



O DAIRY Act of 2023

The Next Farm Bill | Dairy Marker Bill

The Organic Dairy Assistance, Investment, and Reporting Yields Act (O DAIRY ACT) was recently introduced by Senator Welch (VT) to provide long- needed support for organic dairy producers. Similar to what conventional dairy has received for many years, the O DAIRY ACT will provide improved data collection, support to help cover dramatically increased input costs, and key investments in infrastructure.

Organic dairy farmers are in crisis. Organic milk is the top selling organic commodity, bringing in over \$1.6.1 Family owned organic dairy farms support rural communities, fight environmental degradation, and provide a local supply of high quality milk.

However, increased market consolidation in processing and a shrinking field of buyers have led to family farmers receiving low pay-prices for many years. Recent dramatic increases in energy and feed costs due to unstable international markets mean that low pay-price does not cover the cost of production.

THE O DAIRY ACT WILL:

Improve data collection and reporting for organic dairy including:

- Cost of production data for organic milk (including all costs, not just organic feed)
- Organic All Milk Price Survey, analogous to the existing National Agriculture Statistic Service (NASS) All Milk Price Survey, to gather and report monthly data about what organic farmers are being paid for their milk, nationally and in regions with the largest organic dairy production
- Organic cost-of-production data by state and regional data relating to the quantity of organic milk production; organic mailbox price; and major organic feedstuff prices



THE O DAIRY ACT CONT.

Require USDA to propose a safety net program for organic dairy farms based on organic-specific milk and input cost data that prioritizes small farms.

Provide investment in organic milk processing infrastructure to enhance regional milkshed markets that seek to drive a greater affinity for regionally sourced and processed organic dairy products by incentivizing support for:

- The development of new organic dairy processing plants that support multiple regional small dairy operations
- Initiatives that establish institutional purchasing of local organic dairy products
- Investment in infrastructure to gain transport and processing efficiencies
- The establishment of on-farm organic dairy processing and storage
- Producers and processors that want to expand regional organic processing infrastructure serving small dairy operations
- Initiatives that support increasing regional processing capacity
- New Regional Organic Dairy Market Specialist positions in each major organic dairy producing region to conduct research on the marketing of organic dairy.

Provide immediate support to address dramatically increased organic input costs for organic dairy farms by extending Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP) to cover certain losses related to higher than normal organic feed or other input costs.

A CLOSER LOOK

According to the USDA's Census of Agriculture, small commercial farms with 10-199 milk cows declined by 37% between 2007 and 2017, with more exiting the industry since then. Larger farms with 1,000 cows or more have become the dominant players due to their lower average operating costs.

Some small farms have transitioned to organic production, which involves a significant upfront investment and adherence to USDA organic guidelines. These guidelines include a 3-year transition period, abstaining from antibiotic use for herd health, providing pasture access to cows, and using feed grown without the use of fertilizers and pesticides. As organic producers strive to meet these guidelines, they face significant and unique increases in their marketing costs, compounded by increases in feed and transportation costs and the limited availability of organic feed.

Without assistance, small organic dairies will continue to decline, impacting the well-being of our rural communities.

This bill will help ensure organic dairy producers continue to operate as they face a volatile market, higher production costs, unstable feed supply and prices, and other challenges that have created unique hardships.

Read the full bill:
tinyurl.com/ODairyAct