

Comments on Organic Livestock Finishing Regulations

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The Organic Trade Association (OTA) is pleased with the February 9, 2010, formal announcement regarding the regulatory changes to 7 CFR Part 205, concerning clarification of the requirements that ruminant animals be provided access to pasture under the National Organic Standards.

We believe that this formal rule incorporates the overwhelming input of organic producers, and establishes pasture standards for dairy animals that are clear, enforceable, and consistent with the intent of both OFPA and the Final Rule.

We also were pleased that the National Organic Program requested additional input regarding the development of final regulations regarding § 205.239(d). As you acknowledge in your announcement, “This rulemaking coupled organic livestock and organic dairy production because the use and management of pasture is integral to both types of production. We received a substantial number of comments concerning both the dairy component of this rule and the lack of provisions for finish feeding.”

Following the February 9 announcement, the Organic Trade Association convened a task force of members involved in organic livestock production to develop a recommendation for OTA’s formal comments. That task force consisted of a range of livestock (primarily beef) producers across geographies utilizing both grass and grain finishing as well as certifier and retailer perspectives. The following comments do not represent the express views of any individual task force members but rather reflect the issues and potential solutions raised in task force discussions. The task force was co-chaired by Dave Carter, National Bison Association, Crystal Springs Consulting, Inc. and former National Organic Standards Board (NOSB) member, and Laura Batcha, Chief of Policy and external Affairs for OTA.

In the preamble language, the Program requested that commenter’s specifically address three topics:

- Infrastructure hurdles and regional differences, if any, these requirements present to slaughter stock operations, including to those operations that graze animals on rangeland, and the estimated economic impact;
- The use of finishing facilities, as defined in this final rule, for the finish feeding of organic slaughter stock; and
- The length of the finishing period, i.e., not to exceed 1/5 of the animal’s total life or 120 days, whichever is shorter.

The following summarizes the task force’s discussion of these topics, along with our discussion on other areas directly related to the proposed language for §205.239(d).

There are significant regional differences and infrastructure hurdles that impact how organic livestock

is produced and marketed. Climatic conditions play a large role in determining the complexion of beef and other slaughter stock production in the United States. As illustrated in Figure 1, a significant portion east of the 100th Meridian of longitude receives more than twice the annual precipitation than the majority of the area west of that line of demarcation. In addition, much of the moisture in the semi-humid areas of the east falls more evenly throughout the year (see Figures 2a and 2b).

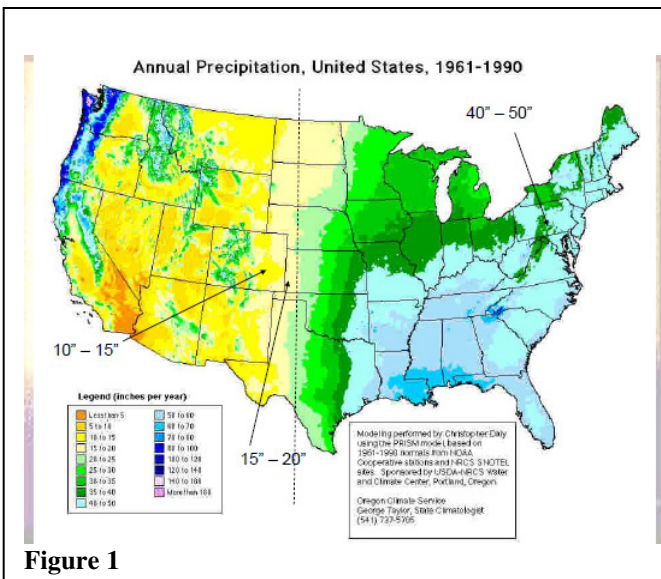


Figure 1

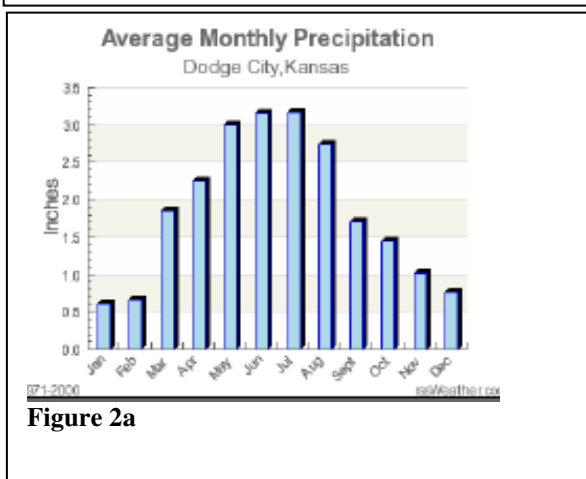


Figure 2a

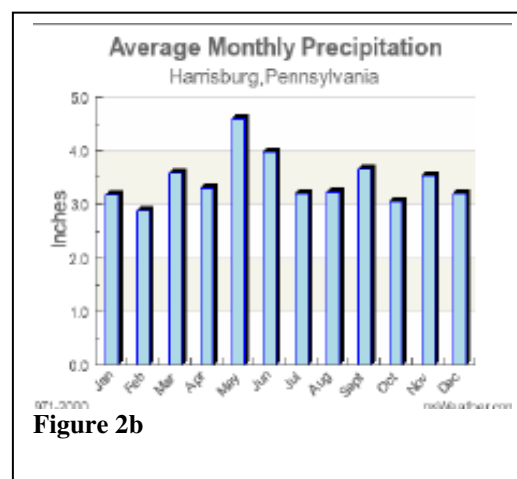


Figure 2b

These climatic differences result in a wide variance of grass and forages, seasonal production cycles and other factors.

Today, there is widespread discussion regarding grass-finished and grain-finished production, and the compatibility of each sector with organic production. This is a relatively new development in the beef marketplace, and in organic production and marketing. At the time of passage of the Organic Foods Production Act, grain-finishing was the overwhelmingly dominant form of production throughout the beef sector. In fact, OFPA is silent on the subject of grass-finishing of livestock.

Even as the National Organic Standards were being finalized in 2001 and 2002, the primary debate centered upon the amount of time that should be allowed for finishing of beef, not whether there should be a complete prohibition of finishing.

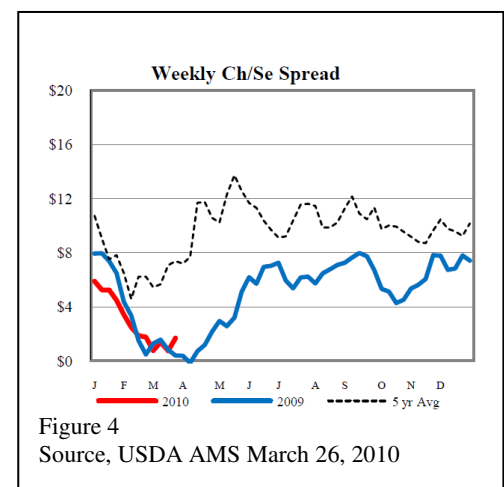
Accordingly, the National Organic Standards Board in 2001 recommended a finishing period of 120 days as the allowance for finishing organic beef animals.

The 2001 NOSB recommendation has yet to be addressed by the National Organic Program (NOP); this situation led to varying interpretations of the regulations concerning stages of production for finish feeding, and a variety of infrastructure for accommodating the finishing of organic livestock in the marketplace today.

Many organic beef producers developed their production infrastructure to allow for finishing of animals in enclosed facilities in full compliance with the organic regulations as demonstrated by their valid certificates. This finishing infrastructure enabled those producers to produce a level of choice-grade animals that allowed them to earn the price premiums necessary to remain economically viable.

As illustrated in Figure 4, choice-grade beef animals in the conventional marketplace bring as much as \$13.50/cwt. more than beef animals grading as select. Organic beef producers have experienced a similar price spread between choice and select. As voiced by some members of the OTA task force, many organic consumers actively seek choice-graded organic beef, a higher percentage of which is achieved through grain finishing.

Other producers sought to focus on grass finishing for organic livestock. This segment has particularly grown in recent years as grass-finished beef has increased in popularity. This rise in the marketplace is driven in large part to consumer awareness of the health benefits and the production practices surrounding pasture-finished beef. Several participants in the area of organic livestock production are either establishing or expanding their infrastructure to meet this



growing demand. As voiced by other members in the OTA task force, a significant share of organic consumers today expect that organic beef should be exclusively fed grass and forage.

The Organic Trade Association task force reviewed several options regarding the finishing phase, including total prohibition of grain finishing, requiring grain finishing in the pasture, allowing for an extended finishing period with continuous access to pasture, and a fixed finishing period in a finishing facility without access to pasture. Each option identified carried with it considerable benefits and liabilities.

At one end of the spectrum, a total prohibition against confinement finishing was seen as an option that would align most closely with a growing consumer expectation for grass-fed meat, and the option that would allow animals to express their natural behavior throughout the normal course of life. This option was identified as significantly impairing a large segment of existing certified producers because of the larger land base required for grass-finishing, the longer production time, and the lower percentage of animals that would achieve the choice grade.

At the other end of the discussion, allowance for total confinement of beef animals for at least 120 days was seen as an option that allowed for the most efficient conversion of feed, the highest percentage of animals reaching choice grade, and would enable producers to most efficiently capture nutrients for use as fertilizer on crop land. Opponents of total confined finishing noted that this practice was inconsistent with the stated goal that all ruminant production must be a pasture-based production system.

All other alternatives carried a similar set of benefits and limitations in terms of animal husbandry, soil and water management, and animal health.

Accordingly, the Organic Trade Association recommends that confined finishing on grain/concentrates be allowed for 120 maximum for bovines, and no more than 1/5 of the animal's total life for other species, and that the animals shall have access to pasture during that confinement period.

One major impediment clouding this issue of finishing practices is the lack of clarity regarding the label requirements used to describe meat products as grass-finished or grain-finished. In 2007, the U.S. Department of Agriculture established a Process Verified Program through the Agricultural Marketing System for certifying grass-fed meat. This program provides a potentially valuable tool to provide consumers with clear guidance in selecting the type of product they desire to purchase.

Two limitations hinder the widespread adoption of this grass-fed labeling program: 1) To date, producers utilizing this Process Verified Marketing Program must undergo double-certification through both their organic certifier and USDA AMS Audit Review and Compliance; and 2) There are no enforceable penalties for producers or handles who make grass-fed claims without adhering to the certification procedures (as long as they do not claim to be USDA grass-fed certified).

We understand that it may be possible for organic certifiers to add grass-fed to their clients' certificates, and to handle the auditing of verification practices necessary to comply with the requirements for

USDA Verified Grass-Fed labeling. Formal determination of this matter would serve as a tremendous asset, and would address the problem of dual certification.

We also recommend that any certified organic meat product making any type of grass-fed label claim must be required to formally adhere to the certification protocols of the USDA certified grass-fed program. OTA supports mandatory verification of grass-fed claims in the marketplace rather than the current voluntary regime.

OTA does **not** recommend that the Verified Grass-Fed label be incorporated into the organic standards as part of a tiered production standard, but that it remains an independent complementary label the way a coffee product might carry both the organic seal and a verified 'fair-trade' seal. It is critical that there be only one production standard for organic for a variety of reasons. First, it is important to avoid consumer confusion over multiple meanings for organic in the market place and, second, to avoid significant future unintended consequences of establishing such precedence. It would be unacceptable to establish a tiered system to organic production in scenarios such as: cage-free organic eggs and 'regular' organic eggs allowing for the use of battery cages, or GMO-free organic and 'regular' organic allowing the use of genetically engineered seed.

Recommendations of the Organic Trade Association

1. The Organic Trade Association recommends that the language in §205.239 be revised to read:

§ 205.239 Livestock living conditions.

(d) Ruminant slaughter stock, ~~typically grain finished, that may be finished on grain and/or concentrates shall be maintained on~~ have access to pasture for each day that the finishing period corresponds with the grazing season for the geographical location: Except, that, yards, feeding pads, or feedlots may be used to provide finish feeding rations. During the finishing period, ruminant slaughter stock shall be exempt from the minimum 30 percent DMI requirement from grazing. Yards, feeding pads, or feedlots used to provide finish feeding rations shall be large enough to allow all ruminant slaughter stock occupying the yard, feeding pad, or feed lot to feed ~~simultaneously~~ without crowding and without competition for food. The finishing period for bovines shall not exceed one fifth (1/5) of the animal's total life or 120 days, whichever is shorter. ~~The finishing period for other species of livestock shall not exceed 1/5 of the life for species.~~

2. The Organic Trade Association recommends that accredited certifiers be authorized to add "grass-fed" as an enforceable audited requirements under the procedures of the USDA Grass-Fed Certification program.

3. Given the range in current production practices and interpretation/ implementation of the requirements and delay in addressing the 2001 NOSB recommendation, OTA recommends an implementation period (18-24 months) that allows producers time to make necessary infrastructure adjustments.

Discussion and Rationale:

(d) Ruminant slaughter stock, ~~typically grain finished,~~ that may be finished on grain and/or concentrates shall be maintained on have continuous access to pasture for each day that the finishing period corresponds with the grazing season for the geographical location: Except, that, yards, feeding pads, or feedlots may be used to provide finish feeding rations.

Organic Trade Association believes that the term “that may be finished on grain and/or concentrates” more fully describes the universe of grain finishing protocols than the term “typically grain finished.”

Requiring animals to be maintained on pasture during a time when finishing yards, feeding pads or feedlots are used to provide finishing rations will require intensive management from producers to physically move animals from pasture to the feeding areas. Allowing for continuous access to pasture allows the animals’ free choice, which is consistent with the regulatory requirements that animals be able to express natural behavior.

During the finishing period, ruminant slaughter stock shall be exempt from the minimum 30 percent DMI requirement from grazing.

This language is entirely consistent with the allowance for finished feeding.

Yards, feeding pads, or feedlots used to provide finish feeding rations shall be large enough to allow all ruminant slaughter stock occupying the yard, feeding pad, or feed lot to feed ~~simultaneously~~ without crowding and without competition for food.

The intent of this language is to assure that there is not crowding or undue stress created through the access to the feeding areas. This does not necessarily require that all animals be able to feed at the same time. Thus, the term “simultaneously” is overly prescriptive and should be struck.

The finishing period for bovines shall not exceed one fifth (1/5) of the animal’s total life or 120 days, whichever is shorter. The finishing period for other species of livestock shall not exceed 1/5 of the life for species.

Certified organic beef producers who currently finish on grains and /or other concentrate rations overwhelmingly agreed that 120 days is a minimum time necessary for animals to begin to reach levels that will be graded as choice. The feed conversion efficiency of the animals will be further reduced when the animals are provided with a mix of finishing ration and grass, as will be required under the provision that animals have continuous access to pasture during finishing.

A finishing period of 120 days is only possible for animals that are at least 20-months old when harvested. Many organic cattle are harvested between 14-18 months of age. A 14-month old animal would only be allowed to have an 85-day finishing period. This short period is insufficient to achieve the quality these producers require to remain economically viable.

The producers comprising the OTA finishing task force did not have sufficient expertise in other species of livestock to advise whether a period of 1/5 of life is sufficient for any other species besides bovine animals.

In the end, OTA looks forward to a final rule that is clear and enforceable, that distinguishes organic grain-finished production from conventional feed-lot finishing, and that maintains organic as a pasture-based system while supporting an already constrained sector of organic production.