Deputy Under Secretary Jeremy Witte Market and Regulatory Programs U.S. Department of Agriculture 1400 Independence Avenue SW Washington, DC 20250

Re: Cancellation of the Organic Dairy Product Promotion Program

Dear Deputy Under Secretary Witte,

We are writing in response to USDA's decision to cancel the Organic Dairy Product Promotion Program and to ask for your partnership on key efforts that will help organic dairy succeed in the years ahead.

This program supported market development for organic dairy and a pilot for American farmers to diversify their markets. Our sector saw this as an opportunity to strengthen tools that help organic dairy diversify and to bring more consumer choice to families. Market diversification, like in public procurement, is a pathway to long term market stability. The bipartisan Whole Milk for Healthy Kids Act (S.222 and H.R.649), led by Senators Marshall and Welch and Representatives Thompson and Courtney, shows broad and growing support for organic dairy in nutrition programs. These policies that support organic dairy milk market diversification support the infrastructure needed to get more nutritious food to vulnerable populations to make America healthy again.

Organic dairy farms are a critical part of ensuring the American farm and rural economy thrives. According to USDA research, small to mid-sized organic dairy farms have, on average, been more profitable than similarly sized conventional dairy farms. A 2023 report from the Economic Research Service found that organic dairy farms earn higher gross returns per hundredweight than conventional farms. These farms are often smaller and more diversified, providing economic resilience for rural communities. Other peer-reviewed studies have shown that organic dairy farms contribute more to the local economy than average and similar-sized conventional dairy farms in the Mid-Atlantic and Upper-Midwest, and that organic dairy farm milk production supports economic development in rural communities.

Despite success at the farm level, the organic dairy market remains underbuilt. Growth is constrained by limited access to domestic organic feed, bottlenecks in processing and market access, and that which inhibits diversification in markets beyond fluid retail sales. These structural issues limit market stability and discourage long-term investment across the supply chain.

But to grow, organic dairy needs better data, smarter policy, and stronger infrastructure. Right now, there is little reliable public data on the cost and availability of organic feed, on milk volume and demand, and on the true costs of production. This creates uncertainty for farmers and businesses trying to plan ahead. Add to that the lack of processing infrastructure and the outdated design of FMMO, it becomes clear that the system restricts the growth of the organic supply and does not in any way support the organic market.

Organic dairy continues to offer economic value to American farmers and trusted products to consumers. We want to work together on solutions that move the sector forward. That includes fixing FMMO for organic dairy, investing in feed and processing infrastructure, and addressing the lack of data that makes it hard to make farm decisions. With the right tools and support, we know it can grow into a more stable and resilient part of the U.S. food system. We welcome continued engagement with the Department to explore how we can work together on these priorities.

Sincerely,

Sincerely,

Tom Chapman

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Co-Chief Executive Officer

Organic Trade Association

Abby Youngblood Executive Director

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Cc: Erin Morris - Administrator, Agricultural Marketing Service