WHAT'S NEWS IN Organic

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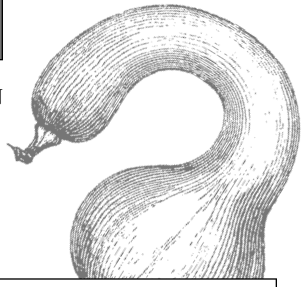

Consumer Demand Brings Organic to the Mainstream

Organic products, once the dominion of health food stores and farmers' markets, can now be found in most mainstream supermarkets and their popularity is on the rise. Consumers, specifically baby boomers, are actively seeking organic products. In response, food manufacturers, clothing and other manufacturers, and retailers are developing and selling products designed to take advantage of this demand.

Analysts say the organic industry has grown at least 20 percent each year in the past five years, with overall 1998 sales of $5 billion. An estimated 5,300 U.S. farmers grow organic products, and many more are considering making the transition to organic. Organic products are entering more categories and becoming stronger in established categories, according to *New Product News*. Stores sell meat and poultry labeled certified organic, allowed by the U.S. Department of Agriculture since January. Organic fruits, vegetables, dairy and grains already well known to consumers, are used in a variety of processed products, while mainstream food giants are entering the arena with organic cereals.

Art Siemering, publisher of *Trend/Wire*, gives several reasons for the increased popularity of organic. "People see the word 'organic' as a guarantee of quality," Siemering says, adding that organic items regularly show up on mainstream supermarket shelves as new products become available. "Consumers are starting to recognize organic brands, and brands are very important to get people interested in organic," he notes.

About two years ago, Albertson's, among Food Marketing Institute's top 10 supermarket companies for 1998, began carrying organic produce in response to consumer demand. Demand and increased availability of organic products were cited for the company's move to add organic to its product mix. "It's the new wave, what many of our customers are requesting," says Jason Covington, an Albertson's produce manager. "Growers are starting to expand their varieties so we, in turn, can offer our customers more choices. Right now, we order about 40 different types of organic produce; if customer demand continues as it's going, I anticipate we will probably have a complete line within the next few years."

Receiving similar requests for organic, Raley's Markets of Sacramento, California, recently launched a test program in which selected stores in the Reno area feature 15 different organic produce items each week.

According to Scott Ferry, a Raley's produce clerk, "Sales seem to be doing better and better every week."

"Produce remains the most popular organic item but organic meats, cereals and snack foods aren't far behind," explains Linda McDonald, editor of Supermarket Savvy.

Mainstream Food Giants Enter Arena

Consumers seeking organic alternatives to their favorite foods are finding more choices on traditional supermarket shelves. In March, General Mills unveiled its new organic breakfast cereal, Sunrise. Sunrise, certified by Oregon Tilth, is General Mills' first organic product.

"Consumers are interested in organic products. They've indicated that to us, and we're meeting that need," according to Jack Sheehan, General Mills' communications manager. If Sunrise sells well, General Mills will consider adding other organic products. "We feel there's room for growth in the organic food area," Sheehan adds.

In addition, Gerber Foods has introduced eight Gerber Tender Harvest Organic baby foods to its existing line, according to *New Product News*, and Heinz' Earth's Best Baby Food has introduced an Organic Beginner Baby Food line.

Continued on Page 2

This newsletter is published five times a year by the Organic Trade Association, the North American trade association committed to the promotion of organic products in the marketplace, and the protection of the integrity of organic standards. Its membership includes producers, processors, distributors and retailers of organic foods, fibers, farm and garden supplies, and health and beauty products. The OTA is your leading resource for information about this industry.

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WHAT'S NEWS IN Organic

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Ask Us About Organic!

By Katherine DiMatteo, Executive Director, Organic Trade Association

Q: *The U.S. Environmental Protection Agency recently banned many uses of methyl parathion on fruits and vegetables, starting next year, and said it would take action to reduce the use of azinphos methyl on foods. What impact will this have on organic farming?*

A: Both of these are organophosphates, used widely in conventional agriculture as broad-spectrum insecticides. Certified organic farmers have never been allowed to use these products, so they will not be directly affected. It is possible that conventional growers looking for alternatives may convert to more of the organic techniques which have been proven effective to control insect damage. I would see this as a positive step.

However, consumers can continue to buy certified organic products with the knowledge that organophosphates have never been used in organic production, and with the confidence that they are supporting a system of agriculture which is kind to the environment.

If you have a question about any aspect of the organic industry, please call the Organic Trade Associations headquarters, (413) 774-7511.

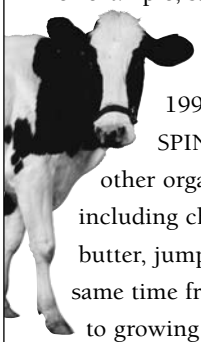
Consumer Demand

Continued from Page 1

Organic Dairy Is Popular

The organic dairy category has readily established itself in the mainstream marketplace. The American Cheese Society recently reported that organic dairy products have moved into mainstream grocery channels due to increasing demand.

"We're finding that a greater portion of the population is drinking organic milk, and that people who buy organic are consuming more than ever before. In turn, manufacturers are introducing larger sizes such as gallons, and achieving broad distribution in supermarkets, as well as, natural product stores. The price differential really hasn't been a barrier thus far, and we anticipate consumers will continue to place a premium on organic items," according to Paddy Spence, chief executive officer of SPINS.



For example, sales of organic milk, half and-half and cream jumped 72.9 percent from May 1998 to May 1999, according to SPINS and AC Nielson. Sales of other organic dairy products, including cheese, cream cheese and butter, jumped 179.9 percent in the same time frame. Spence attributes this to growing consumer desire for dairy products from cows that don't receive hormones or antibiotics.

Recent new product introductions include whole milk organic yogurts from Brown Cow West, Horizon Organic and Stonyfield Farm. Colombo yogurt also introduced two new organic flavors.

More Restaurants Featuring Organic

In addition, many restaurants are starting to feature organic menu choices. These are more gradual. "With the growing acceptance of organic foods among major supermarkets, it's a cinch that organic restaurants will go high profile, too," Siemering says. *Boston Magazine's Special Dining Issue* (January 1999), for example, chose Five Seasons in Brookline which features many organic offerings — as one of the "10 Great Restaurants Off the Beaten Path."

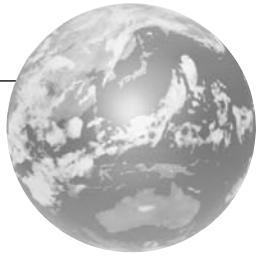
Restaurant Nora, in Washington, D.C., recently became America's first certified organic restaurant. In order to achieve certification, her restaurant, since 1996, has had to keep meticulous records of its purchases, and prove that at least 95 percent of the ingredients it purchased came from farmers and processors who are "certified organic."

The National Restaurant Association has verified the increasing popularity of organic foods, vegetarian items and locally grown produce. The organization's 1999 *Restaurant Food Trends Forecast* predicts organic produce will remain "hot" as consumers continue to lean toward healthy choices and look for ways to help the environment.

Siemering expects the organic movement to gain even greater momentum in the next century. "More restaurants will cook with organic, and all-organic restaurants will be possible and less rare than they are now," he says.

After Sept 13, The Organic Trade Association's new mailing address will be: P.O. Box 547, Greenfield, MA 01302; street address: 74 Fairview St., Greenfield, MA 01301. Web site, phone, and fax remain the same.

A World of News



Regulatory Briefs

➢ The U.S. Department of Agriculture (USDA) does not expect to release its second proposal for national organic standards until late 1999 or early 2000.

➢ Congressman Dennis J.Kucinich of the 10th District of Ohio is proposing legislation to label products that contain genetically modified organisms (GMOs) or GMO products.

Environmental Briefs

➢ A study by Carlos Davidson and H. Bradley Shaffer of the University of California, Davis, has shown agriculture as the strongest link to a decline in California red-legged frog populations. Presenting findings at the June 1999 Society for Conservation Biology meeting, Davidson reported that frogs were more likely to have died out at sites upwind of greater amounts of agriculture, suggesting that wind-borne agrochemicals may be linked to the frogs' decline.

➢ On July 13, U.S. Agriculture Secretary Dan Glickman asked for an independent scientific review of the U.S. Department of Agriculture's biotechnology approval process and proposed establishing regional centers to evaluate bioengineered products over a long period of time.

Food News

➢ Baby-food manufacturer Gerber has announced it is dropping suppliers who use genetically engineered corn and soybeans. The move by Gerber parent Novartis AG of Switzerland follows a request from Greenpeace for information on the company's use of bioengineered products. Novartis has promised to use only organic soy and corn flour ingredients in Gerber products.

➢ Two Colorado school districts this fall will offer a variety of natural and organic snacks, sodas and finger foods for students to purchase. The three- to four-week pilot project, coordinated by Spirit in Action of Boulder, is being called "Healthy Children, Healthy Plant School Profitability and Marketing Study for Natural and Organic Foods."

➢ The Berkeley, California, school board August 18 approved a policy directing all schools in the district to have organic gardens and incorporate organic food in their cafeterias. Under the policy, the term 'organic' refers to food grown pesticide-free, herbicide-free and without synthetic fertilizers wherever possible.

Government News

➢ After a ten-year campaign, Canada has become the first country to formalize an industry-driven consensus standard for its organic industry. In late June, the Canadian government unveiled the new National Standard of Canada for Organic Agriculture, which had been ratified in April by the Standards Council of Canada. An abstract of the standard is available at: www.pwgsc.gc.ca/cgsb and www.coab.ca.

➢ On May 25, Minnesota Governor Jesse Ventura signed the Organic Agriculture Promotion and Education Act, the first legislation in the U.S. to authorize an organic certification cost-share program. Designed to encourage organic agriculture in the state, the law provides $35,000 annually to reimburse farmers for a portion of the costs associated with organic farm certification, and $15,000 for market development and implementation.

➢ Kathleen Merrigan has been appointed as the Administrator of the Agricultural Marketing Service to succeed Enrique Figueroa, who now serves as USDA's Deputy Assistant Secretary for Marketing and Regulatory Programs.

International News

➢ On July 1, the joint Food and Agricultural Organization (FAO)/ World Health Organization (WHO) Codex Alimentarius Commission adopted international guidelines for the production, processing, labeling and marketing of organically produced food. As part of the U.S. delegation, Katherine DiMatteo, OTA's executive director, helped shape these guidelines. More information about the guidelines is available online at www.fao.org.

Fact vs. Fiction:

The Truth About Organic

Dennis T. Avery, author of *Saving the Planet with Pesticides and Plastics*, and his employer, the Hudson Institute, a conservative research group, have been on a campaign for years to discredit organic agricultural production and fuel consumers' fears about food safety.

The Hudson Institute is funded by such companies as Monsanto, DowElanco and Ag-Chem Equipment Co., all of which profit from sales of products prohibited from use in organic agricultural production. Organic food currently accounts for only 1 percent of food sales in this country, but with the industry growth rate at 20 percent annually, it seems conventional agriculture is taking the organic industry more seriously.

Initially, Avery's histrionic and misleading messages appeared mainly in the Hudson Institute's own publications, such as *American Outlook*, and in small trade publications. However, an excerpt from his article "The Hidden Dangers in Organic Food" was published in *The Wall Street Journal* on December 8, 1998, and included the following claim: "According to recent data compiled by the U.S. Centers for Disease Control (CDC), people who eat organic and 'natural' foods are eight times as likely as the rest of the population to be attacked by a deadly new strain of E. coli bacteria."

Not only is this statement needlessly alarming, it is erroneous. The CDC has never conducted a study that compares organic foods to conventional foods (see Facts below), and the statistic given is distorted from other CDC research.

Since *The Wall Street Journal* piece, Avery and his anti-organic message have appeared on *USA Today Online*, PBS Technopolitics and in *The Tampa Tribune*, *Investors Business Daily*, and elsewhere. Other media outlets continue to pick up his message and pass it on, often without adequate fact-checking. As a result, both journalists and consumers continue to receive manipulated or false information regarding organic food production from the likes of Avery and the Hudson Institute. The Organic Trade Association would like to provide balance to Avery's often misleading allegations:

Avery's Allegation #1: Organic produce is more dangerous than conventionally grown produce. "Consumers of organic foods are also more likely to be attacked by the relatively new, more virulent strain of the infamous salmonella bacteria." (*American Outlook*, Fall 1998; *The Wall Street Journal*, December 8, 1998).

The Facts: According to the Public Affairs Office of the U.S. Centers for Disease Control and Prevention (CDC), the agency has never conducted a study tracking agricultural production methods and rates of food-borne illnesses, including salmonella, and therefore any claims based on this nonexistent "study" are unfounded and misleading.

The CDC, in response to Avery's statement and the subsequent news stories it has generated, issued the following statement: "The Centers for Disease Control and Prevention...has not conducted any study that compares or quantitates the specific risk for infection with Escherichia coli 0157:H7 and eating either conventionally grown or organic/natural foods. CDC recommends that growers practice safe and hygienic methods for producing food products, and that consumers, likewise, practice food safety within their homes (e.g., thoroughly washing fruits and vegetables)."

Certified organic growers must abide by safe and hygienic food production standards, and, as with all food producers, must be in compliance with local, state and federal health standards. All food-whether conventional or organic-is susceptible to E. coli; neither agricultural practice is safer or riskier when it comes to bacterial contamination.

Avery's Allegation #2: In a February 17, 1999, *New York Times* article, Dennis Avery stated that " 'organic' and 'natural' are distinctions without significant differences in terms of public health."

The Facts: The terms "organic" and "natural" are not the same. Certified organic producers and processors must adhere to rigorous standards verified by a third party, either an independent or a state certification organization. In contrast, the term "natural" may have little or nothing to do with agricultural practices, nor does it indicate the use of independent inspectors. There are currently no agricultural practices standards in place for the term "natural." Organic farmers must adhere to strict growing and processing regulations to help ensure that the resulting food is safe for human consumption. This includes strict regulations on the use of manure in growing practices (see information in the point above).

Avery's Allegation #3: "Organic farmers compound the contamination problem through their reluctance to use

continued

Fact vs. Fiction: *continued*

For more information, access to organic industry experts or access to the sources mentioned, please call Holly Givens, communications director of the Organic Trade Association, at 413-774-7511. For additional information, visit the OTA website at www.ota.com.

antimicrobial preservatives, chemical washes, pasteurization or even chlorinated water to rid their products of bacteria." Avery has implied that the unpasteurized apple juice involved in a 1996 E. coli outbreak was organic. (*American Outlook*, Fall 1998).

The Facts: The juices involved in the 1996 E. coli outbreak and recall were not organic. Pasteurization, chlorinization and other food safety practices are allowed in organic production. There are dozens of pasteurized certified organic products currently available, including juices, milk, butter and ice cream; and chlorinated wash water is used in certified organic production, e.g. in the washing cycle of salad greens.

Avery's Allegation #4: "The ugly secret of organic farming is that its yields are only about half as high as those of mainstream farmers." (*American Outlook*, Fall 1998).

The Facts: Organic farming is not low-yield farming. The Rodale Institute of Kutztown, Penn., recently completed a 15-year study comparing organic farming methods to conventional methods. Its findings were published in the November 11, 1998, issue of the journal *Nature*. The study concluded that yields from organic farming equal conventional yields after four years. Experts have shown that using pesticides does not guarantee increased yields. According to David Pimentel, Professor of Insect Ecology and Agricultural Sciences at Cornell University, "Although pesticides are generally profitable, their use does not always decrease crop losses. For example, even with the 10-fold increase in insecticide use in the United States from 1945 to 1989, total crop losses from insect damage have nearly doubled from 7% to 13%" (David Pimentel, *Techniques for Reducing Pesticide Use*, John Wiley & Sons, 1997).

Avery's Allegation #5: "Giving up pesticides would mean the certain destruction of millions of square miles of wildlands, much of it in the species-rich tropics. Because much of the world's biodiversity is in those lands, a move toward widespread organic farming would cost nature far more than the careful use of today's safe, narrowly targeted pesticides, high-powered seeds and factory-produced fertilizers." (*American Outlook*, Fall 1998).

The Facts: As mentioned in the previous Fact, organic farming does not guarantee low yields, and Mr. Avery's allegations are not backed with any solid data. "Organic" stands for a commitment to an agricultural system that strives for a balance with nature, using methods and materials that are of low impact to the environment. Organic production systems replenish and maintain soil fertility; eliminate the use of toxic and persistent chemical pesticides and fertilizers; and build a biologically diverse agriculture. According to the definition of "organic" adopted by the National Organic Standards Board, "the primary goal of organic agriculture is to optimize the health of soil life, plants, animals and people."

Clive Edwards, Ph.D., professor of entomology at Ohio State University, acknowledges the importance of biodiversity and methods employed by organic farmers in his paper, "The Global Need for Sustainability in Agriculture and Natural Resources:" "Growing crops in continual monoculture or biculture leads inevitably to much greater pest, weed, disease, fertility and soil erosion problems...It has been suggested that biodiversity in agroecosystems is one of the two most important common factors in crop production if we wish to grow crops with the minimal use of manufactured inputs." (Edwards, and Mohan K.Wali, Elsevier Science Publishers, 1993).

Further, for Avery to make a blanket claim that all pesticides are "safe" seems to fly in the face of recent Environmental Protection Agency (EPA) announcements. As part of the implementation of the Food Quality Protection Act, enacted in 1996, the EPA recently dramatically restricted the use of two common pesticides classified as organophosphates. These pesticides are used on a variety of crops including apples, peaches, wheat, rice, pears, sugar beets and cotton. The EPA made the move as part of its concern about the effects of such pesticides on children.

Avery's Allegation #6: "Organic food is more dangerous than conventionally grown produce because organic farmers use animal manure as the major source of fertilizer on their crops. Animal manure is the biggest reservoir of these nasty bacteria that are afflicting and killing so many people." (*American Outlook*, Fall 1998).

The Facts: Conventional and organic agriculture both use manure as a part of regular farm soil fertilization programs. Certified organic farmers, however, must maintain a strict farm plan detailing the methods used to build soil fertility, including the application of manure as mandated by the Organic Foods Production Act of 1990. No other agricultural regulation in the United States imposes such strict control on the use of manure.

According to the United Fresh Fruit and Vegetable Association, "Properly composted manure can be an effective and safe fertilizer. Uncomposted or improperly composted manure used as fertilizer or soil amendment, or manure that enters surface waters, may contain pathogens and subsequently contaminate produce. Operators should carefully develop and follow good manure handling practices as a key to reducing the potential for pathogenic contamination of product."✣

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Mainstreaming of Organic

(see related story inside)

www.ota.com

Five Easy Ways to Celebrate Organic Harvest Month

1. Prepare...one meal with as many organic ingredients as possible. Don't forget to serve the refreshing organic beverage of your choice with your meal and enjoy an organic dessert. (It is a celebration.)

2. Go Shopping...and fill one grocery bag with all organic products. Remember, organic isn't just in the produce aisle, it's in the frozen section, in the health and beauty department, and it appears everywhere between dairy and canned goods. If you can't find organic items in your store, talk to your grocer to find out about bringing some in.

3. Wear...organic cotton clothing, available in everything from socks to sweaters. Enjoy the comfort and style while you support agriculture that builds healthy soils and protects the environment.

4. Indulge Yourself.. take a long bath with organic bath salts, oils or bubble bath. Nibble on rich organic chocolate. Sip organic wine, beer or even an organic martini made with organic vodka. Buy yourself a bouquet of organically grown flowers. Cuddle in a towel or robe made from organic cotton.

5. Say Thank-you... to an organic grower or producer because they're the ones who bring organic food and fiber products to the tables and stores all across North America. Grab a friend and go to your local farmers market where you can buy organic products directly from a certified organic grower and say "Thanks!" Currently approximately 40-60% of all farmers market growers farm organically, and the numbers continue to grow.

September is Organic Harvest Month