

 SUMMER 2014

# ORGANIC Report

## Securing Our Organic Future



Investing in Organic Acres

Organic Check Off // Lifecycle of Organic Cotton // Organic Visionaries

## A time for visionaries



**W**hen you receive this edition of the *Organic Report*, you will notice a new look. In addition, we are very excited about the content featured: from a clear look at what a check-off program could mean for organic, to research that is already under way (but still needing more funding), to what is possible to address the critical need to grow organic acreage, the number of organic farmers, and more organic food.

And there's much more. An organic sock company is helping to revitalize the "Sock Capital of the World" (Page 22). A special regulatory feature (Page 16) shows how one company has worked to offer an organic alternative to a synthetic material that has been allowed in processing. This accompanies our Regulatory column giving a data-based overview of comings and goings on the listing of specific allowed and prohibited materials in organic. Our Legislative column looks at how the industry can support candidates who are friendly to organic issues. Meanwhile, a Focus on Fiber looks at the lifecycle of growing organic cotton in Texas (Page 24). And there is a brief look (Page 28) at three visionaries who have been chosen to receive OTA's 2014 Organic Leadership Awards.

As discussions continue about the merits of an organic check-off, I would like to forward to you the following story shared by Doug Crabtree of Vilicus Farms, whom OTA will be honoring with its 2014 Organic Farmer of the Year Award this September in Baltimore during its Annual Awards Celebration. Doug writes:

"One of my farming mentors, who had farmed organically for over 20 years, regressed to non-organic methods on his ~3,000 acre farm several years ago. This individual was (is) a good farmer. He was struggling with a particular weed challenge. For several years, whenever we talked, he would ask if I knew of any research or new practices that could help manage field bindweed. My answer, like that of University weed scientists, was, 'No, we don't have any answers and there is no (more) research.' My point is that a long-time organic farm was 'lost' largely due to inadequate research into organic production systems...which is largely due to inadequate funding for such research. This farmer was a key in his community and region. Within 100 miles, several other organic farmers have quit growing organically once they learned that he had 'thrown in the towel.' It literally breaks my heart."

And thus Doug is among the organic farmers who believe an organic check-off can make a big difference and help turn the tide for growing organic—to funding research that will prove valuable to helping organic farmers be successful, to investing in projects that will nurture new organic farmers and lead to more organic farms.

That's the vision. And visionaries are who will make the difference at this juncture in the organic story.

Laura Batcha  
OTA's CEO/Executive Director

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The *Organic Report* is published by the Organic Trade Association as a service to its members and the organic community. Re-publication of short excerpts is permitted without fee. Contact Organic Trade Association staff to arrange for use of longer material.

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Cover Photo: From left to right, Doug Crabtree and his wife, Anna Jones-Crabtree, of Vilicus Farms and Dag Falck of Nature's Path scout out the new ground in Montana purchased by Nature's Path. Photo by Laurel Johnson.





## The organic check-off: Moving from idea to reality

By Maggie McNeil

**G**ame-changing. Transformative. Ground-breaking. Historic. Unprecedented. Untested. Unproven. Unworkable.

Just add “organic check-off program” after any of these descriptions and that will give a fair sense of the heated debate swirling around what has become the most critical—and, yes, potentially transformative—issue for the organic industry since the first discussions more than 20 years ago to develop national guidelines and regulations for the then fledgling sector.

Supporters of an organic research and promotion check-off program—which would be funded by assessments from the entire swath of the diverse organic community—point to a host of challenges facing today’s organic industry that could be addressed by a large and coordinated check-off funded promotion drive. Strong demand for organic but short domestic supplies, meager research dollars for organic agriculture, and persistent consumer misunderstanding about what distinguishes organic from the plethora of competing labels in the grocery aisle top the list of why the time is right for an organic check-off.

Naysayers contend that such a check-off—one that does not promote a specific commodity, but instead a specific agricultural production process—will be too complex and unruly to manage, and in the end be ineffective. It’s never been done this way, they say. It can’t be done this way, they say. It won’t work, they say.

But maybe it will.

“Considering an organic promotion check-off board is the next responsible step in spreading the value of organic food,” said George Siemon, one of the original founders and now head of Organic Valley, the largest organic farm cooperative in the country. “We need to broaden our educational efforts in schools, increase research and aid consumers and farmers in their choosing organic. I think that the small amount of investment and contribution to an organic promotion board will have a great return and safeguard the organic marketplace.”

Organic pioneers like Siemon are used to hearing “it can’t be done...” and then doing it.



**“The organic check-off is an enormous opportunity that the Farm Bill has created, and the industry should take advantage of it. However you want to structure it, however you want to do it, you should take advantage of it because it can literally put resources behind research and industry and do it in a very collaborative and participatory way.”**

Secretary of Agriculture TOM VILSACK  
(at OTA’s 2014 Policy Conference)



Twenty years ago the organic industry in America was barely a niche in the big food sector, with sales hovering around a billion dollars and easily available organic products few and far between for most consumers. Fast forward to today. Organic sales are being stoked by booming consumer demand and broke a new record of over \$35 billion in 2013. More than 80 percent of families in the U.S. now buy organic products. Every day, almost a quarter of the carrots being sold in grocery stores are organic. The USDA Organic seal now ranks up with the Good Housekeeping seal of approval and the Better Business Bureau seal as one of the most trusted assurances of quality and integrity.

## GROWING PAINS TO WORK THROUGH

But not everything in the organic community has made equal strides. As the success of the organic industry has expanded, problems have arisen at the farm gate, in the research labs and the test fields, and in the mind of the consumer.

More farmers in America need to go organic. The number of organic farms and ranches in the country has risen in the past decade and the value of U.S. organic farm sales has soared by more than 80 percent in the past five years. But despite those gains, domestic organic production simply hasn't been able to keep pace with robust consumer demand.

According to the 2012 U.S. Census of Agriculture, there are now around 17,000 organic farms in the U.S. out of an estimated 2.1 million total farms; acreage used for organic agriculture accounts for just 0.6 percent of all U.S. farmland, while organic food sales make up over 4 percent of the total annual food sales. As a result, imports of organic food products have exploded. In 2013, U.S. consumers devoured \$1.4 billion worth of foreign-grown organic foods—almost triple the level of the previous year. Experts agree that to meet increasing consumer demand, the U.S. has to grow more organic.

Organic research has also been left short. The 2014 Farm Bill expanded its organic research budget to \$100 million over five years, but that represents a smidgen of the total \$1.2 billion allocated by Congress for all federal agricultural research. And as the interest in organic production has accelerated in recent years, research dollars are even more scarce.

"Federal dollars that are available for organic research are becoming very competitive," said Jane Dever, professor and cotton breeder at Texas A&M who has done research on developing cotton varieties for organic production systems. "But this increased competition is a good thing, because it shows me that more people want to conduct organic research projects."

"The need for more organic research, and a funding mechanism to finance it, is huge. Research of organic seed breeding is starving for funds, as is any research involving long-term organic farm system trials," said organic farmer Doug Crabtree. Crabtree and his wife Anna grow 19 different heirloom and specialty grains, oilseed and pulse crops on the farm they co-own in north-central Montana.

And consumers are confused. One-third of organic consumers are new to the market and have been buying organic for less than two years. These new organic shoppers often are not fully aware of all the benefits and guarantees that the certified organic seal represents. To add to the bewilderment, all



**"The industry-wide organic check-off system is a crucial development for the organic movement. We are at a crossroads with the industrial agricultural machine on the one hand and sustainable organic agriculture on the other. Their propaganda machine is huge, sophisticated and well-funded, and spreads misinformation with media, politicians and other key cultural stakeholders and influencers. We need to expose their lies, and advance the powerful solutions organic agriculture presents to feeding the world in a healthy sustainable manner. From mitigating climate change to eliminating dangerous polluting pesticides, we have answers to pressing problems that need to be more widely understood and embraced."**

DAVID BRONNER

President of Dr. Bronner's Magic Soaps



**"The future for organic farmers, consumers and the planet is great if we come together as a community to fund our collective needs. At UNFI, a successful check-off program would create more jobs because of increased sales for organic. We would have more distribution hubs with more farmers participating in trade. We would have more farmers growing more organic food because many of the technical barriers would be addressed with improved research. UNFI could purchase more domestic organic products and rely less on imported organic items."**

**MELODY MEYER**  
Vice President for Policy and  
Industry Relations, UNFI

consumers are getting bombarded by the unregulated claims on food that pop out at them everywhere in the supermarket. What is the difference between organic and natural? What does sustainable really mean anyway? And if it's non-GMO, is that the same thing as organic? Oh, and what about the free-range and grass-fed stuff? Wait, if it's local, that's as good as organic, right?

"There's a huge lack of knowledge about organic. Even people who buy organic regularly have no idea that there is a huge infrastructure of regulations and standards behind it," said Catherine Greene, a long-time organic specialist at USDA's Economic Research Service.

## THE VALUE OF THE CHECK-OFF

Educating the consumer in a unified industry voice about a certain commodity through promotional and marketing campaigns is the cornerstone of the 22 national check-off programs in place. It makes sense that the more an individual knows about the beneficial qualities of a product, the more likely he or she will be to buy it. And the louder and stronger the voice being used, the clearer that message will come across.

"When it comes to expanding market share, increasing revenue and getting the word out about a great product or commodity, check-off programs prove that there's strength in numbers," said David Shipman, former administrator for USDA's Agricultural Marketing Service, the agency in the department that oversees the research and promotion programs.

Echoing Shipman's take on the important clout that check-off programs give a sector was a top commodity check-off official in the industry who asked not to be named: "The single best thing that check-off programs do is to bring an industry together so they can speak in one voice. A unified industry gives all of us the voice to represent our producers much more effectively."

National commodity research and promotion check-off programs have been a part of American agriculture for almost fifty years, beginning with the cotton check-off program which was launched in 1966.





**"My wife and partner Anna and I look into the future with an organic check-off program, and we see our farm growing all the 19 crops we grew this year from an organic seed because a true organic seed had been developed from a check-off funded research program. We see results of on-going public research projects that are finding the benefits of organic being shared with the public. We see a funding mechanism for the organic industry to be telling our story and responding in a forceful and unified way to the forces that try to disparage organic."**

**DOUG CRABTREE**  
organic grain farmer in Montana,  
co-owner of Vilicus Farms

The older check-off programs were established by what's referred to as "stand-alone" acts of Congress, such as the Beef Promotion and Research Act of 1985. Most of the newer promotion programs have been formed under the Commodity Promotion, Research and Information Act of 1996 that was a part of the 1996 Farm Bill. Known as the "Generic Act," it has facilitated the process of establishing a check-off by not having to get Congressional approval of a new law, has refined and clarified some of the rules and guidelines for check-offs, and has given many smaller agricultural industry groups a more doable option by which to form a check-off program. The proposed organic check-off would be established under this Generic Act.

The 48-year track record of check-off programs has provided researchers ample opportunity to study their effects. The majority of studies find that check-off programs have indeed increased demand for the product they are promoting, returned a good investment on the dollar to the grower, and boosted funding for research.

Robert Ward, professor at the University of Florida's Food and Resources Economics Department, wrote in a publication for the American Agricultural Economics Association in 2006 that benefit-to-cost ratios reported by research for generic promotion and advertising programs across a broad range of commodities ranged from 4:1 to 6:1, "indicating that for each dollar of promotion, at least four to six times that amount is generated in new revenues, profit or 'economic surplus' to the industry."

Looking at individual programs, a study in 2009 on the avocado check-off program found that after seven years the promotion program yielded net returns to avocado producers of as high as 14.3 cents for every 2.5 cents-per-pound assessment paid. A 2007 study of the effectiveness of a Texas check-off program to promote the sales of Texas grapefruit concluded that for each dollar spent on promotion during the six years leading up to the research, the return to the Texas grapefruit industry at the packing house level was \$28 in additional revenue, and \$20 at the grower level from increased sales of grapefruit. Again: a 28:1 and a 20:1 return. Not bad.

## HOW AN ORGANIC CHECK-OFF WOULD WORK

The organic check-off program moved closer to reality earlier this year with the passage of the 2014 Farm Bill. The Farm Bill gives the Department of Agriculture the authorization to consider and hold a vote on an organic research and promotion check-off program if the organic sector—represented by the Organic Trade Association (OTA) in this case—submits to the department an official proposal for an organic check-off, called an Organic Research and Promotion Order.

An organic check-off would be a vehicle for the entire organic industry—not just producers but all organic certificate holders throughout the supply chain: growers, handlers, brand manufacturers, importers, and retailers. It would be unique from all the existing promotion and research check-offs and, as such, would be designed to fit its unique needs.

OTA launched a series of town hall meetings throughout the country in the spring of 2012 to get the organic community's input on how best to shape a check-off program that would

**"The organic check-off program is unique—it transforms how food is being grown and processed. Higher demand for organic products means less genetically modified ingredients, pesticides, chemical fertilizers and antibiotics, and a better, more sustainable food system for our children and future generations of families. Despite the initial excitement around the USDA Organic seal, as an industry we haven't done a great job explaining to shoppers what it means to be organic. As a result, consumers are still confused by the difference between certified organic, "all natural" and non-GMO verified products. In order to ensure a future for organic foods, we have to act to promote the seal or we risk losing out to lesser certifications or products labeled as "all natural."**

NICOLE DAWES  
founder of Late July Organic Snacks



effectively serve the industry. Based on comments from hundreds of organic farmers, distributors, processors and organic players throughout the chain, follow-up phone calls and questionnaires, and careful study of the industry's needs over two years, a proposed framework for the check-off has emerged.

First, the check-off assessment would be broad and shallow. The idea is that if everyone pays a little, then everyone gets a big benefit. All of the 18,513 organic certificate holders throughout the system would pay into the system, and all would benefit. The assessment would be based on the gross annual sales of the operation; those with gross annual sales of over \$250,000 would be subject to the check-off fee. Those producers and businesses with gross revenue below \$250,000 would be exempt from the assessment, but could voluntarily contribute a flat fee of \$100 to the collective fund and thereby have a say in how the check-off money is spent.

The proposed assessment on the gross revenue (minus the cost of organic goods) would equal one-tenth of one percent annually. So for \$1 million gross organic revenue, for example, the assessment would be a maximum of \$1,000. It is estimated that an organic check-off could raise a minimum of \$30-40 million a year.

Administering the check-off funds would be a 17-member industry-governed board, appointed by the U.S. Secretary of Agriculture. Members of the check-off board could be nominated by industry groups, regions, or individuals and would reflect the sectors paying into the check-off, as well as having balanced regional representation. Producer representation on the board would be critical, and the proposed options for the composition of the board allocate between 6-9 of the 17 seats for farmers, or 35-53 percent of the board.

## WHAT \$40 MILLION COULD DO

So what would that potential \$40 million be spent on? Promotion, research and education. With the objectives to increase the number of organic farmers, grow organic's market share, bring more money into the industry and push the whole organic movement forward.

Promotion activities—think advertising campaigns about organic on TV and the radio, the Internet, in magazines, on billboards; educational spots on what organic is and its benefits; promotional campaigns in your grocery store—would give consumers accurate and useful information about organic, **could explain to shoppers why organic can sometimes cost more and why it is worth more**, and create increased awareness of the USDA Organic seal.

Research activities—think research on organic alternatives for weed control and agricultural inputs, studies on the nutritional value of organic foods, analytical data on market trends, studies on environmental impacts—could translate to everyday solutions for organic farmers and encourage others to transition to organic practices.

Under the rules of any check-off program, promotional campaigns paid for by check-off funds cannot be used to disparage another commodity, or, in the case of the organic check-off, another production system. Critics contend this

**"A successful organic check-off program will treat everyone with respect and take everyone in the organic community forward—not just the producers, but the processors, the distributors and everyone in the organic chain. An organic check-off could advance the entire organic movement, and grow and expand the ecological form of sustainable agriculture."**

PERRY CLUTTS  
owner of organic dairy farm,  
Pleasantview Farms, in Ohio



would weaken the message of an organic promotional campaign, but the proven success of existing check-off programs to promote their product without blasting their competitors makes this argument a non-starter.

"We have to give the consumers some credit," said Perry Clutts, organic dairy farmer in Ohio. "If you point out the benefits of organic in an effective way, consumers will get the message."

Check-off programs can't please everyone all the time. Some of the older and more monied ones like the beef check-off and the pork check-off have at times been loudly criticized for allegedly not always using check-off funds in ways that have been in the best interest of the folks paying into the program. The Generic Act, under which the organic check-off would be established, resolves many of these issues, such as specifically defining production practices as a research area in check-offs, and putting a limit on what can be spent out of check-off funds in administrative expenses like salaries.

Finally, and perhaps most importantly, the law dictates that check-off programs be re-evaluated and voted on every seven years to continue, so a successful program has to evolve and adjust to the industry it is representing. Given the rapid changes occurring in the organic community—even after the organic check-off is officially approved—it will not be the final say on the issue, because the process is, well, organic.

The question then becomes, is it worth one-tenth of one percent of your annual revenue for the next seven years to take the next step and help advance the organic industry to a new level of prosperity and sustainability? The answer could be transformative. //

**"As an organic farmer for more than 20 years, I've seen first-hand the challenges the organic industry faces. However, I'm happy to report that times they are a changin'. One of the many successes organic enjoyed in the new Farm Bill was the adoption of an amendment I offered with my friend Rep. Ribble (R-WI) to allow the organic industry to petition USDA for a research and promotion order. I believe a successful organic check-off program will lead to further growth within the industry, increased influence on Capitol Hill, and greatly enhance our growers' ability to showcase their products in a competitive marketplace. I think the future is very bright indeed."**

REP. KURT SCHRADER  
Democratic congressman from Oregon  
and ranking member of the House  
Agriculture Subcommittee on Horticulture

Photos Pages 5, 7, 8: Leslie Goldman. Photo bottom Page 6: Nature's Path. Photo Page 9: Gwendolyn Wyard

## Citrus Greening

By Jessica Shade  
The Organic Center's Director  
of Science Programs

One of the major benefits of an organic check-off is that it will fund research to support the organic industry. With public funding for science being cut across the board, it is especially important to have funds that support organic research needs.

One of the current critical research areas The Organic Center is working on focuses on citrus greening (Huanglongbing), a disease that is spread quickly by the Asian citrus psyllid.

Citrus greening threatens the citrus industry on a massive scale, and funding is needed to find organic solutions to this devastating disease.

Since citrus greening was first documented in the United States in 2006, it has cost over 4.5 billion dollars in lost revenue in Florida alone, and

has been responsible for the loss of over 8,000 jobs. With no known cure for the disease, citrus greening will continue to wipe out thousands of acres in Florida, and will likely spread to other citrus-growing regions such as California, Arizona, and Texas.

Organic growers are struggling to find organic-compliant methods for controlling the disease, but most current research efforts toward controlling citrus greening focus on such methods as synthetic pesticides and genetic modification of citrus trees.

Unfortunately, these conventional methods have only shown limited efficacy, and are not helpful to organic growers. Additionally, most conventional

methods of citrus greening control rely on the intensive use of pesticide sprays that have caused high rates of bee deaths. Asian citrus psyllids—the insect carriers of citrus greening—are rapidly developing resistance to the pesticides applied to control the disease, meaning that low success rates of chemical control will continue to decrease in the future.

The lack of research on effective organic methods for controlling citrus greening has contributed to policy decisions incompatible with organic management. For example, applications of synthetic pesticides have been mandated as an eradication method in

multi-disciplinary approach to the work in order to develop a holistic approach to controlling the disease, including evaluating the efficacy of organic materials, examining application methods that allow for a healthy population of natural enemies and pollinators, conducting a cost-benefit analysis of organic methods for controlling citrus greening, and examining naturally occurring genes that are resistant to citrus greening which could be used to breed non-GMO, resistant varieties of citrus. The Organic Center also plans to develop a manual that translates research findings into a state-by-state guide for organic control of psyllids.

This multi-faceted approach will be critical for providing growers around the country—organic and conventional—with the information they need to protect their citrus groves from collapse due to citrus greening. It will also be useful in providing policymakers with organic alternatives to Asian citrus psyllid control to incorporate into area-wide treatment protocols.



California citrus groves, including certified organic groves, in regions where the psyllid has been detected, but no organic alternatives have been offered as substitutes for these mandatory spray regimes.

To save organic citrus, additional research on organic-compliant methods for controlling citrus greening is needed. The Organic Center is raising funds to support a three-year research project in collaboration with Ben McLean of Uncle Matt's Organic and University of Florida researchers Professor Michael Rogers, Professor Ron Bransky, Professor Phil Stansly, Professor Jawwad Qureshi, and Professor Fritz Roka.

The Organic Center is taking a

### HOW AN ORGANIC CHECK-OFF CAN HELP

The issue of citrus greening is just one of many problems that organic growers face on a daily basis. Without research on methods for improving organic agriculture and overcoming common obstacles, the organic industry will continue to struggle with supply issues. Additionally, organic check-off funding could be used to conduct research on the benefits of organic food and farming. For example, a recent study out of the United Kingdom showed that organic crops have higher antioxidant levels than conventional crops (see News & Trends, Page 20). With check-off funding, the United States could begin to develop a broad array of research supporting the many benefits of organic while providing solutions to problems faced by organic growers! //

# O INVESTING IN ORGANIC FARMLAND

## Nature's Path adds 2,760 acres to organic

By Barbara Haumann

A major challenge for U.S. organic trade is that farmland domestically is not being converted to organic at a sustainable pace needed to meet growing demand. North America's largest independent organic cereal company however, is leading the way to show how this can change.

Nature's Path in May announced it has purchased 2,760 acres in northern Montana to help increase organic farmland, attract and educate new farmers, and meet the growing demand for organic grains and legumes.

To make this possible, Nature's Path is working with OTA member company Vilicus Farms to farm their land and support a one-of-a-kind organic farmer training program in Montana through which young persons can get first-hand experience in becoming organic farmers.

"As an independent, family-run company, we have the freedom to put our money where our heart is, in support of sustainable agriculture beyond just making organic products," Arran Stephens, Founder and CEO of Nature's Path, said in announcing the news. "By purchasing fertile land and working with organic family farmers, we ensure the purity of our foods, increase organic acreage to sustain growth, prevent poisoning the environment, and provide for future generations." Stephens was born and raised on his family's berry farm on Vancouver Island.

Formerly in USDA's Conservation Reserve Program, the land has had no agrichemicals or fertilizers applied on it for over 20 years. Approximately a third of the total has been seeded this year with organic Kamut®, lentils, peas, buckwheat and millet. Grains will be rotated with legumes, which fix nitrogen in the soil, and oilseed crops. Farm machinery burns a blend of biodiesel, made from recycled vegetable oil. Approximately twenty percent of the land will be conserved to protect and encourage biodiversity and wildlife, including pollinator species.

Vilicus Farms owners Doug Crabtree and his wife and partner Anna Jones-Crabtree purchased their first organic acreage in northern Hill County, Montana, in 2009. They chose the name Vilicus Farms, as Vilicus is Latin for "steward." They now have 6,400 acres under organic production.

Doug, who is a member of OTA's Farmers Advisory Council and also a Board member for the Organic Farming Research Foundation, notes that the Vilicus farming operation has 19 different species seeded on its land.



Scouting out the land.



Preparing to disc under a cover crop on land owned by Vilicus Farms. Photo: Dag Falck

Photo top Page 12: Dag Falck

Photo bottom Page 12: Doug Crabtree



**Close-up of the transition between a young pea crop and a conservation strip.  
Below, Anna Jones-Crabtree, neck-high in a field of grain.**

They grow diverse grains (both spring and fall), pulse crops, broadleaf and oilseed crops such as flax, safflower and sunflower. They raise specialty lentils and peas, cover crops, and green manure crops such as buckwheat to maintain the vitality of the soil. They are following the same organic practices implemented on their own land on this additional acreage.

Dag Falck, Organic Program Manager at Nature's Path, says Nature's Path began acquiring fertile farmland as aging organic farmers, with no younger generation to succeed them, were forced to sell their family heritage to chemical big-ag units. The Nature's Path family saw this as an irreparable loss and decided to do something about it.

"We came up with this model to buy acreage alongside long-time organic farmers with a good reputation for being good stewards of the land. They farm the land along with their own and in effect it increases their farm size and organic acres in general," says Falck.

In its first such initiative, Nature's Path purchased two farms in Saskatchewan in 2008 and entered into crop share agreements with two separate farmers under which the farmers steward the soil, plant and harvest crops, many of which end up in Nature's Path products.

"This is our way to support the

dwindling family farm, where the farmer benefits from increased acreage and better financial viability, while not having to invest in costly land," says Falck.

The Montana land increases Nature's Path farms to 5,640 acres, in addition to using organic commodities sourced from scores of independent farmer families across North America. "We are all dependent upon each other, and upon protecting and preserving the land," says Stephens.

### **ANOTHER PIECE OF THE PUZZLE**

Another piece of this story puts into practice a vision that Doug and Anna have to increase the number of people farming organically.

"Over the past years, Anna and I became troubled as we saw a number of organic farmers and farms cease to be organic. Instead of growing, the number of organic farms has been going backwards," Doug says. "We are trying to halt that and turn it around."

He adds, "It is in society's best interest to have as many acres in organic

production as possible." Thus he and his wife have developed an apprenticeship program to help make organic farmers out of young recent college graduates who have an interest in organic food and farming.

"I have become disillusioned with the idea of trying to convert existing farmers to organic, and instead, I would rather train folks who are organically minded to become farmers," he explains.

Helping support this apprenticeship program are Kamut® International, Dave's Killer Bread, and Annie's. The first person in the apprenticeship training came on board in spring 2013, and a second has joined this past spring. Plans are to have two more join in it next year. The plan is for apprentices to work and train with Vilicus Farms for three to five years. At the end of that time, the new farmer will be assisted in acquiring farm land—whether by ownership or renting—and be part of a network to share resources such as equipment, trade labor and market crops cooperatively. This network of organic growers will make it much easier for the new producers to establish their farm businesses.

"It is a work in progress. We are anxious to get other food companies on board in this shared goal of more organic farmed land, more organic farmers, and ultimately, more organic food," Doug says.

2014 apprentice Laurel Johnson, who grew up in a rural part of Minnesota, says she is committed to promoting an agricultural ethic in this country by modeling sustainable alternatives to conventional farming practices.

"One day I plan to own and operate my own organic farm in the Northern Plains of Montana. I cannot imagine a more exciting field of opportunities to create a model of food production that protects the value, dignity and longevity of natural resources," Laurel says. //



## Know Your National List



By Gwendolyn Wyard  
OTA's Regulatory  
Director, Organic  
Standards & Food  
Safety

In the 2012 summer edition of *The Organic Report*, I wrote a regulatory update titled "The National List Process: A system that works." This was in response to the "no findings" audit conducted in July 2012 by USDA's Office of Inspector General on the National Organic Program's (NOP) National List process, the renewal of the majority of the substances on the National List that had completed their 2002 Sunset review, and the 10-year anniversary of the NOP Rule implementation. The article took an in-depth look at the National List activity since 2002, and discussed the vital role of the National Organic Standards Board (NOSB) and the critical system needed to ensure organic producers and handlers are using materials compatible with organic principles as recommended by the Board.

There continues to be considerable discussion and press regarding the integrity of both the National List process and the role of NOSB. A concern we often hear is about "the growing National List" and how it's easier to add materials than it is to remove them from the list. From OTA's perspective, the system should work equally in both directions. We also know that if we analyze the historical record of Sunset review actions, the petitions received and denied, and the number of materials added or removed, we find that while materials have in fact been added, more have been denied, and many removed or further restricted. Growth is not actually the trend.

Given the ongoing attention on the National List, I am updating and re-running the article we're now referring to as "Know Your National List!" Here is the latest review of the National List and

a look at where we've been and where we are.

### THEN AND NOW

In 1995, NOSB completed an extensive review of the materials in use by organic producers, and those recommendations became the base for the National List. Based on NOSB recommendations, the Secretary of Agriculture on Dec. 21, 2000, established the National List of Allowed and Prohibited Substances in the regulations. This National List identifies the synthetic substances that may be used and non-synthetic (natural) substances that may not be used in organic production (farming). The National List also identifies synthetic, non-synthetic non-agricultural and non-organic agricultural substances that may be used in organic handling and processing. Every five years, substances on the list are reviewed to ensure new information has not changed their evaluation status, or a natural or organic alternative has not become available. This is referred to as the Sunset review process.

When the NOP Final Rule was published in 2000, there were 159 allowed substances on the National List and 9 prohibited substances. Today, there are 228 allowed substances and 9 prohibited substances. The National List is divided into seven parts:

- Synthetic substances allowed for use in organic crop production (Section 205.601) include a total of 60 entries, some of which are classes of substances (e.g., EPA List 4—Inerts of Minimal Concern). Examples include sticky traps, micronutrients and newspapers for mulch.
- Non-synthetic substances prohibited for use in organic crop production (Section 205.602) include 8 entries. Examples include arsenic, tobacco dust, and ash from burning manure.
- Synthetic substances allowed for use in organic livestock production (Section 205.603) total 41 entries, including classes of substances such as vitamins and trace minerals. Some examples are aspirin, chlorine for disinfecting equipment and sanitizing facilities, and glycerin.

- Non-synthetic substances prohibited for use in organic livestock production (Section 205.604) include only one substance, strychnine.
- Non-agricultural (non-organic) non-synthetic substances allowed as ingredients in or on processed products labeled as "organic" or "made with organic" (specified ingredients or food group[s]) (Section 205.605(a)) have 33 entries, including classes of substances such as acids and enzymes. Some examples of non-synthetics allowed are dairy cultures, potassium chloride, carnauba wax, and yeast.
- Non-agricultural (non-organic) synthetic substances allowed as ingredients in or on processed products labeled as "organic" or "made with organic" (specified ingredients or food group[s]) (Section 205.605(b)) include 46 entries, some of which are ingredients in baking powder and sanitizers. Examples of synthetics allowed include ascorbic acid (vitamin C), carbon dioxide, tocopherols (vitamin E) and xanthan gum.
- Non-organic agricultural products allowed as ingredients in or on processed organic products only when commercially unavailable in organic form (Section 205.606) include 48 entries, 18 of which are individually listed agricultural colors. Other examples include casings from processed intestines, gelatin, de-oiled lecithin, Turkish bay leaves and Wakame seaweed.

Over a ten-year period, 92 allowed substances have been added, and 12 substances removed. During this same period, however, approximately 77 petitions to add substances to the list have been denied. Thus, the tally breaks down to 92 materials added and 89 materials total that were denied or removed. The number of denied petitions represents approximately 22 crop materials, 2 livestock materials, 18 synthetic handling materials, and 35 non-organic agricultural ingredients.

While 92 additions to the National List may seem significant, an in-depth view tells a more accurate story. Out of the 92 allowed substances added to the National List, the majority were added in

2007 to the list of non-organic agricultural ingredients allowed in the 5 percent of a processed organic product (provided they are commercially unavailable in organic form). The addition of the 38 substances to this section was in response to a regulatory clarification, and it actually reduced the allowance of non-organic inputs by placing a closed-list restriction on the use of non-organic agricultural ingredients allowed in organic products. Prior to this addition, any non-organic agricultural ingredient could be used in the 5 percent of an organic product if it was unavailable in organic form.

Carving the 38 substances out of the total number leaves us with 54 substances added in the last 12 years. Of the 54 added, 13 are allowed in crop production, 15 are allowed in livestock production, 11 are non-agricultural non-synthetic substances allowed in or on processed products, 9 are non-agricultural synthetic substances allowed in or on processed products, and 5 are non-organic agricultural ingredients allowed in the 5 percent of an organic products when commercially unavailable in organic form.

Several of the 54 substances were added or recommended in 2003 after analyzing and test-driving the 2000 National List and figuring out the gaps in essential materials or the overlooked materials recommended by NOSB but not addressed in the 2000 Final Rule. Accordingly, 14 materials were added in 2003. Examples include ozone gas for cleaning irrigation systems; peracetic acid for disinfecting equipment and seed; EPA List 3 inerts for passive pheromone dispensers; animal enzymes such as rennet for organic cheese production; and cellulose for use as a filtering aid. No materials were added in 2004 or 2005.

In 2006, 13 materials were added, 10 of which are for use in handling and processing. Three of the 10 materials were added to the crops list and include hydrogen chloride, ferric phosphate, and glycerine oleate. Examples of the materials added to the non-synthetic handling list include microorganisms, egg white lysozyme, and L-malic acid commonly used in organic wine and other fermented food production. Synthetic substances added include peracetic acid for food and equipment

sanitation; activated charcoal for juice and water filtering; and boiler water additives used in steam production for packaging sterilization.

In 2007, one substance was added to the crops list and 11

substances to the livestock list. Livestock materials included peracetic acid for sanitizing facility and processing equipment, animal drugs with strict withdrawal period restrictions, and excipients for use in animal drugs only. No materials were added in 2008 or 2009. However, the allowance of unmodified rice starch for use in organic processed products expired in June 2009.

Between 2010 and today, 13 materials were added. Examples include microcrystalline cheese wax for mushroom production, formic acid for honeybee production, and Pacific Kombu Seaweed for use in organic products when commercially unavailable in organic form. Two crop materials are pending rulemaking; once completed, rotenone and sodium nitrate will both appear on the list of prohibited non-synthetic substances. Materials removed since 2010 include sulfur dioxide as a rodenticide in crop production, and tartaric acid made from malic acid, bleached lecithin, high-methoxy pectin, potassium iodide, hops for organic beer production, and annatto extract color, all used in processed products. Furthermore, streptomycin and tetracycline, both allowed only for fire blight control in organic apple and pear production, will expire on October 21, 2014.

In addition to the seven removals since 2010, several materials have been further restricted in response to industry petitions and/or the Sunset review process. For example, agricultural colors used in the 5% of an organic product must be organic if available, AND produced without the use of synthetic solvents, carriers and artificial preservatives. The only non-organic

## ALLOWED SYNTHETICS SINCE 2008, WHAT IS THE TREND?

- Additions: 6 (4 crops, 1 livestock, 1 processing)
- Removals: 8 (3 crops, 5 processing)
- Petitioned and denied: 36
- Further restricted: 1

6 synthetics have been added while 44 have been removed, denied or further restricted.

There is a “no-growth” trend with a strong preference for the use and development of non-synthetic and organic alternatives.

form of lecithin allowed in certified processed products is the agricultural de-oiled form, provided an organic equivalent is not available. Yeast used in certified products for human consumption must be organic unless commercially unavailable, and silicon dioxide is permitted as a defoamer, and allowed for other uses only when organic rice hulls are unavailable.

## GOING FORWARD

As it stands, the National List has increased relatively little since 2002 compared to growth of organic sector and the expansion to the types of systems and products now certified. In fact, the list is quite small relative to the number of crop and livestock inputs and food additives allowed in conventional food and farming. For example, as compared to the 79 non-agricultural minor ingredients allowed in organic processing, more than 3,000 total substances comprise an inventory often referred to as “Everything” Added to Food in the United States (EAFUS), and this is only a partial list of all food ingredients that may be lawfully added to conventional food.

It’s important to recognize it will take time for organic producers and handlers to achieve the long-term goals expressed in the Act and regulations. The National List was meant to reflect realistic organic practices, and to take into account current obstacles to ideal organic production.

It’s also a fluid list, providing a dynamic process for adding and removing substances. The process ensures that all changes receive extensive public comment through a transparent process.

It’s critical that NOSB follows its established process for evaluating each

petitioned substance, and the Sunset provision process for removing, renewing or changing annotations to substances already on the National List. It's also critical that organic stakeholders from all sectors understand and embrace the process, and proactively work to find National List alternatives that are more compatible with organic principles. The Board's recommendations are based on careful evaluation, sound science, and public input. It also uses a well-defined

set of objective criteria in evaluating substances petitioned for addition to the National List. Furthermore, the review process includes a two-stage comment period and the approval process requires two-thirds vote of the full Board (10 votes) for any material to be added to the National List or removed from the National List.

OTA believes the process is rigorous, fair and it works. We also believe the process supports a trajectory of

continuous improvement that is built into the regulations, and upholds transparency and integrity. The key: we as an organic industry must stay united, engaged, be respectful of other points of view, and focus on our common goal to increase organic acreage and organic products. We must also reserve the use of essential materials for crop, livestock and food manufacturing while pressing innovation and removal of non-essential synthetics. //

## NATIONAL LIST SCORE CARD

	2002: Number of Materials on the NL	Materials Added	Materials Removed	Materials Petitioned and Denied	2014: Number of Materials on the NL	
205.601 Crops, Allowed	49	13	Glycerol monooleate Sulfur dioxide	2006: 3 2007: 2 2008: 4 2009: 1 2010: 3	2011: 4 2012: 2 2013: 2 2014: 1	60
205.602 Crops, Prohibited	8	1	1 pending rulemaking	0	8	
205.603 Livestock, Allowed	26	15	1 Milk Replacers	2009: 1 2012: 1	41	
205.604 Livestock, Prohibited	1	0	0	0	1	
205.605(a) Non-agricultural Non-Synthetic Allowed	23	11	1 Colors (moved to 205.606)		33	
205.605(b) Non-agricultural Synthetic Allowed	41	9	5: Potassium tartrate Bleached Lecithin High-methoxy pectin Potassium iodide Tartaric Acid, made from malic acid	2007: 1 2009: 2 2010: 1 2011: 2 2012: 10 2013: 2	46	
205.606 Agricultural Non-organic Allowed	8	43	4 (*3 by count) Lecithin, except for de-oiled forms Hops Unmodified starch Annatto Extract	2007: 14 2008: 15 2009: 4 2012: 0 2013: 2	48	
Total	Allowed: 147 Prohibited: 9	Allowed: 92 Prohibited: 1	Allowed: 8 Prohibited: 1	77	Allowed: 228 Prohibited: 9	



## Calling all innovators, trail-blazers, and food scientists!

### An Interview with Steve Peirce, RIBUS Inc.

By Gwendolyn Wyard  
OTA's Regulatory Director,  
Organic Standards and Food Safety

**W**hen it comes to food labels, more and more consumers are reading the ingredient statement and looking for a listing of simple ingredients they can find in their kitchen. Meanwhile, organic consumers are looking for a listing of organic ingredients. In both cases, synthetic food additives and preservatives are simply not invited to the “clean label” party. Responding to this quickly growing trend, food manufacturers, in turn, are looking to swap out any ingredient with a q, x, or z in it for a recognizable natural or organic alternative.

In June, I attended the annual Institute of Food Technologist (IFT) Expo. Walking through the maze of colorful hanging ceiling signs and banners flaunting the best in emulsifiers, stabilizers, colors, glazing agents, humectants and anything else you can think of that promotes better living through chemistry, I delightfully ran into OTA member Steve Peirce, president of RIBUS Inc. The 22-year old company caught onto the “clean label” movement years ago, and makes rice-based ingredients that food manufacturers are embracing as alternatives to synthetic ingredients.

I've known Steve for years, through my work initially as his certifier with Oregon Tilth, and more recently in my position with OTA. Since 2009, one common thread for us has been sitting attentively at the National Organic Standards Board (NOSB) meetings, listening to NOSB discuss whether silicon dioxide, an allowed synthetic on the National List, should be removed due to the commercial availability of a natural, certified organic substitute produced from organic rice-hull based material.

In January 2007, RIBUS sought out a unique opportunity to operate in the organic market, and introduced a rice-based certified organic alternative to silicon dioxide. In January 2010, RIBUS submitted a petition to remove silicon dioxide from the National List. What followed was an arduous and time-consuming journey, fueled by Steve's commitment to the Organic Foods Production Act, and his understanding that the National List should be reserved for essential substances that do not have a natural or organic substitute.

On May 28, 2013, in response to a NOSB recommendation informed by extensive review and multiple public comment periods, the National Organic Program (NOP) released a final rule amending the listing of silicon dioxide (effective November 3, 2013) to read:

*Silicon dioxide—Permitted as a defoamer. Allowed for other uses when organic rice hulls are not commercially available.*

The final decision was not complete removal of silicon dioxide. However, NOSB determined that the organic rice

alternative did not conclusively demonstrate its applicability in all products and processes. This was an entirely fair conclusion for RIBUS.



#### STEVE'S STORY

After speaking with Steve at IFT, I realized he had an important story to tell. In a follow-up phone interview, he shared a story that is worth spreading far and wide.

**Explain the process and timeline you went through to get a rule changed to require organic preference over silicon dioxide?**

We first started with notification during the Sunset review period, and then began the petition process. It took about six years in total. First was understanding the process, then reviewing other petitions that had been submitted (i.e., organic soy lecithin), getting on the docket for the NOSB meetings, comments from the public and finally, in-depth discussions at NOSB meetings (and the vote).

**What were the major obstacles for R & D in trying to meet consumer requests and specifications?**

Understanding the process and obtaining enough organic supply were the biggest obstacles. Once these were understood, it has been much easier. We also provide our customers with R & D support. If they are having a hard time making the product work, we are there to help trouble shoot. Anyone can cause an ingredient to fail, but it sometimes takes determination to make it work. A researcher in Europe locked himself in the lab until he was able to make it work. Now they are changing their entire product line to exclude silicon dioxide. It's a constant learning process, and you just have to keep trying.

**How is life after NOSB? Are your products selling and working?**

Life after NOSB is very good. It helped bring light to the fact that the product is actually commercially available. Our products are selling and working extremely well. I will also say that NOP is doing its job and so are certifiers, and companies in other countries are paying attention. We're getting unique requests from places as far as Sri Lanka and Turkey.

**Have sales increased as a function of the rule change?**

Yes, the organic industry grew by 13% last year; our sales for Organic Nu-Flow grew by over 150%. Due to awareness, evaluation by many companies and the desire to use organic

ingredients when or where they are available, sales have grown nicely. We have been pleased with customer satisfaction and ease of transition in virtually all applications.

#### Would you do it again?

Yes.

#### What would you do differently?

Try to gain a better understanding of the process. There needs to be a visual on the process. Not be quite so naive to believe that the Act would be read and interpreted by everyone the same way, and then decisions would be made. While the system does work, it is in need of some more efficient steps, which NOP seems to be addressing.

#### What advice can you offer to someone who is interested in petitioning a material off the National List?

Be persistent; many are resistant to change. Understand the process and what role each group plays in the process (written or unwritten).

#### What's next?

Continued implementation into the market, expanding market applications beyond food into dietary supplements. We've learned that some companies that were not interested years ago now are. Consumers' needs and demands are changing, and now that the rule has gone into effect, we need to loop back around because they may have just recently received notification of the rule change during their recertification process.

#### Any new products on the horizon?

Yes, and a strong effort to re-introduce the current ingredients to food and supplement makers. We have seen interest from

unique countries and they want organic ingredients so they can export to the USA.

### STEVE'S CONCLUSION

"The evolution of the organic industry, including the National List, adds credibility to the Act. We should appreciate what the synthetic ingredients on the National List have done for the organic industry, where and when there were no 'wholly natural alternatives.' When a 'wholly natural alternative' enters the market, there should be an efficient method to retire the synthetic and implement the alternative. This is the spirit of the organic industry. When an organic ingredient is available, then it should be used. Our experience took longer than desired, but the system worked."

### CALL TO ACTION

I often hear the "National List of Allowed and Prohibited Substances" referred to as the "entrepreneurs' list of opportunity." Having graduated with a degree in food science, and having an affinity for developing organic ingredients, I find a statement like this to be deliciously enticing. I was thrilled to run into Steve for this very reason, because Steve's company heard this calling. As a result, RIBUS is one of a handful of companies that have petitioned for the removal of a material from the National List. It's a true success story.

OTA joins Steve in saying, "Innovators, trail-blazers, entrepreneurs and food scientists are needed in the organic ingredient industry! There are rewards available for new ingredients and the tenacity to introduce it through the system."

To learn more about the National List, check out my Regulatory Update, "Know Your National List!" starting on Page 13. //

## OTHER MATERIALS PETITIONED FOR REMOVAL OR RESTRICTION:

Material	Outcome
HOPS	Removed from 205.606. Only organic forms are allowed
LECITHIN	Synthetic form removed. Agricultural de-oiled forms only when organic is not available.
YEAST	For human consumption, organic required unless unavailable.
GLYCERIN	NOSB decision is pending.

## HOW WELL DO YOU KNOW YOUR NATIONAL LIST?

National list "Allowed"	Number of materials
Crops, synthetic	60
Livestock, synthetic	41
Processing, non-synthetic	33
Processing, synthetic	46
Processing, non-OG agricultural (when commercially unavailable)	48

## Organic PAC continues to make a difference in Washington



**By Marni Karlin**

**OTA's Vice President of Government Affairs and General Counsel**

*A*s we move towards the November elections in which every Member of Congress and one-third of the Senate seats are up for grabs, it's important to consider the ways we as an industry can support candidates friendly to organic issues.

Of course, the first way we can support candidates who are friendly to the organic sector is by getting out the vote in November.

Another important way we increase the effectiveness of our government affairs efforts is by having an active political action committee (PAC). Organic PAC is the Organic Trade Association's PAC, or organization that pools campaign contributions from members and donates those funds to candidates' campaigns. Organic PAC is closely integrated with all of OTA's government affairs efforts, and is another tool we use to engage with policymakers to advance the organic industry's interests.

Organic PAC supports candidates who share our common beliefs. It recognizes the efforts of key organic champions in Congress, and supports members of Congress who are or can be influential in protecting or promoting organic agriculture and trade.

Organic PAC is bipartisan, and has helped OTA develop relationships on both sides of the aisle. During this election cycle, Organic PAC has supported 11 Democrats and 13 Republicans, in both the House and Senate. Our support has primarily gone to members of the Agriculture and Appropriations Committees, which have jurisdiction over the issues most important to the organic sector.

How can you participate? If you're

reading this at Natural Products Expo East, please join us Friday, September 19, as we spend the evening watching the Baltimore Orioles play the Boston Red Sox at Camden Yards! Donate to the PAC, and come enjoy food, drinks, networking and baseball in the Organic PAC private box. Stop by the OTA booth and ask for Amy Bovaird to look into buying a ticket.

Also, throughout the year, invite your Representative and Senators to visit your operation in their home district. Show them what you do, and how organic directly affects their constituents. Your Members of Congress want to see what it means to run an organic operation. Contact me for help in setting up any in-district meetings, and be sure to send photos afterwards!

### ISSUES TO WATCH

Although Congress won't be working on another Farm Bill in the coming year, there are issues they may address after the November elections that are important to our members.

- **Child Nutrition Act Reauthorization**  
The Child Nutrition Act authorizes all child nutrition programs and federally funded school breakfast and lunch programs. Its goal is to ensure that children of low-income families have access to free or reduced price healthy school meals. Without congressional reauthorization, the current law will expire Sept. 30, 2015.

Next year we expect Congress to consider reauthorizing this law. We expect the debate to center on big picture issues of what the federal government should be funding. The organic sector can get involved in supporting the provision of healthy and nutritious food to schoolchildren, and encouraging farm-to-school programs.



Courtney Mudge from Whole Foods Market speaks with Congressman Richard Hudson (R-NC) of the House Agriculture Committee and supporter of organic provisions in the Farm Bill.

#### • Immigration

Congress continues to struggle with fixing America's broken immigration system. A fair, effective, and common sense immigration system would be good for the entire country, including the agriculture sector, which struggles with labor issues.

OTA continues to engage with allies to identify a path forward that strengthens border security, streamlines legal immigration, provides a pathway to earned citizenship, and cracks down on employers who hire undocumented workers.

#### • Dietary Guidelines

The Department of Health and Human Services and USDA have jointly published the Dietary Guidelines every five years since 1980. The next edition will be distributed in 2015. A Dietary Guidelines Advisory Committee (DGAC) reviews the scientific and medical literature and prepares a report for the Secretaries providing evidence-based recommendations for the next edition focusing on environmental and sustainability issues.

OTA and The Organic Center are monitoring the meetings of DGAC, and continue to provide comments to ensure it is considering the latest scientific literature regarding the nutritional benefits of organic. //



## Meeting challenges of the Western drought



By **Cathy Calfo**  
CCOF Executive  
Director/CEO

Thirty-three out of the forty-eight contiguous U.S. states were experiencing drought at the beginning of 2014, according to the National Drought Mitigation Center. Additionally, a July report from the University of California predicts the drought will result in \$2.2 billion in agricultural losses in California this year.

The drought comes amid dramatic growth in the organic marketplace and also disproportionately impacts smaller organic producers who are hit by a range of higher costs—organic feed prices, electricity or other power sources for water pumping, stunted cover crop growth, depletion of ground water, and much more.

With support from Farm Aid and matching contributions from CCOF's regional member chapters, CCOF distributed 20 emergency grants to small organic producers to help offset immediate emergency household expenses for small farms suffering extreme hardship as the result of the drought.

A partnership with the California Alliance for Family Farmers (CAFF) assisted CCOF in conducting extensive outreach for the program. Press releases and flyers were distributed in English and Spanish to outlets throughout California (the targeted state for this program). Furthermore, personal letters were sent to 1,800 small organic producers; social media outreach included Facebook, Twitter, and well-recognized organic blogs; and flyers were distributed at drought-related workshops.

Funding was available for only about half of the applications that were

received. Those applications were scored based on decreased productivity and yields, gross production value (additional points for operations with lower gross annual sales), and the household impact of the applicant's financial losses.

An up-to-date listing of drought resources is also available to organic producers through the CCOF website at [www.ccof.org/drought-resources](http://www.ccof.org/drought-resources). Resources range from financial assistance and grants, to emergency haying and grazing opportunities, to crop insurance and other disaster assistance resources.

Supporting on-farm water efficiency practices is an additional CCOF priority in response to ongoing drought conditions. This includes successful work with partner organizations to gain \$10 million in funding in the California state budget for on-farm water efficiency projects. The State Water Efficiency and Enhancement Program (SWEEP) will disburse funds to agricultural operations that invest in irrigation and water distribution installations to reduce water usage and greenhouse gas (GHG) emissions. To achieve water savings and GHG emission reductions, SWEEP promotes the use of soil moisture sensors to ensure efficient irrigation scheduling, replacement of flood or furrow irrigation with micro-irrigation or drip systems, the use of low pressure irrigation systems to reduce pump energy use, and other conservation measures.

This fall, additional hardship assistance will be available to all certified organic operations through the CCOF Foundation's Bricmont Fund. Since

2007, the fund has offset certification costs for operations that have experienced hardship caused by drought, invasive pests or quarantine, natural disasters, or personal emergencies. The CCOF Foundation has donated \$10,000 to the fund for 2014, and is accepting additional tax-deductible contributions to support the program at [www.ccof.org/foundation](http://www.ccof.org/foundation) or e-mail [ccoffoundation@ccof.org](mailto:ccoffoundation@ccof.org).

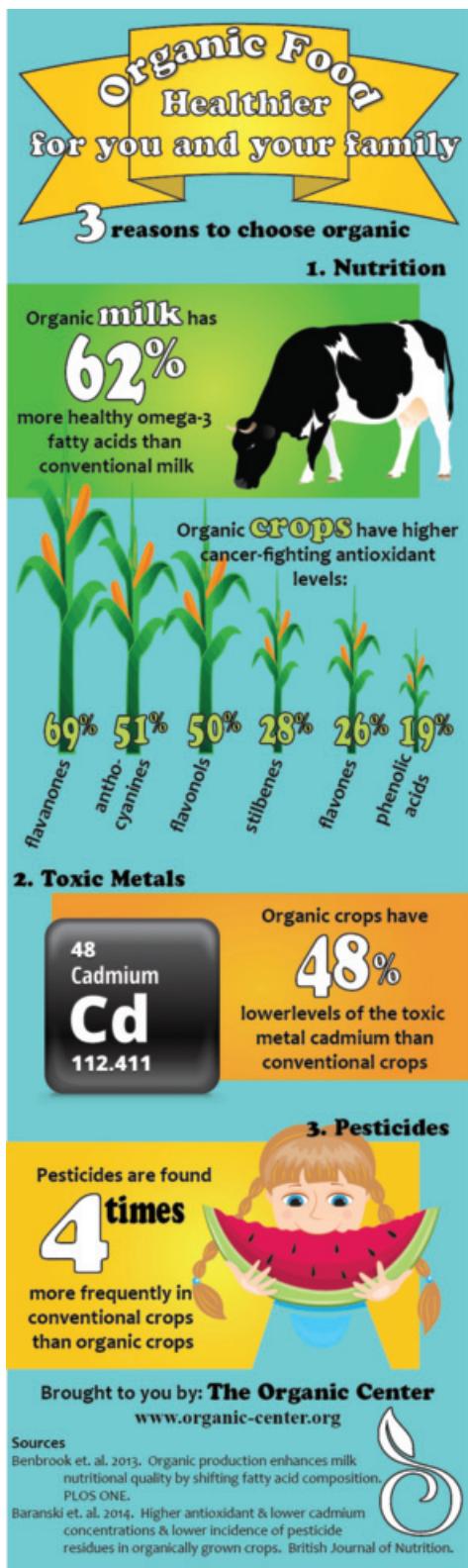
The naming of the fund dates back to CCOF's founding by a community of farmers around the kitchen table at Barney Bricmont's organic farm in 1973 (Bricmont passed away in 2001). The organization was defined from its early days as an organization of members working together, innovating organic practices, and creating organic standards, even before the USDA National Organic Program was implemented in 2002. As a close community that coalesced into a set of

more than a dozen chapters and today's 2,700 members, mentorship and support to others in the organic community were woven into the fabric of CCOF's culture.

Today, there are few if any programs that provide direct financial assistance exclusively to organic producers, processors, and handlers hit by unforeseen hardship, other than that which CCOF has provided annually since 2007.

Since its inception, the Bricmont Fund hardship assistance program has awarded more than \$80,000 in relief funds to more than 100 certified organic operations. //

## Study: Significant nutritional benefits for organic



A major new study from the United Kingdom reports conclusive evidence that organic crops, and the food made from them, are nutritionally superior to their conventional counterparts, corrects many of the shortcomings of earlier studies, and helps put to rest any doubts about the benefits of organic.

Analyzing 343 studies in what was the largest research effort of its kind, an international team of experts led by Newcastle University found that organic crops and crop-based foods are up to 60 percent higher in a number of key antioxidants than conventionally grown crops, showed that pesticide residues are found much more frequently in conventional foods, and revealed significantly lower levels of a toxic heavy metal in organic crops. The report was published in the July 15 issue of the prestigious *British Journal of Nutrition*.

The Newcastle study also found significantly lower instances of pesticide residues and lower levels of a highly toxic metal in organic crops. Specifically, the study found that conventional crops were four times more likely to contain pesticide residues than were organic crops. Exposure to pesticides has been found to affect brain development, especially in young children, and pose a greater risk for pregnant women and to men and women of reproductive age. The study also found that organic crops had on average 48 percent lower cadmium levels than conventional crops. Cadmium is a highly toxic metal that can cause kidney failure, bone softening and liver damage. It can accumulate in the body, so even at low levels chronic exposure is dangerous.

"Our results are highly relevant and significant, and will help consumers sort through the often conflicting information on the nutrition of organic and conventional plant-based foods," said Professor Charles Benbrook, one of the authors of the study and a research professor at the Center for Sustaining Agriculture and Natural Resources at Washington State University.

### U.S.-KOREA ORGANIC EQUIVALENCE

U.S. and Korean officials formalized a U.S.-Korea organic equivalency arrangement June 30 in separate signings in Seoul and Washington. Under the pact which went into effect on July 1, Korea recognizes USDA's National Organic Program (NOP) as equivalent to Korea's organic oversight program. The understanding, which covers organic condiments, cereal, baby food, frozen meals, milk, alcoholic beverages and other processed products, allows processed organic products certified in Korea or in the United States to be sold as organic in either country.

The arrangement reopens a critically important Asian market for U.S. organic processed food products, and will create jobs and opportunity for the American organic food and farming sector.

Estimates are that under the new streamlined trading system made possible by this arrangement, American exports of organic processed foods and beverages to Korea, which were valued at around \$35 million in 2013, are expected to more than double over the next five years.

U.S. organic exports to Korea have been on the rise in recent years, as the demand for organic products by Korea's 50-million plus population, which enjoys the highest per-capita income in Asia, has flourished. However, the lucrative Korean organic market was effectively closed to the U.S. at the end of 2013 due to a change in Korea's organic certification requirements.

This is the second organic equivalency partnership formed with a major Asian trading partner within the past year. Last September, the United States and Japan reached an understanding regarding the bilateral trade of organic products. The progress in Asia builds on the landmark equivalency arrangements with Canada in 2009 and the European Union in 2012, the two biggest trading partners for U.S. organic agriculture.

## SALES BREAK \$35 BILLION

Sales of organic products in the United States jumped to \$35.1 billion in 2013, up 11.5 percent from the previous year's \$31.5 billion and reflecting the fastest growth rate in five years, according to the *2014 Organic Industry Survey* from OTA.

Moreover, growth rates over the next two years are projected to at least keep pace with the 2013 clip and even slightly exceed it.

Organic food sales in 2013, at \$32.3 billion, accounted for roughly 92 percent of the total organic sales. Non-food organic products—including flowers, fiber, household products and pet food—are currently a very small part of the total organic market, but are making quick in-roads. Sales of non-food organic products, at almost \$2.8 billion, have jumped nearly eight-fold since 2002, and have almost doubled in market share.

Consumer purchases of organic food first broke through the \$30 billion mark in 2012 and now account for more than 4 percent of the \$760 billion annual food

sales in the United States. More telling, the growth rate of organic food sales, which has averaged almost 10 percent every year since 2010, has dwarfed the average annual growth of just over 3 percent in total food sales during that same period.

In addition to current sales figures, the survey looks at market opportunities and challenges created by product trends, regulatory issues and supply constraints. The report is available to OTA members for \$795 for a single copy, or as a corporate subscription for \$1,495. For more information, visit OTA's website.

## CONSUMER FINDINGS

Meanwhile, OTA's *U.S. Families' Organic Attitudes & Beliefs 2014 Tracking Study*, a survey of more than 1,200 households in the United States with at least one child under 18, found that eight out of ten American families have bought organic products one or more times in the past two years. In nearly half of those families, concern about their children's health is a driving force

behind that decision.

"My children influence my purchase of organic food, because I want them to be as healthy as they can be," commented one of the parents who participated in the survey. "I am responsible for providing my children with all their food since they cannot buy it. I choose healthy and organic foods and they enjoy whatever I give to them. Win-win!" said another parent.

Moms and dads purchasing baby food are quite committed to organic; more than a third of those parents say they always choose organic for their infant or toddler. Meanwhile, 74 percent of daycares throughout the country now offer organic options for the children they serve.

The proportion of parents who reported that they never buy any organic products fell to 19 percent, a significant decline from just five years ago when almost 30 percent of households surveyed said that organic was never a choice.

OTA partnered with *KIWI Magazine* on the study, which was conducted in late February and early March. Order details are available on OTA's website. //

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## Zkano: Fashionable, comfortable organic socks

By Linda Richards

Prior to the North American Free Trade Agreement (NAFTA), the core of Fort Payne, Alabama, was its hosiery business. Its 250 sock mills easily earned the town the title "The Sock Capital of The World" with over half the town's 15,000 residents employed by the mills. Then NAFTA after-effects hit the town. Most of the mills shut down in the first year. After stumbling through some very lean times, the Locklear's family business was one of the dozen or so that survived.

As a youngster, Gina Locklear witnessed the transformation of her parents' business and the town. Growing up with an environment-friendly mindset that steered her towards sustainable ideas, she wondered how she could help the family business. She finally landed on organic cotton socks.

"I went to my dad with my idea first in 2007 when no one in our small town was talking about organic textiles. He didn't agree, but I continued to research the reasons why it would help the business," Locklear says. He became convinced, and her company, Zkano, featuring colorful, high-style organic socks, was born in 2009.

The unusual name comes from an Alabama Indian word that describes "a state of being good," which captured her goal to be good for both people and the environment.

### FIVE YEARS AND TRIPLED BUSINESS

Five years old now, Zkano sells its socks in Whole Foods Market and online, with business tripling last year. Locklear designs the organic, fashionable socks that are then produced in her family's mill.

"Zkano's socks are a luxury, very good quality, very stylistic product with a variety of fits for men and women. They're known as being fashion-forward in the industry," says Erin Stephenson, Director of Media Services and Special Projects with Alabama Chanin, a company in nearby Florence that features hand-made, high-fashion items using organic materials. Florence, by the way, is known as the "T-Shirt Capital of the World."

Alabama Chanin recently teamed up with Zkano, sending the company some organic cotton from seven acres grown as a test pilot to make socks that integrated with the company's design collection. In addition, Zkano is also collaborating with Bill Reid, a big name in the fashion world, with the company's Billy Reid Knit socks featured in NYC fall Fashion Week.



## SOFTNESS AND DURABILITY

Locklear's primary focus for organic cotton was the environmental benefits from the lack of chemicals, and the assurance it was produced without GMOs. She's found even more benefits.

"Our family's been making socks for a very long, long time and we see a big difference between one that is organic and one that isn't. They're softer and last longer," says Locklear. "We're not sure why. But our organic socks don't go through a high water wash with a

chemical softener that conventional socks do. Instead, we put them through a 15-minute rinse and spin in cold water. We also use low impact dyes that are free of heavy metals. Organic cotton is free of the pesticides and fertilizers that could break down the fibers. But we really don't know for sure."

However, Zkano's return rate of customers shows consumers are pleased. The Zkano website socks sell for \$10 up to \$19 for a pair of thick over-the-knee style (Check out its 'pick 3 for \$39.00' special.) "We think our prices are very reasonable for organic cotton, especially with low impact dyes, which are very expensive, and being U.S. made," says Locklear.

## HAPPY DOLLS AND KIDS

The company follows sustainable practices and boasts an overall waste of 2 percent. Zkano is also the sponsor for the mOM Doll Project ([www.momdoll.squarespace.com](http://www.momdoll.squarespace.com)), an organization that makes dolls from Zkano's imperfect socks. mOM doll was the inspiration of Shivangi, an international women's advocate who approached Locklear after finding the socks in Whole Foods. The non-profit organization is 100 percent volunteer based, where for each doll purchased, one is given to a child in need. In addition, mOM doll assists families in need with food, housing and education.

The dolls are available online, and are hand delivered to orphanages around the world. "It's really cool to see our imperfect socks turn into something so cute and so happy. These kids in the orphanages have nothing. The project is a really good thing," says Locklear.

## CHALLENGES AND A FUTURE

The last two years have witnessed a big fashion sock trend. "It's a hot trend for women, and particularly for men, the wilder the better," says Locklear.

Locklear's largest challenge is the small budget that accompanies a small business. "It's difficult every day learning how to grow our brand with limited resources and limited hands," she says, acknowledging the learning curve with transforming from a sock manufacturer



to a sock manufacturer who also markets and sells its own brand.

Asked where she would be in five to ten years, Locklear said "I see us doing the same thing we are now, making high-quality organic cotton socks in Alabama. A lot of people ask me if we plan to expand into different product categories, like many brands do. I don't see us doing that. Socks are what we know best and we want to continue focusing our efforts there."

A limited supply of U.S. grown organic cotton made finding a domestic supplier difficult. The company was buying organic cotton from Turkey but recently found a grower of organic cotton in Texas. While she acknowledges the high maintenance required to grow organic cotton, she hopes for additional growers, including Alabama Chanin, which will be evaluating its organic cotton pilot project.

Meanwhile, she's happy the Zkano idea has helped the family business, which has also benefited from more consumers embracing products that are produced in the United States.

"I only see organic textiles growing. They're putting organic cotton in the big box stores and some of our fashion sock competitors are beginning to incorporate organic cotton styles in their lineup. When we began five years ago, everybody asked why we would make organic socks. No one asks today. So no question, I see it growing."

Erin Stephenson from Alabama Chanin agrees. "There's definitely a growing awareness. Consumers want to be more informed on who is making their products and where they are coming from. More are eating organically, and there are a lot of lifestyle parallels." //



Left: Gina Locklear, founder of Zkano

Above: a happy doll from the mOM Doll Project

Top right: colorful socks for women

## The lifecycle of organic cotton production in Texas



U.S. organic cotton is grown in several states, with the predominant growing area found in Texas. Because dryland acreage outpaces irrigated acres for U.S. organic cotton by a factor of nearly two to one, U.S. organic cotton is particularly susceptible to dry conditions.

Texas Organic Cotton Marketing Cooperative (TOCMC) members produce the majority of the organic cotton grown in Texas and the United States. Founded in 1993, TOCMC is headquartered in Lubbock, Texas, and most of its members are located in the surrounding South Plains area.

This region of Texas—the heart of “the world’s largest cotton patch”—is well suited to producing organic cotton. Winter temperatures are cold enough to limit insect pressure and provide a hard freeze to defoliate the cotton plants prior to mechanical harvest. In addition, the area’s sunny climate and quick-drying soils facilitate timely weed control.

The cooperative has approximately 30 producer members who plant 10,000 to 18,000 acres of organic and transitional cotton each year. In recent years, total annual production on these farms has ranged from 6,000 to 15,000 bales. Many of these farms have limited or no irrigation. Thus, yields are rainfall dependent, and vary significantly from year to year.

TOCMC and its members are certified organic under the U.S. Department of Agriculture’s National Organic Program (NOP). Each bale of cotton marketed by the cooperative is tracked from the field to the customer. Buyers can know the producer’s name and farm for each bale purchased.

In addition to organic cotton, TOCMC members grow other organic crops, including peanuts, wheat, corn, blue corn, milo, forage sorghum, soybeans, black-eyed peas, and watermelons. The cottonseed, which is separated from the cotton fiber in the

ginning process, is marketed to organic dairies for feed.

The following briefly captures the lifecycle of organic cotton production.

### TILLAGE

Tillage occurs in January through May to prepare for organic cotton production. Timing and type of tillage vary depending on the previous crop grown, soil types, and moisture condition, among other factors.

Compost or manure is applied during January and February. In February, the producer completes his or her organic system plan and sends it to the certifier.

### IRRIGATION

Irrigation, if done at all, occurs from April through September. However, only about 30 percent of the cotton acreage farmed by TOCMC members has irrigation. The balance is totally rain-fed.

## PLANTING

Planting occurs in May and June. Due to the very small market, there is no organic cotton planting seed available, and due to the predominance of GMO cotton, availability of non-GMO, untreated seed required for organic production is severely limited.

For cottonseed to be used for planting with modern equipment, the lint that remains on the seed after ginning must be removed. This delinting process is done by the seed company or a custom delinter.

## SAND-FIGHTING AND WEED CONTROL

During May through July, depending on planting date, sand-fighting and weed control are critical to successful organic cotton production. With the high winds of the Texas plains, it is important that blowing sand be controlled after rainfall or irrigation. This is done by mechanically breaking up the crust to rough up the surface of the soil. This process also kills weeds that are sprouting.

Timeliness is essential to protect the

small plants from the blowing sand and to kill weeds in the crop line before they are rooted. This makes organic cotton farming very management intensive.

From June through September, weed control continues through cultivation and hand hoeing.

## INSPECTION

Inspection by the organic certifier usually takes place between June and October.

## HARVEST

Harvest, which generally occurs in November and December, cannot begin until a hard freeze has killed the plants and dried up the leaves.

## FINAL STAGE

During December and January, the cotton is ginned. Bales of fiber are taken to nearby warehouses, and cottonseed sold to organic dairies.

TOCMC organic cotton is shipped out of the warehouses to customers throughout the year. Approximately 65 percent is shipped domestically, and 35

percent exported, mainly to Mexico, Japan, and Korea. Approximately 55 percent is spun into yarn, most of which ends up in t-shirts, and 45 percent is used in nonwovens, including mattresses, cotton balls, cosmetic pads, feminine sanitary products and diaper liners.

TOCMC producers take on multiple risks to produce organic cotton. These risks include crop yield and/or quality loss due to weeds, insects, chemical drift, and bad weather while waiting on a freeze to be able to harvest.

Additionally, there is significant market risk in being a “niche within a niche,” as U.S. organic cotton is a high-priced niche within the worldwide organic cotton market, which is a niche within the overall cotton market. This issue is compounded by the fact that the number of bales produced by TOCMC growers can vary greatly from year to year due to fluctuations in the weather, especially rainfall. //

This article was prepared with the assistance of Kelly Pepper of the Texas Organic Cotton Marketing Cooperative.



Previous page photo: Hand hoeing cotton. Above photo: Harvesting cotton. Photos by Kelly Pepper.

## Webinar focuses on latest version of GOTS

The Global Organic Textile Standard (GOTS) Version 4.0, released in March, was the focus of a June webinar hosted by the Organic Trade Association and Textile Exchange. Over 130 registrants from 40 countries signed on to hear from Marcus Bruegel, GOTS Technical Director, as he detailed the revisions.

Other speakers during the webinar were:

- Gwendolyn Wyard OTA's Regulatory Director for Organic Standards and Food Safety who serves as the USDA GOTS Technical Committee Representative, speaking on OTA's role in organic fiber and textiles.
- Ashley Gill, Integrity Specialist with Textile Exchange, speaking on Textile Exchange's Organic Content Standard.
- Sandra Marquardt, GOTS Representative in North America, speaking on GOTS and the North American Marketplace.

As explained in the webinar, GOTS is a voluntary standard that covers the processing, manufacturing, packaging, labeling, trading, and distribution of all textiles made from at least 70 percent certified organic natural fibers (such as organic cotton, organic wool, organic silk). As with organic food standards, a textile product carrying the GOTS label grade 'organic' must contain a minimum of 95 percent certified organic fibers, while a product with the label grade 'made with organic' must contain a minimum of 70 percent certified organic fibers.

At the end of 2013, there were 3,085 facilities worldwide certified to GOTS in 62 countries, compared to only 27 operations in 2006. U.S. companies certified to GOTS make everything from apparel to beds/bedding, fabrics, home textiles, and personal care products, or provide the bleaching/dyeing, yarn spinning, and more.

As consumers seek more ecologically and responsibly processed textiles, more companies are becoming GOTS



certified. According to the *Organic Trade Association's 2014 Organic Industry Survey*, fiber, for the second year in a row, is the largest non-food organic category in terms of sales, reaching \$960 million in 2013. U.S. organic fiber product sales were up 16 percent over those in 2012. Apparel is the leading segment, followed by household textiles and baby products.

According to Bruegel, Version 4.0 was developed by multi-stakeholders. Here are some of the revisions:

**The scope** of GOTS now explicitly lists mattress and bedding products, fashion textile accessories (carried or worn), textile toys, as well as textile personal care products. It does not include textiles containing electronic components or furniture.

**Verification requirements** now include certification by the IFOAM Family of Standards.

**Fibers used:** All cotton and all angora wool used in fiber composition must be organic (in conversion). All polyester used in fiber composition must be recycled. In addition, regenerated and synthetic fibers made from certified organic raw materials, sustainable forestry managed or certified recycled synthetic fibers (recycled polyester, polyamide, polypropylene and polyurethane) are permitted up to 30 percent for "made with organic." For example, some newly possible material compositions for "made with organic" include 70 percent organic cotton with 30 percent polyester or 70 percent organic cotton with 30 percent viscose made from FSC certified wood.

**Chemical inputs in the supply chain:** More hazardous substances are explicitly prohibited. Examples include SCCPs, brominated and chlorinated flame retardants, chlorinated benzenes, and endocrine disruptors.

All companies participating in the GOTS certification system must comply with all criteria of GOTS Version 4.0 by March 1, 2015.

The complete revised standard is

available from the Global Organic Textile Standard website.

The webinar also included a Q & A session. All resources, including the PowerPoint, an audio recording and download of the Q & A are available on OTA's website. For further information, contact Gwendolyn Wyard (gwyard@ota.com).

### FIBER MEMBER NEWS

Harmony Art has introduced two new blue organic fabrics: Tangled Up in Blue (a bright blue wide-width organic cotton sateen) and Twilight Blue (a navy blue wide-width organic cotton sateen) ([www.harmonyart.com](http://www.harmonyart.com)).

Maggie's Organics has joined Fair Trade Federation (FTF) which promotes North American organizations that make a full commitment to fair trade. To become a member, Maggie's went through a rigorous screening process detailing each stage of production for every product made. Maggie's Organics products are all made from certified organic cotton and wool fibers, and Maggie's controls production from the ground to the final seam.

"We are extremely happy to have been vetted by and join forces with an organization we have admired for years, and one that truly understands the breadth and depth of real fair trade. Even though over half of our products are made by co-ops and factories in the USA, we are now part of an international community that is helping level the playing field and improve working conditions for all small farmers and production works," said Bená Burda, founder of Maggie's.

Barry A. Cik, founder and Technical Director of Naturepedic Organic Mattresses, has been selected to receive the Organic Trade Association's 2014 Organic Leadership Award for Rising Star at OTA's Annual Awards Celebration in Baltimore in September. For more details, see article on Page 28.

Textile Exchange has published a 43-page *2013 Organic Cotton Report: From Farm to Market* free for its members. A shorter Executive Summary report is available to non-members, with the full report available for purchase.

Organic futon manufacturer and retailer The Futon Shop opened a new store earlier this year in San Diego, CA. //

## Growing organic farming

Farmers Advisory Council's (FAC's) first year saw a flurry of activity, as organizations struck strategic alliances with OTA and membership stepped to the plate to participate in the council. A number of conference calls were held to solidify the council, which drafted a self-directed work plan.

Active in this effort, OTA member and recipient of the 2014 Farmer of the Year Award Doug Crabtree of Vilicus Farms introduced the idea of developing alternative models for risk sharing as a means to increasing the acreage under organic management. This idea became the core for the FAC Summit held at OTA's Policy Conference this past May in Washington, D.C.

The FAC Summit provided the ideal opportunity for FAC to engage with stakeholders all across the supply chain and tackle the real and immediate issue of inadequate domestic supply of organic grains. With a shared goal of increasing organic grain acreage in the United States, farmers, handlers, and processors

identified the hurdles each group faces in growing the supply of organic grains and proposed real solutions to overcome these barriers.

Outcomes from the FAC Summit have directed OTA to engage in policies that affect farmers—such as making crop insurance products work for organic producers, and dedicating resources for an economic analysis of factors that affect the growth of domestic organic acreage. In addition, OTA staff has started identifying partners and outlining key scopes of work for this project, so the analysis

provides meaningful tools to organic farmers looking to expand and to farmers considering transitioning to organic production.

FAC's effectiveness hinges on broad representation of organic farmers across regions and across production sectors. Our current footprint encompasses representation of various farming sectors—such as the Organic Egg Farmers of America (OEFA), and regional coalitions of organic producers like the Western Organic Dairy Producers Association. Broadening FAC's reach remains a high priority, and OTA staff and Board members are



Participants at the FAC Summit in May 2014.

actively recruiting additional organizations and individuals, so that FAC's broad and diverse base accurately represents the diversity of the organic farming sector.

OTA has also launched a new membership category for small-scale organic farmers who may have previously seen OTA membership dues as cost-prohibitive. The "Farmstead Membership" enables organic farmers whose annual income from organic sales is less than \$250,000 and who also have current membership with one of the participating organizations (such as CCOF Inc., OTCO,

or OEFA), to obtain a full OTA membership with all associated benefits for a fee of \$50 per year.

Bringing in additional organizations to participate in FAC will expand this opportunity to more small-scale organic farmers, and engaging the spectrum of operations contributing to the organic industry will strengthen OTA's role as a trade association.

This past April, Nate Lewis was hired as OTA's Senior Crops and Livestock Specialist. In this new OTA position, he serves as the primary staff to FAC, helping to maximize the impact of the council and pursue strategic alliances to expand and grow FAC. The addition of staff to support FAC is part of OTA's multi-year strategic focus on farmers as being the foundation for the organic sector and for the association.

Plans are already in motion for FAC's second year. Additional organizations will participate, and our new Farmstead Members will have the opportunity to

join FAC on their own. We will hold Fall and Winter conference calls for the whole council to report on accomplishments and to solicit guidance from council members. OTA staff will also hold listening sessions at all participating organizations' annual meetings and conferences to increase our presence and engagement with these organizations' membership.

Come join us for one of these sessions to see if FAC is right for you or your organization. Contact Nate Lewis ([nlewis@ota.com](mailto:nlewis@ota.com) or 360-388-6422) for more information on FAC activities and how to participate. //



## Organic Leadership Awards honor three organic visionaries

**MARTY MESH****DOUG CRABTREE****BARRY CIK**

A pioneer and tireless teacher of the organic way for more than 40 years, an organic farmer dedicated to making his farming operation a compelling example of a better way to farm, and an environmental engineer who triggered an organic revolution in the mattress and bedding industry were selected by the Organic Trade Association (OTA) for their visionary work that is transforming organic farming and trade.

### GROWING THE ORGANIC INDUSTRY AWARD

Marty Mesh, Executive Director of Florida Certified Organic Growers and Consumers, has dedicated more than 40 years to organic agriculture. In 1973, he helped start a co-op so that people could purchase organic food. After attending the University of Florida, he founded Bellevue Gardens Organic Farm. For 25 years, working with his hands in the soil, he learned the methods that would later become organic standards. He also worked with other farmers to create a certification program to differentiate organic products in the marketplace. In 1989, he helped form Florida Certified

Organic Growers & Consumers Inc., and has served as its executive director since 1995.

Known as a clear thinker and visionary who helps build consensus, Mesh has been involved at all levels—local, regional, and national—and in many different efforts—food systems, policy and analysis, advocacy and public speaking—to transform the food system and grow organic agriculture and the industry. He has served on the Board of Directors for many organizations including OTA, The Organic Center and the Accredited Certifiers Association. He also served as a charter board member for the Organic Materials Review Institute and was on the steering committee that helped form the Southern Sustainable Agricultural Working Group which has made significant progress towards increasing the viability of farms in the south.

### ORGANIC FARMER OF THE YEAR AWARD

Growing up on a conventional managed farm in Ohio, Doug Crabtree, farmer and Organic Farm Trainer at Vilicus Farms, never imagined he'd be anything

else than a farmer. However, over time, he has become not only a passionate advocate of organic farming, but a steward helping others become organic farmers.

Earning a B.S. in Agricultural Economics from Purdue University and a Masters in Plant Science at South Dakota State University, he first worked with an investment firm interested in organic farming. This experience confirmed that organic farming was not just economically viable but also economically advantageous over conventional farming. He subsequently served as an independent organic inspector for five years, gaining perspective on the challenges facing organic farmers, and later joined the Montana Department of Agriculture in 2001 as Organic Certification Manager.

In 2009, he and his wife and partner, Anna Jones-Crabtree, purchased their first organic acreage in northern Hill County, Montana. They chose the name Vilicus Farms (Vilicus in Latin means “steward”) for their farming operation. Since then, they have actively farmed while setting up a mentoring apprenticeship program to actively

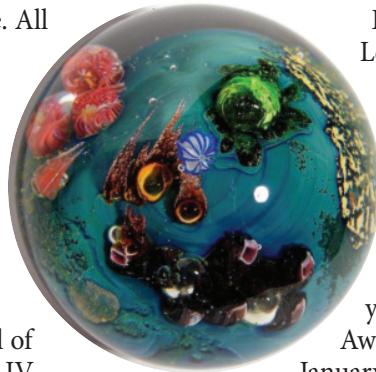
engage new farmers in growing organically, giving them hand-on skills needed to farm successfully.

### RISING STAR AWARD

As the founder and Technical Director of Naturepedic Organic Mattresses, Barry A. Cik has a lifelong interest in preserving the environment for all future generations. A professionally trained environmental engineer, Cik combines his passion for improving our quality of life with his technical knowledge.

Horrified to discover the state of the baby mattress industry when he shopped for a crib mattress for a grandchild, Cik was determined to create mattress products that were environmentally safe. Working with his sons, he established Naturepedic in 2003. Since that time, Naturepedic has expanded from a small family business to a nationally known company. Moreover, Cik strongly believes in being certified to the world's most stringent quality and environmental standards and demonstrates to other companies that

such goals are attainable. All Naturepedic mattresses have been certified to meet the highly sought-after Global Organic Textile Standard (GOTS). Naturepedic this year became the first GOTS certified organic mattress manufacturer to have all of its products attain Level IV certification by the Specialty Sleep Association.



Each of the three Organic Leadership Award honorees will receive a hand-blown glass "planet" by artist Josh Simpson at the Annual Awards Celebration September 17 in Baltimore.

Applications for next year's Organic Leadership Awards will be available in January 2015. Contact Tessa Young (tyoung@ota.com) for more information.

### OTA MEMBER OF THE YEAR

The Organic Trade Association has selected Steve Crider, Liaison for Government and Industry Affairs at Amy's Kitchen, to receive the first OTA Member of the Year Award, which will be presented at OTA's Annual Meeting in Baltimore. This special recognition, driven by OTA staff and endorsed by the OTA Board, was created to honor outstanding members.

An engaged long-time member, Crider has actively served on OTA task forces and standing committees, participated in OTA events, and has served overall as an unofficial ambassador for OTA.

The list of Crider's activities is impressive, and quite long. Join us at OTA's 2014 Annual Meeting September 17 in Baltimore to celebrate with him. //

## The Organic Center's 12<sup>th</sup> Annual VIP Dinner

March 6, 2015 • 6:30–10:00 p.m. • Anaheim, CA



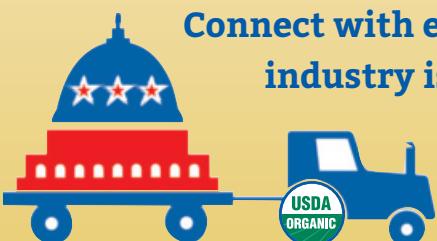
The Organic Center's Annual VIP Dinner  
is both a fundraiser as well as the  
organic sector's premier executive-level  
event at Natural Products Expo West.



SAVE THE DATE!

## OTAs' Policy Conference and Hill Visit Days

April 15-16, 2015 • Washington, D.C.



Connect with elected officials about critical  
industry issues at OTA's signature event.  
Join us to help raise the profile  
of organic on Capitol Hill!



SAVE THE DATE!



## COTA Board holds Strategic Retreat

In late June, the COTA Board of Directors met in Winnipeg, Manitoba, for its annual Strategic Retreat. Manitoba Harvest hosted the retreat in its new Customer Experience Centre, which includes a full demonstration kitchen, natural light and high-tech boardroom.

This was an opportunity for the Board to review COTA's performance against its strategic plan, and engage in open, bold discussion on what's needed moving forward. During the retreat, the COTA Board discussed its strategic plan, approved COTA's operating budget and staff plan, began work on succession and crisis planning, and strategized on new marketing initiatives and partnerships.

The Board also reviewed COTA's membership, key supporters and strategic industry partners such as OTA,

CHFA and COG. In addition, this year's retreat included a dinner with COTA members based in the area, allowing the Board to hear directly from membership.

The retreat wrapped up with a full day of media training led by Maverick Media. In an effort to improve the sector's capacity to respond to media inquiries and crisis communications, COTA opened the workshop to other organic sector representatives from Canadian Organic Growers, the Organic Council of Ontario and organic businesses. This hands-on workshop increased each participant's capacity to develop strategy, prepare key messages, and remain in control during media interviews. It also helped COTA develop internal capacity to respond to future media inquiries.



The COTA Board, shown from left: Dag Falck (President), Ryan Benn (Vice President), Matthew Holmes (Executive Director), Dwayne Smith, Martin LeMoine, Kelly Monaghan (Secretary), Lisa Mumm, Maureen Kirkpatrick, Lynne Brenegan and Mike Fata (Treasurer).

## Organic Week celebrates five years

September 20-28 marks the fifth annual celebration of Organic Week in Canada, now organized by COTA, Canadian Organic Growers and the Canadian Health Food Association. Supported by sponsors and regional partners, Organic Week celebrates organic products and farming across the country in an inclusive way: from small farmers to mainstream retail. Increased awareness and demand for organic products among Canadian consumers show the campaign is hitting the right nerve.

At the time of printing, Organic Week had confirmed over 20 official sponsors, including six in the new marquis "Champion" category: Alive Publishing Group, Cascadian Farm, Manitoba Harvest Hemp Foods, Nature's Path Organic, Sobeys, and UNFI Canada. Major retailer Loblaw had also confirmed special programming and promotions for Organic Week 2014.

Over a very short period, Organic Week has become Canada's largest promotional campaign for organic. Hundreds of Organic Week community events take place across the

country each year, and hundreds of organic retailers host Organic Week displays and promotions. These are listed on the Organic Week website, while its Facebook page and active social media bump up the buzz at the consumer level. Thanks to industry sponsor support, Organic Week is able to promote organic products and farming in major weeklies and magazines, supply retailers all over Canada with point-of-sale materials, run an online advertising campaign and partner with *The Globe and Mail* to publish the annual Special Report on Organic that reaches well over 3 million readers.

Organic Week is closely followed by COTA's Organic Parliament Days held in late October, a mini-conference where organic leaders and supporters meet with Members of Parliament and Senators to discuss the key issues affecting Canada's organic sector. Enjoy a great Organic Week this September, and stay tuned for more information and updates on our fall policy conference in Ottawa.

## COTA RELEASES FIRST CANADIAN SEED STUDY

Just in time to celebrate Organic Week, COTA is launching new market research findings on the organic and ecological seed market in Canada. This research was funded through a partnership with USC Canada and The Bauta Family Initiative on Canadian Seed Security.

The study defines the acreage and seeding rate for organic vegetable and field crops in Canada, and calculates the additional potential area in ecological production. It provides a benchmark for the value of organic and ecological seed in Canada, and the potential for growth in this market. The research also includes the first-ever survey of organic inspectors regarding their own experience with organic seed and farmer requests for seed derogations. The survey results provide qualitative insights on the use of pedigreed organic seeds, trends in seed procurement, and key recommendations for further developing the Canadian organic seed sector.

Findings estimate the value of the Canadian organic and ecological seed market at over \$45 million per year, including \$25 million in horticultural production (25,000 acres) and \$20 million in organic and ecological field crops. Additionally, there is another \$29 million-worth of on-farm saved seed planted annually.

COTA's seed research is available in both English and French on The Bauta

Family Initiative on Canadian Seed Security website.

## ORGANIC EQUIVALENCE NEGOTIATIONS

Canadian Food Inspection Agency's Canada Organic Office (COO) has informed COTA that negotiations with Japan's Ministry of Agriculture, Forestry and Fisheries towards an organic equivalency arrangement are close to completion. The hope is that negotiations will be completed by the end of 2014, giving Japan and Canada broad access to each other's organic markets. Under such a deal, plant-based products will no longer require separate certifications for each market.

This is very good news for Canada's organic exporters, as demand for organic imports is high in Japan, Asia's largest organic market, particularly for maple syrup, honey, soybeans, coffee and grains. Without this agreement, organic products destined for Japan have had to be certified to the Japan Agricultural Standards for organic plants and organic processed foods of plant origin. It has been a costly and time-consuming barrier preventing a significant number of Canadian organic growers and processors from entering the Japanese market.

In another growing and potential organic market, COO is currently working on the documentation required by Korea's National Agricultural Products Quality Management Service to initiate

organic equivalency discussions.

Meanwhile, real progress is being made in expanding the European Union-Canada equivalency to allow multi-ingredient products manufactured in Canada with imported ingredients to be accepted under the deal. As well, Canada is evaluating Europe's new wine standards for possible inclusion under an expanded equivalency. COTA has provided CFIA with technical advice on these questions.

## COTA MEMBERS IN THE NEWS

Long-time COTA member Nature's Path Foods made the news with its purchase of 2,760 acres of organic farmland (see article, Page 11).

Community Natural Foods in Calgary has been selected as one of Canada's top 50 best-managed companies. Community Natural Foods is a well-known regional organic retailer, which is also vertically integrated to manufacture its own nutritional supplements, natural soap and packaging. It also has a large commercial kitchen that produces ready-to-eat foods. The company has a strong focus on its environmental and socially responsible activities, supporting more than 80 not-for-profits in Calgary. In addition to its organic leadership, Community Natural Foods also has B-Corp certification.

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# Special focus on Canadian regulatory modernization

## HEALTH CANADA USHERING IN LABEL CHANGES

Major changes are coming to labels for all packaged foods sold in Canada. Health Canada's Food Directorate is proposing changes based on feedback received from Canadian parents and consumers during a 2013 consultation on how best to provide nutrition information. Among the many proposed changes are:

- new vitamins and minerals to be required in the Nutrition Facts panel
- new guidelines on serving sizes
- new formats for nutritional facts and other information
- changes in the way sugar content is presented.

COTA is submitting its reaction to the proposed changes, based on feedback from members. Contact the COTA office if you require more information or wish to participate more directly.

## THE SAFE FOOD ACT

In the spring of 2014, the Canadian Food Inspection Agency (CFIA) published a draft of its proposed wording for new comprehensive food traceability and safety rules. The new laws will consolidate and streamline a multitude of pre-existing food and agriculture regulations into one piece of legislation. As COTA has

reported previously, the Organic Products Regulations are included in this overhaul of Canada's food regulations.

The scope of the new regulations are broad and will affect nearly all food imported, sold, traded or exported from Canada. They will address minimum food safety requirements, commodity-specific requirements, HACCP-principles, and good manufacturing practices, as well as new licensing requirements for everyone importing, preparing food for export or for inter-provincial trade, or exporting a food for which they are requesting an export certificate. They also will cover recall and risk-mitigation, as well as record-keeping.

COTA has been heavily engaged in the consultation process. In June, COTA held a members-only webinar briefing with senior officials responsible for overseeing the new rules. Subsequently, in August, COTA provided CFIA with formal feedback on its regulatory modernization program.

Once the comments have been examined and addressed, draft regulations are expected to be published in *Canada Gazette, Part I*, by January 2015. After a public comment period, any final revisions will be included in a version to become law following publication of *Canada Gazette, Part II* (anticipated in June 2015).

For more information on the Proposed Safe Food for Canadians Act and Regulations, please refer to CFIA's website.

## STANDARDS RENEWAL

In July, the Canadian General Standards Board (CGSB) announced a public review of proposed changes to the Canadian organic standards and Permitted Substances lists. COTA has been actively engaged on behalf of its members in the current round of review and renewal of Canada's organic standards. Review documents online provide an overview of the pre-ballot proposed changes to Canada's organic standards and Permitted Substances Lists.

The Canadian organic standards, including materials lists, are undergoing a comprehensive five-year review under the direction of a technical committee made up of industry experts. A final meeting of the technical committee is planned for December 2014, with a second public review in early 2015 and a final version of the new standards published in late 2015. Upon publication, the new standards will become mandatory immediately under Canada's organic regulations, but phased in with each company or farm's annual inspection review.

## RETAIL TRAINING

In March, COTA hosted a strategy session to develop a new curriculum for retailers on maintaining organic integrity in Canada. Organic sector leaders from various backgrounds in Canada—verification officers, retailer specialists, organic standards experts and organic association leaders—participated in the focus group.

The workshops will be based on COTA's *Canadian Organic Retailing Practices Manual and Guide* (the CORP manual), and will also further retailers' understanding of organic practices and public education tools from the new "Think Canada Organic" campaign. COTA Board member Kelly Monaghan co-authored the CORP manual, and led the strategy meeting. The retailer workshop series, to begin in early 2015, will be offered to retailers across Canada.



Participants in developing a retail training were, from left, Michelle Book (Canadian Health Food Association), Rochelle Eisen (COG), Keri Moline (Alberta), Maureen Kirkpatrick (The Big Carrot), Tegan Renner (ACORN), Marie-Eve Levert and Matthew Holmes (COTA), Jodi Koberinski (Organic Council of Ontario), Kelly Monaghan (Ash Street Organics). Missing from the photo were Shelley Schepp (Manitoba) and Monique Scholz (Quebec).

## 2,4-D GE CROPS DE-REGULATED BY APHIS

USDA's Animal and Plant Health Inspection Service (APHIS) on August 6 issued its final Environmental Impact Statement determining that corn and soybean seeds genetically engineered (GE) to be resistant to the herbicide 2,4-D—a compound used in Agent Orange—are not subject to regulation under the plant pest provisions of the Plant Protection Act.

This de-regulation authorizes Dow AgroSciences to grow three varieties of GE corn and soybeans resistant to 2,4-D without any further APHIS oversight. However, herbicide applications to these crops are under the oversight of the U.S. Environmental Protection Agency, with their food safety under U.S. Food and Drug Administration's oversight.

Dow's Enlist™ Duo herbicide containing 2,4-D herbicide is designed to kill superweeds that have adapted to withstand exposure to Roundup. In addition to 2,4-D, commercial seed varieties of Enlist™ corn are expected to have resistance to glyphosate and quizalofog, and commercial varieties of soybean are expected to have resistance to glyphosate and glufosinate.

## SUPERWEED CHALLENGE

Growers of GE crops are increasing challenged by pressures from superweeds. In fact, U.S. plantings of GE crops resulted in increasing herbicide use by an estimated 527 million pounds between 1996 and 2011, and corresponding herbicide resistance. The emergence of superweeds has already affected over 61 million acres across 36 U.S. states.

Highlighting challenges from superweeds, an Aug. 11 article in *The New York Times* noted that farmers have gone so far as to use manual labor to pull up the weed palmer amaranth, which has devastated Southern cotton farms and is poised to wreak havoc in the Midwest.

Even APHIS recognizes the limits to new GE seeds that tolerate other weed killers. "The eventual occurrence of

weeds resistant to glyphosate, 2,4-D and glufosinate will over time limit the use of Enlist™ crops and any benefit to natural resources that may arise," it wrote in making its decision.

## NEW PANEL TO STUDY GE CROPS PAST, FUTURE

The National Academy of Sciences' National Research Council (NRC) has selected an ad-hoc committee to conduct a broad study examining past experiences and future prospects of GE crops.

The committee will examine the history of GE crops, and assess any purported negative effects such as poor yields, deleterious effects on human and animal health, increased use of pesticides and herbicides, the creation of superweeds, reduced genetic diversity, fewer seed choices for producers, and negative impacts on farmers in developing countries and on producers of non-GE crops. Also reviewed will be the scientific foundation of current environmental and food safety assessments for GE crops and foods, and the need for and potential value of additional tests. Finally, it will explore new developments in GE crop science and technology, and future opportunities and challenges those technologies may pose.

The first public meeting will be held this month in Washington, D.C., to gather information from speakers representing a variety of points of view on GE crops. Among the speakers will be Charles Benbrook, Research Professor at Washington State University's Center for Sustaining Agriculture and Natural Resources. Benbrook was The Organic Center's original Chief Scientist and is currently a member of its Science Advisory Board.

## VERMONT FIGHTS LAWSUIT OVER GMO LABELING LAW

The Grocery Manufacturers Association, Snack Food Association, International Dairy Foods Association, and the Association of Manufacturers filed a lawsuit against Vermont to challenge

Vermont Act 120 requiring food manufacturers to label products that include genetically modified organisms (GMOs).

Act 120 was signed into law by Vermont Governor Peter Shumlin on May 8, with enforcement to begin July 1, 2016. It is the first GE labeling measure in the country with no strings attached. Although Connecticut and Maine have both passed mandatory GMO labeling laws, they do not go into effect unless other states also pass such laws. The Vermont Act also makes it illegal to describe any food product containing GMOs as "natural" or "all natural."

In their lawsuit, the plaintiffs have asked the U.S. District Court for the District of Vermont to invalidate the law and enjoin the state from enforcing it.

On August 8, Vermont Attorney General William H. Sorrell asked the Court to dismiss the lawsuit without requiring Vermont to answer the complaint or engage in further litigation.

## OTHER GMO LABELING INITIATIVES

Voters in Oregon will have the chance November 4 to determine whether the state should require labeling on genetically modified (GMO) foods. On July 23, the Secretary of State's Office certified 118,700 signatures on petitions to place the initiative on the ballot—far surpassing the 87,213 needed. If passed by voters, the labeling law would take effect Jan. 1, 2016. The effort has been spearheaded by the Oregon Right to Know campaign.

Meanwhile, on Aug. 4, the Right to Know Colorado campaign to label GMO foods delivered 167,950 signatures to the Colorado Secretary of State in support of placing a GMO labeling initiative (Initiative 48) on the November ballot. Although the signatures still needed to be certified as of press-time, campaign supporters were confident the initiative will qualify for the fall election ballot as the number turned in tallied almost twice the 86,105 signatures needed. //

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We would like to thank our Host Committee members who volunteered hours of service to further the cause of organic. Without them, success would not have been possible. Chaired by Jeff Rakity (Elan/Natural Flavors), the 2014 Annual Fund Host Committee members are Dale Kamibayashi (Alfalfa's Market), Ryan Benn (Alive Publishing Group Inc.), Kelly Monaghan (Ash Street Organics Inc.) Carmela Beck (Driscoll's), Tony Bedard (Frontier Co-op), Michael Sencer (Hidden Villa Brands), Jenny Burns (Honest Tea), Scott Silverman (KeHe), Grant Lundberg (Lundberg Family Farms), Julie Hafer (MOM's Organic Market), Lisa Mumm (Mumm's Sprouting Seeds Ltd.), Sandra Marquardt (On the Mark Public Relations), David Gagnon (Organic Trade Association), Jason Cumming (Organic Valley), Julie Morgan (Organic Valley), Marci Zaroff (Portico Home + Spa), Loren Morr (SunOpta Inc.), Matt McLean (Uncle Matt's Organic Inc.), Rick Moller (UNFI), and Gunta Vitins (Vitins Consulting).

## ALL WE NEED IS YOU!

After membership dues, the Annual Fund is the single

largest unrestricted source of income for OTA and is critical to our success on your behalf. You can be instrumental in this effort by joining the Annual Fund Host Committee. Your company will also gain additional Annual Fund recognition. Please contact Amy Bovaird (802-275-3812 or abovaird@ota.com) for more information.

## PUBLICATION PARTNERS

Thank you to *Natural Foods Merchandiser*, CCOF's *Certified Organic*, and *Taste for Life—The Retail Approach* for providing OTA complimentary advertising space for the Annual Fund campaign.

## SPECIAL RECOGNITION

OTA recognizes those companies who have consistently supported the Annual Fund—going above and beyond for (\*\*) 10 or more consecutive years or (\*) 5 or more consecutive years. Their unwavering generosity has fueled OTA's hard work on behalf of the entire organic industry year after year.

Additionally, donations to the Canada Organic Trade Association's (COTA) Annual Fund are indicated by a (+).

## BEYOND GREEK

STONYFIELD FARM has developed Petite Crème, an organic yogurt-like cheese with a smooth texture and mild taste. Made from cheese rather than yogurt bacterial cultures, the product is aimed to appeal to consumers who think Greek yogurt is too thick or bitter ([www.stonyfield.com](http://www.stonyfield.com)).

## GET A SQUEEZE

MAMMA CHIA has added two items to its line of Chia Squeeze Vitality Snacks. Mango Coconut and Wild Raspberry round up the six SKU organic chia squeezes, made with organic chia seeds infused with organic fruit and vegetables. All chia squeezes are Non-GMO Verified, Gluten-free, Vegan, Kosher, and certified organic ([www.MammaChia.com](http://www.MammaChia.com)).



## BRANDED SOUPS

CAMPBELL SOUP COMPANY is introducing its first range of Campbell's branded organic soups. The new soup line, called Campbell's Organic, will include six varieties of ready-to-serve soups: chicken noodle, tomato & basil, chicken tortilla and garden vegetable, and its current Swanson broth and Wolfgang Puck soups ([www.campbellsoup.com](http://www.campbellsoup.com)).

## MORE TEA, PLEASE

DAVIDSON'S ORGANIC TEAS has introduced three additional flavors of its organic, Fair Trade and Kosher certified Tulsi Teas to its line of six existing flavors. Later this year, it plans to release a tea blending kit containing more than 12 tea ingredients and a family-size teapot to the consumer market ([www.davidsontea.com](http://www.davidsontea.com)).

## SNACKING WELL

MARY'S GONE CRACKERS now offers Everything Pretzels, a new pretzel chock full of exotic whole grains (brown rice, quinoa, amaranth and millet) and seeds, including flax, sesame, and chia. The Everything Pretzels get extra crunch from poppy seeds, and flavors incorporate onion, garlic, sea salt and herbs. The organic, gluten-free, non-GMO, soy free and vegan pretzels provide omega-3 fatty acids, fiber and protein ([www.marysgonecrackers.com](http://www.marysgonecrackers.com)).

## WILD ABOUT FRUIT

CROFTER'S ORGANIC, the largest organic jam manufacturer in North America, has launched two new flavors of its Biodynamic® fruit spreads in cooperation with Whole Foods Market. The new flavors, Apricot and Strawberry, join Wild Blueberry on the shelves at Whole Foods Market stores across the United States ([www.croftersorganic.com](http://www.croftersorganic.com)).

## SHELF-STABLE DIP

PACIFIC FOODS has expanded into the snacking category with an organic hummus packed in the brand's signature Tetra Recart BPA-free cartons. The shelf-stable product comes in three distinct flavors: Classic, Roasted Garlic and Roasted Red Pepper. Containing one-third fewer calories and 40 percent less fat than the leading refrigerated brand, the hummus is made from organic chickpeas, garlic, tahini, lemon juice and sea salt ([www.pacificfoods.com](http://www.pacificfoods.com)).

## SNACKIMALS

BARBARA'S now offers Chocolate Crisp Organic Snackimals Cereal in fun animal shapes. The lightly sweetened crunchy cereal is organic Non-GMO Project Verified, fat free, and a good source of fiber and calcium. Other flavors include Vanilla Blast and Cinnamon Crunch ([www.barbaras.com](http://www.barbaras.com)).



## MORE FOR KIDS

PLUM ORGANICS line, now owned by Campbell Soup Company, is planning to expand its organic meals and snacks for infants, toddlers and children by launching 22 new products in fiscal year 2015 ([www.plumorganics.com](http://www.plumorganics.com)).

## PARCHMENT COOKING

FRONTIER CO-OP'S Simple Organic® brand has introduced new Steam Gourmet seasoning and parchment kits for sealing food in parchment paper to cook in the oven with steam. Each kit contains two blended seasoning packets and two parchment bags. Add protein to make two complete entrees each serving four. The kits are available in four flavors ([www.simplyorganic.com](http://www.simplyorganic.com)).



## EAT YOUR KALE

EARTHBOUND FARM has expanded its organic line of kale-based Deep Green Blends with organic Kale Italia, a mix of baby kale, and Italian greens, arugula and radicchio ([www.earthboundfarm.com](http://www.earthboundfarm.com)).

## ON THE MENU

ELEVATION BURGER, the largest organic burger chain in the United States, is offering a new menu item—the Barbecue Bacon Cheddar Burger—at 32 participating locations nationwide. This new item includes two 100 percent organic, grass-fed, free-range beef patties, along with unprocessed cheddar cheese, organic bacon, caramelized onions and barbecue sauce ([www.elevationburger.com](http://www.elevationburger.com)).

OTA welcomes new product announcements from member companies.

Send items to Barbara Haumann ([bhaumann@ota.com](mailto:bhaumann@ota.com)).



## Korea is now open to U.S. organic processed products

The June 30th announcement of the U.S.-Korea Equivalency arrangement covering trade of certified organic processed products between the two nations has been welcomed as a trade milestone. Here are a few facts about the Korean market, and what spokespeople from USDA, OTA, and industry are saying.

The Republic of Korea (formerly South Korea) imports approximately 60 to 70 percent of its food and agricultural products. Between 2010 and 2015, total spending on food is expected to increase over 20 percent. With over 50 percent of the population concentrated within a 60-mile radius of the capital city of Seoul, that region accounts for over 70 percent of retail spending in the country.

Korea imported about \$25 billion in agricultural goods in 2012. The United States is the chief exporter to Korea, supplying \$6.04 billion of U.S. agricultural exports in 2012, making Korea the fifth largest U.S. foreign market. Imports of consumer-ready foods from the United States totaled \$2.8 billion in 2012.

The organic food market in Korea is anticipated to grow immensely in coming years. In 2013, organic sales reached \$35 million. This figure is anticipated to at least double over the next five years. In past years, organic food represented 10 percent of the total agricultural products market in Korea. Within the organic category, organic packaged food grew by 9 percent in 2012. Meanwhile, the market for organic milk, yogurt, cheese and other dairy products, with demand currently exceeding supply, is an excellent opportunity for U.S.

producers to bring their organic dairy products to an interested consumer base. All in all, USDA organic product penetration will continue to grow as an increased variety of USDA certified organic products begins to build brand recognition and loyalty in this young market.

OTA's Senior Trade Advisor Bob Anderson and Senior International Trade Manager Monique Marez have met with USDA's Foreign Agricultural Service (FAS) officers to share in the excitement of the announcement and look ahead at continued commitment to grow trade in the region. Kevin Smith, Minister-Counselor of Agricultural Affairs Office (AAO) in Korea, and Mark Myers, FAS attaché, both reaffirmed the need to maintain the momentum of the announcement and create opportunities for U.S. organic producers to bring their goods to market. The successful negotiation, which was done in record time, is just the beginning.

OTA's webinar after the announcement made clear that producers, processors, wholesalers, and certifiers alike had some questions about the rules of engagement for this unique arrangement, which went into effect on July 1. The details about what qualifies as a processed product while specific at times, can seem a bit confusing. As a result, questions raised during the webinar, which had over 35 members represented, were documented and shared with OTA contacts at USDA's National Organic Program (NOP). NOP's Frequently Asked Questions document was revised on July 14, and added greater clarity to the mechanics of the arrangement.



Promoting U.S. organic product exports at international shows.

## What is an HS Code? Why is it important to your export business?

You may recall a request from OTA's Senior International Trade Manager regarding "HS Codes." While seemingly technical and detailed, HS codes are key in helping monitor the success and growth of the organic industry over time. Here is the background on HS Codes, and why they are important for your export business.

The Harmonized Tariff Schedule of the United States (HTS) was enacted by Congress and made effective on Jan. 1, 1989, replacing the former Tariff Schedules of the United States.

The U.S. International Trade Commission publishes and maintains the U.S. Harmonized Tariff Schedule (HTS) and provides technical information on its structure and modification. The schedule and codes serve a few important functions. In this case, we are most interested in their use as statistical reference for tracking trade data.

This structure is based upon the international Harmonized Commodity Description and Coding System (HS) administered by the World Customs Organization in Brussels. The four- and six-digit HS product categories are subdivided into eight-digit rate lines unique to the U.S. and 10-digit non-legal statistical reporting categories. These 10-digit codes help the several federal organizations track the level of international trade for a specific product. While there are thousands of HS codes in action today, there are only handfuls for organic-specific products.

Formal submission requests for new codes are accepted a few times a year through the Office of Tariff Affairs and Trade Agreements of the U.S. International Trade Commission. However, there are some key requirements for a code to even be considered. First, the product needs to generate at least 1 million in U.S. dollars in trade annually. Next, this trade floor minimum must be generated by at least

three exporting entities. The second rule is in place to protect company-specific trade information. Currently there are about 27 organic export codes, mostly in the fresh produce category.

For every yin there is a yang. Similarly, while we aim to increase export codes to see how much of our products are going out, we need also to monitor what is coming in.

Primarily, the product classification protocol is used by Customs officials for levying tariffs and controlling quotas on imported goods. The statistical identifiers that OTA aims to submit serve additional functions. Import codes allow suppliers to recognize domestic supply gaps and identify opportunities. These codes are requested in a similar fashion to export codes and survey statistics for trade. Increasing the number of both import and export codes is critical in order to showcase the growth and success of the organic industry. At the same time, import codes also generate an accountability and oversight mechanism for goods entering the United States as "organic." Currently there are about 36 organic import codes, ranging from produce to processed coffee beans.

OTA will continue to submit requests for new codes throughout the year. As OTA continues to promote equivalency arrangements with major trading partners and the organic industry as a whole continues to grow, we aim to increase the number of HS codes being tracked to gain official data and more accurately measure the impact of global organic trade.

For more information on HS Codes or to submit a suggestion for submission, contact Monique Marez, OTA's Senior International Trade Manager, at [mmarez@ota.com](mailto:mmarez@ota.com).

## TasteUS! designed to increase U.S. organic products in Canada

OTA co-applied and was approved for Global and Broad-based Initiative funding to increase USDA Organic presence in retail operations in Canada under the tasteUS! banner. About 19 collaborators will work together for the rest of the year promoting products such as tomatoes, wine, cherries, peaches, pears, melons, avocados, berries, and apples in key segments of the Canadian market through in-store promotions and consumer-facing trade shows.

The tasteUS! brand builds on the success and momentum achieved by the Buy California Marketing Agreement (BCMA) in recent years. The tasteUS! brand was created in 2004 by the former Minister-Counselor for Agricultural Affairs in Canada, Gary Groves. The purpose of the tasteUS! label was to bring all of Canada's cooperators together under a coordinated

umbrella and brand. In recent years, U.S. commodities have been faced with an ever-increasing rise in competition in the Canadian marketplace. Reinvigorating the tasteUS! brand aims to raise the profile of U.S. agricultural products and increase their competitiveness in the Canadian marketplace while recognizing the growing importance of the buy local movement in Canada.

OTA is planning organic-specific promotions that build on the momentum from COTA's Organic Week, and also target key holiday promotions to ensure the greatest exposure during feasts for the holiday season. Recipe cards, demos, media outreach, and coupon promotions will help get your products into more homes of our neighbors to the North. If you are interested in learning more about OTA's plans for this promotion, contact Monique Marez at [mmarez@ota.com](mailto:mmarez@ota.com). //

# 2014 Export Program Events

## SEPTEMBER 7 – 11: FOREIGN BUYER/MEDIA TOUR

While many importers understand the rigor of U.S. organic standards, many retailers and foreign consumers are still reluctant to put U.S. products on their shelves and in their carts. To educate buyers and the business media, OTA is hosting a U.S. educational tour for representatives from Germany, France, and Japan to experience first-hand the sophistication and integrity of the U.S. organic industry. Monique Marez will lead the group through a series of U.S. farm visits, discussions with certifiers, and retail tours in an effort to shape the image of our industry in key markets.

## SEPTEMBER 19: INTERNATIONAL BRIEFING AT EXPO EAST

Don't miss out on this dynamic presentation and discussion. This year at Expo East, Bob Anderson (OTA's International Trade Advisor), Nate Lewis (OTA's Senior Crops and Livestock Specialist), and Monique Marez (OTA's Senior International Trade Manager) will host an international briefing on Friday morning at Expo East. The briefing will provide a top-level update on current markets of interest, followed by a question and comment period. Learn from your fellow members on successes and challenges of doing business across the globe.

## OCTOBER 13 – 15: IFOAM WORLD CONGRESS

Every three years, the Organic World Congress and IFOAM General Assembly draw the global organic movement together to debate, inspire, learn and make strategic decisions. OTA joins 2,000 industry professionals from six continents for the 2014 Congress in Istanbul, Turkey. OTA will participate in a Market Advancement panel, a session on Environments Conducive to Organic Expansion, and Mainstreaming Organic Agriculture envisioning the industry in 2020.

## OCTOBER 19 – 23: SIAL, PARIS

OTA, along with six tabletop participants, makes its first appearance at this biannual event. As the world's largest food show, SIAL Paris will host more than 6,000 exhibitors and 150,000 high-profile visitors. Visitors will experience the latest innovations in the retail, food service, and catering markets. As the main exhibitor in the Organic Pavilion, OTA will educate French consumers and industry professionals on the benefits of U.S. organic products.

## NOVEMBER 3 – 7: EDUCATING ON EQUIVALENCY, JAPAN

The equivalency agreement with Japan signed last year will continue to create opportunities for U.S. organic exports, especially as Japan's demand for organic products continues to grow. However, many Japanese importers, retailers, and consumers are still unaware of the agreement and how it can reduce time needed to successfully establish a relationship with U.S. suppliers. As such, OTA will host two seminars in Tokyo and Osaka for key decision-makers in this arena. With the help of a local team, OTA plans to create a lasting impression and forge new relationships with the importer community in Japan to further promote your products in this dynamic market. If you are currently exporting to Japan, please send Monique Marez a note at [mmarez@ota.com](mailto:mmarez@ota.com).

## Sneak Peek at 2015:

### BIOFACH 2015

OTA will once again have a large presence at BioFach in February 2015! BioFach is the world's largest organic only trade show, taking place in Nurnberg, Germany. As part of our participation, OTA is recruiting first-time show participants to set up shop in the OTA pavilion. OTA will help sponsor your trip. If you are interested in this opportunity, contact Monique at [mmarez@ota.com](mailto:mmarez@ota.com).

### REVERSE BUYERS MISSION AT NATURAL EXPO WEST

OTA will host a Reverse Trade Mission at Expo West. This enables U.S. organic companies to discuss their products, make on-the-spot sales, and pave the way for productive long-term relationships with international buyers in real time! U.S. organic food and ingredient companies eager to promote their organic products in international markets have the opportunity to meet pre-qualified buyers from established and emerging international markets. If you are planning to attend Expo West, or have suggestions for importer companies OTA might consider inviting, e-mail Monique at [mmarez@ota.com](mailto:mmarez@ota.com).

## BUSINESS MILESTONES

**Frontier Natural Products Co-op** has changed its name to Frontier Co-op to better reflect its mission and heritage of member ownership. Frontier Co-op is owned by its more than 30,000 wholesale customers.

In June, **Honest Tea** announced that it had sold its billionth beverage since the brand's debut in 1998. According to the company, this represents 22 million pounds of organic ingredients.

**KeHE Distributors LC** has acquired **Nature's Best**, a large privately owned U.S. wholesale distributor of health, natural and organic products.

**Organics Unlimited** has added 370 acres of certified organic banana production in Michoacán, Mexico, to increase its supply of organic bananas. This new acreage is anticipated to provide an additional six to seven loads of product per week in the summer and about four loads per week in the winter.

**Organic Valley** in late July added an Aroostook County organic dairy farm to its lineup of Maine suppliers, bringing its state total to 33 farms. As a result, Organic Valley has added a third truck to its fleet of milk tankers in Maine.

**PCC Natural Markets** has opened its tenth location with a new store in the Greenlake neighborhood of Seattle, WA. Meanwhile, its PCC Food Bank Program was awarded the Food Marketing Institute's 2013 Community Outreach Award in the category of programs addressing food insecurity.

**The Hain Celestial Group** has acquired **Rudi's Organic Bakery Inc.**, the nation's largest brand of certified organic breads, for \$61.3 million from Charterhouse Equity Partners LLC. Based in Boulder, CO, Rudi's makes 60 different products, including organic breads, buns, bagels, tortillas, wraps and soft pretzels. In addition, Hain has completed the \$40 million acquisition of the remaining 51 percent it did not already own of its organic poultry joint venture, **Hain Pure Protein Corporation**, with Pegasus Capital Advisors.

**UNFI** has purchased food distributor **Tony's Fine Foods**, West Sacramento, CA, as it seeks to grow its business in the Western U.S.

## MARKETING

**Natural Grocers** by Vitamin Cottage will phase out any dairy products from confinement dairies from its nearly 90 stores. Instead, it will only sell dairy products from

animals that are pasture-based. In addition, it plans to continue 20 percent unit growth into next year, opening 18 new stores in fiscal 2015, compared with 15 scheduled to open during 2014.

**New England Natural Bakers** and **Stonyfield** are pairing up their brands at a variety of retailers in select regions to raise consumer awareness of their unique product offerings and how they can be enjoyed together. The marketing partnership began in August, and will continue throughout the year. The two will be doing joint demos featuring Stonyfield organic Greek and traditional organic yogurts and New England Natural Baker's line of Organic Selects Granola.

**Organics Unlimited** has undertaken a campaign to encourage the marketing of fresh produce to children.

**Rodale Institute's** Your 2 Cents program, which unites producers, consumers, researchers and educators in launching the next generation of organic farmers, continues to gain partners. Partnering companies donate 2 cents per case of goods sold to the Your 2 Cents Fund. In turn, the fund awards scholarships to students of organic agriculture, assists new organic farmers, helps military veterans establish new careers in organic farming, and supports research projects on organic agriculture at Rodale Institute.

**Uncle Matt's Organic** has updated its packaging to include a "no flavor packets" sticker to its line of organic citrus juices to make it easier for consumers to make informed purchasing decisions.

## OF NOTE

**Choice Organic Teas** has earned gluten-free certification from the Gluten Intolerance Group. The company's products are also Fair Trade Certified™, Non-GMO Verified, and certified organic.

**Crofter's Organic** celebrates 25 years in business manufacturing organic jams in North America. The family-owned company's minimally processed low-sugar products provide a high-quality organic alternative to traditional jams and preserves and only 30 calories a serving.

**Davidson's Organic Teas** is celebrating its 15th anniversary. Recently, the company was awarded NSF certification in food safety supplier audit. In June, co-owner Kunall D. Patel was appointed to the Nevada Organic Advisory Council.

Follow Your Heart, a provider of natural, vege-

tarian and vegan foods, selected MOM's Organic Market as the winner of the brand's 2013 Retailer of the Year award.

**Mountain Meadows Farm**, which was awarded a 2013 Region Environmental Stewardship Award, tells its story in a YouTube piece. Go to YouTube, and search for "mountain meadows stewardship."

**The National Cooperative Grocers Association** has given a \$50,437 donation to the CCOF Foundation to support its Future Organic Farmer Grant Fund. The fund provides grants to aspiring organic farmers, K-8 teachers who design organic agriculture curriculum for their classrooms, and high school students completing organic projects through Future Farmers of America's Supervised Agricultural Experience program. Other collaborators in the project are UNFI Foundation, Driscoll's, Organic Valley, and Bradmer Foods.

**Natural Merchants** was named the winner of Whole Foods Market's Outstanding Wine and Beer Supplier Award. The company was recognized for importing only the finest organically grown and produced wines, and for its environmental stewardship and commitment to supporting family-owned wineries.

**Whole Foods Market** was ranked eighth in Harris Poll's 2014 study ranking the reputations of the most visible companies. Whole Foods earned high marks for its dedication to environmental responsibility, and was one of the highest-ranked companies in terms of "vision and leadership dimension." Meanwhile, Whole Foods ranked 218 on Fortune magazine's Fortune 500 list for 2014.

## PERSONNEL NEWS

Brise Tencer, who most recently served as Policy and Programs Director for California Certified Organic Farmers (CCOF Inc.), is the new Executive Director of the **Organic Farming Research Foundation (OFRF)**.

Kelly Damewood joined CCOF as Policy Director on July 14. Kelly most recently received an advanced degree from the University of Arkansas School of Law in food and agricultural policy.

CCOF Certification Services has promoted Amy Lamendella to Director of Farm Programs Certification.

Debra Boyle, former founder and CEO of Pro Organics, had joined the **Sutherland Produce Sales** team. //

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By Dave Carter

**T**here have always been a skeptic of check-off programs. For those who are unfamiliar with the term, check-off is a legal provision that allows growers of a specific commodity to petition the U.S. Department of Agriculture (USDA) to establish a producer-funded program for product promotion and research. If USDA deems the petition worthy, the concept is put up to a vote of all growers of that commodity. And, if adopted, the growers are then required to pay (check-off) a portion of each unit of production into the fund, which is then administered by a board appointed by USDA.

"Beef, It's What's for Dinner..." funded by the beef check-off. The Other White Meat, and "Got Milk?..." pork and dairy check-off funds as well.

My concern with these programs isn't based on their advertising and promotion campaigns, but rather that they seem to be a backdoor way of funneling money to the commodity organizations that go to Capitol Hill and lobby against the

**If we want organic to thrive and grow, it's time to fight. Not among ourselves, mind you, but in the real marketplace where the hearts and minds of today's shoppers reside.**

interests of some of the growers who produced those commodities.

Many American cattle producers see that the "Beef, It's What's for Dinner" campaign doesn't encourage consumers to look for American-raised beef. Organic dairy farmers are frustrated that the major dairy commodity groups tied into their check-off program actively fought the labeling of milk products produced from animals that receive synthetic bovine growth hormones (BGH).

So, I have watched with interest as the Organic Trade Association successfully lobbied Congress to include in the new farm bill a provision that would give the organic industry the opportunity to vote on establishing an organic research and promotion check-off program.

I just want to say that based on the experience of the already established check-off programs, we ought to do it. Some may say my view is nothing more

than a crass, "If you can't beat 'em, join 'em" rationalization. Perhaps so. But let's just look at the realities today.

According to USDA's Economic

Research Service, 0.8 percent of the nation's cropland and 0.5 percent of the rangeland and pastures are now certified organic. Meanwhile, growing numbers of consumers are drifting away from the organic label because they don't understand the differences between organic, Non-GMO, Fair Trade, and other labels in the marketplace.

If we want organic to thrive and grow, it's time to fight. Not among ourselves, mind you, but in the real marketplace where the hearts and minds of today's shoppers reside.

Organic producers—large and small—are working hard to make viable, tangible changes in the agricultural system, and the food marketplace. That work won't pay off unless we can get our message in front of a larger segment of the American public.

We've won some important battles over the past few years. Let's not lose the war. //

Dave Carter is executive director of the National Bison Association, and also the principal of OTA member company Crystal Springs Consulting Inc., which works to connect organic producers with the marketplace. A long-time advocate of organic agriculture, he is a former chair of USDA's National Organic Standards Board.

This blog was originally published on [newhope360.com](http://newhope360.com).

# ORGANIC Report

Organic Trade Association  
28 Vernon Street, Suite 413  
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*Find out more* about these new members and other OTA member companies by going to The Organic Pages Online, at [www.theorganicpages.com](http://www.theorganicpages.com).