

Organic



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37

This newsletter is published 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 more than 1,550 producers, processors, distributors and retailers of organic foods, fibers, farm and garden supplies, and health and beauty products. OTA is your leading resource for information about this industry.

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Moving toward a new Farm Bill

For U.S. agriculture, 2007 is a crucial year as work intensifies in Congress to shape the 2007 Farm Bill. For organic agriculture, 2007, like 1990, could prove to be a watershed year.

Farm Bills, which come up for re-authorization once every five to seven years, have a vital impact on what sectors of agriculture and the U.S. food supply will be supported by federal efforts in the near term. The Organic Foods Production Act, establishing national organic standards, was part of the 1990 Farm Bill. Now, Congress has the opportunity to strengthen and support organic agriculture in the 2007 Farm Bill.

As statistics collected by the U.S. Department of Agriculture's (USDA's) Economic Research Service show, U.S. organic acreage grew by 1 million in 2005, but, at slightly more than 4 million acres, still is a small percentage of overall acreage. Meanwhile, demand for organic products continues to grow at double-digit rates, and companies admit they would be able to sell even more products if more organic ingredients were available.

As a result, OTA has drawn up comprehensive Farm Bill recommendations that seek to:

- foster transition to organic agriculture and trade to meet the growing demand for organic products,
- create risk management tools for organic businesses,



- encourage agricultural and economic research, and
- adequately fund USDA programs that serve the organic sector.

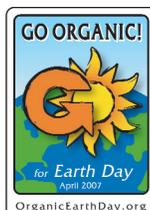
For instance, a key deterrent currently to transition to organic is a lack of solid production and market data that informs farmers, processors, wholesalers and retailers about the supply of key organic commodities and gross or regional pricing data for these commodities. OTA has sought parity with conventional programs in data collection from the Congress and USDA for some time, and small steps have been taken to remedy the lack of data. However, USDA still does not or cannot issue a gross number of certified organic U.S. farms or a list of all certified organic operations including farms, handlers, processors and sales outlets by

category. Conventional farmers have access to USDA data with which they can begin to plan crops with an eye to marketing their crops at a fair price. This data is not currently available to organic farmers or potential farmers, and Congress needs to address this gap.

As the first step, OTA suggests:

- providing a range of support options to provide education and technical assistance to farmers, producers and handlers,
- supporting effective transition and maintaining the organic certification cost-share program,
- improving access to crop insurance for organic farmers, and
- requiring data collection for organic production and handling. ❖

Go Organic! for Earth Day™ now in progress



More than 3,500 retailers and 40 manufacturers are participating in the third annual Go Organic! for Earth Day™ campaign this month.

This national, award-winning campaign includes Earth Day events,

Continued on Page 2

Go Organic! for Earth Day™ — Continued from Page 1

a major public relations initiative, in-store coupon books and point of sale material, a Go Organic! web site (www.OrganicEarthDay.org), e-newsletters, consumer contests, organic product sampling, and more.

The campaign is designed to help consumers take the first steps toward making organic products part of their daily lives. Coupon books, available at participating retailers throughout April, can also be obtained by calling 1-866-I-GO-ORGA. In addition, chef to the stars Akasha Richmond has created an Earth Day menu featuring a

day's worth of simple, delicious recipes made with organic ingredients. Award-winning chef-restaurateur Rick Bayless has also created an authentic organic Mexican dish for the campaign.

The campaign has also teamed up with Healthnotes, Inc., which provides Healthnotes Connect, a retail wellness-marketing platform with more than 2,000 interactive in-store kiosks and retailer web properties.

According to The Natural Marketing Institute, the 2006 Go Organic! campaign increased organic awareness among consumers by 3 percent (equaling more than 10 million consumers). SPINS reports that Platinum sponsors experienced a 43 percent greater rate of growth at participating conventional retailers vs. non-participating retailers.

Go Organic! for Earth Day™ is a joint project of the Organic Trade Association, Earth Day Network and MusicMatters. For more information, go to the Go Organic! for Earth Day™ web site. ❖



Countdown to All Things Organic™ May 5-8 in Chicago

Excitement is building as the Organic Trade Association's seventh annual All Things Organic™ Conference and Trade Show, to be held May 5-8 at McCormick Place in Chicago, takes shape.

All Things Organic™, presented by OTA in partnership with Diversified Business Communications, is teaming up once again with four other shows at McCormick Place in an event billed as "The Power of Five": the FMI Show, Spring Fancy Food Show™, United Fresh Marketplace and Conference, and the U.S. Food Export Showcase. It will be the final year of The Power of Five collaboration, although All Things Organic™, the Spring Fancy Food Show™, and the U.S. Food Export Showcase have announced plans to continue to hold their events at McCormick Place in Chicago in 2008.

A highlight of All Things Organic™ 2007 will be a keynote address Sunday morning, May 6, featuring The Honorable Al Gore, 45th Vice President of the United States. This year's features will also include a keynote panel of young organic leaders on Monday morning, a keynote address by Claire Raines on intergenerational management Tuesday morning, five Organic 101 conference sessions, 20 conference topics, special members-only activities, and a bustling trade show featuring 600 booths and special show floor attractions.

Saturday, May 5, will be filled with activities for OTA members, including special member seminars, the new member orientation, and OTA's Annual Meeting. There will be a Sunday evening Welcome Party at the Adler Planetarium, and on Monday evening OTA's Annual Dinner & Organic Leadership Awards Ceremony. There also will be two tours offered during Saturday: an Organic Farm to Fork Tour and an Organic Fiber Walking Tour.

In addition to inspiring and informative keynote speakers, All Things Organic™ offers a wide array of session choices. Conference topics range from merchandising organic products for retailers and personifying the organic consumer, to sessions giving an update on emerging standards and on bringing organic into schools. The five

Organic 101 sessions will focus on the following:

- State of the Organic Industry in North America
- U.S. Organic Regulations in Plain English
- Category Management for the Organic Food Retailer
- Communicating the Organic Benefit
- Organic Certification for Processors and Handlers.

Special show floor features

This year's show floor will be bigger than ever, featuring 600 booths. In addition to a full scope of organic products and services and a Good Organic Retailing Practices display, there are four other special features:

- **THE CORNER STORE** — A very successful addition last year, the Corner Store is once again expected to draw much attention as attendees seek to discover easy solutions to incorporate organic non-food products onto their shelves. This display demonstrates an effective and attractive way to include these products.
- **ORGANIC FOR KIDS** — The Organic for Kids product showcase will demonstrate examples of ideas and products that cater to one of the most rapidly growing segments of the organic industry.



- **THE NEW PRODUCT SHOWCASE** — The New Product Showcase gives a preview of the newest products to hit the organic market.
- **ORGANIC SPIRITS PAVILION** — The Organic Spirits Pavilion allows attendees to stroll through this lively group of exhibits and tantalize their taste buds with some of the best organic wine and beer on the market.

Visit the All Things Organic™ web site, www.organicexpo.com, for the most up-to-date information on the show schedule, conference details, and to register online. ❖



Quote of Note

“By reducing exposure to toxic substances, organic products can help us raise healthy strong children and protect our most treasured resources for the future.”

—Dr. Alan Greene

Organic news

- Certified organic acreage in the United States grew by 1 million acres in 2005, according to the U.S. Department of Agriculture's (USDA) Economic Research Service (ERS). There were at least 8,445 certified organic farms in 2005, up from 8,035 certified organic farms in 2003, with slightly more than 4 million acres under organic management, up from 3 million acres in 2004. See www.ers.usda.gov/data/organic/.
- U.S. organic poultry and egg markets and domestic supply are expanding rapidly, with significant price premiums paid for both organic broilers and eggs, according to an ERS report, “Organic Poultry and Eggs Capture High Price Premiums and Growing Share of Specialty Markets.” See <http://www.ers.usda.gov/Publications/LDP/2006/12Dec/LDPM15001/>.
- The nation's first organic research dairy at a land grant university in January began shipping organic milk. The operation at the University of New Hampshire has begun operations with 48 Jersey cows, with the goal of expanding to 80 cows on 200 certified organic acres in Lee, NH. The research dairy sells the milk through Organic Valley.
- Research during 2006 at The Rodale Institute showed that cornfields in which soil-building no-till organic methods were used had higher yields than tilled organic cornfields and tilled non-organic cornfields. The experiment used an improved version of The Rodale Institute's one-pass, no-till roller system and only a legume cover crop for fertility and weed management. The Institute's no-till organic corn plots produced 160 bushels per acre, compared to 143 bushels per acre for tilled organic plots. Yields on comparable chisel-tilled non-organic plots were 113 bushels per acre.
- A research team at the University of California at Davis has found organic kiwi fruit had much higher levels of total polyphenol content than conventional kiwi fruit, resulting in higher antioxidant activity than their conventional counterparts. Study results, published online March 27 in the peer-reviewed *Journal of the Science of Food and Agriculture*, also showed that organic kiwi fruit had higher levels of vitamin C. The kiwis studied were from nearby vineyards on the same farm in Marysville, CA.
- The Save Our Seed Project, www.organicseedsourcing.com, established by the Carolina Farm Stewardship Association is expanding its offerings. The project provides information to growers with specific requests on available organic seeds from its comprehensive seed dealer databases.
- The state of Washington is paying a minimum of five farmers in the Skokomish watershed in Western Washington to switch to organic farming practices.
- The Michigan Apple Committee has received a \$50,000 grant to determine whether organic apple growing is economically profitable for growers in Michigan. The Clarksville Horticultural Experimental Station, operated by Michigan State University, has a five-acre plot designated to study organic apple growing, according to a *Capital News Service* article published in November.
- Quebec-based Natural and Organic Food Group and P.E.I. Pork Plus have purchased the former Garden Province Meats plant on Prince Edward Island for use in producing organic meats.
- The web site www.LivingWithEd.Net endorses eating organic food and using organic personal care products, including those made by OTA member Pangea Organics. “Living With Ed,” on HGTV, is billed as an “unscripted docu-soap about the lifestyle of a diehard activist who puts his money and his time where his mouth is 24/7.” Actor Ed Begley Jr. and his wife, Rachelle Carson, host the show.
- Del Monte Foods has launched a range of organic vegetable and meat products, including corn, green beans, peas, beef and chicken broth, sold nationwide.
- Kraft Foods in late January announced it would launch organic nut varieties, including an organic nut selection and organic cashews, under its Planters brand name.
- Schnuck Markets, Inc., is launching a new line of 120 privately labeled organic and all-natural products, including cereals, fruit preserves, canned vegetables, rice, milk, pastas, peanut butter, soy milk, coffee, and teas, under the chain's Full Circle label.
- Safeway, Inc., which introduced the “O Organic” line of products a year ago for adults, is expanding the line to baby food and foods for children ages 6 to 12, and introducing a product line called Eating Right for teens and adults.
- Organic items are growing in popularity at table-service restaurants, according to the National Restaurant Association's 2007 *Restaurant Industry Forecast*. Among those restaurants currently serving organic items, 52 percent of fine dining, 42 percent of casual dining and 27 percent of family dining restaurant operations expect higher sales in 2007. Locally produced food is also growing in popularity.
- Chef Michael Altenberg, owner of Crust, a new restaurant in Wicker Park, IL, is pursuing organic certification from the Midwest Organic Service Association in Wisconsin for the eatery,

Continued on Page 4

World of News — Continued from Page 3

according to a report in the *Chicago Sun Times*.

- Chef Michel Nischan and Paul Newman have teamed up to establish the Dressing Room—A Homegrown Restaurant on the grounds of the Westport Country Playhouse in Westport, CT. The restaurant features organic food.
- Organic To Go, a fast-casual café certified as an organic retailer, surpassed \$10 million in sales during 2006, finishing the year with 11 retail stores and 10 wholesale locations at office buildings, universities, hospitals and airports in Southern California and Western Washington state. In January, it was available in 13 new locations, including Cal State Northridge, the Jet Propulsion Labs in Pasadena, CA, seven new locations on the Microsoft campus in Redmond, WA, two new locations at UCLA, and two new Organic To Go stores in Seattle, WA, and Century City, CA.
- Two schools in the Bolinas-Stinson Union School District in California are the first West Marin schools to sign up for the Marin Organic School Lunch Program.
- Swedish Covenant Hospital in Chicago, IL, is incorporating organic foods in the meals offered to patients.

Consumer trends

- Results from a national survey released by the Food Marketing Institute and *Prevention* magazine showed 44 percent of respondents purchased organic fruits and vegetables in a six-month period, versus 38 percent a year earlier. In addition, 30 percent purchased organic milk or other dairy products (up from 23 percent), 29 percent purchased organic cereals, breads or pasta (up from 25 percent), 24 percent purchased organic meats or poultry (versus 17 percent) and organic packed goods (up from 21 percent), 21 percent purchased organic eggs (up from 18 percent), and 16 percent purchased organic soups and sauces (up from 12 percent). The chief motivation cited for buying organic foods was perceived nutritional value, followed by long-term health effects. Just over half of respondents listed the environmental impact of growing or producing these foods. The *Shopping for Health 2006: Making Healthy Eating Easier* telephone survey conducted in July 2006 included more than 1,000 adults.
- Among the top trends in 2006 noted by The Natural Marketing Institute (NMI) were the balance of price and benefits of organic versus natural products and the development of organic personal care as a hot market segment.
- A Dec. 28, 2006, article by Marilynn Marter in the *Philadelphia Inquirer* listed organic foods among the top food trends and buzzwords for 2007.

Environmental News

- A study published in the September 2006 issue of *Molecular Endocrinology* (Vol. 20, No. 9) linked organotins, a class of environmental contaminants, with excess weight gain and fat cell aberrations. Organotins are ingredients in many household products, including pesticides, and are persistent compounds found in low concentrations in most humans and animals. In the study with mice and frogs *in vitro* and *in vivo*, U.S. and Japanese scientists examined organotins for their endocrine-disrupting effects, implicated in contributing to weight gain and obesity.
- In December, six environmental groups filed a lawsuit in the U.S. Court of Appeals for the Ninth Circuit asking the court to overturn a rule adopted by the U.S. Environmental Protection Agency in late November that would allow aerial spraying and other direct applications of pesticides to creeks, rivers and wetlands without agency oversight via the Clean Water Act NPDES permit process.
- In a review study published in the Dec. 16, 2006, print issue of *The Lancet*, researchers from the Harvard School of Public Health and the Mount Sinai School of Medicine examined publicly available data on chemical toxicity in order to identify industrial chemicals most likely to damage the developing brain. Finding that 202 industrial chemicals have the capacity to damage the human brain, researchers concluded that the toxic effects of industrial chemicals on children generally have been overlooked. To protect children against industrial chemicals that can injure the developing brain, researchers urged a precautionary approach for chemical testing and control, and noted that U.S. requirements for toxicity testing of chemicals are minimal.
- Research at the NOAA National Centers for Coastal Ocean Science has shown negative effects of the commonly used herbicide atrazine on phytoplankton, free-floating algae that form the base of the food chain for aquatic animals. Results, published in January 2007 in the journal *Pesticide—Biochemistry and Physiology*, showed protein levels in phytoplankton decreased as a result of exposure to atrazine.
- An economic study by researchers at Johns Hopkins University shows that the use of growth-promoting antibiotics in chicken feed (a practice not allowed in organic agriculture) increases, rather than decreases, the cost of poultry production. Using data from the chicken processor Perdue, researchers found antibiotics slightly accelerated chicken growth but that benefit was offset by the cost of purchasing the antibiotics. The study, "Growth Promoting Antibiotics in Food Animal Production: An Economic Analysis," appeared in the January-February 2007 issue of *Public Health Reports* (www.publichealthreports.org). ❖