

# Organic products make up nearly 5 percent of U.S. food sales

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As the Costcos, Wal-Marts and Krogers of the world continue to enter the organic market, “Are they really concerned with what we’re doing, or is it a marketing opportunity?” Lively said.

## Main disagreements

There are other issues out there, of course. Producers disagree over the proposed organic checkoff, for example, and whether a “transitioning to organic” label is proper for growers who are headed that way but aren’t yet certified.

And although organic product sales grew 11 percent to reach \$43.3 billion in 2015, and have undoubtedly topped that in the interim, the number of organic farmers has actually dropped. Organic products now make up nearly 5 percent of U.S. food sales, but organic acreage is less than 1 percent of U.S. cropland, according to the Organic Trade Association.

It appears millennials, the 18 to 34 age group, account for more than half of organic purchases. That means a lot of people still aren’t convinced they should pay more for something that often looks and tastes the same as conventional vegetables, fruit, grains and meat.

“It would be shortsighted if we strive only to fill the shopping baskets of millennials and be happy at that,” warned Drew Katz, who coordinates farm transitions for Oregon Tilth, an organic certification group.

But it’s creeping bigness that seemed to bother many of the 1,100 growers, processors and activists who attended the three-day Organology conference and trade show in Portland earlier this month. One of the panel discussions was even titled, “Challenging the Empire: Forming a Rebel Alliance.”

The rebels might have reason to worry. Phil Howard, a Michigan State University professor, has tracked the acquisitions of organic operations by the biggest “Deathstars” in America’s food system.

Organic activists can recite some of them from memory: General Mills now owns Annie’s Homegrown and seven other organic brands. Coca-Cola owns Odwalla and Pepsi owns Naked Juice. Kellogg owns Morning Star and Kashi, plus two other brands. J.M. Smucker bought R.W. Knudsen, Millstone, Santa Cruz Organic and Enray. Food giants Foster Farms, Tyson, Hormel and Nestle also own several organic brands.

Costco helped another company buy 1,200 acres in Mexico, and will use it to supply its membership warehouse stores with organic products.

Wal-Mart barged into organics 10 years ago, vowing it would bring cheaper organic food to the masses. Critics soon alleged Wal-Mart’s organics were coming from factory farms and from China, with its checkered food safety and regulatory history.



A producer sells jars of organic, raw milk feta cheese at a Portland farmers' market in this 2015 photo. Despite fears of “Big Ag” taking over organics, industry observers believe small producers will continue to find a niche.



Gina Colfer, key account manager with Wilbur-Ellis, says the organic marketplace has room for producers of all sizes.

## Price check: organic vs. conventional

Non-discount prices for organic foods versus their conventional counterparts at select Portland-area groceries.

### Trader Joe's

Item	Organic	Conventional
Bananas (each)	\$0.29	\$0.19
2% milk (gallon)	\$5.99	\$3.49
Dried mango slices (pkg.)	\$3.99	\$2.99
Brown eggs (dozen)	\$3.99	\$2.49

### QFC

Item	Organic	Conventional
Boneless, skinless chicken thighs (lb.)	\$5.99	\$3.99
Corn puff cereal (per ounce)	\$0.42	\$0.27
Turkey burger patties (lb.)	\$10.99	\$4.50
Red leaf lettuce (bunch)	\$1.99	\$0.99
Honeycrisp apples (lb.)	\$3.29	\$2.49

### Safeway

Item	Organic	Conventional
Ground beef (lb.)	\$7.99	\$6.99
Apple juice (per ounce)	\$0.10	\$0.06
Seeded bread (loaf)	\$5.99	\$1.99
Yellow onions (3 lb. bag)	\$3.99	\$1.99
Pre-made tea (jug)	\$4.79	\$2.79
Unsalted butter (pkg.)	\$5.99	\$5.69

NOTE: Portland-area prices as of Feb. 5-8, excluding membership card discounts.

Eric Mortenson and Alan Kenaga/Capital Press

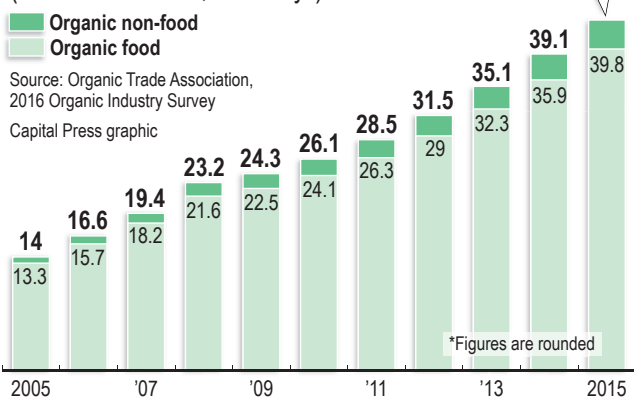
Food writer Michael Pollan said the company’s low-price promise “virtually guarantees that Wal-Mart’s version of cheap, industrialized organic food will not be sustainable in any meaningful

sense of the word.”

Meanwhile, the Washington Post reported Feb. 9 that mass-market retailers now account for 53 percent of organic sales and that Whole Foods, one of the pioneering

## U.S. organic sales

(Billions of dollars, annually\*)



Organic greens bask in the sun at a Sherwood, Ore., farm in this 2015 photo. Organic product sales exceed \$43 billion annually, a fact that’s caused big companies to jump into the market.

organic chains, is closing nine smaller, older stores and only opening six.

## Soul vs. integrity

Brian Baker, a Eugene, Ore., organic consultant who moderated the “Empire” panel discussion at Organology, said it’s not the soul of the industry he’s worried about, but rather its integrity.

“My point was that corporations that enter the organic sector through the acquisition of organic enterprises behave differently from operations that have gone through the hard work of transition or have practiced

## Online

<https://msu.edu/~howardp/OrganicJan16large.jpg>

organic production and handling from the beginning,” he said in an email.

Conventional food corporations generally don’t understand what it takes to become organic, Baker said. They know the organic sector is growing and sells at a premium price, but lack organic production experience and don’t have a first-hand understanding of organic standards.

“The concern is particularly acute if the corporations behave as if the rules that applied to the companies they acquired do not apply to them,” Baker said.

While some attending Organology hold tight to the “purity” of the movement’s hippie, back-to-the-land origin, as one observer described it, others are seeking a better balance.

## Values-based

The Cornucopia Institute, based in Wisconsin, has served as a watchdog on organic issues, battling the USDA, the Organic Trade Association and corporations such as Wal-Mart when it believes the spirit or letter of organic guidelines are violated.

But Mark Kastel, co-director and senior farm policy analyst, said Cornucopia’s message is more nuanced than “big is bad.”

“The issues are not corporate scale, they are about corporate ethics,” he said. “This is a values-based industry. It’s grown to \$43 billion (in sales) because consumers wanted an alternative to standard practices in growing agricultural commodities and in processing, too.

“If you respect the wishes and values of consumers, there is money to be made here and profit to be made here at the farm gate and in the boardroom.”

## ‘In this together’

Gina Colfer, a key account manager with Wilbur-Ellis in Salinas, Calif., is on the frontlines as a big, conventional ag company transitions itself to join the organic marketplace.

Colfer, with experience in agronomy, pest control and food safety, was working for Earthbound Farm, which itself had grown from a small startup farm to a national organic producer, when Wilbur-Ellis came calling.

Wilbur-Ellis has been around nearly 100 years, and provides fertilizers, pesticides, seed and crop monitoring services to farmers in the West and into the central states. Growers began asking Wilbur-Ellis reps about organics, and the company decided it didn’t want to get left behind, Colfer said.

“We didn’t want to tell our growers we didn’t know,” she said.

She was brought on board to help growers answer those questions and become organic producers. She offers options and advice on methods, employing what she calls a whole systems approach.

“We want to help these growers learn that you’re not going to spray your way out of a problem,” she said. “You have to address the soil, and build soil health first and foremost.”

Other things follow, like improving pollinator habitat by planting native, perennial flowering plants and faster growing annuals in strategic areas.

Growers who follow a whole systems approach, no matter their size, advance organics, she said.

“For me, I look at the greater good,” Colfer said. “If we can keep more synthetic pesticides and fertilizers out of the environment, it’s a win-win for everyone. Building soil health, I think, crosses over all lines.”

And having organic products in larger marketplaces, she said, opens opportunities for consumers who might not otherwise be able to buy organics.

“We’re all in this together,” Colfer said. “People, planet and profit. All three of those have to be in place for it to be sustainable.”

## WDFW has acquired most of state-owned land

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was also speaking on behalf of the Department of Natural Resources, Department of Fish and Wildlife, Parks and Recreation, and the Recreation and Conservation Office.

The state Farm Bureau’s director of government relations, Tom Davis, said public ownership has cut into private farmland.

“To provide those outdoor recreational opportunities, it does come at a cost to our rural economies, specifically to areas of the state where agriculture is king,” he said.

“We believe the Legislature and natural resource agencies must determine when enough is enough. When do we have enough land?” Davis said. “I think they’ve purchased enough already.”

DNR, WDFW and state Parks own 6.4 million acres, or about 14 percent of the state, according to a 2014 state land inventory.

The federal government

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Tom Davis, Idaho Farm Bureau director of government relations

owns 12.7 million acres, or 28 percent, a figure that has risen only a little since Washington State University did a survey in 1983. Meanwhile, state ownership has increased by about 440,000 acres.

WDFW has acquired most of the new state-owned land and now owns 622,343 acres, according to the 2014 report.

WDFW for 2017-19 has proposed buying or securing conservation easements for another 2,468 acres throughout the state.

WDFW dropped plans to buy 8,102 acres because either the landowner decided not to sell or county officials protested about losing tax revenue.

Davis called Okanogan County in north-central Wash-

ington the “poster child” for the dangers of losing private land.

Fifty-eight percent of the county is owned by federal, state and local governments. Davis said increasing public ownership could undermine agriculture. According to the Employment Security Department, agriculture generates more jobs than any other sector, employing 34 percent of the county’s workforce.

“We must be more careful about how the state purchases land in these rural counties,” Davis said.

Chelan Republican Mike Steele, whose district includes part of Okanogan County, said recreation sites draw dollars into the county, too.

## Oregon’s seed pre-emption law doesn’t apply to Jackson County

GMO from Page 1

genes, which threatens markets for those farmers. The federal government doesn’t regulate GMO crops once they’ve been approved for commercial use.

“We’re probably going to see even more lax regulation,” van Saun said.

Oregon’s seed pre-emption law doesn’t apply to Jackson County, which was already set to vote on a GMO ban ballot initiative when the state legislation passed.

Voters approved the Jackson County ordinance, creating a “GMO-free seed sanctuary” where seed crops can be produced without the threat of cross-pollination from biotech varieties, said Elise Higley, director of the Our Family Farms Coalition, which supported the GMO ban.

“We’re in this unique eco-

nomic opportunity,” she said.

Supporters of HB 2469 haven’t given up on statewide GMO regulations but they hope the bill will provide local control over biotech crops until the Oregon Department of Agriculture or lawmakers decide to take action, said Ivan Maluski, policy director of the Friends of Family Farmers nonprofit.

“We have no expectation the state of Oregon will move forward on these types of policies,” he said.

Oregonians for Food and Shelter, an agribusiness group that supported the pre-emption bill, is disappointed that biotech critics are still trying to regulate what crops farmers are allowed to plant, said Scott Dahlman, its policy director.

Cities and counties aren’t equipped to regulate crop production, which is the province of the Oregon Department of

Agriculture, he said.

The ODA hasn’t determined specific rules are necessary for GMOs, which the federal government deregulates after determining they pose no greater risk than conventional crops, Dahlman said.

Lawmakers never committed to statewide regulations when passing the pre-emption bill, he said. “There were no promises I was aware of at the time.”

Dahlman noted that the seed pre-emption bill passed in 2013 not only protects GMOs from a patchwork of local regulations, but also precludes such rules for other crops that may become unpopular in the future.

Many of the same lawmakers who voted in favor of the pre-emption bill four years ago still hold office, so Dahlman said he’s hopeful they won’t support HB 2469.