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Submitted via regulations.gov

Mr. Paul Lewis
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National Organic Program
U.S. Department of Agriculture
1400 Independence Ave. SW
Room 2642-So., Ag Stop 0268
Washington, DC 20250-0268

RE: Proposed Rule USDA-AMS-NOP-11-0009

The International Dairy Foods Association (IDFA) respectfully offers these comments to the Agricultural Marketing Service's (AMS) October 1, 2019 request for comments on the reopening of the proposed rule to amend the origin of livestock requirements for dairy animals under the USDA organic regulations.

IDFA represents the nation's dairy manufacturing and marketing industry, which supports more than 3 million jobs that generate \$159 billion in wages and \$620 billion in overall economic impact. IDFA's diverse membership ranges from multinational organizations to single-plant companies, from dairy companies and cooperatives to food retailers and suppliers, all on the cutting edge of innovation and sustainable business practices. Together, they represent 90 percent of the milk, cheese, ice cream, yogurt and cultured products, and dairy ingredients produced and marketed in the United States and sold throughout the world. Delicious, safe and nutritious, dairy foods offer unparalleled health and consumer benefits to people of all ages.

Several of IDFA's members produce and market organic dairy products, both as independent processors and dairy cooperatives. For several years, these IDFA members have raised concerns regarding the inconsistent interpretation and enforcement of the origin of livestock rule at 7 CFR 205.236. This inconsistency has created an unlevel playing field across the organic dairy industry. We applaud AMS for reopening this rule and join our member dairy companies in supporting a clear rule that adheres to the original intent of the statute. As cited in the National

Organic Program, final rule preamble¹ and 2013 Office of Inspector General Report, “Agricultural Marketing Service National Organic Program – Organic Milk Operations”², and expressed in numerous National Organic Standard Board recommendations, we believe that AMS is right to remedy any ambiguity surrounding the origin of livestock rule.

While there is no disagreement within the organic industry regarding conditions for an allowance of a dairy farm to transition a conventional herd to organic status, there is notable divergence in how many times a transition can be exercised by a farm and in the continued sourcing of transitioned cattle once a farm has already completed an initial whole-herd transition. Our members have informed us for example, that some organic dairies and organic certifiers interpret the regulations to allow animals to come in and out of organic management and still be sold as “organic.” In these instances, calves are removed from organic herds to be raised conventionally and are later reintroduced back into organic management around one year of age in time for breeding and milk production. Other certifiers and their organic dairy farm clients practice a one-time transition and thereafter source only organic replacement stock that have been organically managed from the last third of gestation.

The difference in cost between raising an animal conventionally and organically is not trivial. The Organic Trade Association (OTA) recently estimated that raising an organic calf costs an estimated \$600-\$1000 more than conventionally raised calves later put on organic management. That price difference is enough to influence whether a farm can stay in business and support a multi-generational family and farm employees.

In finalizing this rule, admittedly, those producers no longer able to utilize replacement dairy stock taken in and out of organic systems will pay higher costs to purchase organic replacements. That savings, however, comes from taking advantage of a perceived ambiguity in the regulatory language that was inconsistent with statute, the spirit of the rules and widespread organic practices. Those business practices should not be rewarded.

IDFA in general, supports the proposed rule and offers the following recommendations:

Replacement Dairy Stock: IDFA supports a rule whereby organic dairies may purchase replacement dairy stock *only* from animals that are (1) managed organically from the last third of gestation or (2) from certified organic dairy animals that have passed through an initial whole-herd one-time transition.

Whole-herd One-Time Transition: To ensure sufficient access to organic replacement stock, we recommend that the one-time transition be assigned to a “certified dairy operation” rather than a “producer.” IDFA’s members want to ensure that producers can sell their herd without foreclosing the possibility to returning to organic farming in the future. Similarly, producers need the flexibility to bequeath an organic farm and herd to family members and move to a new conventional location with the goal of starting a new organic dairy.

¹ <https://www.govinfo.gov/content/pkg/FR-2000-12-21/pdf/00-32257.pdf#page=2>

² <https://www.usda.gov/oig/webdocs/01601-0002-32.pdf>

Transitioned Animal: IDFA supports the definition of “transitioned animal” and supports the proposed rule as it relates to the offspring of transitioned animals.

Implementation timeline: IDFA urges AMS to issue a final rule that includes a timeline to make the new regulations effective immediately. Given the organic dairy market conditions and competitive harm the origin of livestock ambiguity has created, there is no need for a protracted phase-in period of the regulation.

Consistent standards and enforcement of those regulations are fundamental to the organic dairy industry. It ensures all market participants operate from the same reference point and understanding. While IDFA’s members compete with one another in the marketplace they are unified in expecting USDA to implement a regulatory framework that is equitable and clear.

Respectfully submitted,

A handwritten signature in black ink that reads "Danielle Quist". The signature is written in a cursive, flowing style.

Danielle Quist