



Conscientia - Intelligent Research

Implications for Organic Foods Producers White Paper

Agricultural Appropriations Bill FY06 Senate Amendment Rider

Executive Summary

The U.S. House of Representatives passed the Agricultural Appropriations Bill which has now been sent along to the Senate for approval. The Senate, under Republican leadership and heavy lobbying by industry, however, has added a new provisional amendment (a rider) for discussion to the Bill which may weaken the Organic Foods Production Act of 1990 (OFPA). This may have some implications for organic food producers, and non-organic food producers alike, and future labelling requirements for foods marked "organic".

Background

As foods and products labelled "organic" become increasingly popular with consumers, the U.S. Senate is moving to weaken organic standards. Looser definitions of what constitutes "organic," would, in effect, allow corporate manufacturers to use the term without adhering to the previous stricter standards, while cashing in on the term's popularity. Organic agriculture has turned a once cottage style business into a multi-billion dollar industry and corporations like Kraft, Wal-Mart, & Dean Foods are currently lobbying the Senate to re-open the federal statute on Organic Standards to gain a piece of the organic market. A recent Wal-Mart shareholders meeting declared that Wal-mart within the next 5 years will be the store of choice for consumers seeking organic foods. The Organic Consumers Association, a nationwide organization representing 750,000 organic consumers, claim that the above corporations are being aided by the U.S. Department of Agriculture, who would also like to see weakened standards, where their already stretched resources would be used less to enforce organic rules.

The discussion in the Senate is centred on:

1. The creation of a broad list of synthetic ingredients that would be allowed in organic production. This could permanently allow synthetic processing aids and food contact substances, including over 500 food contact substances, to be used in organic foods without any type of public review for their safety and compatibility with organic production and processing.
2. Proposed regulatory changes that will reduce future public discussion and input and take away the National Organic Standards Board's (NOSB) traditional lead jurisdiction in setting standards.
3. Ingredient Substitution - This could create a serious new loophole in which organic ingredients could be substituted with non-organic ingredients without any consumer notice based upon "emergency decrees". That the USDA and industry lobbyists, and not consumers, will now have more control over what can go into organic foods and products.
4. Antibiotics and Hormone treatments - This will leave unresolved whether young dairy cows could be treated with antibiotics and then converted to organic after twelve months.

During the final week of September, the U.S. Senate plans to vote on a rider to the 2006 Agriculture Appropriations Bill that will take away control over organic standards from the public National Standards Board and put this control in the hands of cabinet level staff at the USDA.

In the first half of September 2005, in Washington, groups representing organic consumers have been urging members of the Senate not to reopen and weaken the federal statute that governs

U.S. Organic standards (the Organic Food Production Act—OFPA), but rather to let the organic community and the National Organic Standards Board resolve the differences over issues like synthetics and animal feed internally, and then proceed to a open public comment period. Senators, however, are being heavily lobbied by groups representing the organic producers, and corporations including Kraft, Wal-Mart and Dean Foods.

Implications

The rider could have a few possible consequences for organic producers. Firstly, it could weaken the standards so that larger scale producers could gain a competitive edge over smaller producers for the US organic market space. Conversely, it could benefit those trading with a "clean and green" image to differentiate their product as "more organic" than its counterparts. Further, through labelling requirements, and cost competitiveness, it could rule out some organic producers from truly competing at the relatively level field currently enjoyed through the statutes requirements. Conscientia will watch closely what will happen with this bills rider carefully.

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