



USDA Farm Bill Forum

Comment Card

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See written comments enclosed



**Comments to USDA Secretary Mike Johanns and Team
Greeley, Colorado
October 24, 2005**

Aurora Organic Dairy is pleased to be able to offer these comments to USDA Secretary Johanns and his team on the occasion of their visit to our state and promising organic region of Weld County, on October 24, 2005.

First we would like to express our appreciation to the Secretary and his team for arranging the highly beneficial and informative public forums, such as the event in Greeley, Colorado on October 24. We are gratified that the Secretary and his team are traveling the country, talking with farmers, and getting a pulse on the many exciting and challenging opportunities facing U.S. agriculture.

Aurora Organic Dairy (AOD) is an organic dairy company based in Colorado. AOD has a large-scale organic dairy in Weld County CO near the farming community of Platteville. The company recently announced initiation of another organic dairy in Weld County, near the farming community of Kersey, to be built and leased from the 3rd generation Cockroft farming family. AOD also owns an organic dairy in Dublin, Texas in the heart of the "milk shed" of the lone star state. Finally, AOD operated the world's newest and most advanced organic milk processing plant, which is adjacent to the Platteville organic dairy. The company employs about 180 in total, including about 120 farm employees and 40 milk plant workers. All of the company's employees, including farm employees, receive full medical and other benefits, paid vacation and PTO time and the opportunity for company-matched 401K programs.

There are four principle topics that AOD would like to make to the Secretary and his team.

1. Growth of organics in Colorado.

Colorado and the arid inter-mountain west are very good areas for many organic crops and also organic dairy. The Inter-Mountain West has several natural advantages in organic dairying. Our dry environment is naturally lower in parasites, bacteria, animal diseases, plant diseases, destructive insects, and "bugs" in general. Weeds are less prevalent and require less expensive eradication. The climate is good for organic dairy animal health, with lots of sunshine (over 300 sunny days per year), fresh dry air for good ventilation and lung health and mild dry summers with lower heat / humidity index, leading to less heat stress. The winters are dry and sunny as well, allowing not just occasional "outside access" but nearly daily outside residence, resulting in much greater exercise compared to barn-confined animals elsewhere and lower rates of leg and foot problems. In terms of crops, many feed crops grow well here, especially forage crops, including some of the finest alfalfa hay in the country. Organic farming and dairying can be effectively managed with careful management of water resources along with an extensive understanding of the value of native grassland pasture as a component of the diet and its effective management.

2. The role of organics to bring value-added agriculture to the inter-mountain west.

For U.S. farmers, the organic opportunity is a way to bring additional value to crops and enhanced economic prosperity to the farm. U.S. consumers have demonstrated, consistently and increasing, that they will pay a premium for products grown organically. As a result, many farmers and dairy producers are benefiting from the favorable economics of organic production. There are challenges, to be sure, including the very high cost of conversion and the current high cost of feed and protein for organic dairies. But all in all, organic agriculture helps to bring economic prosperity to many U.S. producers, both smaller scale and larger-scale.

3. Important considerations regarding organic regulations.

The choices that USDA and its staff make regarding the regulatory framework of organic production will have a profound impact on the future growth (or lack thereof) of organic dairy. The organic dairy category is experiencing a significant long-term growth trend, driven by consumer demand. There has actually been a serious shortage in the supply of organic farm milk, the basic input from which all organic dairy products are made. This supply shortfall has continued unabated for several years and shows no sign of slackening. Organic companies are struggling to keep up with demand and are encouraging the fastest and greatest possible rate of supply growth to facilitate this growth.

Unaccountably, amid this consumer growth and supply shortfall there is a small but vocal sub-group within organic dairy that is proposing illogical restrictions that would significantly slow the rate of supply growth and lead to massive supply disruptions. These proposals include:

- a) Eliminating the essential flow of replacement heifers raised organically for 12 months, and instead allow only those heifers that are organic from the last 1/3 of their mothers' gestation. If enacted, this restriction would dramatically reduce the available pool of heifers used for growth purposes, to replenish herds during transition or to help restore herds that are debilitated by disease or other problems. The restriction would also cause the price of the few remaining organic heifers to skyrocket, creating serious economic hardship for all producers. This ill-thought move would essentially shut down much of the growth of organic farm milk supply and would greatly exacerbate the current supply shortages, plus it would be economically damaging to all organic dairy producers.
- b) Requiring minimum of 30% dry matter intake (DMI) from pasture over a minimum of 120 days during the growing season. Not one academician or animal scientist with knowledge of organic dairy in the arid west has ever supported this proposal, nor have they verified that this proposal is feasible or even achievable. On the contrary, several highly skilled and knowledgeable experts in western-style dairy have testified that this proposal would be a disaster for organic dairy in the arid inter-mountain west.

It is very important that USDA perform a careful, comprehensive study of the potential impact of the above-listed and other proposed regulatory changes, prior to any action to impose them on organic dairy producers. Many companies have made, and are continuing to make, substantial investments in the organic dairy sector. Those investments, and the commitment of both producers and manufacturers to help grow the opportunity, should not be subject to illogical restrictions with no basis in animal health, environmental sustainability

or economics. Rather, the people who invest their futures in organic should know that a careful consideration by government will precede any attempt to impose harmful restrictions or market-damaging limitations.

4. Assistance that USDA can provide to growth and prosperity of organic dairy in the arid west. USDA can act in several ways to ensure that there is growth and prosperity in organics, both in general and in the specific region of the arid inter-mountain west. Two of these actions are outlined below:

- a) Support for the dedicated, hard-working staff at the National Organic Program (NOP). The NOP staff is a wonderful resource for all of us who have the pleasure to work with them in this promising (and a bit crazy) world of organics. They do an amazing job with a complex, new and rapid-evolving area of regulatory oversight. Our request from AOD is that you give NOP the necessary resources, both in staffing levels and funding, to allow them to provide the leadership that their function requires. They work miracles every day amid a huge work load, but we hope that their hard work will be recognized with generous allocations of staff and funding.
- b) Support for programs and regulations that enhance (not debilitate) the growth of organics. We have outlined in this paper several ways in which attempts are being made to shackle the growth of organic dairy with unfounded, illogical and market-disrupting restrictions. These attempts should be rejected, or at the minimum researched carefully in a proven objective manner, to ensure that any regulations enacted work for the benefit of everyone in organics. In this regard, we request that you be especially mindful of proposal restrictions that would be prejudicial against larger-scale producers – restrictions that in some instances would seek to harm those larger organic producers who seek to bring the benefits of organic to Americans in larger and more innovative formats.

In conclusion, Aurora Organic Dairy would like to offer the observation that organic agriculture is for everyone, not just for the few. The organic opportunity should stretch across all geographies, east and west and in between, in both arid and verdant climates, produced by farms of all scales and sizes and types of ownership. Organic regulations should also work for everyone and not be designed to favor one particular sub-set of organic producers. Above all, USDA policy should be oriented to promote the greatest possible growth of organics, not its restriction, so that as many U.S. farmers as possible may participate in this promising and profitable part of American agriculture.

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