

USDA Agricultural Marketing Service (AMS)

**Organic Pinpointed Market Development
Listening Session**

November 15, 2022



Listening Session Roadmap



- Overview (10 min)
 - Purpose of Listening Session
 - Brief Overview of Organic Transition Initiative – Part of Broad Food Systems Transformation Program
- Five Key Areas for Feedback – With Questions! (8 Minutes Each)
 - Brief Overview of Topic
 - Participants Use Chat for Responses and Feedback
 - Names and Chats will be Published on AMS Website
- Next Steps (10 min) – Posting Materials, Instructions for Written Input

Organic Transition Initiative (\$300 M)



Transition to Organic Partnership Program (\$100 M)

- Farmer-to-Farmer Mentoring
- Technical Assistance
- Community Development
- Workforce Development
- Data and Reporting

Direct Support: Conservation and Crop Insurance (\$100 M)

- Conservation Support for Transitioning Farmers (NRCS)
- Crop Insurance Assistance for Transitional Organic Growers (RMA)

Pinpointed Organic Market Development (Up to \$100 M)

- Support Innovation by building organic supply chains in targeted markets
- \$75M for Grants; \$25M for Commodity Procurement
- \$75M in Grants: Commodity Credit Corporation (CCC) Funds

OTI Complements Other USDA Investments



Available in the Organic Integrity Learning Center

Link: <https://content.govdelivery.com/accounts/USDAAMS/bulletins/335f328>



Market Development: Overarching Goals

- Develop new and expanded organic markets by providing more resources and certainty for businesses transitioning to organic or initiating new organic production and processing capacity
- Focus on creating more, new, and better markets for targeted domestic organic products
- Drive demand for domestically-produced agricultural products by investing in certified organic processing capacity and product development
- **Expanding organic processing capacity will create critical paths to market for organic growers**



Current Concept for \$75M Grant Program

- Investments to be primarily regional and/or crop specific
- Program will be targeted to key markets to ensure meaningful impacts
- Investments will fund activities outside the organic certification process to avoid duplicating cost share program
- To be administered by the Agricultural Marketing Service (AMS) Transportation and Marketing Program (TM)

We are seeking input on the following decision points:

- Proposed minimum funding level: \$100,000
- Proposed maximum funding level: \$2,000,000
- Matching funds:
 - Tiered requirement, exempting projects below a certain size
 - Dollar for dollar matching funds above a certain size

Moving to Chat Phase....

- **Background:** We used this same approach for early development for the Organic Integrity Database, the Organic Integrity Learning Center, Strengthening Organic Enforcement Rulemaking, and Input on Wild Caught Fish. It is a proven way to get great feedback.
- **Process:**
 - We will cover 5 key areas – with similar question set for each area.
 - I will mark the start of each topic in Chat.
 - Remember – your name and chat will be published in the Chat Record.

1. Organic Grain and Feed

- Build domestic supply and associated processing capacity of organic grain and feed to respond to growing demand and reduce reliance on imports, which historically demonstrated fraudulent activity. Mitigate recent impacts to overseas organic feed markets.
- Stakeholders have identified livestock feed proteins, including soybean meal, canola, alfalfa, and sun cake as needing USDA support.
- **Question:**
What targeted investments at what dollar level would likely have the most meaningful impacts? Crop, Region, and/or Market Components (what part of market/supply chain)

2. Legumes and Other Rotational Crops

- Feed grain markets must be complemented by processing capacity and consumer product markets for organic legumes and rotational crops like peanuts, oats, beans, field peas, barley, and lentils.
- Organic feed grains depend on extensive rotational cropping systems, with different marketing channels for non-feed rotational crops.
- Adding cash value for organic rotational crops like beans and lentils will further incentivize transition to organic production.
- **Question:**
What targeted investments at what dollar level would likely have the most meaningful impacts? Crop, Region, and/or Market Components (what part of market/supply chain)

3. Organic Ingredients

- Consumer products depend on certified organic ingredients for manufacturing, which can be in short supply.
- Organic ingredients require a high degree of specialization and technical knowledge to ensure compliance with the USDA organic regulations.
- Providing market incentives for these nascent products is key to achieving the quantity, quality, and form of certified organic ingredients, creating more demand for certified organic products.
- **Question:**
What targeted investments at what dollar level would likely have the most meaningful impacts? Ingredients, Region, and/or Market Components (what part of market/supply chain)

4. Ensure Market for Organic Dairy

- The current domestic surplus in organic dairy has caused some farmers to lose their contracts with processors. Existing grant programs do not have the authority to target dairy investments specific to organic products.
- By targeting investments in organic dairy infrastructure these grants will provide new paths to market for organic milk.
- **Question:**
What targeted investments at what dollar level would likely have the most meaningful impacts? Region and/or Market Components (what part of market/supply chain)

5. Fiber



- Organic fiber continues to be the largest and fastest-growing sector in the U.S. organic non-food industry. Only 0.2% of U.S. cotton is grown organically, and the U.S. grows only 3% of the global organic cotton supply. Organic hemp data are not readily available.
- By investing in dedicated organic fiber processing and marketing activities, USDA can incentivize fiber production with fewer synthetic inputs.
- **Question:**
What targeted investments at what dollar level would likely have the most meaningful impacts? Crop, Region, and/or Market Components (what part of market/supply chain)

Next Steps



- Written input due November 30, 2022:
rebecca.e.claypool@usda.gov
- Do not need to resend chatted content
- AMS will post slides and chat record on website
- Next Step: AMS will develop Grant Request for Application (RFA)