National Organic Program publishes Origin of Livestock Final Rule

by MCS Staff

On April 6, 2022, the USDA National Organic Program (NOP) published the long-awaited Origin of Livestock (OOL) final rule. The rule will take effect on June 6, 2022, with all certified organic producers required to fully comply with the new rule by April 5, 2023, which is 10 months from the effective date.

The Origin of Livestock rule has been introduced, delayed, and proposed several times since it was first proposed in 2015. The rule is necessary because of compliance inconsistencies by some producers and certifiers with the existing livestock regulations for herd transition and provisions of the Organic Foods Production Act of 1990 (OFPA). MOFGA Certification Services (MCS) has always interpreted the OFPA and NOP regulations to allow a one-time, whole-herd transition of a dairy herd from conventional to organic, but some certifiers have allowed “continuous transition” — meaning that young stock groups that were raised as organic since the last third of gestation (pregnancy) are moved off farm after birth, managed conventionally at a lower cost, and then re-transitioned back to the organic herd. This change to the USDA organic regulations will promote a fairer and more competitive market for all organic dairy producers, by making sure that certified USDA organic dairy products are produced to the same consistent standard.

USDA’s National Organic Program will oversee the new rule, and certifiers will ensure consistent compliance, which in general:

- Allows a dairy livestock operation transitioning to organic, or starting a new organic farm, to transition non-organic animals one time.
- Prohibits organic dairies from sourcing any transitioned animals. Once a dairy is certified organic, animals must be managed as organic from the last third of gestation. Variances may be requested by small businesses for specific scenarios (noted below).
- Is designed to maximize the number of animals that live a fully organic life from the last third of gestation and prohibits operations from sourcing any transitioned animals.

The OOL final rule introduces the following new definitions for the first time. “Organic management” is defined as: “management of a production or handling operation in compliance with all applicable provisions under this part.” The term “third-year transitional crop” is defined as: “crops and forage from land included in the organic system plan of a producer’s operation that is not certified organic but is in the third year of organic management and is eligible for organic certification in one year or less.” Finally, the term “transitioned animal” is defined as: “A dairy animal converted to organic milk production in accordance with §205.236(a)(2) that has not been under continuous organic management from the last third of gestation; offspring born to a transitioned animal that, during its last third of gestation, consumes

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third-year transitional crops; and offspring born during the one-time transition exception that themselves consume third-year transitional crops.”

New operations or operations converting to organic may purchase or raise organic animals, or transition nonorganic animals to organic production once. Once an operation is certified, all animals must be organically managed from the last third of gestation.

Once certification is complete, an operation may only source animals that have been under continuous organic management since the last third of pregnancy. An operation cannot source (purchase, sell or transfer) transitioned animals from another operation.*

Some small businesses may be granted limited exceptions by the Agricultural Marketing Service (AMS) administrator when the certified operation selling the transitioned animals is part of a bankruptcy proceeding or a forced sale; or the certified operation has become insolvent, must liquidate its animals, and as a result has initiated a formal process to cease its operations; or the certified operation wishes to conduct an intergenerational transfer of transitioned animals to an immediate family member. Requests for an exception must be submitted to an operation’s certifying agent and approved by the USDA’s Agricultural Marketing Service.

Benefits and Costs

The rule also includes a summary of benefits and costs. The rule ensures more consistent production and certification practices, and promotes the ability to compete more fairly in the organic dairy market. The rule’s costs were evaluated by the Office of Management and Budget, and are considered low and to mainly affect producers who were continuously sourcing transitioned animals – $615,000-$1,845,000 total annual cost, spread across the organic dairy industry.

All certified organic dairy operations must comply with the OOL rule by April 5, 2023. Certified operations that began transitioning livestock before April 5, 2022, may complete these transitions. All transitions must be complete by April 5, 2023. Certified operations may source transitioned animals for one year until April 5, 2023. Certified operations may not source transitioned animals after April 5, 2023.

The NOP will review certifiers’ systems of oversight and enforcement for updates that reflect the rule’s new requirements, such as updated Organic System Plan (OSP) templates and inspection reports, and they have stated they will provide training for certifying agents and producers via the Organic Integrity Learning Center, and will begin auditing certifiers and operations for compliance with the rule once fully implemented.

More information about the Origin of Livestock rule is available at:  ams.usda.gov/rules-regulations/national-organic-program-origin-livestock. Feedback on the final rule can be sent to:  nop.guidance@usda.gov. If you have questions about the new rule please contact your certification specialist or the MCS office.

### ORIGIN OF LIVESTOCK FINAL RULE

The Origin of Livestock (OOL) final rule revises the USDA organic regulations to clarify the one-time transition of dairy animals to organic production

#### WHAT DOES THE RULE DO?
- Describes how and when nonorganic dairy animals can be transitioned into organic production
- Harmonizes the market by ensuring all organic dairy producers use the same transition practices

#### HOW WILL THE RULE BENEFIT FARMERS?
- Ensures more consistent production and certification practices
- Promotes the ability to compete more fairly in the organic market

#### OOL IN PRACTICE

New or transitioning dairy operations may:
(a) Purchase or raise organic animals, or
(b) Transition nonorganic animals to organic production ONCE.

Once certification is complete:
(a) The operation may only add animals that have been organically managed from the last third of gestation.
(b) The operation cannot source transitioned animals from another operation.*

To learn more about the rule, please see AMS’s website:  www.ams.usda.gov/organic

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