



# National Organic Coalition

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## NOC MEMBERS

*Beyond Pesticides*

*Center for Food Safety*

*Consumers Union*

*Equal Exchange*

*Food & Water Watch*

*Maine Organic Farmers and Gardeners Association*

*Midwest Organic and Sustainable Education Services*

*National Cooperative Grocers*

*Northeast Organic Dairy Producers Alliance*

*Northeast Organic Farming Association - Interstate Council*

*Ohio Ecological Food and Farm Association*

*Organic Seed Alliance*

*Organically Grown Company*

*Rural Advancement Foundation International -USA*

January 15, 2015

Docket Clerk  
Marketing Order and Agreement Division  
Fruit and Vegetable Program  
Agricultural Marketing Service  
U.S. Department of Agriculture  
1400 Independence Avenue, SW  
STOP 0237  
Washington, DC 20250-0237

*Re: Proposed Rule regarding Exemption of Organic Products From Assessment Under a Commodity Promotion Law; Docket No. AMS-FV-14-0032-0001*

Dear Sir/Madam:

Thank you for the opportunity to provide comments on the U.S. Department of Agriculture (USDA)'s Proposed Rule, Exemption of Organic Products From Assessment Under a Commodity Promotion Law ("Proposed Rule"), and to express the National Organic Coalition's support of the Proposed Rule and a recommendation for improvement.

The National Organic Coalition (NOC) is a national alliance of organizations working to provide a "Washington voice" for farmers, ranchers, environmentalists, consumers and industry members involved in organic agriculture. NOC seeks to advance organic food and agriculture and ensure a united voice for organic integrity, which means strong, enforceable, and continuously improved standards to maximize the multiple health, environmental, and economic benefits that only organic agriculture affords. The coalition works to assure that policies are fair, equitable, and encourage diversity of participation and access.

## **The Proposed Rule Carries Out the Bi-Partisan Directive to Expand and Make Consistent Exemptions from Commodity Promotion Programs for All Certified-Organic Producers.**

As USDA is aware, the Proposed Rule is a result of a bi-partisan vote of Congress supporting the expansion of the organic assessment exemption within the Agricultural Act of 2014 ("2014 Farm Bill"). With the passage of this bi-partisan bill, Congress sought to ensure that the commodity promotion exemption

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for organic producers established under 2002 amendments to the Federal Agricultural Improvement and Reform Act of 1996 (FAIR Act) applied to organically-certified producers.

While previous exemptions only applied to 100% organic producers, the Proposed Rule makes the important shift toward providing organically-certified operations that also market non-organic products (split operations) with the same opportunity to be exempt from paying into any conventional research and marketing programs and the marketing portion of any market orders as those operations that are 100% organic. The Proposed Rule helps to correct the false distinction between split operations and 100% organic producers, which gave some organically-certified farmers and handlers an exemption, but not all certified operations, despite the fact that there is no difference in their organic certification status.

### **The Proposed Rule Will Not Negatively Impact Conventional Commodity Promotions.**

Since 2002 and prior to the 2014 Farm Bill, existing commodity promotion exemptions had no noticeable effect on the ability of conventional commodity promotion programs and boards to develop and implement their programs. The same is true of the Proposed Rule.

The new exemption will return only \$13.6 million to organically-certified operations that have invested many millions of dollars in a different production system that requires specific on-farm research and consumer direct informative marketing. Split between the 22 different commodity programs, there is no evidence that returning this dollar amount to organically-certified operations will have any effect on the viability of these 22 programs or the ability of those programs to promote their individual commodity.

### **The Proposed Rule Enables Even Broader Support of Grassroots Organic Research and Marketing**

Approximately 1,500 organic operations have claimed the exemption since its inception in 2002. These operations have directed their monies into excellent programs that directly target grassroots organic research and marketing, such as CROPP Cooperative Farmers Advocating for Organics (FAFO). FAFO has a successful track record and has been used by many family farmers to benefit their own sustainability. This opportunity should be available to all organically-certified operations, and the Proposed Rule will enable access to programs like FAFO. The exemption will also create greater equality amongst all of agriculture production, allowing organically-certified farmers and handlers to use commodity promotion program monies to benefit their own operations and future.

## **One-Time Application for an Exemption -The Proposed Rule Needs to Increase Efficiency and Reduces Eligibility Burdens for Commodity Promotion Program Exemption Applications and Administration.**

The National Organic Program (NOP) recently upgraded its system to have information on all certified organic operations available in real time. Capitalizing on this positive technological advancement, the Proposed Rule should increase efficiency and eligibility by taking into account the fact that the commodity programs are all housed within USDA and ensuring that certified organic operations need only apply once for exemption. By cross referencing the records within USDA, the veracity of the claim for continued exemption can be verified with a trigger to inform the appropriate commodity Boards if and when the operation loses its organic certification. The organic certificate continues until it is revoked by USDA/NOP. Having to apply only once for exemption will particularly benefit small businesses that make up over 75% of certified organic operations that are subject to a high paperwork burden because of their organic certification.

Additionally, for many commodities the organic program purchasing verification requirement provides yet another reason to support one-time exemption applications as purchasers of agricultural product are required to confirm annually that the farmer has a valid organic certificate and they are also required to deduct any commodity promotion program payment.

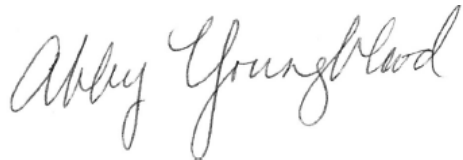
The exemption from the commodity promotion program should not be unduly complicated or burdensome on small businesses. It must be a blanket exemption from all research and promotion programs and from the average marketing portion of all Agricultural Marketing Service (AMS) Marketing Orders. By including provisions for determining the amount of exemption when no marketing dollars are spent and making the dollar amount of the exemption allocated to marketing in any one year, USDA will increase the burden on small businesses to monitor marketing dollars of their individual Marketing Order and increase the administrative load on Marketing Orders to monitor and regularly publish dollar amounts spent on marketing. An exemption based on a simple average of the percentage that all Marketing Orders spend on marketing applied to each Marketing Order will ensure fairness and reduce the administrative burden on small businesses.

### **Conclusion**

NOC fully supports the right of all agricultural operations that are assessed under the various commodity promotion laws to have their assessed monies used to benefit their operations. The nature of the existing commodity programs makes it impossible for research and promotions to support the unique needs of organic production, which is under 5% of total agricultural production. Organic products require very specific research and marketing, a high percentage of which is done through on-farm research and marketing directly to consumers.

Contrary to some assertions, the Proposed Rule will not undermine the non-organic commodities, but will enhance the ability of farmers and handlers to ensure the long-term sustainability of organic production in the United States, as well as the success of all farm operations. We thank USDA for the speed in developing the Proposed Rule and urge the Department to proceed to a final rule as quickly as possible, with immediate implementation.

Sincerely,

A handwritten signature in cursive script that reads "Abby Youngblood". The signature is written in black ink and is positioned above the typed name.

Abby Youngblood, Executive Director