

Organic Infrastructure

Organic Market Development Act

U.S. certified organic sales have surpassed \$67 billion; however, the growth in domestic organic acreage has not matched the increasing national demand for organic goods. The main obstacle for entering the organic market is supply chain challenges, such as processing infrastructure and transportation to reach potential organic buyers and consumers. The **Organic Market Development Act** aims to overcome this barrier, allowing more local producers to benefit from the economic potential of the expanding organic market by making strategic investments in the marketplace.

THE ORGANIC MARKET DEVELOPMENT ACT (S. 2936 / H.R. 5763)

The Organic Market Development Act seeks to codify USDA Agricultural Marketing Service's Organic Market Development Grant Program.

HOW DOES THE PROGRAM WORK?

Eligible applicants, which includes business entities involved in organic food production or handling, non-profit organizations like trade associations, tribal, state, territory, and local government entities, will have the opportunity to apply for two different grant types. The first is a Simplified Equipment-Only pathway, offering funding from \$10,000 to \$100,000. The second is a 3-year Market Development and Processing Capacity Expansion grant, with funding ranging from \$100,000 to \$3,000,000. The proposed legislation allows appropriations of \$25 million for Fiscal Year 2024 and subsequent years.

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 U.S.- 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 U.S.