



June 24, 2004

Angela C. Snyder  
Office of the Deputy Administrator, Poultry Programs  
AMS-USDA  
1400 Independence Avenue SW  
STOP 0256  
Washington, DC 20250-0256

**RE: Docket Number PY-02-006, 68 FR 22690, April 26, 2004  
“Proposed Rule to Exempt Organic Producers and Marketers from  
Assessment by Research and Promotion Programs”.**

Dear Ms. Snyder:

Thank you for the opportunity to comment on the proposed rule to exempt organic producers and marketers from assessment by research and promotion programs. While we support the proposed rule, we disagree with some of the specifics because they exclude many organic producers from receiving the well-deserved exemption. Producers who are organically certified, and who do not produce the covered commodity or product conventionally, should qualify for the exemption.

Aurora Organic Dairy produces and processes organic milk at its Platteville, Colorado farm and plant. A vertically integrated organic dairy company, organic milk produced by our herd is processed at our dedicated organic milk plant located adjacent to our farm.

The proposed rule may unnecessarily limit the availability of the exemption. Please consider the following points:

- **Specific Commodity.** The proposed rule determines eligibility for exemption from assessments by examining a producer’s entire range of products. We believe that eligibility should be determined product-by-product. Traditionally, research and promotion programs apply only to the specific commodity or product covered by the program. The USDA seems to interpret the statute to require that *all* products coming off the farm be organic.

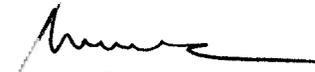
The proposed rule includes an example of an organic soybean producer who also produces conventional corn. According to the example, this producer would not be exempted from the soybean marketing assessment. We strongly disagree with this interpretation. We believe the farmer’s organic soybeans should be exempt. Another example may occur when an organic dairy farmer sells male calves on the conventional market. The organic farmer’s exempt status from the dairy promotion assessment should be maintained, because the commodity under consideration is milk, not beef.

Our interpretation provides the broadest opportunity for exemption, and is consistent with the traditional product-by-product treatment of promotion and research programs, thereby fulfilling congressional intent. If a producer holds organic certification they should be exempt from assessments on their organic product(s).

Use of 100 Percent Organic and Fluid Milk Promotion Program. The USDA's use of the phrase "100 percent organic" in the proposed rule is not consistent with the National Organic Program (NOP) regulations. The NOP describes four categories of organic content: (1) 100 percent organic, (2) 95 percent or more organic (labeled "organic"), (3) 70 to 95 percent organic, and (4) less than 70 percent organic. Fluid milk is a 95 percent or more organic product rather than a 100 percent organic product due to the addition of vitamins. Congress did not intend to exclude processors of organic fluid milk from the assessment exemption because of vitamin addition. Again we request that if the organic producer (a fluid milk processor for example) maintains organic certification for the product covered by a particular promotion program that organic producer be exempt from promotion assessments for the product whether the product is organic or 100 percent organic.

Aurora Organic Dairy, a certified organic dairy farm and milk processor, urges you to honor the commitment Congress made to organic producers to allow the broadest exemption from the promotion programs.

Sincerely,

  
Marcus Peperzak  
Chief Executive Officer  
Aurora Organic Dairy

  
Mark Retzloff  
President & Chief Organic Officer  
Aurora Organic Dairy

received  
6-29-04