

The Organic Market Development (OMD) Act continues federal investment in organic infrastructure by codifying an existing USDA program to ensure processing infrastructure exists to bring organic agricultural products from farms to consumers.

In 2023, USDA announced the Organic Market Development Grant Program to support development of critical processing infrastructure to support farmers bringing new organic products to market. This program was a success garnering hundreds of applications and \$218 million in request for only \$75 million in available funding. The organic industry needs market expansion and increased domestic processing to meet growing consumer demand, generate greater farm-to-retail efficiencies, and motivate greater adoption of regenerative practices inherent in organic agriculture.

The solution is the Organic Market Development Act:

- ✓ Empowers the organic community to meet
- ✓ consumer demand;
- ✓ Increases farm resilience; and
- Shores up our domestic supply chain.

OTA is pleased to see inclusion of the Organic Market Development Grant Program in the Senate's Rural Prosperity and Food Security Act of 2024 (Majority Framework).

Grants under OMD will be structured in three project types:

- 1 24-month Simplified Equipment-Only with funding between \$10,000 and \$100,000 Empower farmers:**
 - ✓ Purchase and install new processing equipment,
 - ✓ Process, package, and store products or commodities on farm, and
 - ✓ Access markets and protect their crops from weather and pests while waiting to go to market.
- 2 3-year Market Development between \$100,000 and \$3,000,000 with 50% cost share; Leverage company investments:**
 - ✓ Develop new products,
 - ✓ Create new marketing avenues, and
 - ✓ Expand organic consumer education
- 3 Processing Capacity Expansion between \$100,000 and \$3,000,000 with 50% cost share; Support domestic processors:**
 - ✓ Bring new products to market,
 - ✓ Increase processing line capacity, and
 - ✓ Protect feedstuff users from international market fluctuations.

The legislation provides \$75 million in annual Farm Bill funding through the Commodity Credit Corporation and an additional \$25 million made available through appropriations.

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