

# ALL THINGS ORGANIC™

## Plenary: Organic on the Fast Track

**A** Tuesday morning plenary session honed in on important messages from three key leaders: Harvey Hartman of The Hartman Group, Gary Hirshberg of Stonyfield Farm, and Katherine DiMatteo, OTA's first executive director.

Highlighting key findings from The Hartman Group's latest survey, *Organic 2006: Consumer Attitudes & Behavior Five Years Later & Into The Future*, Hartman said an emerging reason for choosing organic products is to avoid hormones, which consumers believe could affect their children's health. This is leading to more purchases of organic meat and dairy products.

Hartman reported on a 30 percent increase in organic product usage from 2000 to 2005, but noted that the vast majority is by occasional purchases of organic products, up to 73 percent, from 55 percent in 2000. Meanwhile, those reporting making organic purchases once a week were up to 23 percent, from 17 percent in 2000.

Usage is skewed by ethnicity, with Asian Americans and Hispanic Americans more likely to buy organic products.

Initial adoption categories are produce, meat and dairy, and packaged food for children. Consumers are increasingly looking for the USDA Organic seal on products on the shelf.

"They don't know exactly what it means, they don't really want to know what it means, but they are glad organic is regulated," Hartman said, adding that consumers see the USDA Organic seal as verification that there is control over what can be labeled organic.

Consumers continue to shop for organic foods and beverages in a variety of channels, Hartman pointed out. Compared to five years

ago, they are increasingly likely to purchase organic products in natural food stores (49 percent in 2005, versus 29 percent in 2000), with grocery stores' share dropping from 63 percent to 58 percent in the same period. Superstores, meanwhile, have seen their share grow from 9 percent to 15 percent.

"There is no magic formula for placing organic products in stores,"



Harvey Hartman of The Hartman Group

Hartman said. Core organic users prefer segregation of organic products; mid-level users like sectional segregation, and periphery users prefer full product integration.

Consumers of organic products are becoming more discriminating in the brands they are buying, preferring to buy brands they can relate to and trust. "Organic is a strong component, but it adds value to a brand they already relate to," he added.

In his address, Hirshberg pointed out, "We didn't dream big enough. We have to dare to dream a whole lot bigger than we all have

thought." The organic community is "absolutely behind on the supply side. We have a severe supply-demand gap," he said, adding, "We could use 100 percent more organic milk this very second than what is available." The lack of supply has an impact throughout the supply chain, from organic feed and land to organic livestock.

Looking to the future, Hirshberg challenged the organic industry to gather data related to fossil fuel usage of agriculture. "The reality is climate is going to be as compelling a topic for organic as is the lack of toxins," he predicted, lifting up organic as a way to reduce dependence on fossil fuels but noting the organic industry must gather hard, unassailable data and sound bites to convince others.

"We need to be unified and clear publicly," Hirshberg said, adding, "We are late. We have to do more to reach across the historic ag-political divide." The challenge is to gather the facts, then provide them to extension agents and others to make changes. Stonyfield and

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OTA's Katherine DiMatteo

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Organic Valley, he noted, are already helping to fund an organic dairy on campus in New Hampshire to help provide research findings.

"I believe climate change will be the greatest social and environmental discussion. All food will be grown organically when emissions data have been collected," Hirshberg said.

Meanwhile, he urged organic pioneers to recognize the need to become an industry, versus a movement, and said it was time to stop burdening the staff of the Organic Trade Association with infighting. "Pioneers don't like settlers, but we need to recognize our measure of success is that there are settlers. Organic is not a club. Organic is about national and international security, and an incredible sound investment for retailers."

The economic reality, he said, is that the failure to adapt could be fatal.

Urging the industry to move from grassroots activism to organized, institutionalized action, Hirshberg predicted that the organic market "is going to be far larger than we dreamed," increased demand will bring supply, it will need lots of investment, and increased supply will take planning.

Hirshberg also predicted prices will come down with improved efficiency, and that private labels will be a strategy. Natural food retailers and cooperatives, meanwhile, will continue



Gary Hirshberg of Stonyfield Farm

to be incubators for new products.

With time allotted to the session running out, plenary panelist DiMatteo read from the myth about Pandora's Box to succinctly describe her vision of organic: organic, she said, is a symbol of hope for the world, to help cure the ills of damage and destruction to the soil and the earth.

### SESSIONS SAMPLING

Conference sessions covered a variety of topics. Highlights from a number of these are summarized in the conference section of the All Things Organic™ web site, [www.organicexpo.com](http://www.organicexpo.com). As a sampling, here are highlights from two of the sessions.

#### The Organic Legacy

Subtitled "Creating a Better World for Our Children," this session featured issues being studied by The Organic Center.

"Organic is a much better product. The Center is concentrating on documenting what we've known intuitively," explained

moderator R. Mark Davis, CEO of The Organic Center.

Charles Benbrook, chief scientist for The Organic Center, and Dr. Alan Greene, a pediatrician, highlighted some of the emerging findings. This year, The Organic Center plans to release four State of the Science reviews: on nutrient content of food; on reproductive development and outcomes related to pesticide exposure; on the impact of pesticides on neurological development and aging; and an update on pesticide residue levels in foods.

Also planned are critical issue reports. One will integrate four presentations on pesticide exposure in children made at the recent American Association for the Advancement of Science meeting. A second will look at cow health. Others will focus on milk quality and on a food quality index to help consumers, farmers, and food scientists determine how good a food is for particular individuals. New work planned will examine the impact of organic farming systems on soil quality, carbon sequestration and global warming.

Results on studies on strawberries, antioxidants and lycopene in tomatoes being funded by The Organic Center should become available this year, Benbrook added.

In his remarks, Dr. Greene said organic will continue to have a big role in such areas as global climate change, cleaner water, better soil, healthier wildlife, and the effect on children's brains and health of future generations.

Already there are signs that changes are needed to protect the health of our children's children, Dr. Greene said, pointing to several recently published studies. One, which appeared in the *Journal of the American Medical Association*, found that people living in Great Britain are far healthier than their counterparts in the United States.

### Mission Organic 2010

The Organic Center has announced the launch of a consumer education and outreach campaign called "Mission Organic 2010."

The goal: to help consumers understand the benefits of eating organic food, thus increasing organic food consumption to 10 percent of the U.S. food supply by the year 2010. Currently, organic food represents 2.5 percent of all U.S. retail sales of food, according to the *Organic Trade Association's 2006 Manufacturer Survey*. Stay tuned for further details.

“The wealthiest and most educated in the United States are not as healthy as the poor in Great Britain,” he said.

In addition, studies are finding links between the use of chemicals and a global decline in sperm density, endocrine disruption, and other reproductive problems.

“The good news is that none of the questionable substances—such as atrazine and phthalates—are used in organic agriculture,” Dr. Greene said, adding, “So fill your shopping carts with organic foods!”

### “How to” sessions

One of the five Organic 101 sessions this year at All Things Organic™ that attracted much interest from attendees was subtitled “How to Merchandise Organic Products in Your Store.” As part of this session, attendees received a guided tour of The Corner Store on the trade show floor.

In the session, Eric Stover of Wild Oats Markets focused on merchandising food in a retail environment, while designer Peter Millard gave pointers on how to display nonfood products in retail operations.

Organic products need to be merchandised differently because they are premium products, Stover pointed out, saying it is important to offer visual presentations that play up their attributes. In addition, consumers need information to help them decide to buy organic. “We need to tell them why (to buy),” Stover said.

Retailers often debate whether to integrate organic products or segregate them in a “store within a store.” “We at Wild Oats believe integration is the best way, with signage provided to single out organic products. This works better in attracting cross-over consumers,” he said.

Visual appeal is important, but retailers should also provide a marketing piece with educational information and identification. In a



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Organic Trade Association

### SESSION RECORDINGS ARE AVAILABLE

Audio recordings of the All Things Organic™ conference sessions are available by contacting HMR Duplications (phone: 510-482-8732; fax: 510-482-1733; e-mail: hmroakland@aol.com).

display, highlighting labels and creating angles and circles in product placement add texture, Stove said. Other tips:

- Use signage that doesn't overpower the presentation
- Use clean blocks to differentiate between product flavors.
- Create an attractive ambiance in displays, rather than a warehouse look
- Add cross merchandising of fresh product with other products whenever possible. For instance, put packaged goods interspersed with produce, such as displaying canned tomatoes with fresh onions and garlic.
- Show off produce that is in season and put related packaged goods nearby.
- Make sure to show abundance.
- If you have just one produce section for organic, don't hide it, but call it out via huge and attractive signage.

Education materials can include sale materials, posters, brochures, signage, and shelf talkers.

Designer Peter Millard, who designed The Corner Store, admitted

this was the first time he had worked with organic products but the skills needed were the same he uses in presenting any successful display to attract shoppers. The aim of The Corner Store project, he noted, was to demonstrate to retailers how to integrate nonfood organic items in their stores.

“You will see my work is result-oriented, and my solutions are always very simple,” Millard said, stressing that the purpose is “to communicate clearly to a woman shopper who is at her wit's end” due to the many demands on her time.

Millard said he was directed to spend no more than \$4,000 on ways to display the nonfood products. He chose crates, barrels, and wooden shelving to create an attractive environment.

Shoppers, he noted, want clarity and comprehensibility in the stores. “Signage is very important, and manufacturers need labels that clearly lay out their product and tell their story simply.”

He agreed with Stover that abundance is a key element in an attractive display.

“Don't do your displays in a skimpy way. Catch the shopper's attention and let her know what's available. Clear messages are also an important key,” he said. ■

## Keynote Speakers



Steven D. Levitt



Carol Moseley Braun