



May 16, 2014

David Hancock, NASS Clearance Officer
U.S. Department of Agriculture
Room 5336 South Building
1400 Independence Avenue SW
Washington, DC 20250-2024

RE: Notice of Intent to Request Revision and Extension of a Currently Approved Information Collection;
Certified Organic Survey (OMB Control Number 0535-0249)

Dear Mr. Hancock:

Thank you for the opportunity to provide comments on the National Agricultural Statistics Service's (NASS) Notice of Intent to Request Revision and Extension of a Currently Approved Information Collection (Notice of Intent). The Organic Trade Association (OTA) is pleased to see that NASS intends to conduct an organic survey, but **urges NASS to conduct a full Organic Production Survey this year—including questions from the 2008 Organic Production Survey, and any additional questions needed to finalize organic price elections for crop insurance purposes.** If NASS cannot achieve the congressional mandate to conduct a **full** Organic Production Survey this year, we encourage NASS to conduct a two-part survey – requesting data for the crop insurance analysis immediately, and following up with a **full** Organic Production Survey in 2015.

OTA is the membership-based business association for organic agriculture and products in North America. It is the leading voice for the organic trade in the United States, representing over 6,500 organic businesses across 49 states. Its members include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, consultants, retailers and others. OTA's Board of Directors is democratically elected by its members. OTA's mission is to promote and protect the growth of organic trade to benefit the environment, farmers, the public and the economy.

Background

OTA appreciates the significant work NASS does in conducting the Census of Agriculture, as well as a variety of other studies and surveys. OTA has long advocated for full funding of NASS, so that it can carry out its important mandate, which enables the continued growth of the agricultural sector, and the organic sector in particular.

We were pleased that NASS conducted the 2008 Organic Production Survey, and indicated that this survey would be conducted every five years as a follow-on survey to the Census of Agriculture. This comprehensive survey provides critical data for the U.S. Department of Agriculture (USDA) to meet its goal of increasing certified organic operations. It is also essential for the important work that researchers at land-grant universities

are doing on agricultural economics, specifically looking at organic and its impact on rural communities. This information is critical as USDA continues to follow Secretary Vilsack's 2013 guidance regarding organic as a distinct commodity class – the fourth-largest food and feed commodity in the United States. It is essential to have a tool to aggregate farm-gate value for the organic commodity class, and this comprehensive survey is that tool.

Comprehensive 2014 Organic Production Survey cannot be replaced by a survey of a subset of organic crops

We look forward to the 2014 Organic Production Survey, for which Congress fully allocated funding in the 2014 Farm Bill.

Therefore, we are concerned by this Notice of Intent, which suggests that an annual survey over a subset of organic crops would replace the Organic Production Survey. This goes against congressional intent, USDA's mandate, and industry expectation. Moreover, it contradicts Secretary Vilsack's 2013 guidance urging USDA to consider organic as a distinct commodity class – the fourth-largest food and feed commodity. It is essential to have a tool to aggregate farm-gate value for the organic commodity class.

Comprehensive data that include sales, costs and profitability data and can be analyzed by specific crop and state are essential for current, beginning and potential farmers as they evaluate opportunities that could be offered through organic production.

Unfortunately, an annual survey of a subset of crops is **not** an adequate substitute for a full organic sector survey. A survey that examines only a small subset of data on specific crops cannot replace the aggregate of organic as a commodity class.

We understand that the USDA Risk Management Agency (RMA) needs data to make price elections for certain organic crops, and we support RMA's efforts to finalize price elections for organic crop insurance. However, we do not believe that a subset report can or should take the place of a full Organic Production Survey, across all crops and asking a broad swath of questions. A full Organic Production Survey conducted every five years, as intended by Congress, creates a comprehensive set of data to study trends in the industry over time, across a broad spectrum of issues, and builds tools to help organic and transitioning farmers.

We urge NASS to conduct a full Organic Production Survey this year – including questions from the 2008 Organic Production Survey, and any additional questions RMA needs to finalize its price elections. If NASS cannot achieve the congressional mandate to conduct a full Organic Production Survey this year, we encourage NASS to conduct a two-part survey – requesting the RMA-required data in 2014, and following up with a full Organic Production Survey in 2015.

Specific Comments

Exempt Operations:

We urge NASS to include operations that are exempt from certification under the regulations—producers that have less than \$5,000 in annual gross sales. However, we urge NASS *not* to include those operations that self-identify as exempt from the certification requirements, if their gross sales exceed the \$5,000 regulatory limit. It is imperative that the Organic Production Survey reflect the realities of certified organic production in the United States—and not include producers who do not fit within the regulations. This would align with the Secretary's 2013 guidance, in which he indicated that USDA agencies should recognize the distinct nature of

USDA certified organic production and organic goods, and to take into account the documentation and inspection required for organic certification when considering organic operations' eligibility for USDA programs and policies. Thus, operations that are deemed organic under the regulations—including those that are deemed exempt under the regulations, but not including those that self-identify as exempt—should be included in the Organic Production Survey.

Limiting the survey to operations defined as organic under the regulations will ensure a high level of data integrity. This not only ensures consistency within the sample set, it also controls for outside variables and may impart parallel trends within the group. Including self-identified exempt farms could result in outliers due to a lack of consistent treatment within the sample set, invalidating the survey results.

It is critical to use a consistent set of data for the Organic Production Survey, in order to identify trends. The only way to ensure consistency is to include only those operations defined as organic under the regulations, not the ever-changing universe of operations that self-identify as exempt.

Transitional Acreage:

We appreciate the inclusion of a section on transitional acreage. This is an area critical to the continued growth of the organic sector, and having trend data on transitioning acres will allow the industry to make decisions that will encourage transition.

We urge NASS to include questions that collect information on which incentives to transition to organic production would be most effective for producers.

We also urge NASS to disaggregate the data on acres transitioning into organic production into transitioning cropland, transitioning pastureland, and transitioning rangeland. This was included in the 2008 Organic Production Survey, but is not included in the currently proposed survey. In analyzing the growth of the organic sector, it is helpful to know which types of agricultural lands are transitioning from conventional to organic production. This will lead to a better understanding of the growth trends of the sector.

Other Specifics:

We urge NASS to include questions that were included in the 2008 Organic Production Survey but are excluded in the currently proposed survey. Those include:

- Data on acres and value for all crops, including floriculture and bedding crops, food crops grown under protection, mushrooms, nursery crops, propagative materials, Christmas trees, and mohair. Such data were collected in the 2012 Census, but organic sales and acreage were not disaggregated from conventional. Without further data collection, the organic sector will lack trend data necessary to understand whether these sectors are growing, declining or remaining stable, and how they are performing in different geographic regions.
- Data on organic sales as a percentage of market value of all agricultural sales. This is important to understand because it sheds light on whether producers are pursuing organic certification for all of their agricultural products or just a subset.
- Data on the percentage of organic sales from value-added products. This would be useful to understand how important value-added production is to organic farmers.

- Data on organic production costs—including total production expenses and the percentage of production expenses for organic production. Such data are important to an understanding of which production costs are higher or lower for organic production, which is needed to analyze long-term profitability and future trends as input costs change.
- Data on organic production practices. This is useful information to show what production practices organic producers are implementing on their farms to control pests, weeds, and soil fertility, conserve water, and manage livestock.
- Data on organic production contracts. The 2012 Census includes data on total production contracts by agricultural commodity, but does not disaggregate for organic commodities. This information is useful to understand how organic producers are marketing their products in order to better understand how organic products are bought, sold and distributed within the agricultural economy.
- Data on the types of direct-to-consumer markets, retail markets, and wholesale markets that organic producers use to market and sell their products. Such detailed marketing data are very useful to understand the specific marketing venues where organic producers succeed in selling their products, and where consumers are most able to find and purchase certified organic products.
- Data on the first point of sale for organic commodities--information useful in understanding how organic producers market their products and what supply chains are necessary in which parts of the country to support these market channels.
- Data on the primary challenges facing organic producers, such as regulatory issues, price issues, production problems, market access, or management issues. Such data are important to understand the barriers that may be impeding the growth or expansion of existing organic farms.
- Data on whether organic producers have sufficient access to organic seed and organic inputs (such as feed).
- Data on organic crop insurance enrollment. The 2012 Census includes data on the total number of acres enrolled in federal crop insurance, but does not disaggregate this information by organic acreage.
- Data on years involved in organic agricultural production, which can help to illustrate the number of beginning farmers and ranchers entering organic production each year.
- Data on five-year production plans, which focus on whether producers plan to scale up, scale down, or keep production levels constant. This would help understand the needs of farmers and make projections of future production levels.
- Data on net household income from organic sales, which will make it easier to understand the percentage of farmers that are full-time growers, and the viability of organic agriculture as a sole means of income.

We urge NASS to include questions that collect information on why an operation reduced organic acreage, or left organic production.

Finally, we urge NASS not to move to a fully electronic system, because that could eliminate responses from the Amish and Mennonite communities, in which there are many certified organic operations.

Conclusion

OTA appreciates NASS' efforts to respond to Congress' organic price election mandate, but respectfully requests that NASS also respond to Congress' Organic Production Survey mandate. **We request that NASS conduct a full Organic Production Survey this year, including questions from the 2008 Organic Production Survey, any additional questions RMA needs to finalize its price elections, and the additional specific questions outlined above.** If that is impossible, we request that NASS conduct a two-part survey – requesting the RMA-required data in 2014 and the full Organic Production Survey data in 2015.

Once again, on behalf of our members across the supply chain and the country, OTA thanks NASS for the opportunity to comment on its Notice of Intent.

Respectfully submitted,



Marni Karlin
Vice President of Government Affairs / General Counsel
Organic Trade Association

CC: Laura Batcha
Executive Director
Organic Trade Association