified to the organic standards. Research also shows that consumers are confused about what the organic label means and look for additional marketing claims such as non-GMO, natural, regenerative and certified humane. This has led to organic businesses and farms having to apply for additional certifications and labels for attributes that are already covered in their organic certification.

- ✓ **Modernize the USDA organic seal to clearly communicate to consumers the benefits of organic**
- ✓ **Set a statutory requirement for USDA to review and update organic practice standards beyond just the National List to ensure continuous improvement**

H.R. 2918 COSPONSORS

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COSPONSOR H.R. 2918 THE CONTINUOUS IMPROVEMENT AND ACCOUNTABILITY IN ORGANIC STANDARDS ACT

"This legislation is the result of a broad coalition, including farmer, industry, and consumer organizations, working together with Congress to ensure that organic remains a dynamic, trusted label claim. Organic is the gold-standard of climate smart and regenerative agriculture, USDA should support continuous improvement, not hold back progress."

– LAURA BATCHA, ORGANIC TRADE
ASSOCIATION CEO & EXECUTIVE
DIRECTOR



H.R. 2918 ENDORSERS

60 LEADING ORGANIC BRANDS, CERTIFIERS, RETAILERS AND PRODUCERS

Accredited Certifiers Association	Forager Project	Nestle U.S.
American Sustainable Business Council	Georgia Organics	One Straw Farm
Amy's Kitchen	Global Organics	Oregon Tilth Certified Organic (OTCO)
Animal Wellness Action	GloryBee	Organic Egg Farmers of America
Atlantic Sapphire	Good Earth Natural Foods	Organic Farmers Association
Awe Sum Organics	Happsy Organic Mattresses & Bedding	Organic Farming Research Foundation
Bejo Seeds Inc	Independent Natural Food Retailers Association	Organic Produce Wholesalers Coalition
Belcainr Concerns LLC	International Warehouse Logistics Association	Organic Trade Association
Blue Sky Farms	Kamut International	Organic Valley/CROPP Cooperative
California Certified Organic Farmers	K-n-R Farms Organics	Organically Grown Company
Cal-Organic/Grimmway Farms	Mid-America Food Hub and Training Center, LLC	Patagonia
Center for a Humane Economy	Missouri Organic Association	PCC Community Markets
Clarkson Grain Company	MOM's Organic Market	Peckish
Clif Bar & Company	Montana Organic Association	Pennsylvania Certified Organic
Coconut Bliss	National Farmers Union	Quality Assurance International
Cyclone Farms	National Latino Farmers and Ranchers Trade Association	Rodale Institute
Danone North America	Naturepedic Organic Mattresses & Bedding	Stonyfield Organic
Earthbound Farms		Taylor Farms
Earth First Fabrics		The Organic Center
Egg Innovations LLC		Tilth Alliance
Environmental Working Group		Traditional Medicinals
		True Organic Products



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POLICY PROCESS AND TIMELINE

Future of Organic Workshops: In the lead up to the 2023 farm bill, OTA has engaged with members and stakeholders to gain insight and feedback on key policy priorities for the organic sector. OTA partnered with Arizona State University's Swette Center for Sustainable Food Studies to host a series of four workshops on the future of organic.

The topics covered include:

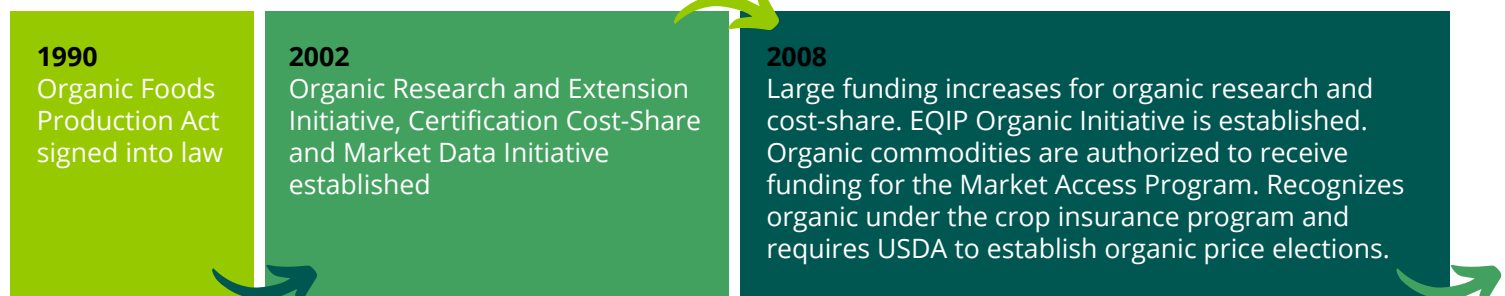
- Structure of the public-private partnership
- Continuous improvement
- Certification, inspection, enforcement, and accreditation
- The future of marketing claims and their relationship to organic

Nearly 300 people participated in the workshops representing the breadth and diversity of the organic sector and stakeholder landscape. Participants included certifiers and inspectors, farmers, large consumer brands, retailers, non-profits and advocacy organizations focused on food and farming issues. The culmination of these workshops will result in the publishing of a report this spring.

OTA's Farmers Advisory Council: OTA's Farmers Advisory Council (FAC) has a unique mandate to elevate the voice of small and mid-sized farmers in OTA's policy priorities with a special focus on the OTA's farm bill priorities. FAC is one of the largest coalitions of organic farmers and organic farming organizations in the United States. It represents nearly 8,000 organic livestock, poultry, grain, and specialty crop producers in all regions of the U.S.

FAC Farm Bill Working Sessions: Over the last several months FAC has had a series of working sessions to help inform OTA's farm bill priorities. Topics have included organic transition, crop insurance and risk management, conservation, certification cost-share, market development, processing infrastructure and supply chain challenges. The outcomes of the working sessions will inform the base of OTA's farm bill platform ensuring that OTA's policy priorities are driven by organic farmers.

HISTORY OF ORGANIC IN THE FARM BILL



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PREVIEW OF POLICY PRIORITIES

CONTINUOUS IMPROVEMENT AND ACCOUNTABILITY IN ORGANIC STANDARDS

- Restructure the public-private partnership
- Invest in enforcement and oversight
- Prioritize continuous improvement

MARKET DEVELOPMENT

- Provide funding, support and incentives for transition to organic
- Providing funding for market and processing infrastructure to address supply chain constraints and increase domestic production of organic crops

CLIMATE AND CONSERVATION

- Establish and provide funding for a technical assistance program for organic and transitioning farmers.
- Provide more conservation assistance for organic farmers to improve environmental outcomes such as fostering soil health, increasing biodiversity and natural resource conservation.
- Integrate organic certification into new climate-smart agriculture programs at USDA and modernize the Organic label to capture the environmental benefits of organic production

CORE FARM BILL PROGRAMS IMPROVEMENTS

- Maintain robust funding for the Organic Research and Education Initiative and Certification Cost-Share Program
- Include programmatic changes to streamline and improve access for organic farmers for cost-share, crop insurance, conservation, risk management and other farm bill programs

INTERNATIONAL TRADE

- Increase funding for the Market Access Program, Foreign Market Development Program and Technical Assistance for Specialty Crops

HISTORY OF ORGANIC IN THE FARM BILL, cont.

2014

National Organic Program (NOP) receives funding to modernize and upgrade technology systems. Gives USDA more tools for investigations and enforcement by requiring more record-keeping of organic operations and increasing civil penalties for violations. Authorizes the creation of an organic commodity research and promotion order aka "check-off program."

2018

Organic research program receives baseline funding of \$50 million per year. Increases authority for USDA to conduct global oversight and enforcement actions to combat fraud in organic and provides funding for NOP to utilize blockchain technology and require electronic import certificates. Raises the payment limit for EQIP OI from \$80,000 to \$140,000.

> ASK: FUND THE NATIONAL ORGANIC PROGRAM AT AUTHORIZED LEVEL OF \$24 MILLION

The National Organic Program (NOP) is the regulatory program housed within the USDA Agricultural Marketing Service responsible for developing and enforcing national standards for certified organic agricultural products. The NOP is vital to meeting growing consumer demand for organic products. Congress should also provide oversight of NOP's budget and ensure that any additional increase in funding be exclusively focused on organic standards development.

FY22 enacted: \$20 million

> ASK: FUND THE ORGANIC CERTIFICATION COST-SHARE PROGRAM AT \$5 MILLION

The Organic Certification Cost Share program is important to attracting new, young farmers to organic. Farms can receive up to \$750 each year (75% of the certification fee) to help defray the annual costs of organic certification. Due to funding shortfalls USDA reduced reimbursement rates to 50% of the certified organic operation's eligible expenses, up to a maximum of \$500. We urge the inclusion of this additional funding to ensure that organic farms and businesses can continue to count on this long-standing program to help offset their certification costs.

FY22 enacted: Report language encouraging USDA to restore cost-share to 75%

> ASK: FUND THE ORGANIC TRANSITIONS RESEARCH PROGRAM AT \$10 MILLION

The overall goal of the Organic Transition Research Program (ORG) is to support the development and implementation of research, extension and higher education programs to improve the competitiveness of organic livestock and crop producers, as well as those who are adopting organic practices and transitioning to organic certification. ORG consistently receives more funding requests than can be accommodated as consumer demand for organic products outpaces domestic production.

FY22 enacted: \$7.5 million

> ASK: FUND THE ORGANIC DATA INITIATIVE AT AUTHORIZED LEVEL OF \$1 MILLION

The Organic Data Initiative (ODI) collects and disseminates data regarding organic agriculture through the Agricultural Marketing Service (AMS). This program has been successful in providing valuable information to Congress, government agencies, and the organic industry at a low cost. Funding this program will support intra-agency cooperation on continuing and expanding organic price reporting and organic data collection.

FY22 enacted: \$1 million

For more information, contact:

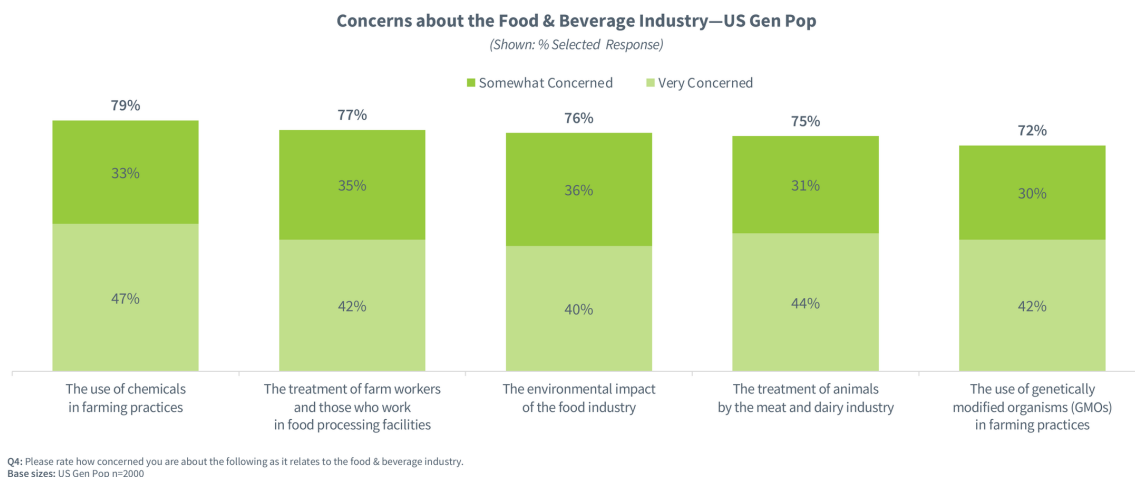
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EXECUTIVE SUMMARY

The 2021 Edelman Trust Barometer highlights the emergence of business as the most trusted institutional source among surveyed consumers, who also identified it as the most competent and ethical. Although consumers trust business more than other institutions, consumer expectations of businesses are also growing. increasingly, consumers demand that businesses and brand reflect their values: 86% of those surveyed expected brands to take action on issues beyond their core business. It is in this context that the Organic Trade Association commissioned a study from Edelman Data and Intelligence (DxI) to understand how the broader Trust Barometer findings apply to organic; specifically, consumer trust in the organic seal and understanding of the National Organic Program (NOP).

Americans Have Many of the Same Concerns That Are Core Values Address by the NOP



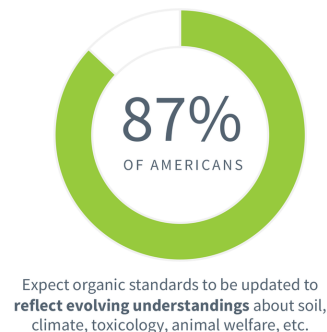
DxI surveyed 7,500 individuals from six markets (US, UAE, Japan, Germany, France, and UK) to identify how individuals perceived and related to organic, their expectations of the organic industry, and potential threats and opportunities to build consumer trust. Findings showed alignment between consumers' priorities and their impressions of organic products, but also a general lack of understanding of USDA organic requirements and NOP operations.

EDELMAN TRUST SURVEY

When participants are asked about their key concerns in the food and beverage industry, many of their top concerns are aligned with the requirements of NOP. For example, more than 70% of respondents were at least somewhat concerned about the use of chemicals and GMOs in farming. They also expressed significant concern about the treatment of agricultural labor and animal welfare.

Americans Expectation is That the Organic Standards Are Updated Regularly and That Those Decisions Are Driven by Science

Perceptions of Government Oversight of Organics Industry—US Gen Pop
(Shown: % Top 2 Agree)



Q15: To what extent do you agree or disagree with the following statements regarding government oversight of the organics industry?
Base sizes: US Gen Pop n=2000

More than 60% of those surveyed believe organic agriculture addresses many of their concerns, with the majority indicating that they believe organic products are healthier, have fewer pesticides, and fewer GMOs than conventional products. Respondents also believe organic products support small farms and are better for animal welfare.

One group, dubbed "Food Forwards" by the study, showed a particularly high degree of trust in organic. One in four survey respondents fell into this category of consumer who reported that their friends and family often seek their advice on food, they are every likely to share food information via social media and other channels, and they are likely to take direct action for or against a brand (and encourage others to do so as well) based on what they learn about them. Food Forwards are twice as likely as the general population to be familiar with organic agriculture; 79% say they trust organic and ~50% tend to buy organic.