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June 11, 2025

Ms. Erin Healy, Director, Standards Division  
National Organic Program  
USDA–AMS–NOP  
1400 Independence Ave. SW., Room 2642-So., Ag Stop 0268  
Washington, DC 20250–0268

National Organic Program: Market Development for Mushrooms and Pet Food - Proposed Rulemaking  
Rescinding Final Rule Comment  
Docket Number: AMS-NOP-22-0063  
Regulatory Information Number: 0581-AE13

Dear Ms. Healy:

Thank you for the opportunity to provide comments on the Notice of Proposed Rulemaking Rescinding the Final Rule for Market Development for Organic Mushrooms and Organic Pet Food (“Proposed Rulemaking”). The Accredited Certifiers Association (ACA) is a nonprofit educational organization, and our membership includes 64 of the 72 certification agencies that are accredited by the United States Department of Agriculture (USDA), several in the process of becoming accredited, and associate members that support ACA’s mission. Our mission is to ensure consistent interpretation of USDA Organic Regulations through collaboration and education of accredited certification agencies.

**The ACA strongly opposes the USDA’s recently proposed rule to rescind the Final Rule for Market Development for Mushrooms and Pet Food.**

We urge USDA to reconsider this action, and proceed with implementing the rule - which provides clarity and consistency to domestic producers and processors looking to access valuable markets. The pet food industry is valued at \$126 billion in 2024, and the organic and natural pet food market is expected to grow by 6.87% from 2025 to 2033.<sup>1</sup> The domestic organic mushroom market is also ripe for growth - while domestic organic mushroom production was 156 million pounds in the 2021-2022 growing season, organic mushroom imports number over 50 million pounds since implementation of new tracking requirements in March 2024. Far from creating regulatory burdens or increasing barriers to entry, the

<sup>1</sup> See

<https://www.globenewswire.com/news-release/2025/02/27/3033724/28124/en/Organic-and-Natural-Pet-Food-Market-Research-2025-2033-by-Pet-Type-Product-Type-Packaging-Type-Distribution-Channel-and-Region.html>

Final Rule for Market Development for Mushrooms and Pet Food (“Final Rule”) *creates* market opportunities for American producers and processors - market opportunities that may be filled by imported products without clear and consistent rules to govern domestic production. The Final Rule is part of a marketplace driven strategy to support domestic farmers and processors; withdrawing it would undermine the very interests USDA is committed to serving.

**The proposed rescission harms the organic sector as a whole.**

*Clear regulations are the backbone of organic.* Organic doesn’t fit neatly into a “deregulatory” model. Prior to federal rules being published in 2002, the organic marketplace struggled with inconsistencies, differing and distinct labeling guidelines, and consumer confusion. Organic as a sector chooses voluntary regulations - building a public-private partnership that creates market opportunity. Organic operations choose to abide by established and consistent rules, and communicate that to their consumers, who choose organic when that makes sense for their families, values, or other needs. Organic has created business opportunities for American farmers and processors, and met the demands of American consumers, because of - not in spite of - clear regulations. The USDA’s proposed rule rescinds standards that bring clarity and opportunity to segments of the organic market ripe for development.

These business opportunities falter when clear standards do not exist, and consumer trust in the seal is eroded. Decreased confidence in the organic seal creates a significant financial loss for organic farmers and businesses - and also creates a negative ripple effect on the rural American economy.<sup>2</sup> A lack of clear standards creates vulnerabilities for organic - including the farmers and businesses who earn a living based on its promise - and for USDA, who has invested in the seal as an opportunity to strengthen consumer support of American-produced agricultural products.

In the context of the Final Rule, we are not just assuming that business opportunities may exist in the organic mushroom and pet food sectors. Work done over the last three decades - starting with a 1995 National Organic Standards Board (NOSB) recommendation on mushroom standards and a 2008 NOSB recommendation on pet food standards, and including at least 4 NOSB meetings, listening sessions, and over 3000 public comments - has made clear that the Final Rule would create significant market access for domestic producers and processors. As noted in the final rule:

[m]arket penetration data supports the idea that the organic mushroom and organic pet food markets have a reasonable expectation of growth if uncertainty and inconsistency are removed as barriers. Both [the mushroom and pet food] markets currently lag behind their most-comparable organic sectors. In 2023, sales of organic produce accounted for a 15.2 percent share of all produce sales in the United States, but mushrooms sold as organic only accounted for 9.6 percent of all mushroom sales during the 2023-2024 marketing year. Considering that the consumer experience of purchasing mushrooms is typically similar to purchasing fruits and vegetables..., it is reasonable to conclude that some external barrier is inhibiting the organic mushroom market. Similarly, organic pet food accounts for only 0.32 percent of all pet food sales. The closest organic category of comparison for organic pet food is organic non-food products.... All other non-food product types tracked by the Organic Trade Association have at least twice the market share of organic pet food....

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<sup>2</sup> See “Hotspots and Spatial Autocorrelation in Certified Organic Operations in the United States,” by Julia Marasteanu and Edward C. Jaenicke.

Withdrawing the Final Rule abandons these identified market opportunities, harming American farmers and processors.

Withdrawing the Final Rule also harms certifiers and organic integrity as a whole. It creates uncertainty in the market, and weakens the ability of USDA to enforce the organic seal. It creates opportunities for inconsistent interpretations, certifier shopping (moving from certifier to certifier in search of the most favorable interpretation of rules), fraud, and eventual consumer distrust in the organic seal. Moreover, a vague regulatory framework creates additional work for certifiers - who have to invest in developing and changing policies, revising interpretations, and checking in with other certifiers to promote consistency. This is all within the bounds of the regulations, but it is work that diverts resources from certifiers' core efforts of verifying compliance. When strong standards exist, certifiers are able to verify compliance more consistently and clearly, which creates a more secure market opportunity for producers and processors.

*Organic regulations must keep up with industry growth and shifting consumer preferences.* The organic regulations were published in 2000, 25 years ago. While far-reaching, they of course could not predict how the industry would grow in the United States, or what market opportunities might present themselves. Developing regulations specific to pet food and mushrooms before the market grew into those opportunities would have been a questionable investment of resources in 2000. But today, with clarity on the growth of the market, business opportunities for domestic producers and processors, and shifting consumer demand - it is clear that organic mushroom and pet food standards are needed for organic to continue to grow. With organic mushroom and pet food standards, American producers can access market opportunities that today are left on the table, and American consumers can find more American organic products they desire on the grocery store and pet store shelves.

*Withdrawing the Final Rule causes financial harm to certifiers, the organic industry, and the American public.* As certifiers, our members are tasked with updating processes, procedures, forms, and approaches to ensure new rules are enforced appropriately. This is done most efficiently in the months between November and May, when the volume of inspections and related certification work is lower than in summer and shoulder-season months.

Given this, certifiers have spent the last 3-6 months investing in updates to processes and procedures to ensure effective and efficient implementation of the Final Rule. Between the efforts discussed above (NOSB meetings and stakeholder engagement) and these "business of certification" updates - the organic sector has done a vast majority of the work (some estimate 75-80%) of standards implementation, but withdrawal will mean that the sector won't enjoy any of the return on that investment. Implementation of final rules is a process, not a singular event - and if the Final Rule is withdrawn, certifiers will be left with the costs of that process, but without any of the benefits of market opportunities the Final Rule would have created.

Similarly, withdrawing the Final Rule throws away the investment (from both the public and private sectors) of nearly two decades of time and resources into assessing the needs for this rule, gathering stakeholder input, and developing clear and strong standards. The organic industry and the American taxpayer have paid for this work - and will be left without the fruits of that labor, the Final Rule. When we think about good use of government resources, investing in standards development to just throw away the final product is not a sound business decision, and results in very limited return on that investment.

**Pet Food: The proposed rescission harms the burgeoning organic pet food sector, consumers who want to feed their pets organic food, and organic livestock farmers who lose a premium market into which to supply inputs.**

While organic food and agriculture in the United States has experienced tremendous growth over the last ten years (from \$39 billion in sales in 2014 to nearly \$72 billion in 2024, according to Organic Trade Association (OTA) data), organic pet food as a category has contracted. According to OTA data, the organic pet food sector has shrunk from \$125 million in sales in 2015 to just \$105 million in sales in 2024. This is not for lack of demand. According to the American Pet Products Association (APPA), American pet owners spent over \$65 billion on food and treats for their pets in 2024.<sup>3</sup> And recent studies show that American pet owners are willing to pay more for specialty food.<sup>4</sup> APPA data shows that 54% of dog owners and 47% of cat owners have purchased or intend to purchase a pet food with attributes such as “non-GMO” or “sustainable”.<sup>5</sup>

American organic pet food market opportunities are stifled by lack of USDA organic pet food regulations, leaving pet food assessed under both processing and livestock feed standards, but fitting in neither. Pets, including cats and dogs, require sources of animal protein. Additionally, pet food is regulated by the FDA and state agencies, requiring specific amino acid profiles to meet complete and balanced diet designations, or a costly and potentially controversial series of feeding trials to achieve market access for complete and balanced diet. The Final Rule creates an organic pet food standard that expands opportunities for organic pet food to achieve the specific amino acid profiles that meet AAFCO “complete and balanced diet” designations - without the Final Rule, this is significantly more difficult.

In 2008, the National Organic Standards Board (NOSB) recommended that NOP develop pet food regulations, and 16 years later the marketplace finally saw a final rule. Rescission of this rule harms the marketplace and domestic pet food production opportunities. Internationally recognized markets have standards for pet food,<sup>6</sup> leaving domestic production at a market disadvantage. Without specific regulations, certifiers apply differing interpretations to the same products, leaving consumers without clarity or consistency in product oversight.

The Final Rule - broadly supported across the organic sector and by the Pet Food Institute<sup>7</sup> - provides long-overdue regulatory clarity, removes the barriers to growth and innovation that a lack of standards creates, and facilitates development of an organic pet food sector to meet this demand.

The Final Rule also aligns organic pet food formulations with AAFCO nutritional guidelines, authorizes

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<sup>3</sup> See

<https://americanpetproducts.org/news/latest-pet-ownership-and-spending-data-from-appa-reveals-continued-strength-of-national-pet-industry-in-the-face-of-economic-uncertainty> .

<sup>4</sup> See “Assessing the Implicit Prices of Health and Wellness Product Attributes in Pet Food: A Hedonic Analysis Approach,” at

<https://www.cambridge.org/core/journals/journal-of-agricultural-and-applied-economics/article/assessing-the-implicit-prices-of-health-and-wellness-product-attributes-in-pet-food-a-hedonic-analysis-approach/04D8EA0FA29E2C93B3B17CDA8D95419B>.

<sup>5</sup> See

<https://www.petfoodprocessing.net/articles/18630-state-of-the-us-pet-food-treat-industry-in-2024#:~:text=Purchasing%20power,health%20benefits%2C%E2%80%9D%20Scott%20noted.>

<sup>6</sup> See

[https://www.google.com/url?q=https://www.fas.usda.gov/data/european-union-eu-adopts-new-rules-organic-pet-food&sa=D&source=docs&ust=1748529184625551&usg=AOvVaw3tQMpPvtP\\_lggcWhRmaBl](https://www.google.com/url?q=https://www.fas.usda.gov/data/european-union-eu-adopts-new-rules-organic-pet-food&sa=D&source=docs&ust=1748529184625551&usg=AOvVaw3tQMpPvtP_lggcWhRmaBl)

<sup>7</sup> See comments submitted in May 2024.

the use of organic animal by-products, and permits essential amino acids necessary for complete and balanced pet food production. This unlocks an incredible market opportunity for organic livestock producers to increase utilization and access markets from tail to snout. The pet food industry uses 6.4 million tons of animal by-products annually, valued at \$8.5 billion. Without a regulatory framework, organic producers - especially livestock farmers in states such as Pennsylvania, California, Wisconsin, North Carolina, Arkansas, and Texas - are denied access to this market and the organic premiums it provides.

### **Mushrooms: The proposed rescission harms American mushroom growers and consumers.**

The mushroom industry faces similar threats. While countries like Canada have had organic mushroom standards in place for years, without clear regulations, U.S. producers are falling behind. Growth of the organic mushroom marketplace has come from imports since 2017. In addition to the import data tracked since the implementation of SOE (and referenced earlier in this comment), USDA's Economic Research Service reported \$654 million in U.S. mushroom imports, with OTA estimating over \$120 million in organic imports - most from Canada. Rescinding domestic standards risks further erosion of competitiveness and market opportunities for U.S. mushroom growers, limiting opportunities for American mushroom producers to scale. Further, domestic growers lose when Canadian growers can grow mushrooms under the clear Canadian standard that allows more input options than are allowed in the US (decreasing the cost of production significantly), and export them to the United States through the equivalence arrangement with the USDA organic seal. With a clear U.S. standard for organic mushroom production, domestic production is promoted, and opportunities for American producers created.

Moreover, similar to the situation with organic pet food - where regulations open up a market for byproducts of organic livestock production - withdrawing mushroom regulations closes a potential downstream market for organic substrates. With clear regulations, byproducts of organic grain and other crop production could be sold into an organic substrate market, creating more value for existing organic producers. Without a regulatory framework, organic grain and crop producers are denied access to this market and the premiums it provides.

Organic mushroom production has existed for decades, and yet even in the earliest days of federal regulation of organic, there was acknowledgment that organic mushroom production was unique and didn't fit perfectly into the standards as they were written. The NOSB's earliest recommendation around mushroom standards was in 1995, and since then certifiers have cobbled together policies and procedures for how to certify organic mushrooms using the existing regulatory framework, NOSB recommendations, and their own expertise.<sup>8</sup>

This approach means that all certifiers do not certify mushrooms the same way. Some certify to the crop standards and some certify to the livestock standards. Some require organic substrates and some do not. This inconsistency has certainly been a challenge for certifiers.

Because the majority of commercial organic mushroom production is currently certified by one certifying agent, this inconsistency (and the challenges that come along with it) may not be fully

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<sup>8</sup> In 2015, the ACA surveyed its members about certification of mushrooms, and sent a letter to NOP in May 2015 with the results. While certifiers' policies may not look exactly the same today, this shows that certifiers and NOP have recognized inconsistencies and misalignment for at least a decade. This is a problem that needs fixing, and that the Final Rule would fix.

perceived yet by certified organic mushroom producers. But without a clear standard, inconsistencies in policy interpretations will continue, and certified organic mushroom operations will encounter them eventually. In other sectors of the organic industry, we have cleaned up inconsistencies with clear standards only after much industry pain and negative impact - this Final Rule takes a proactive approach to solving a known issue before its full impact is felt by industry. This approach, rather than a reactive approach, gives the organic sector the opportunity to address the unlevel playing field and consumer misalignment that the lack of regulations created, before all of the detrimental impacts of those things are felt.

**The proposed rescission does not follow appropriate process.**

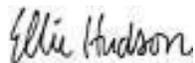
Beyond the substantive arguments in favor of the Final Rule, we are very concerned about the departure from established process and protocol that led to the proposed rescission. Organic is a public-private partnership, and Congress established the NOSB to be the federal advisory body that reflects stakeholder interests and ensures transparent standards development. Issuing a proposed rescission that unravels nearly two decades of stakeholder collaboration, NOSB recommendations, and industry development - without consultation and following established protocol - threatens to undermine stakeholder trust and the integrity of the organic regulatory process while also setting a troubling precedent.

**Conclusion**

ACA appreciates the opportunity to offer comments regarding this Proposed Rulemaking. We urge USDA to reverse course and preserve the 2024 Final Rule. The arbitrary and capricious proposed withdrawal harms a \$71 billion American organic sector that thrives on strong, clear, and voluntary regulations. It leaves market opportunities in pet food, mushrooms, and associated downstream input production on the table, and closes avenues to those opportunities for American farmers. On behalf of our membership, we support implementing clear, practical, and sector-desired standards for organic market development.

We appreciate the opportunity to provide comments and look forward to continued engagement as we work together to strengthen the organic sector.

Respectfully submitted,



Ellie Hudson  
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