



October 12, 2021

Thomas J. Vilsack  
Secretary, U.S. Department of Agriculture  
Jamie L. Whitten Building  
1400 Independence Avenue, SW  
Washington DC, 20250

Dear Secretary Vilsack:

Thank you for convening a meeting with stakeholders last week to discuss the current crisis facing organic dairy farms in northern New England. We are pleased to hear the Department will be forming a task force to address this issue. Thank you for appointing the New England Dairy Business Innovation Center to serve as the host, Britt Lundgren from Stonyfield Farms as the Co-Chair of the task force and Johanna Mirenda, Farm Policy Director from the Organic Trade Association, as a member. It is critical to have those who are experienced and trusted in the region at the helm of identifying solutions. Despite regional challenges facing organic dairy, there are many opportunities and we look forward to working with you to support continued growth in the sector.

The \$62 billion-a-year organic sector has been a promising bright spot in U.S. agriculture over the past two decades, experiencing strong growth and providing critical economic opportunities for tens of thousands of family farms across the country. However, like the rest of agriculture, the sector is undergoing many changes and facing challenges that have slowed growth. The recent crisis in New England in organic dairy has further unveiled this.

Organic dairy is the second largest organic food category next to organic produce, a key priority for consumers that has driven success in the overall sector. Organic dairy averaged nearly double-digit growth between 2011-2015, achieving over 8% of the overall U.S. dairy market share. However, this trend has shifted and alarmingly, organic dairy growth has rapidly declined, and the sector has remained flat and stagnant, experiencing a growth rate of less than 1% from 2017-2019. Although the pandemic led to a bump in organic milk sales in 2020, the long-term trends are concerning. There are a multitude of factors that have led to this decline including oversupply, lack of market development and opportunity, competition from plant-based beverages, increasing costs for feed, transportation and labor, new private market and labeling claims that have increased competition and led to consumer confusion around organic, lack of processing and infrastructure, and inconsistent organic dairy and livestock regulations and enforcement.

Given the current market situation organic dairy is facing, we ask for your leadership to help facilitate solutions. Below are some suggestions on where to direct support.

## **Supply Chain Resilience**

A significant limit to the continued growth and sustainability of the U.S. organic industry is a gap in processing and distribution capacity, overcoming these barriers will require a multi-faceted and regionally oriented approach.

- USDA should establish a competitive grant program for market and infrastructure development to expand organic dairy processing capacity and distribution. The program will assist companies in retooling, refurbishing and rebuilding processing facilities to meet organic market demand across all regions with a focus on helping small- and mid-sized family run organic dairy farms.

## **Transportation and Hauling**

The organic dairy industry and agriculture at large are facing significant challenges and costs associated with transportation and hauling of both raw agriculture goods to processing/storage and finished food products to retail and commercial markets. USDA should:

- Make investments to reduce or assist with covering the cost of hauling milk in underdeveloped or remote regions such as northern New England.
- Assist food and agriculture trucking companies in retaining and expanding the number of qualified drivers.
- Offer support to agricultural producers so they can upgrade and/or modify farm facilities and access points to accommodate physical and mechanical changes witnessed in newer trucking equipment.

## **Market Development**

To protect existing organic farmers, USDA must put an equal emphasis on supporting market development opportunities in addition to increasing processing capacity to ensure a healthy organic marketplace. USDA should:

- Set up a program to increase institutional purchasing of organic fluid milk in schools and nutrition programs.
- Invest in research that demonstrates the environmental and human health benefits of organic dairy.
- Promote organic dairy through expansion into new and existing markets globally, nationally, and regionally.

## **Farmer Support**

- Provide direct support to help current organic dairy farmers remain in organic production through grants, market opportunities and assistance in offsetting increased costs of production such as feed and labor.

- Provide grants to support impacted farms in New England to develop value-added processing or farm diversification.
- Immediately publish final rules on Origin of Livestock and the Organic Livestock and Poultry Practices to maintain the integrity of the organic label and prevent further market disruption and harm to organic farmers.

In addition to seeking solutions, it is important to contextualize the situation that has recently arisen. While there are many factors that have contributed to the current market strain in organic dairy, the situation in northern New England is not an isolated issue.

Over the past decade, the Organic Trade Association and stakeholders have worked to reverse some of these trends and requested assistance and support from USDA. We have:

- Advocated for clear regulations for the transition of dairy livestock and animal welfare requirements via the Origin of Livestock and Organic Livestock and Poultry Practices rules.
- Submitted a hearing proposal to reform Federal Milk Marketing Orders so that organic dairy processors could better manage risk and improve profitability and support for organic farmers. The hearing request was withdrawn due to a lack of support by the Department.
- Submitted a proposal for an organic check-off program so the industry could self-fund our own research, marketing and promotion, all critical to market development and consumption. That proposal was withdrawn by the Department in 2017 without the opportunity to a vote on a referendum.

These are just a few examples for historical reference and background as you consider moving forward.

Again, thank you for your strong leadership and prioritization in resolving current challenges in the organic dairy market. We look forward to working together to protect family farms and create new opportunities to chart a more sustainable course for the future of the organic dairy sector.

Sincerely,



Laura Batcha  
CEO  
Organic Trade Association