June 30, 2010

National Organic Program, AMS, USDA 1400 Independence Ave SW Room 2624-So., Ag Stop 0268 Washington, DC 20250-0268

Re: AOHGA Petition to Remove Hops, Addendum #1

The American Organic Hop Grower Association ("AOHGA") supports the removal of hops from the National Organic Program's National List of Allowed and Prohibited Substances as a non-organically produced agricultural product allowed in or on processed products labeled as "organic" (section 205.606). The AOHGA submitted a petition to the USDA on December 8, 2009 and is working through the petition process. This document serves as supplemental information to be included as an addendum to the original petition.

Since the NOSB recommendation to include hops on the National List in June 2007, the U.S. organic hop industry has made significant advances. In 2007, organic hops were being produced in Europe and New Zealand. Since then, hop farmers in the Pacific Northwest, as well as other growing regions throughout the U.S., are now producing organic hops on at least 100 acres of farmland, resulting in tens of thousands of pounds of organic hops produced domestically in 2009. However, non-organic hops are still being purchased for use in organically labeled beer. The use of non-organic hops in organic beer has significantly reduced the demand for organic hops, which, in turn, will cause organic acreage to be removed from production. The current inclusion of hops on the National List has a significant negative impact on the organic hop industry.

In the following paragraphs, the AOHGA will address a few of the main arguments against the removal of hops from the National List.

Since not all hop varieties are available organically, hops should remain on the National List.

At least thirty varieties of organic hops are now grown, which is nearly triple the number of non-organic hop varieties that were grown and used to make beer in the U.S. two decades ago (Attachment A & B). With the relatively recent development of hop breeding programs, over 175 varieties of hops now exist, and new ones are being developed each year (Attachment C). Therefore, it is unreasonable to expect that hops will have a readily accessible organic version of every variety. Additionally, with respect to most (if not all) crops, the number of available organic varieties does not equal the number of non-organic varieties, so hops should not be held to a different standard.

Some varieties of hops are not currently grown organically and possibly never will be, but to use that fact to argue commercial availability under the NOP is contrary to the philosophy and practice of organic production. The NOP crop pest and disease management practice standard (section 205.206) states that a "producer must use management practices to prevent crop pests, weeds, and diseases including but not limited to... selection of plant species and varieties with regard to suitability to site-specific conditions and resistance to prevalent pest, weeds, and diseases" (Attachment 1). The NOP rule recognizes that not all varieties of a crop are appropriate for organic production, so it is therefore contrary to the intent of the NOP to expect all varieties of a crop be commercially available in organic form.

Many hop varieties are highly susceptible to pest and disease, so much so that organic production is unfeasible. Breeding programs did not have organic production in mind when developing new hop varieties, so for some varieties, it is not a situation of developing organic practices that allow them to be grown – the hop varieties are simply not candidates for organic production given their genetic background. A policy that allows organic beer to be produced with non-organic hop varieties that are highly unlikely to be successfully grown organically is having a devastating effect on the development of organic hop production.

A desired hop variety that is perceived as unique is not grown organically.

While some may argue that hops are not interchangeable, the approximately thirty organic hop varieties grown are sufficient to brew any style of beer known. Charles Bamforth, an Endowed Professor of Malting and Brewing Sciences at University of California-Davis, states, "The hops industry is now capable of furnishing ample quantities of top quality hops thus cultivated. These true organic hops are sufficient for the production of beers of all known styles" (Attachment 2).

While a brewer may believe that one particular variety (of the over 175 in existence) imparts a unique characteristic or flavor profile to a beer, the fact that a brewer's preferred variety is not currently grown or potentially cannot be grown organically should not be reason for hops to remain on the National List.

There are not enough organic hops available on the market to meet the needs of organic breweries.

Because hop growing is a specialized and capital-intensive enterprise requiring long-term planning, hops have historically been purchased using multi-year production contracts with very few hops produced for the spot market each year. Therefore, the quantity of organic hops available is affected by the unique nature of the hop market and its reliance on forward contracting.

As of April 2010, the AOHGA estimates that nearly 100% of the non-organic hops being produced in 2010 are under contract, whereas **less than 10% of the U.S. organic hops being produced in 2010 are under contract**. In the U.S., at least 90 additional acres of certified organic land is available for organic

hop production by crop year 2011, and at least 70 more acres could be available by 2012-2013. In sum, the U.S. organic hop industry has the potential to double by next crop year and nearly triple within three years. Additionally, Winfried Fuchshofen of Organic Insights, an importer of organic hops from Germany, states, "We are in a position to easily double the number of available varieties and quintuple the total amount of organic hops for the U.S. in short order" (Attachment 3).

Not only is forward contracting the industry norm (and common practice in sourcing other organic ingredients), hop growers have actually been discouraged from growing hops that are not under contract. During the 2009 harvest, many hop farmers left uncontracted hops unharvested in the fields, and some farmers who do not have 2010 contracts in place are not growing any hops at all. Therefore, until brewers begin entering into forward contracts for organic hops, the available certified organic acreage will remain idle in future years.

If hops remain on the National List and brewers have no incentive to enter into forward contracts for their organic hop needs, the organic hop industry will decline in size. It is not financially feasible for growers to continue producing excess hops for the spot market. Removing hops from the National List is essential to developing a viable and sustainable organic hop industry.

About the AOHGA: The American Organic Hop Grower Association was formed by organic hop farmers to promote the use of organic hops. For more information, please visit <u>www.usorganichops.com</u>.

Attachments:

- 1. NOP Section 205.206 & "Pest Management in Organic Farming Systems: The NOP Standard" by Mary E. Barbercheck, Penn State University
- 2. Letter of Support from Charles Bamforth, Professor of Malting and Brewing Sciences at University of California, Davis
- 3. Letter of Support from Winfried Fuchshofen, President of Organic Insights, Inc.

Petition to Remove Hops from the National List, submitted by the American Organic Hop Grower Association on December 8, 2009

- 1. Letters of Support:
 - i. Anheuser-Busch, Inc. Paul A. Cobet, Director of Technical Center
 - ii. Hopunion LLC Ralph Olson
 - iii. Sierra Nevada Brewing Co. Ken Grossman, Owner/President
 - iv. Lakefront Brewery, Inc. Russell J. Klisch, President
 - v. Seven Bridges Cooperative Microbrewery, Inc. Amelia Slayton, President & CEO
- 2. Exhibits:
 - A. List of Organic Hop Varieties
 - B. U.S. Hop Production, 1983-1985
 - C. List of Hop Varieties
 - D. Briess Malt & Ingredients Co: Products
 - E. Letter from Reser's Fine Foods, Inc. (Tawnie Brown, Corporate Purchasing Manager, Raw Materials)
 - F. Hop Substitutability Guides
 - G. Brew Your Own Magazine: Comparing and Selecting Hops, India Pale Ale
 - H. Organic Supply and Demand by Kathryn Trim
 - I. Importance of Forward Contracting in the Hop Industry
 - J. Spot Market and the Hop Industry

§ 205.206 Crop pest, weed, and disease management practice standard.

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(a) The producer must use management practices to prevent crop pests, weeds, and diseases including but not limited to:

(1) Crop rotation and soil and crop nutrient management practices, as provided for in §§205.203 and 205.205;

(2) Sanitation measures to remove disease vectors, weed seeds, and habitat for pest organisms; and

(3) Cultural practices that enhance crop health, including selection of plant species and varieties with regard to suitability to site-specific conditions and resistance to prevalent pests, weeds, and diseases.

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Pest Management in Organic Farming Systems: The NOP Standard

Last Updated: March 12, 2010

eOrganic author: Mary E. Barbercheck, Penn State University

The <u>National Organic Program (NOP) final rule</u> (United States Department of Agriculture [USDA], 2000) defines organic production as a production system that is managed in accordance with the Organic Foods Production Act of 1990 and regulations to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and preserve biodiversity. Certified organic growers use a wide range of IPM practices that comply with the NOP standards.

Section §205.206 of the NOP rule outlines the pest management practice standard. The rule states that a producer must use management practices to prevent crop pests, weeds, and diseases including but not limited to:

- Crop rotation and soil and crop nutrient management practices (§205.203 and §205.205)
- Sanitation measures to remove disease vectors, weed seeds, and habitat for pest organisms
- Cultural practices that enhance crop health, including selection of plant species and varieties with regard to suitability to site-specific conditions and resistance to prevalent pests, weeds, and diseases

As stated in the rule, pest problems may be controlled through mechanical or physical methods including but not limited to:

- Augmentation or introduction of predators or parasites of the pest species
- Development of habitat for natural enemies of pests
- Non-synthetic controls such as lures, traps, and repellents

Only when these practices are insufficient to prevent or control crop pests may an organic farm manager apply either 1), a biological or botanical material not on the National List of nonsynthetic substances prohibited for use in organic crop production (\S 205.602), or 2) a substance included on the National List of synthetic substances allowed for use in organic crop production (\S 205.602), or 2) a substance included on the National List of synthetic substances allowed for use in organic crop production (\S 205.601(e)–(f), to prevent, suppress, or control pests. However, the conditions for using the substance must be anticipated and documented in the

organic system plan.

For more on application of IPM principles to organic weed management, see <u>Integrated Pest</u> <u>Management Concepts for Weeds in Organic Farming Systems</u>.

References and Citations

• United States Department of Agriculture. 2000. National organic program: Final rule. Codified at 7 C.F.R., part 205. (Available online at: <u>http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?</u> <u>c=ecfr&sid=5a8dc602e6a7f29825c884f2a0f3c653&rgn=div5&view=text&node=7:3.1.19.31&idno=7</u>) (verified 11 March 2010).

This is an eOrganic article and was reviewed for compliance with National Organic Program regulations by members of the eOrganic community. Always check with your organic certification agency before adopting new practices or using new materials. For more information, refer to eOrganic's articles on organic certification.

eOrganic 913

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COLLEGE OF AGRICULTURAL AND ENVIRONMENTAL SCIENCES DEPARTMENT OF FOOD SCIENCE AND TECHNOLOGY

ONE SHIELDS AVENUE DAVIS, CALIFORNIA 95616-8598

May 18, 2010

To: The National Organic Standards Board National Organic Program

I urge you to remove hops (*Humulus lupulus*) from the USDA National Organic Program's National List of Allowed and Prohibited Substances, Section 205.606.

In the spirit and reality of beers fairly and justly described as being organic, I feel strongly that all of the key components used in the production of those beers should be truly organically-grown. As hops make such a huge contribution to the quality of most beers (bitterness, aroma, foam, clarity, microbial stability, health and wholesomeness) it seems critical to me that they should have a provenance in keeping with the claims made for beers marketed on an organic platform.

The hops industry is now capable of furnishing ample quantities of top quality hops thus cultivated. These true organic hops are sufficient for the production of beers of all known styles.

Yours truly,

Cubanfort

Charles W Bamforth, PhD, D.Sc Anheuser-Busch Endowed Professor of malting and Brewing Sciences



Organic Insights, Inc.

501 State Route 20 & 22, Suite 201 New Lebanon, NY 12125

To: National Organic Standards Board (NOSB) USDA National Organic Program

May 25, 2010

Dear Members of the NOSB:

Organic Insights, Inc. has been in the organic hop business since 2001. We are currently importing about 6,000 lbs per year of organic hops in the US.

During the last decade, we have been working with two of the most respected and oldest organic hop growers world-wide, the family farms of Eckert and Friedrich from the hop region of Hersbruck in Germany. These family farms started growing hop in 1987, long before the recent boom in organic products started. In cooperation with Lammsbraeu brewery, the world's biggest exclusively organic brewery (www.lammsbraeu.de), they have developed and refined their hop cultivation to a standard of excellence in organic hop cultivation.

Below are the varieties we are presently offering in the US:

Hallertauer Mittelfrueh Hersbrucker Spaet Pearl Hallertauer Tradition Saphir Spalter Select Opal

During a long visit of the farms with interested US clients in the context of the BioFach 2009, the farmers determined that they could immediately increase their export volume to the US by at least 8,000 lbs, and with the proper contracts in place add another 10,000 lbs and grow five additional varieties within 18 months. With appropriate demand we could also offer varieties such as Tettnanger and others from other German organic hop farmers immediately. In summary, we are in a position to easily

Phone: +1 518-794-0026 - Fax : +1 518-751-2200 e-mail: wf@organicinsights.com double the number of available varieties and quintuple the total amount of organic hop for the US to 30,000 lbs in short order.

We also know that other organic hop growers in France, Belgium and the UK have expressed interest in exporting more hop to the US or starting to export respectively.

Since there is more and more domestic organic hop coming on the market, and with the additional amounts and varieties of foreign organic hop available, we do not believe that there is any justification for hop to remain as a non-organic agricultural product in §201.606 of the National List.

To the contrary: We would ask any manufacturer who claims that they cannot get the varieties and quantities of organic hop needed to challenge us with providing their hop. We feel extremely confident that in cooperation with domestic organic hop growers and other importers we could satisfy their demand with appropriate varieties in good quality in a reasonable amount of time.

In conclusion, we respectfully ask the members of the National Organic Standards Board to recommend the removal of hop as a permitted non-organically grown agricultural ingredient from the National List.

Sincerely

Dr. Winfried Fuchshofen, President, Organic Insights, Inc.

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