



MAINSTREAMING AMERICA TO ORGANIC PROCESSED FOOD

By Lisa M. Hamilton

LAST WEEKEND I WENT TO A PICNIC. It was a standard spread: deli meats and white bread, Hellman's mayonnaise, jars of salsa, and Coca-Cola—a familiar menu. But there in the midst of it all was something that took me by surprise: a bag of organic Tostitos. Weirder still, nobody else found them remarkable.

Had I heard the phrase “organic Tostitos” without seeing the bag itself, I would have taken it for hyperbole. But it turns out I'm the minority. Those chips are now the truth; that picnic table was actually a rough reflection of contemporary organic food and its entrance into mainstream American life. As if to prove the point, the chips sat next to a bag of non-organic Tostitos, suggesting the two were simply different flavors.

The people around the table were similarly representative of organic food's modern life. They weren't bearded or braless, nor were they all wealthy, educated Caucasian women aged 35–45. According to “Organic Consumer Evolution” (2003), a study by the Hartman Group, these stereotypical supporters comprise only 10% of the market. The group this party represented was the real average organic consumers, the 53% of the market that is responsible for driving the industry's explosive growth. According to the Hartman Group, these consumers defy stereotype: they are African-American and Asian, Latino and Caucasian, male and female, affluent and not. If you mixed them into a crowd on a city sidewalk, you would be hard-pressed to pick them out.

What binds them is concern for health and at least a passing concern for the environment, but at heart they are still regular consumers. They compare prices and clip coupons. They want food to be familiar, convenient, and easy. They now buy organic food—and have thus fueled a \$10-billion-a-year industry—because it has come to them.

I mean this literally: even the Albertson's in Sheridan, Wyoming (population ~16,000), now stocks organic produce. But also, and perhaps more so, I mean this conceptually:

organic food has been brought to the lifestyle of the regular consumer, reshaped so that it can slide in and quietly fill roles that already exist in the average diet. Tom Lacina, Chief Operating Officer of Wildwood Natural Foods, explains, “Just because they are eating organic, people wouldn't say I'm going to buy an organic potato, carrot, and beet and go home and cook a stew tonight.” Instead, there is Walnut Acres Autumn Harvest soup, Imagine Organic Creamy Potato Leek, and Amy's Vegetable Barley.

Michelle Barry of the Hartman Group explains that people are most willing to spend money for organic versions of things they eat often, reasoning that frequency increases the unhealthy impact of non-organic options. If someone drinks several quarts of milk a week, for instance, she would switch to organic milk in order to avoid the concentration of hormones. Would she spring for organic sour cream? Probably only if it were a daily food.

Study after study shows the categories of frequently eaten foods are the ones with startling growth. A USDA/ERS study reported that of the more than 800 new organic products released in the first half of 2000, the majority were desserts. The 2003 *Whole Foods Market Organic Foods Trend Tracker* showed that snacks had the fastest growth in their stores. The Organic Trade Association's “2004 Manufacturer Survey” confirmed this to be industry-wide, with organic snack sales growing by 29.6%—second only to the BSE-inspired 77.8% rise in the organic meat, fish, and poultry category.

So while produce remains the perennial symbol of organics, in fact the billion-dollar industry is built increasingly on processed food. Rod Crossley, a certification consultant

who has been on the California Organic Products Advisory Committee (COPAC) and the National Organic Standards Board (NOSB), put it to me plainly: “That's

where the real growth of the industry is and always has been. I mean, you can only sell so many fresh fruits and vegetables.”

MIXED REVIEWS

As organic food has grown up and grown away from its origins, there is debate over whether the transformation is positive. Purists argue that farmers and processors should hold paramount its social aims—encouraging local food systems, connecting people with their food, improving farm life, respecting the earth, and constructing a fundamentally different kind of agriculture. Others contend that the popularization of organics is the only way to make the movement big enough to have an impact on Middle America.

Mark Lipson, Policy Program Director at Organic Farming Research Foundation, thinks that overall things have changed for the best. “We're still a very small portion of American agriculture,” he says. “We wouldn't even be a blip if it weren't for the market of processed foods. It has enabled the production of more organic food, more organic farmers, and better food for people. No doubt that some of it has got a lot of hype and not enough substance, but it's still organic agriculture at the core of it.”

The bottom line is: more organic sales means more organic acreage. I haven't met anyone who disputes the benefit there (even

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if they will concede success in only the sheer pounds of pesticides avoided). Every time a corporation launches an organic line, it means that farmland somewhere has been converted to organic production. It also means organic farming research attracts crucial financial support.

The increasing market also gives struggling non-organic farmers a way to stay in business. Tom Lacina explains, "Without organic food production having come more center stage, we wouldn't have created the critical mass that gives them the opportunity to transition their land, get a higher price for their product—and then survive on perhaps even less land." This is particularly important for growers of commodities like soybeans, who can't sell their product at a farmers' market or co-op; their survival depends on the large-scale processed food market.

Popularizing organic food also has increased the sheer number of consumers who know and care about it. Often that involvement lacks depth, but again, many people argue for critical mass.

"The roots of the organic movement speak not just about not using chemicals but about what it means to be human," Tom Lacina told me. "Organic was speaking to a history that we were losing. It pushed us to ask questions to try to understand who we are and the consequences of how we live. Buying the organic Tostitos is not going to do that. I don't care if you have a philosophical document on the back of the bag—most people don't even read that. But if they are willing to pay the premium, they have at least begun to ask the questions. They know they are doing something. They might not understand it, but they're willing to contribute the 25 cents extra toward it. That doesn't make the change, but it does make a change. The reality is that if we really want to affect the population broadly we have to go into the food network. I don't want to just be a symbol, I want to be an effect."

CONSUMER DEMAND

Adapting to please the customer is a fundamental part of most business. While it has lately reached extremes in the organic arena, it's not new. **Bryce Lundberg**, of the venerable organic rice company **Lundberg Family Farms**, remembers that the family faced issues of compromise even in the early 1970s.

"At one point we had a strong commitment to not produce white rice," he told me. "In fact, that was one of the reasons that we started our own company: the co-op wouldn't work with brown rice. Simply, rice is much healthier when eaten with the bran layers intact. Taking it off was something we weren't going to participate in. I can remember talking about white rice as 'tombstone rice.'

"By the mid-70s we started making some varieties in white rice. Today there's even one variety that we offer only in white. At one point that seemed like a big compromise, but now it just doesn't. We listen to what our customers want."

The Lundbergs' question was part of a larger question the movement began asking early on: what does organic encompass? Should it mean nutrition? If so, then should white rice and white bread be disallowed, since whole grains are superior? What about iceberg lettuce?

In its purest, most idealistic form, organic did mean nutrition. It also meant supporting alternative economies, farmer empowerment, consumer involvement, and environmental

responsibility. But transforming organic food from a set of values into a commercial product meant balancing ideals with the things that matter to consumers. Sacrificing the rice bran seemed huge at the time, but really the Lundbergs had tipped the scale only slightly toward their customers. They maintained every other bit of their philosophy and pureness of technique. Relative to what has happened over the past decade, it was nothing.

As corporations like Dean Foods and Heinz own more and more of the market, many small farmers lose out, many small businesses crumble or are consumed, and, some say, the ideals that drive organics are abandoned. I don't disagree, but it's worth going past the anger to understand how and why this has occurred.

"Companies like Heinz, General Mills, and Smuckers are investing in the organic sector because, as everyone is aware, money follows growth and profit." That's what Gene Kahn, VP of General Mills and founder of Cascadian Farms, told *Food Processing Magazine* in 2001.

Steve de Muri of **Campbell Soup Company** explained to me why his company had recently launched an organic line. "We have a healthy image that we want to promote. Organic fits nicely with our health and wellness strategy. Also, we know that some of our competition is in organics now, so we wanted to get in."

Earthbound Farm: Setting an Example

Started in 1984, Earthbound Farm has grown immensely in the last 20 years. Now under Natural Selection Foods, the company holds nearly 60% of the American market for organic bagged salad. Like any other company, Earthbound provides to consumers what they want in terms of product, but unlike many other organic businesses, they go a step further – they educate consumers about organic, and consumers realize that, yes, this is also something that they want.

A visit to Earthbound Farm's website (www.earthboundfarm.com) reveals much in the way of education for the present day consumer as well as the next generation. They provide detailed information on their history, reasons to choose organic, recipes, organic farming practices, quality & food safety, and more. They also provide a children's area on their website complete with information to read, print out, and color – helping to make learning about organics fun.

In addition to public education, Earthbound gives back to the Earth in ways that the consumer does not see. Earthbound calculates its annual carbon emissions from the entire operation and donates to American Forest, a national reforestation non-profit which calculates and then plants the number of trees needed to absorb Earthbound's annual emissions. Earthbound also contracts with small- and medium-sized farms to help supply what the consumer demands – and help keep other farms in business.

In the end, the customer is educated and satisfied, smaller farms are assured their business, and Earthbound continues to maintain its beliefs in the social and environmental benefits of sound organic farming and food production.

Companies drawn to organic food production for money, competition, and strategy make decisions differently from the Lundbergs of the 1970s. Organic pioneers were balancing their ideals with what consumers wanted, making concessions to the latter only as necessary. Modern corporations have different ideals to balance. Those entering organics might embrace some ideas about progressive farming, but, as publicly traded companies, their primary "ideal" is profit. Since profit comes from giving customers what they want, there ends up being little to balance—their pursuit is exclusively one of satisfying customers. Being "organic"—the part about farming—becomes a matter of doing what is necessary to meet consumer expectations.

The net effect is that consumers are allowed to direct the continuing evolution of organic food. Unfortunately, most of them aren't qualified to do so. In the same report that debunked the stereotype of who an organic consumer is, the Hartman Group presented some raw truth about why that average consumer—the group driving growth—buys organics. Michelle Barry

explained, "They will say they care about environment and everything. If asked on a survey, they would say yes, they would check it off a list as a reason why they buy organic food. But when they get out there, what's driving them is the concerns of health. They believe that eating organic food will protect them."

While they also believe that buying organic food will help the environment, their knowledge of how it will do that is cursory. They know that pesticides are bad, but few know what harm they do. "It's hard enough for them to think outside their household, much less think about it on a global scale," says Barry. What people want is to be assured that organic food benefits them and the planet, so they don't have to think about it.

The USDA gave that assurance in 2002 with the National Organic Standards. This standardization of organic food production welcomed in and provided assurances to the average consumer, and the resulting boom has led to increased organic acreage—some predicted an extra 75,000 acres in 2003.

As with any government regulation, there is debate over how to tune these technical guidelines to be realistic and fair. The *California Organic Foods Act of 1979* defined organic processed foods as having 100% organic ingredients, with zero additives aside from water and salt. This was adjusted to allow citric acid and ascorbic acid (pH balance in canned tomatoes), but for some years that was it. Then Washington State and Oregon adopted their own laws in the 1980s, allowing about 1–2% additives so baking powder and yeast could be used. Gradually other additives were

approved to make organic processed foods commercially feasible. To maintain trade with Japan, the waxing of fruit was approved. Natural flavors and colors were allowed. "Ten years ago, chlorine was absolutely unacceptable for post-harvest handling," one veteran told me. "Today, you couldn't run a packing house without it."

The story is the same as with the Lundbergs' decision to sell white rice: at the time, the concessions seemed contentious; now they are minor. Yet if you gather all those amendments and compare their sum total—to today's organic standard—to the original definition of 1979, the contrast is shocking.

Indeed, the majority of processed food labeled with the word "organic" includes non-organic ingredients. As of May 2004, there are over 100 additives and agents allowed in the processing of organic food. There are exceptions for the substitution of non-organic ingredients when organic equivalents are commercially unavailable—a clause some claim is used as a loophole.

When considered altogether, are these concessions still minor? It depends who's talking. Are they necessary? Again, it depends who you ask. But if you want to make organic food palatable to a non-organic American palette, then the answer is yes to both.

"There is this general expectation that organic food tastes as good, if not better, than conventional food," says Brian Baker, research director of the Organic Materials Review Institute. "To do that, you have to go into your bag of tricks. That's the only way to stay competitive."

Baker's organization conducts technical assessments of materials proposed for use in organic farming and food production. Even as a self-described purist, he concedes that compromises are necessary to widen the organic market. Yet as a researcher assessing the substances that people want the NOP to approve, he can't help but be a little cynical.

"I was talking to a food processor about some material he was petitioning, and I said, 'Well, if we want organic to take over one hundred percent of the food industry, we should just O.K. everything that's allowed in conventional food. While we're at it, we could make it the same price, and we would have the whole market overnight.'"

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Baker says the processor got the message. The reason people buy organic food is that it's different. "He realized that if we lose that reason, we lose our market."

CONSUMER RESPONSE

In April, the USDA provided a wake-up call about the continual loosening of the organic standards. It issued, without public review or comment, four "guideline statements" that would have crippled the foundations of organic farming. Among other things, they effectively allowed for the use of some chemical pesticides, non-organic animal feeds, and antibiotics (*Certification Corner, page 33*).

The backlash was severe. The Consumers Union curtly wrote, "These ... statements fly in the face of Congressional intent of the *Organic Food Production Act of 1990*." The Organic Integrity Project of Wisconsin's Cornucopia Institute was less polite. "The political appointees and bureaucrats at the USDA's National Organic Program (NOP) are becoming masters at creating loopholes for corporate organic farming. [Do you want to raise chickens without access to the outdoors, include an unapproved preservative in your product, bring in replacement dairy cattle shot-up with antibiotics and from nonorganic sources? No problem, the NOP would not think of making you choose between the integrity of organic agriculture and your greedy zeal to increase profits."

That Secretary of Agriculture Anne Veneman retracted the guidelines less than a month after they were issued is evidence that the public is not entirely asleep or without influence. Yet that the guidelines lasted that long indicates something else: the forces seeking to redefine organics using the corporate agriculture model are more powerful than most people knew.

What concerns this author is not the need to challenge those forces, but rather the army we have to fight the battle. Yes, there are more organic consumers every day. But are they passionate, involved, dedicated—the qualities needed to sustain a contest for something as intangible as integrity? The core group is, but the Hartman Group's survey indicates that the majority of people buying organic food are motivated by concern for themselves and their families, not the larger movement.

The *San Francisco Chronicle's* May 22 front page article began: "A showdown is taking shape over the nation's organic food standards, triggered by a spate of recent rule changes that some producers and activists say are setting a pattern that could eventually render the organic label meaningless." A new organic farmer I know in Marin was furious. He was sure his customers would start to think that there really was no difference between his fruit and the next guy's. If consumers start believing that organic food does not guarantee them safety and health, what will keep them from deserting?

Even as organic Tostitos expand the industry by assimilating it to the mass market, many people contend that organic food's salvation lies in maintaining—and celebrating—the ways in which it is different. These include the absence of highly toxic petrochemicals in farming and processing, the simpler nature of food, and the belief that organic farming is a way to change the world. Some believe that we must maintain a higher price for organic food, and honor it as a reflection of an agricultural system that requires more time, labor, and care, and offers a fair financial return to organic businesses. Others contend that the price of organic food needs to come down to a level more in line with non-organic food—making it more accessible to more consumers.

Either way, to further advance organic food on a national scale, consumers need to be involved more deeply and seriously with their food. That comes from giving them something real to care about. We need an active and pronounced turn back toward the

movement's original values that emphasize "why organic" beyond the average family's front door. This is the only way to maintain, and in some cases win back, organic integrity and the market that accompanies it. We have seen an average 20% increase per year in organic sales because of these new consumers that are choosing organic with their dollars. Yet at the same time, they are not likely to be those organic supporters that will write letters and make phone calls to their elected officials in Sacramento and Washington, D.C. in defense of organic standards. Most of them wouldn't know what to protest.

Here is where the organic movement needs to return to its roots and actively educate consumers on the detailed benefits of organic—for themselves, their families, pets, neighborhoods, schools, land, rivers, oceans, wildlife, society, the economy, and for people and places they will never know. We cannot rely on 550 pages of federal organic standards to educate new consumers and nurture a continuing movement.

Baker sums it up well. "The person who can defend the organic standard best is a well-informed consumer."

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