



May 10, 2024

Erin Healy, Director, Standards Division
National Organic Program
USDA-AMS-NOP

Docket: AMS-NOP-22-0063

RE: Market Development for Mushrooms and Pet Food

Dear Ms. Healy:

Thank you for this opportunity to provide comment on the National Organic Program's (NOP) proposed Market Development for Mushrooms and Pet Food. The Organic Trade Association (OTA) is the membership-based business association for organic agriculture and products in the United States. OTA is the leading voice for the organic trade in the United States. Our members include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, brands, retailers, and others. OTA's mission is to grow and protect organic with a unifying voice that serves and engages its diverse members from farm to marketplace.

OTA supports the development of market opportunities, and we appreciate NOP's work on this as it aligns directly with our mission to grow the industry. We see that clear standards support consistency in production, a fair playing field in the marketplace, and a commonly understood definition of organic by the consumer. Following are our comments in response to the questions posed in the supplementary information of the proposed rule notice.

1. Is the regulatory language and accompanying discussion in this document clear enough to allow producers, handlers, and certifying agents to comply with the proposed requirements?

OTA believes the regulatory language provides clarity regarding some of the unique characteristics of mushroom production. However, we see the need for greater clarity to ensure definitions and standards are inclusive of all fungi-related products, and are not limited only to mushrooms, the fruiting bodies of fungi. There is much innovation in the fungi and mushroom space, especially in the development of mycelial proteins, mycological supplements, and other unique products. The proposed standards should recognize the key differences between the production of mushrooms and mycelial products and support this growth and innovation. Because of these key differences, the proposed standard may need to address the production of mushrooms under the crop scope, while the production of mycelial products may be better suited under the handling scope. We defer to the comments from our certified organic mushroom producer members and the industry at large to address specific technical aspects of this production as they have the first-hand knowledge to convey these differences and how standards can best address them.

Though the proposed rule recognizes unique differences between mushrooms and plants, it does not define mushroom production as a scope distinct from crop production. To best serve an industry with specialized production methods and growth characteristics distinctly different from those of plant crops, we emphasize the need for inspector and reviewer knowledge to adequately understand and provide oversight of mushroom and mycelial product operations.

We suggest NOP consider development of an Organic Integrity Learning Center module or other training resources. OTA is in a unique position to assist in bridging knowledge gaps through connections between and collaboration with industry experts and the certification community. We invite opportunities to make ourselves available in this capacity.

2. Do the proposed amendments create any conflict with current organic regulations?

Paragraph 205.210(c) proposes substrate and spawn media be composed of uncomposted plant materials that have been organically produced if commercially available [§205.210(c)(2)] and that spawn must use organic agricultural products as the spawn media [§205.210(d)]. This requirement may not align with existing §205.203 *Soil fertility and crop nutrient management practice standard*, which makes no requirement that plant materials be derived from certified organic sources. Some of our members have expressed concern regarding the requirement for organic sources of uncomposted plant and agricultural materials for substrate and spawn media. It depends on whether the standards view the substrate and spawn media similar to plant material inputs under §205.203 or more similar to the certified land used in the production of the crops. This concern is specific to the production of mushrooms versus mycelial products, for which some support the requirement of plant material from organic sources as it will be directly consumed. Again, this points to the need for differentiation between mushroom production and the production of products in which mycelium is the primary ingredient.

Proposed paragraph §205.210(b) requires operations to manage substrates and spawn in a manner that avoids environmental contamination. The preamble notes this section aligns with §205.203(c) which requires operations to prevent environmental contamination from materials applied to soil, and also aligns with the requirement in §205.200 to protect natural resources. Given the existing rule already addresses avoidance of environmental contamination to soil and the protection of natural resources, and that this rule clarifies that mushroom production is part of the crop production scope, these additions appear redundant and have the potential to add recordkeeping burden to organic mushroom producers.

3. Would a one-year implementation period (from the effective date of a final rule) be appropriate for affected operations to comply with these proposed changes? If not, what timeframe would be appropriate?

Some of our members have expressed a one-year implementation is too short and that a three-year implementation period is preferable.

4. Are there any concerns about the proposed requirements for compost used in organic mushroom operations? Are there any additional health and sanitary issues that AMS has not considered? Would the proposed requirements hinder any current methods of substrate preparation? Would the proposed changes impact other organic sectors and if so, how?

OTA recognizes the ongoing discussion around the definition of compost in light of a petition received by the NOP from the Biodegradable Product Institute (BPI) in August 2023. The petition requests AMS change the definition of compost and add a definition of “compost feedstock” to the federal organic regulations at §205.2, as well as requests amendments to §205.203. This discussion was further informed by public comment to the National Organic Standards Board (NOSB) and via an expert panel at the recent Spring 2024 NOSB meeting.

OTA suggests NOP consider all ongoing discussions of revisions to the compost definition and compost-related references in the USDA organic regulations and address any changes simultaneously. Should NOP revise the compost definition at §205.2 as is proposed in this rule and as is requested in the BPI petition, NOP should also consider including a reference to the allowance of synthetic substances as compost feedstock as listed at §205.601(c). Doing so will ensure clarity and consistency in the production, use, and the evaluation and oversight of compost in organic production.

5. Are there any concerns about the proposed requirements for producing certified organic spawn? What are the barriers to producing certified organic spawn for mushroom production? How would this rule affect these barriers?

OTA supports the use of organic agricultural ingredients in the production of spawn and believes such a requirement is the expectation of organic consumers. In speaking with organic mushroom producers, some expressed concern that there may not be enough organic agricultural material available to support the requirement for organic spawn. OTA views this similar to the requirement for organic seed in organic plant production. As seed is the foundational start of an organic plant crop, so too is organic spawn. As with seed, a commercial availability clause provides an operation the ability to source conventional spawn when an equivalent organic source is not available in the form, quality, or quantity needed. As with seed use by organic plant crop producers, we understand the organic market may require substantial time to meet the needs of organic mushroom market. But in requiring organic agricultural ingredients in the production of spawn, we meet the expectation of organic consumers that organic represents production from seed—or spawn—to table, and we continue to grow the organic supply chain.

6. Stakeholders and data indicate that many organically produced mushrooms are sold as conventional mushrooms. Why are certified organic mushroom operations producing significantly more organic mushrooms than they are selling as certified organic? What could be included in this rule to help ensure that mushrooms that are produced organically can be sold as organic?

OTA defers to the comments made by organic mushroom producers. However, it is not uncommon in any market for organic products to be diverted into conventional markets. When a market demand is not known, market actors may choose, as a market strategy, to produce more than the expected demand to ensure a constant supply for customers. Production in excess of that demand will then be shifted into the next most profitable spot marketplace, be it conventional, processed, feed, compost, etc. In general, we have found organic markets with defined federal organic standards under the National Organic Program have been more successful than markets that operate outside the definition of the National Organic Program. Clear standards bring certainty to market participants and clarity to organic consumers.

7. What factors have kept pet food manufacturers from seeking organic certification? Are there barriers that the proposed rule does not address?

It is OTA's understanding that the lack of clear production and labeling standards for pet food has hindered the growth of the organic pet food market. Recent consumer sales data from OTA's 2024 Organic Industry Survey, which looked at the period between 2014 and 2024, shows a steady decline in U.S. organic pet food penetration into the total pet food market.

U.S. Organic Pet Food Penetration Into Total Pet Food Market, 2014-2023

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
0.56%	0.53%	0.51%	0.48%	0.46%	0.45%	0.42%	0.41%	0.38%	0.32%

U.S. Organic Pet Sales, 2014-2023 (million \$USD)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
130	129	127	125	124	125	122	129	130	120

U.S. Organic Pet Sales by Growth, 2014-2023

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
4.8%	-0.5%	-1.4%	-1.6%	-1.3%	0.8%	-1.8%	5.3%	0.6%	-7.4%

The introduction of organic pet food standards that parallel the labeling of how organic human food products appear in the marketplace offers consumers a familiar and accessible way to choose organic for their animals. OTA does not have identified any barriers the proposed rule does not address.

8. Are there any additional synthetic, nonsynthetic, or nonorganic substances required in pet food to meet pet health needs that are not included in the proposed rule?

OTA is not aware of any additional substances but recognizes the utility of the petition process to add any additional substances to the National List that may be identified as necessary in the future.

9. Are slaughter by-products commonly used in organic pet food? Are there obstacles to greater use of organic slaughter by-products in organic pet food? Is there existing data on the organic slaughter by-product market utilization and prices?

It is OTA's understanding that by-products are not only used in pet food, they are often essential. Slaughter by-products contribute to a high-quality diet. Pet food manufacturers shared that consumers may be wary of foods containing ingredients labeled as "by-products," thinking these may be fillers or seen as unsafe, however these are cuts, meals, and organ meats from human-grade animals that provide pets the protein and nutrients they require. OTA appreciates the language in the proposed rule that explicitly separates organic livestock feed requirements, which prohibit the feeding of mammalian or poultry slaughter by-products to mammals, e.g., cows, or poultry for whose diet these ingredients may not be appropriate.

The use of slaughter by-products presents a market opportunity and potential price premium for organic livestock producers, who would otherwise divert this to markets for which there is currently no ability to receive an organic premium, thereby suppressing both the pet food and livestock market potentials.



On behalf of our members across the supply chain and the country, OTA thanks the National Organic Program for the opportunity to comment, and for your commitment to furthering organic agriculture.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Rice", is positioned above the typed name.

Scott Rice
Sr. Director, Regulatory Affairs
Organic Trade Association

cc: Tom Chapman
Co-CEO
Organic Trade Association