

The Honorable John Boehner  
Speaker of the House  
U.S. House of Representatives  
H-232 Capitol  
Washington, D.C. 20515

The Honorable Eric Cantor  
Majority Leader  
U.S. House of Representatives  
H-329 Capitol  
Washington, D.C. 20515

**Proposal to implement an Organic Research and Promotion Program – Organic Check-off**

**Vote Yes on a technical regulatory fix that allows organic farmers to withdraw their check-off dollars from supporting conventional agriculture**

**And**

**Vote NO on regulation to support the path to establish an Organic Research and Promotion Program**

We support a technical correction of the law that will allow split operations that produce “any agricultural commodity that is certified as “organic” or “100% organic” to be able to exempt their organically certified product from paying into any existing check-off programs. This technical fix will stop organic dollars from being used to promote non-organic products and allow that money to be used by producers and processors to promote and support organic production.

**This is all that is needed to stop organic farmers from being unfairly taxed by conventional check-off programs.**

We support the first section of the regulatory language proposed by the Organic Trade Association (OTA) that provides that correction:

*“(e) EXEMPTION OF CERTIFIED ORGANIC PRODUCTS FROM ASSESSMENTS-*

*“(1) IN GENERAL- Notwithstanding any provision of a commodity promotion law, a person that produces, handles or markets organic products shall be exempt from the payment of an assessment under a commodity promotion law with respect to any agricultural commodity that is certified as “organic” or “100 percent organic” (as defined in Part 205 of Title 7 of the Code of Federal Regulations).*

*“(2) SPLIT OPERATIONS- The exemption described in paragraph (e)(1) shall apply regardless of whether the agricultural commodity subject to the exemption is produced, handled or marketed by a person that also produces, handles or markets conventional or nonorganic agricultural products, including conventional or nonorganic agricultural products of the same agricultural commodity as that for which the exemption is claimed.*

*“(3) APPROVAL.—The Secretary shall approve the exemption of a person under subsection (e) if the person maintains a valid organic certificate issued under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).*

**OTA’s regulatory language and proposal for An Organic Research and Promotion Program is “Not Ready For Prime Time.”**

We do not support extending authority or steps that would ultimately lead to a federal, USDA mandated, ‘Organic Research and Promotion Program’ with a governing committee appointed by the Agriculture Secretary. OTA’s proposed program is following the same path of the conventional advertising, research and promotion orders with their many short-comings and pitfalls.

- We oppose the rapid movement to legislation that will enable an Organic Check-off Program to be established and advocate for a community wide discussion of the advantages and disadvantages of the many different models available for assessing, governing and disbursement of check-off funds.

- OTA does not necessarily represent the interest of farmers, growers, producers or ranchers.
- If farmers are not assessed they would inevitably be paying into the program as the check-off cost would affect any potential pay price and they would have no effective voice on deciding research projects or disbursement of funds.
- We believe that the strategies, tactics and attitude adopted by OTA in its process of consulting the organic community about an Organic Check-off Program confirms that OTA will lead the community down a predetermined path where governance of the program and control of disbursement of funds will be invested in the processors and manufacturers, rather than the producers.
- We believe that the advantages of pooling check-off funds within the federal program will be outweighed by the restrictive guidelines, heavy bureaucracy, lack of accountability and cost of administration, a history of using check-off funds inappropriately and poor representation of farmer priorities in granting of research dollars. The investigation by the Office of the Inspector General of the Research and Promotion Check-Off Programs highlighted the failing of the existing programs and confirmed farmers' distrust of those programs.
- We believe that the success of the Federal Research and Promotion Programs have often been judged by consumer recognition of advertising slogans rather than its impact on sales of product and effect on farm families across the country through relevant research and promotion programs.
- We believe that existing check off programs have not been shown to keep family farm producers in business. We continue to see declining farm numbers and increasing concentration in agriculture while these commodity research and promotion programs are in effect. Got Milk? - 'The Incredible Edible Egg' – "Beef, It's What's for Dinner" and 'Pork, The Other White Meat', to name a few, may be nice sounding promotional terms but producers legitimately ask, **"Who got the benefit those slogans may have created?"**
  - *Between 1992 and 2004, U.S. farms with hogs declined from over 240,000 to fewer than 70,000. Currently 20 pork entities produce 50 percent of all the hogs in the U.S. Very few independent hog producers remain in business and the market is dominated by the integrated meatpackers. The pork checkoff fund will generate \$72 million in 2012. (Source: USDA)*
  - *The wheat checkoff was designed to increase wheat exports. Current wheat exports are in fact below the 10-year average, with the wheat check off having been in place since 1980. (2011/2012 crop year exports are projected to be 27.9 million metric tonnes vs. the 10 year average of 28.3 million metric tonnes.) (Source: Wheat Growers Association)*
  - *"Beef, it's what's for dinner," campaign. This advertising effort is funded by a \$1.00 per head checkoff assessed every time a live animal changes hands. This checkoff program has been in effect since 1989 and millions of dollars have been "checked off" and millions spent on very creative advertising. What has happened to beef per capita consumption during the time of the campaign? Beef per capita consumption has declined from 88 pounds per person to less than 60 pounds today (USDA, ERS beef per capita consumption, boneless equivalent weight basis).*
  - *Since the start of the 'Got Milk' campaign in October 1993, the consumption of fluid milk has dropped year by year( per capita US consumption of fluid milk in 1993 was 24.37 gallons, in 2010 it was 20.69 gallons) , as have the number of dairy farms (1993 there were 124,945 dairy farms but only 51,481 in 2011). (Source USDA AMS)*
  - *The "Incredible Edible Egg" campaign was started in 1977. Since then, consumption of eggs has declined. In 1987, there were around 2,500 operations with flocks of 75,000 hens or more. In 2012, there are 179 egg producing companies with flocks of 75,000 hens or more.*

## Respectfully Submitted

### Organic Farmers' Agency for Relationship Marketing (OFARM Inc.)

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**Federation Of Organic Dairy Farmers** (FOOD Farmers) umbrella organization for Western Organic Dairy Producers Alliance (WODPA), Midwest Organic Dairy Producers Alliance (MODPA) and Northeast Organic Dairy Producers Alliance (NODPA) for Organic Dairy

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## List of Supporting Organizations and Individuals

**Beyond Pesticides (DC)**

**Birdie Fetterhoff**

**Bruce Drinkman, Farmer, (WI)**

**Buckwheat Growers Association of Minnesota (MN)**

**Cornucopia Institute (WI)**

**Don Faulkner,**

**Donald and Diana Saxton, (NY)**

**Elizabeth Henderson, Farmer, NY**

**Food and Water Watch (DC)**

**Hoosier Organic Marketing Education (IN)**

**Joan Gussow**

**Judith Winner, Farmer, Ohio**

**Kansas Organic Producers Association (KS)**

**Marydale Debor (CT)**

**Midwest Organic Farmers Cooperative (IL)**

**Mike Murphy**

**Monica Bongue - Muddy Fork Farm**

**Montana Organic Producers Cooperative (MT)**

**National Farmers Organization (NFOrganics)**

**Northeast Organic Farming Association of New York, Inc. (NOFA-NY)**

**Northeast Organic Farming Associations Interstate Council (NOFA-IC)**

**Organic Consumers Association (DC and MN)**

**Sharing Circle Garden**

**Sharon D'Agostino**

**Weston A. Price Foundation**

**Wheelhorse Farm, (NY)**

**Wisconsin Organic Marketing Alliance (WOMA)**