



Organic Promotion, Research, and Information Order
Room 3071-S, STOP 0201
Agricultural Marketing Service
USDA
1400 Independence Avenue SW
Washington, DC 20250-0201

July 18, 2015

Submitted electronically to amsadministratoroffice@ams.usda.gov

To Whom It May Concern:

On behalf of Food & Water Watch, a national nonprofit advocacy organization, please accept this partial proposal on a new industry-funded promotion, research and information order for organic products, which would be developed under the Commodity Promotion, Research, and Information Act of 1996. Food & Water Watch's members and supporters are strong supporters of the organic standards and often participate in the standards-setting process to ensure that the organic seal remains a credible, high-integrity choice for consumers seeking food produced with practices that protect the environment and public health.

Food & Water Watch does not believe that a mandatory USDA checkoff program is the correct vehicle to address the organic sector's need for marketing, research, or increased domestic organic production. While these areas are important for the future of a strong U.S. organic agriculture sector, a USDA Generic Research and Promotion Order for Organic is not an appropriate vehicle for meeting these needs. But because the Organic Trade Association has applied to establish such a program, we would like to outline the areas of the proposal that should be changed to improve the chances that a new organic checkoff would do some amount of good.

Because the organic market has grown so quickly in the United States, with demand for organic products far outreaching domestic supply, the program objectives should first and foremost focus on bringing new farmers into organic production through information and technical assistance. The secondary program objective should support on-farm production research to ensure that organic farmers maintain a competitive edge in a growing international organic market.

We are disturbed by the proposal's emphasis on promotion activities over research programs. While we agree that the organic label is competing in a crowded marketplace that is increasingly confusing for consumers, a USDA checkoff program is uniquely ill suited to addressing that problem. Because of the limitations on the types of promotional messages that can be funded through a USDA checkoff, primarily the prohibition on promotional activities that disparage another commodity, the promotion efforts that could

be funded through an organic checkoff would necessarily have to be so vague that they will not be able to actually differentiate organic from other claims in the marketplace.

The way consumers will be able to see the value of the organic label is to have the standards and practices that back up the organic label presented in contrast with other labels in the marketplace that have weaker standards. But such direct comparisons are never the type of promotions seen in USDA checkoff funded efforts. We believe that an organic checkoff would be no different and that money spent promoting organic under the restrictive guidelines of a USDA checkoff program would fail to address consumer confusion. Therefore, we recommend several changes to definitions in the proposal and in the overall allocation of expenditures to eliminate promotion activities and instead emphasize research.

Recommended Changes

Sec. 12XX.50 Budget and expenses.

The allocation in the proposal allows 25 percent for promotion activities and an additional 25 percent for information. But the definition of information in the proposal includes many activities that should more properly be considered promotion. Therefore the allocation in the proposal essentially allows up to 50 percent of the expenditures to go to activities best described as promotional. This is an inappropriately skewed distribution that does not meet the expressed goals for the program, namely addressing the supply shortages in the organic sector.

A program that devotes up to half of its expenditures to promotion will do more to stimulate demand for organic food (which the proposal makes very clear is already happening without a checkoff program) and do very little to stimulate domestic supply of organic commodities. If the goal of an organic checkoff program is actually to increase domestic supply, the allocation of expenditures should be adjusted to make that goal more achievable. Food & Water Watch recommends the following language for the allocation of expenditures:

- (3) A summary of proposed expenditures for each program, plan or project. This shall include the following allocation of expenditures:
 - (i.) The funds shall be allocated as follows: 75 percent for research, 20 percent for information, and 5 percent for discretionary funds; and
 - (ii.) Of the funds allocated to research, no less than half shall be allocated to producers, farmers or ranchers who want to carry out organic research, demonstration, and education projects on their farms either individually or in groups. This research should take into account regional differences and priorities for producer-oriented research. Funds should be allocated equitably to reflect regional research needs.

- (4) The Board will not accept voluntary contributions.
- (5) The Board may not expend for administration, maintenance, and the functioning of the Board an amount that is greater than 10 percent of the assessment and other income received by and available to the Board for the fiscal year. For purposes of this limitation, reimbursements to the Secretary shall not be considered administrative costs.
- (6) Any program, plan or project receiving funds shall not expend for administration an amount that is greater than 10 percent of the total funds allocated to the program, plan or project.

Definitions

Sec. 12XX.12 Information.

In the proposal, the definition of Information includes several items that should more properly be considered promotion activities. Two portions of the definition of Information are particularly troubling:

- (a) Consumer education, advertising and information, which means any effort taken to provide information to, and broaden the understanding of, the general public regarding organic products; and
- (b) Industry information, which means information and programs that would enhance the image of the organic industry;

Both of these sections describe activities that essentially the same as promotion. But by listing them under the Information category, these activities could be counted against a different portion of the program's funding. Because promotion activities could be counted under both Information and Promotion, the overall balance of money spent would be skewed toward promotion, at the expense of research, which is a more dire need in the organic sector.

Food & Water Watch recommends that (a) and (b) be deleted from the definition of Information.

Research

We recommend a definition of organic research that focuses on the real research needs of independent producers. This would help to close the gap between national supply and demand as well as keep U.S. producers competitive in a growing international organic market. Food & Water Watch's proposed definition for research is:

Research means any type of investigation, study, evaluation, or analysis (including related education, extension, and outreach activities) designed to improve organic farm production systems and practices, increase farm profitability and productivity, expand organic farming opportunities, and enhance quality of life for farm families and their communities; enhance plant and animal breeding and varietal development for organic systems and improve the availability of other production inputs; optimize natural resource conservation, biodiversity, and environmental outcomes of organic agriculture; advance organic farm and food safety objectives; enhance or increase the production of organic products; or to do studies on nutrition, market data, processing, environmental and human health benefits, quality of organic products, including research directed to organic product characteristics and product development, including new uses of existing organic products, new organic products or improved technology in the production, processing and packaging of organic products.

Thank you for the opportunity to provide input on this important issue.

Sincerely,



Patty Lovera

Assistant Director