

The Organic Market Development Act

Sponsored by Senators Baldwin & King, Representatives Kuster & Pingree

While certified organic sales have grown to over \$67 billion, growth in domestic organic acreage has not kept pace with the demand for organic products. Supply chain challenges, including processing infrastructure and transportation to prospective organic buyers and consumers, are the primary barrier to entry into the organic marketplace. The Organic Market Development Act will bridge this barrier and enable more domestic producers to take advantage of the economic opportunity presented by the growth of the organic market through strategic marketplace investments.

The Organic Market Development Act codifies the United States Department of Agriculture's [Agricultural Marketing Service's Organic Market Development Grant Program](#). The program seeks to:

- Increase the capacity of the domestic organic product supply chain for producers, handlers, suppliers, and processors of certified organic products; modernize manufacturing, tracking, storage, and information technology systems;
- Improve the capacity of eligible entities to comply with applicable regulatory requirements or quality standards required to access markets;
- Expand capacity for processing, aggregation, and distribution of certified organic products to create more and better markets for producers of certified organic products; facilitate market development for domestically produced certified organic products;
- Conduct feasibility studies and market viability assessments to inform organic transition strategies and opportunities;
- Address barriers to entry to organic product certification for historically underserved entities; and
- Support market and promotional activities that help build commercial markets for certified organic products in the United States.

Eligible applicants, including business entities that produce or handle organic foods, non-profit organizations, including trade associations, tribal, state, territory, and local government entities, may apply for two different types of grants. The grants are structured as the Simplified Equipment-Only pathway with funding between \$10,000 and \$100,000, and 3-year Market Development and Processing Capacity Expansion pathway with funding ranging between \$100,000 and \$3,000,000. The legislation maintains the 2023 funding base of \$75 million annually through Commodity Credit Corporation. It also authorizes appropriations of \$25 million for Fiscal Year 2024 and each year thereafter.

The Organic Market Development Act complements existing and proposed legislation with federal investments in organic research and farm-level transition opportunities, while maintaining the organic standards integrity and consumer confidence in the organic label.

The Organic Market Development Act is endorsed by Organic Trade Association, Organic Valley, Stonyfield, Organic Farmers Association, Clif Bar, Whole Foods Market, Organic Produce Association, General Mills, Organically Grown Company, Natural Resources Defense Council, California Certified Organic Farmers, Sustainable Strategies LLC, Organic Farming Research Foundation, Danone, PURIS Proteins, Western Organic Dairy Producers Alliance, Oregon Tilth, Diestel Family Ranch, Organics Unlimited, Pennsylvania Certified Organic and MOSA Certified Organic.

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