

AGRIBUSINESS

Page CM-13

Organic Erosion

Will the term organic still mean anything when it's adopted whole hog by behemoths such as Wal-Mart?

Jake Whitney

Marin Sun Farms, in Point Reyes, is a collection of ranches on more than 2,000 acres of rolling, certified organic pasture. All year long, cattle and chickens speckle the hills, free to roam and graze at their leisure.

The Hereford and Angus cows, in fact, are never confined. They are grass-fed, except during winter, when they also eat hay and silage. The chickens' typical diet of plants and insects is supplemented with organic grains, which they eat at night, in the winter and in otherwise foul weather when kept in their portable coops. When you imagine an organic cattle ranch, Marin Sun Farms is probably pretty close to what you picture -- though maybe not exactly.

No synthetic fertilizers or chemical pesticides are used on the pasture, and the animals are hormone- and antibiotic-free. But even though most of the land is certified organic, the cows and chickens raised there are not.

One reason is because the owner, David Evans, obtains cows from partner ranchers who use synthetic "wormers" to control parasites -- a violation of organic standards. But Evans has been slowly accumulating a base herd with an eye toward becoming entirely organic.

Lately, however, Evans has begun to wonder if the USDA "Certified Organic" stamp will be worth the annual fee, which could run more than \$1,000. His pastures -- the largest certified organic acreage in Marin County -- may seem large, but they are dwarfed by their corporate counterparts.

As Evans knows, organic food has become big business. According to the Organic Consumer's Association,

sales could hit \$18 billion this year, with half coming from conventional supermarkets. Though still only about 2.5 percent of the agricultural market, demand for organic has grown 20 percent annually in recent years, and most of the top-selling brands are now owned by agribusiness behemoths.

Dean Foods, for example, owns White Wave (maker of Silk soymilk) and Horizon Organic, the No. 1-selling organic brand across the country. Unilever owns Ben & Jerry's Organic. Groupe Danone, a French corporation, recently bought Stonyfield Farm. Even Wal-Mart is plunging deeper into the market, announcing it would dramatically increase its organic offerings.

And if you think Evans' 2,000-plus organic acres is a lot, take a look at Earthbound Farm, which grew from a 2 1/2 acre raspberry and lettuce farm to the largest organic produce operation in North America, with \$350 million in annual sales and more than 150 growers on 30,000 organic acres under its control.

Evans worries that the influx of these big companies -- with their industrial production methods, profit obsession and political muscle -- will dilute organic standards and, potentially, render the USDA stamp irrelevant. "If big business kills the name," Evans said, "why go organic?"

He's not alone. Many critics foresee an erosion not only of organic standards but also of the movement's true ideals -- which include localism and sustainability as much as eschewing chemical pesticides and synthetic fertilizers. Indeed, a battle is raging in organic food production,

and it has already split the industry: between those willing to sacrifice ideals for growth and those who think organic should remain small, local and transparent.

The 2006 Agriculture Appropriations Bill hacked the split between these groups into a chasm. A rider on the bill legalized, for the first time, the use of synthetic substances in the processing and post-harvest handling of organic foods.

What particularly worries purists is that the rider was sponsored by the Organic Trade Association, a lobbying group that represents the interests of big corporations. And, though virtually all of the 38 synthetics are considered harmless -- and in fact were already being widely used -- some believe that codifying their use may pave the way for others that may not be so harmless.

Jim Riddle, former chairman of the USDA's National Organic Standards Board, which advises the USDA in setting organic standards, said that what was most alarming about the rider was the secretive method used to attach it. According to Riddle, the rider (which is an amendment to the 1990 Organic Foods Production Act) was snuck into the bill -- inserted after an appropriation's conference committee had adjourned, in order for the corporations pushing the amendment (Kraft Foods was a leader) to avoid debate. This way, Riddle said, "There's no author, no one to be held accountable."

Brian Baker, research director for the Organic Materials Review Institute, described the rider issue as a "volatile situation" because of organic consumers' dedication to purity. He pointed out that after the first set of

organic standards were set in 1997, allowing for sewage sludge, irradiation and genetically modified organisms, the USDA received more than 300,000 letters of protest from furious consumers.

When asked about the long-term ramifications of the rider, Baker said he wouldn't "take sides," though he acknowledged it "could open the door" to other synthetics.

The very existence of any synthetics in organic food remains unfathomable to some -- perhaps no one more so than Arthur Harvey, a 74-year-old blueberry farmer from Maine. A purist, Harvey believed that the organic standards of 2002, and their inclusion of a national list of allowable synthetics, violated the original 1990 law, which he believed banned all synthetics. In January 2005, a federal appellate court agreed with him. The court's ruling would have banned all synthetics had it not been for the OTA rider. But Harvey didn't give up; he found fault with the rider, too, and is back in court.

Though a Maine district court dismissed his latest case in November, Harvey is appealing the decision. At issue is a category of synthetics known as "food contact substances." The USDA is currently allowing more than 600 of these in the processing of organic foods -- in addition to the 38 synthetics legalized by the rider.

Not only would these FCSs be exempt from listing on ingredient labels, they would not be required to be on the national list -- thus they'd be exempt from review or approval by the NOSB. And, according to Riddle, some are toxins, such as dimethyl dicarbonate, an antimicrobial added to fruit juices (even those that say "100 percent juice"); and a substance containing methyl chloride, a flammable gas once used as a refrigerant.

"There's no language in the Organic Foods Production Act, the regulation or the court ruling to empower this invisible allowance of substances that don't even appear on the national

list," said Riddle, "which never have been reviewed by the NOSB, and have never gone through a rule-making process or even a public comment period."

Caren Wilcox, executive director of the OTA, would not comment on the rider because she was not with the organization when it was attached. She also declined to comment on the issue of "food contact substances" because of Harvey's suit. She asserted, however, that "there has always been a place for synthetics" in organic foods. She added that it would "be impossible to produce" organics without synthetics such as ozone, to resist bacteria; chlorine, a disinfectant; and bleached lecithin and ascorbic acid.

Harvey disagrees. A producer of his own blueberry jams, Harvey was motivated (during the brief period when it appeared synthetics would be banned) to find an organic alternative to a synthetic pectin he'd been using as a thickening agent. It took some experimentation, but eventually he discovered that apple pomace would do the trick.

"I think any manufacturer of organic products is terrified they won't be able to use synthetics," he said. "Because they are cheaper, and easier to handle. If you're using pomace, as we are, well, every batch is a little bit different. So it can be a headache. But it is a natural, organic product, and I feel much better about making jam this way."

Wal-Mart's burgeoning market presence is another divisive issue. At a shareholder's meeting in early 2006, Chief Executive Officer Lee Scott declared that Wal-Mart would significantly increase its organic offerings. (These already make up a wide array, from milk and produce to breakfast cereal and salsa.) The announcement panicked critics who feared that Wal-Mart's business model of low prices -- Wal-Mart has said its goal is to sell organics for only 10 percent above conventional prices -- would pressure organic

suppliers to cut corners, thereby diluting the label.

In September, the Cornucopia Institute, a Wisconsin watchdog group, published an analysis of Wal-Mart's early influence on the organic market. The study found that not only was Wal-Mart "cheapening the value of the organic label" by sourcing most of its products from "industrial-scale factory farms and Third World countries," but also -- on multiple occasions and in multiple stores -- labeling non-organic food as organic with misleading in-store signs.

The study even discovered Wal-Mart selling "organic" baby formulas containing synthetic ingredients prohibited by U.S. organic standards.

"This is disturbing and a serious problem," Mark Kastel, co-founder of the institute, said in a November news release accompanying a legal complaint to the USDA. "Consumers, who are paying premium prices in the marketplace for organic food, deserve to get what they are paying for."

In a recent interview, Kastel speculated that the labeling problems, which he and his staff photographed, probably stemmed more from detachment and a lack of dedication to organics than from purposeful deception.

(Karen Burk, a Wal-Mart spokeswoman, replied to the charges by saying, "we believe it to be an isolated incident should a green organic identifying tag be inadvertently placed by or accidentally shift in front of the wrong item." She did not comment on the infant formula.)

The study also found that because of its stringent price demands, Wal-Mart obtained little organic food from U.S. family-scale farms, but most from major agribusiness companies, industrial-scale farms and foreign countries.

Kastel illustrated how Wal-Mart's low-price-only policy has hurt small farmers and "cheapened" the organic label.

After one of Wal-Mart's original organic milk suppliers, Organic

Valley -- a co-operative of small organic dairy farmers -- refused to acquiesce to Wal-Mart's demands, the giant retailer turned to Horizon Organic (owned by Dean Foods) and Aurora Dairy, both of which have been accused of exploiting ambiguities in the organic standards to confine thousands of cows in feedlot-like conditions with little time spent grazing on pasture. (The law says cows must have "access to pasture," but doesn't say how much or how often.)

"Wal-Mart's dependence on factory farms," the study concluded, is a typical example of its "philosophy of sourcing products from the least expensive supplier regardless of the impact on product quality, the environment or our nation's workers."

Ronnie Cummins, executive director of the Organic Consumer's Association, echoed these criticisms.

"When you get into bed with Wal-Mart, you forget your ethics because of the money involved," Cummins said. "But you simply cannot act in organic the same way you did in conventional because consumers are looking for more than just low prices."

Cummins added that even if the aforementioned practices by Wal-Mart, Horizon and Aurora technically fulfilled organic standards, they nevertheless violated organic ideals like animal rights and the preservation of fossil fuels. "How organic can food really be that is shipped halfway around the world?" he said.

Which brings up another concern: how to insure that organic products grown outside U.S. borders are actually organic.

The USDA's National Organic Program is ultimately responsible for the integrity of all organic food sold in the United States, but it does not conduct inspections. Instead, it accredits third-party agencies to inspect the farms, processors and retailers that seek certification.

Currently, there are 40 accredited foreign certifying agents (and 55

domestic). But serious questions remain about the integrity of the process in some countries -- especially China. The USDA, in fact, has yet to make an inspection tour of what Kastel described as China's "government-controlled certification system," even though the United States is already importing huge amounts of Chinese organic products.

(When asked for comment, Joan Shaffer, a spokeswoman for the USDA, said that the associate deputy administrator of the NOP, Mark Bradley, would be flying to China later this year to conduct reviews.) Proponents of small-scale organic say foreign sourcing is a key factor in the dilution of the label, because transparency, another important organic ideal, is lost. Knowing your farmer, visiting his ranch and seeing how the food is grown -- gathering any kind of story behind the food -- becomes virtually impossible when organics are obtained from overseas.

"I'd rather spend \$5 on some locally grown, organic strawberries than \$2.50 for some Chilean farmer's strawberries at Wal-Mart," David Evans said. "Why would I want to save \$2.50 on those Chilean strawberries when I don't really know how they were grown, under what conditions or if they were really grown organically?"

But, as even the most vehement critics of industrial organic concede, there are benefits to Wal-Mart's -- and other big corporations' -- market presence. Perhaps the most significant is the removal of toxic pesticides and chemical fertilizers from the ecosystem: As demand rises and huge retailers like Wal-Mart seek to meet it, conventional acres will transition to organic, and whether those are in the United States, Chile or China, it will be good for the environment.

Drew and Myra Goodman, the owners of Earthbound Farm (one of Wal-Mart's top suppliers), estimate that their business alone has been responsible for eliminating almost 10 million pounds of synthetic fertilizer

and 313,000 pounds of chemical pesticides. This is a significant boon to the environment and to national health, not only for the removal of pesticide residues from food, but also by preserving petroleum, which is used to create synthetic fertilizer.

A study by the Rodale Institute found that organic farms fight global warming by removing carbon from the atmosphere by sequestering it in the earth at a rate of 3,670 pounds per acre. With the Goodmans' 30,000 acres, that would mean Earthbound Farm alone has removed the equivalent of more than 7,500 cars from the road.

Peggy Miars, executive director of California Certified Organic Farmers in Santa Cruz, one of the nation's largest organic certifiers, believes the benefits of big businesses' market presence outweigh the potential negatives.

Miars said the USDA standards are strict enough (though she acknowledged ambiguities existed) that the label would remain strong, and, in addition to the environmental benefits, she said big corporations would create greater awareness, boost demand and create more markets. "If consumers who never thought much about organic foods see them at their local Wal-Mart," she said, "they may investigate more, maybe even stop by a farmers' market. This would increase demand and the end result is it would be good for organic."

But others maintain that even in the best industrial organic models, there are aspects that mirror conventional agriculture and conflict with organic ideals -- such as the use of migrant farmworkers, aggressive business practices designed to crush competition, reliance on monocrop at the expense of diversity and mass expenditures of fossil fuels in distribution and production.

"There's a long list of benefits of small-scale organic that you don't get with industrial," said Helge Hellberg, the executive director of Marin Organic, an association of organic

producers dedicated to "creating the first all-organic county in the nation."

Like Hellberg, most of Marin's organic community does not view Big Organic as a direct threat to their own farms or way of life -- "we're far removed from the Wal-Marts of the world," is how Evans put it -- but they remain an advocate for the preservation of the nation's small farms, yet another ideal not addressed by the industrial model.

"We're still losing 400 family farms in the U.S. every week to development," Hellberg said. "The industrial model, even if it's organic, will not stop that. We're still shipping food an average of about 2,000 miles from where it's grown to where it's consumed. The industrial organic model will not address that."

But will the local model address skyrocketing demand? While much of agribusiness's market presence can be chalked up to profit seeking, even some proponents of small-scale organics think the industrial model may have its place -- for supplying populations in less agriculturally sustainable areas, such as Las Vegas or Albuquerque, for example.

Hellberg, however, believes local, small-scale organics should be the aim. He said he's seen "the most arid and horrible soils turned around," and he pointed to Marin's movement as an example he believed could be replicated in other places -- if not practically, than at least the "mind-set." He said Prince Charles' November 2005 visit was due to the innovation, tradition and dedication to ideals of the area's organic farmers.

The biodiversity of Peter Martinelli's Fresh Run Farm in Bolinas, where more than 40 crops are grown on 5 acres; Dennis and Sandy Dierks' Paradise Valley Produce, where unique fertilization methods such as fermenting seaweed and other microbes to enhance soil fertility are used, and where the coho salmon are making a comeback because of a healthier watershed; and Warren Weber's Star Route Farms, the longest continuously certified organic farm in California, are all examples of the sustainable model -- and were all "certainly a draw" for His Royal Highness.

When asked if he thought some ideals needed to be sacrificed to meet

rising demand, Hellberg said: "No, I think the opposite is true. Smaller scale agriculture, artisan food production, true relationships, integrating agriculture in your local region and building upon it: That is the model that shows the most benefits. It is the closest to the heart and there's no place on earth where you can't apply it."

Evans agrees. "The most conscious way to buy food is straight from the farmer," he said. "There's a lot of room for growth in this country for that kind of relationship. Even better than organic is local organic, and that's a niche that the big guy just can't get in on."

Jake Whitney is a freelance writer in New York. His work has appeared in the New Republic, Editor & Publisher and New York Magazine.

URL:

<http://sfgate.com/cgi-bin/article.cgi?file=/c/a/2007/01/28/CMGR8ND2EU1.DTL>

© 2007 San Francisco Chronicle