May 24, 2023

U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Request for further funding disbursement through the Organic Dairy Marketing Assistance Programs (ODMAP)

Dear Secretary Vilsack, Administrator Ducheneaux, and Deputy Administrator Marlow,

The funds allocated to provide assistance to organic dairy producers under the Organic Dairy Marketing Assistance program are much appreciated and urgently needed. Given the recent estimate that under 50% of the $104 million awarded to the program will be used in the first round, we respectfully request that the remaining 25% of estimated marketing costs be immediately distributed through an automatic process, bringing payments up to $1.10/cwt without requiring producers to re-apply.

Furthermore, we request an immediate subsequent round of the program to reflect the difference in costs between marketing of organic and conventional milk. USDA has acknowledged that there is a significant lack of available data on the production and utilization of organic milk.

Support is needed for regional programs to collect and publish cost of production data for organic milk, including all costs, not just organic feed. To provide adequate data collection for organic dairy the following are needed:

1. **Regularly published regional reports** on Receipts of Fluid Milk Products and Cream, Utilization of Organic Fluid Milk products and Cream by pool plants, and Receipts of Organic Milk produced, by state.
2. **Establishment by USDA of an Organic All Milk Price Survey**, analogous to the existing National Agriculture Statistic Service (NASS) All Milk Price Survey, to gather and report monthly data about what organic farmers are being paid for their milk, nationally and in the largest organic dairy production states.
3. **Creation by USDA of an organic dairy database equivalent to what conventional has** using NASS or ERS (Economic Research Service).

In the absence of reliable independent data, USDA had to use the data from the conventional marketing of milk to calculate the producers' cost of marketing milk for the ODMAP. Some of that increased cost is required by regulation, while other costs reflect the relatively low volume of organic milk produced as compared to conventional milk. The major cost of marketing milk is the expense of transporting raw milk from the farm to the processor.

The following are reasons why producers' cost of marketing organic milk are more than non-organic milk:

1. **No co-mingling of organic and non-organic milk.** By regulation certified organic milk cannot be co-mingled with non-organic milk and certified Grass-Fed organic milk cannot be co-mingled with certified organic milk. Trucking routes for on-farm pick up of organic milk are not as efficient as conventional milk and the movement of product from the farm to the processing plant can only be done in a segregated tanker(s). Additionally, there is a requirement for washes in between milk pickups if a hauler is hauling organic & non-organic product. A hauler can transition from hauling organic to non-organic product within 24 hours per PMO (Pasteurized Milk Ordinance) without requiring a wash but if a hauler is hauling non-organic product first, they are required to have an organic wash before picking up organic to ensure the integrity of the product.This increases the cost per cwt of marketing organic milk.
2. **Organic milk buyers want to keep their milk separate.** Organic dairy farmers are under contract or cooperative agreement with their buyers. Those buyers have chosen to keep their milk separate from each other and contract their own hauling to keep their product separate and unique. This increases the number of tankers picking up the milk from farms and causes tankers to run some of the same routes but pick up from different farms.
3. **Size of herds.** The average herd size for organic dairy farms is 89 cows according to CROPP Cooperative (Organic Valley), which has the largest number of organic dairy farms within their cooperative. The average size of a non-organic dairy is 337 (USDA Milk Production Report). That equates to 3.7 more farms to pick milk up from to get the same volume. The cost per cwt of picking up organic milk is therefore higher as the milk truck must travel to more farms to complete its load. Sometimes, the trucker has a straight truck that covers its farm route and then aggregates the organic milk by transferring it to a designated tractor trailer for delivery to the processing plant.
4. **Limited number of organically certified organic processing plants.** The majority of processing plants are not certified organic, which limits the choice of milk plants available in an industry whose infrastructure has declined over the last two decades. Organic milk buyers need a certain volume of organic milk to be able to maximize their input and generate enough components to be able to sell them at an organic premium. Sometimes there is not a large enough volume putting some organic cream, for example, into the conventional line. Most supermarkets now require organic milk to be packaged as Extended Shelf Life (ESL) products, which also limits the number of plants available. For example, one milk buyer was transporting fresh milk from California farms to Texas. Another buyer is transporting milk from Maine to Winchester, Virginia, about 600 miles. Organic milk also travels from California to Texas and from Idaho to Arizona.

We, the undersigned, respectfully urge you to make full use of the $104 million allocated to the ODMAP program to reflect the higher cost of marketing organic milk as opposed to conventional, as outlined above. We will follow up to provide some limited data on the higher

costs of transporting organic dairy milk while working with USDA and Congress to provide detailed, verifiable and publicly accessible information.

Assistance for organic dairy producers is desperately needed, thank you for your continuing work on this issue.

Sincerely,

Organic Farmers Association
Northeast Organic Dairy Producers Alliance
Western Organic Dairy Producers Alliance
National Organic Coalition
Northeast Organic Farming Association of New York
Northeast Organic Farming Association of Vermont
Dairy Grazing Apprenticeship
Hanover Co-op Food Stores of NH & VT
Maine Organic Farmers and Gardeners Association
Northeast Organic Farming Association - Interstate Council
Northeast Organic Farming Association of New Jersey - NOFA NJ
Natural Grocers
Pasa Sustainable Agriculture
Straus Family Creamery
Straus Dairy Farm
Lehigh Valley Organic Growers, Inc
Kanalani Ohana Farm
Potomac Vegetable Farms Inc.
Northeast Organic Farming Association of New Hampshire (NOFA-NH)
Iowa Organic Association
Ohio Ecological Food and Farm Association
Friends of the Earth
Good Earth Natural Foods
Michigan Organic Food and Farm Alliance
Carolina Farm Stewardship Association