ORGANIC PRODUCTION AND MARKETING NEWSLETTER

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Newsletter Archive
Mark Your Calendar

Sell your organic produce

Vance Publications, publishers of The Packer, a weekly trade newspaper "devoted to the interests of all marketers and distributors of fresh fruits and vegetables" has, for about 4-5 years, included news articles about production and marketing of organic crops. It has also included, among its commodity sections, a 2-page center spread on organically grown produce. The Sept. 9, 2002 issue lists 18 producers and distributors of organic products, mostly from California, Colorado, and Massachusetts but none from Florida, probably because of limited supplies. Hopefully, this will change in the future.

The next issue of the Organic Directory closes Nov. 4 for the Nov. 18 issue. If you're interested in advertising in this major produce industry publication, contact Caty at 800-255-5113, ext. 601.

Most of the short pieces in this newsletter were extracted from articles in the Packer which gives good coverage to all aspects of the produce industry.

Congressman supports organics

U.S. congressmen Sam Farr, a Democrat from Carmel, California, toured several California organic operations in California on August 1st. Citing that many of the most exciting agricultural innovations today come from the organic industry, Rep. Farr said he wanted to find ways to get more funding for California's number one industry. By expanding organic research and marketing, Rep. Farr hopes to improve the state's agricultural practices, enabling them to better compete with countries such as China and Mexico.

Marketers forecast organic carrot sales will continue to rise

As popularity among consumers increases for organic produce, organic carrot production is expected to

continue its exponential growth through the next decade. Several suppliers as well as retailers have experienced an incredible increase in demand; one in particular boasted a 138% increase in sales from last year. Many cite the increase in business to a growing consumer confidence in both the organic produce industry as a whole, as well as an increase in trust towards individual brand names themselves for example, Earthbound Farms. Additionally, while many organic foods are more expensive than conventional produce, the cost difference with organic carrots is very slight allowing for the benefits of organic foods to be better showcased

Organics distributor buys Iowa cooperative

United Natural Foods Inc., the largest U.S. distributor of natural and organic foods, plans to purchase Midwest distributor Blooming Prairie Cooperative Warehouse. Blooming carries a full line of packaged and bulk frozen and refrigerated foods, as well as other grocery items. The final decision rests on the shoulders of both companies' boards of directors, and the co-op's membership.

Education aids organic growth

New U.S. Department of Agriculture regulations governing organics are due to take effect in October. These regulations will impose strict standards on all U.S. organic produce, and in return allow them to display a government seal. The hope is to give consumers and retailers alike more confidence in organic produce, and consequently increase sales. As a result, distributors in the Los Angeles area are promoting the education of those working on the floor level, helping them to understand the new regulations, and ensure compliance. Many believe that increased sales will lower prices at retail, and allow for organics to better compete with conventional vegetables. Additionally, technological advances such as stickers that allows product to be traced back from the retailer to its point of origin, and biodegradable trays will boost sales.

Colorado preps for organics rules

In October, national standards will go into effect for organic fruits and vegetables. New standards include limiting sodium nitrate to 20% of the crop's total nitrogen requirement, and establishing compost as the only universally accepted fertilizer. Some are concerned that large corporations will find loopholes, while others believe that the new regulations will level the playing field. Colorado has established itself as a popular place for organic produce both as an industry and among consumers.

Organics industry leaders searching for potential markets for exports from U.S.

Leaders within the organics industry are seeking out new markets overseas for their products. According to a study published on the Organic Trade Association website, worldwide organic markets were estimated to be near $20 billion at the end of 2000, growing at the rate of 15%-20% annually. Some key players are waiting for the USDA labeling of organic produce to go into effect before making any decisions. The Foreign Agricultural Service is working with Japan and the European Union on trade agreements related to organic exports.

Contrary to many U.S. markets where organic produce is a growing segment, Montreal is experiencing only a small increase in demand. In June 2000, Canada introduced a national standard that outlined the principles for organic agriculture. Among its provisions are the prohibiting of genetically modified or engineered organisms, and the encouragement of recycling and crop rotation. Some believe the demand for organics will increase over the next year due to media coverage and funding from the Quebec government,

while others believe the market is not ready for organics, citing a high price point.

Vendors in Pittsburgh and Philadelphia think price is a factor, that people don't want to pay extra money for organic products and that shelf life for organic products is a problem. Another grower, shipper, and marketer of fruits and vegetables who has a different opinion says that execution and delivery has been the problem: "We have developed a way to give it to the retailers, so they can buy it, buy the varieties they need when the need it. We're doing packaging, so it's identifiable. The consumer know it.

Supercenters attracting consumers at traditional grocery stores' expense

A recent Nielsen study showed that supercenters and dollar stores are showing gains both in the share of households that shop them, and in the number of trips consumers take to visit them each year. Wal-Mart in particular has been successful at converting traditional grocery store shoppers into Wal-Mart customers. Growth in supercenters not only comes from bringing in new customers, but also increasing the dollars spent by existing customers. In order to compete, traditional grocery stores are trying to place more of an emphasis on product variety while maintaining traditionally high standards of quality. (Does or will Walmart have an organic section?)

FDA mulls new biotech testing

Recent news reports have voiced concerns by consumers that future generations of bioengineered crops may be more likely to cause allergic reactions due to their complex genetic modifications. In response, the Food and Drug Administration is looking into developing a more advanced testing of biotech products for allergens. The agency wants to make sure there is a universal protocol in place.

Farm group decries EU GM stand

The EU's parliament voted to impose tougher labeling rules on biotech products July 3, subject to approval by EU environment ministers, and, according to the American Farm Bureau Federation, this amounts to "economic" war against US agriculture. The parliament also passed product-specific traceability requirements which could make it more difficult to export bulk commodities to Europe. About 75% of the world's GM crops are grown in the U.S. and a large proportion of corn, cotton, and soybeans now come from biotech varieties. GM crops currently grown for the fresh market include the genetically modified rainbow papaya from Hawaii, accounting for about 40% of Hawaii's papaya production. Virus-resistant aquash and Bt sweet are now also common in the marketplace.

You may also be aware of the international controversy over some African countries (Zambia and Zimbabwe) refusing US shipments of genetically engineered corn and other food crops, even though mass starvation may be imminent. However, Zimbabwe has recently accepted the genetically modified corn but not before insisting that it be milled first so that it does not contaminate homegrown corn varieties (NY Times, Sept. 8). Reasons cited for rejecting these shipments are possible environmental consequences of introducing genetically engineered food crops as well as possible future European Community rejection of export crops from these African countries. European officials insist this is an issue between the US and African countries. Other African countries like Kenya, South Africa and Egypt have also been developing genetically modified food crops of their own, with the help of the US and other countries.

Industry leaders working to educate public about organic, GMO differences

A California organic farming group spokesman argued there was an unknown quality about gmos and wants hard data to show gmo use does not have long term negative effects. And the Organic Trade Association (OTA) is lobbying Congress and the USDA on labeling and language to protect organic farmers from gmos and from cross pollination from gmo crops. The director of the OTA quoted a recent Produce Marketing Association Survey that indicated that 86% of consumers wanted to see organic labels; 80% wanted to see GMO labels and country-of-origin labels; 91% wanted to see labels for chemicals u sed in production. But another survey conducted in Washington state indicated that 50% of those surveyed were unconcerned about food, agricultural and environmental issues.

Canker quarantine area shrinks

Agriculture officials are citing a reduction in a citrus canker quarantine area in west central Florida as proof that their eradication program works. 77 square miles of the 83 square-mile quarantine area in Palmetto/ Bradenton were removed from the quarantine area because no trees in the region have been infected with canker in two years. The eradication plan has a 1,900-foot rule, which permits officials to destroy all trees within 1,900 feet of an infected one. Agriculture officials are still in debate as to whether or not the plan should be implemented in south Florida.

A comprehensive review of the effectiveness of Florida's orange juice advertising campaign has been called for by the Florida Department of Citrus. The $190,000 study will be conducted by a firm in College Station, Texas, affiliated with Texas A&M University. It seeks to find a possible explanation for Florida citrus growers' lost money in nine of the past ten seasons. The study should begin in July and be completed early next year, in time for the department's 2003-04 budget planning process.

Sweeter Florida grapefruit?

Faced with declining consumption and markets, the Florida Citrus Administrative Committee and the USDA has published an interim rule (subject to petition for change until Oct. 28) for increased minimum maturity requirements from 7.5% soluble solids and a 7-to-1 ratio of solids to acid to an 8% minimum solids and a 7.5-to-1 solids-to acid ratio. This could mean sweeter grapefruit for consumers. Supporting this move is Florida Department of Citrus data that Florida's market share for US fresh grapefruit fell from 71% in 1990-91 to 44% in 2000-01. Sweeter Texas grapefruit with a minimum maturity standard of 9% for soluble solids and a 7.2-to-1 solids::acid ratio, has taken a good portion of market share.

Organic assessments in farm bill

Should organic farmers have to pay mandatory commodity promotion assessments for commodities like peaches, apples, etc. that are assessed on all growers, conventional or organic? The 2002 Farm Bill contains a section, effective this October, exempting producers of certified organic products from paying mandatory commodity promotion assessments but may apply only on federal marketing orders and only to growers that produce only organic products.

Some Washington state apple growers have been paying $.25/box of organic apples to the Washington state Apple Commission but critics say such commissions have done little to promote organic products. On the other hand, commodity marketing boards probably generally benefit sales of specific commodities like apples and peaches, conventional or organic. It has also been suggested that commodity boards promote organic crops in proportion to the percent assessment contributed by organic farmers. A related issue is whether the Feds have the power to enjoin or direct state taxes. The Secretary of Agriculture is required to develop exemption and compliance requirements have to be defined within one year.

Federal Marketing Order No. 905 for Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida, "except for the area west of the Suwanee River" was first promulgated in 1939 and was last amended under formal rulemaking on September 8, 1989. The 1996-97 budget of $230,000 for this marketing order was based on an assessment rate of $0.0035 per 4/5 bushel carton of citrus.

However, according to the Citrus Administrative Committee, organic growers do not currently contribute to this marketing order and it will not apparently have any effect on them. The following marketing orders are also in effect:

Marketing Order No. 966: Florida Tomatoes
Marketing Order No. 967: Florida Celery
Marketing Order No. 967: Florida Celery

This is the text of the exemption in the 2002 Farm Bill which has become law:

EC. 10607. EXEMPTION OF CERTIFIED ORGANIC PRODUCTS FROM ASSESSMENTS

(a) IN GENERAL- Section 501 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401) is amended by adding at the end the following:

(e) EXEMPTION OF CERTIFIED ORGANIC PRODUCTS FROM ASSESSMENTS-

> (1) IN GENERAL- Notwithstanding any provision of a commodity promotion law, a person that produces and markets solely 100 percent organic products, and that does not produce any conventional or nonorganic products, shall be exempt from the payment of an assessment under a commodity promotion law with respect to any agricultural commodity that is produced on a certified organic farm (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)).

(2) REGULATIONS- Not later than 1 year after the date of enactment of this subsection, the Secretary shall promulgate regulations concerning eligibility and compliance for an exemption under paragraph (1).

Slow growth in Mexican organic mangoes

Production of about 750,000 boxes of 'Ataulfo' mangoes are projected this year for Chiapas (Feb. To June), with another150,000 boxes of mostly 'Ataulfo' and 'Hayden' mangoes from Nayarit(June to mid-July). The best markets are in California, Oregon and Texas, with prices for 'Ataulfo' mangoes as high as $15/box in the early market and $8.00 in later markets. When the market is oversupplied, excess organic mangoes are sold as conventional to keep the premium up for organic fruit. Rechanneling organic crops into conventional crop channels is commonly done, especially when there is an oversupply in the market. It is always common for commodity groups not only to rechannel but to destroy commodities to keep them off the market and maintain profitable prices. I recall this being done with beef cattle and dairy products in the past. Production costs for organic fruit include purchase of approved organic pest control materials from California because they may not be available in Mexico. Mexican growers also find phytosanitary spray programs for fruit fly problematic for organic production.

Pink hibiscus mealybugs

Pink hibiscus mealybugs found in early June at a residence in Miramar, along Florida’s southeastern coast. Over 200 plant species including citrus, tomatoes and cucumbers are threatened by the pests. Never before seen in Florida, mealybugs have not made an appearance in the United States since an outbreak in

Southern California in August 1999. Treatment begins July 8.

The pink hibiscus mealybug, *Maconellicoccus hirsutus*, is a serious pest of many plants in tropical and subtropical regions, including Africa, southeast Asia, and northern Australia. It was found in the Caribbean in 1994 for the first time.

This pest has two common names (pink mealybug and hibiscus mealybug), but there is an effort to standardize the common name by calling the pest "pink hibiscus mealybug," even though it attacks many plant species, including citrus.

If this mealybug becomes established in Florida, pink hibiscus mealybug is expected to attack many Florida crops including citrus, avocado, carambola, fig, guava, mango, soursop, and sugarcane; vegetable crops including asparagus, beans, beets, cabbage, peanuts, pigeon pea, cucumber, lettuce, pepper, pumpkin, and tomato; forest trees, and many species of ornamental plants including Allamanda, Angelica, Anthurium, Bougainvillea, Croton, ginger lily, Heliconia, Ixora, hibiscus, palm, and oleander.

***M. hirsutus* recently invaded several islands in the Caribbean. The United States Department of Agriculture and Florida Department of Agriculture and Consumer Services expect this pest to invade Florida "in the near future" despite quarantine and other regulatory efforts to prevent its importation from Grenada, St. Kitts, Nevis, Trinidad, Tobago, and the U.S. Virgin Islands. Pink hibiscus mealybugs are expected to colonize all of Florida and spread north into southern Georgia. Because pink hibiscus mealybug attacks so many crop and ornamental plants, populations could become common on many plant species in Florida.**

The pink hibiscus mealybug is a good candidate for classical biological control. Several effective parasitoids are known in Asia and elsewhere. One parasitoid, *Anagyrus kamali,* a parasitic wasp, completes a generation in less than half the time required for its host. *Anagyrus kamali* has been reported to be an outstanding natural enemy in Egypt and Hawaii and is able to dramatically suppress pink hibiscus mealybug populations. This parasitoid has been released on islands in the Caribbean and appears to be providing substantial control already. Pink hibiscus mealybugs parasitized by *A. kamali* produce "mummies" and have an exit hole where the adult wasp emerges.

For more information, including figures, photos, pictures and selected references, go to the following site: http://edis.ifas.ufl.edu/IN156

Deep-fried fuel

The wafting flavors of deep-fried food follow a 1992 school bus with 220,000 miles on it, reports the Macon, Georgia Telegraph. After converting his Chevy diesel engine to use vegetable oil, Tom Nevers pulls up to any fast-food restaurant, asks the manager for a tankful, double-filters it and runs it through a heat exchanger into his engine. He claims many diesels built after 1994 can be modified to run on vegetable oil for about $200.00.

Organic salad dressings

Sunny Creek Farms, a sprout farm in North Carolina that ships about 20,000 lbs of sprouts per week, now markets five salad dressings, along with sprouts, including blue cheese, buttermilk ranch, classic caesar, garlic feta, and balsamic vinegar and olive oil dressings. Certified by Quality Assurance International, the dressings contain less than 1% nonorganic ingredients and use agave nectar as a sweetener instead of sugar.

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Composting in the Southeast Conference and Exposition

This is to remind you of the upcoming Composting in the Southeast Conference and Exposition, scheduled for October 6-9, 2002, in Palm Harbor, Florida. Conference participants will comprise researchers, educators and their students, technologists and entrepreneurs in the Southeastern United States responsible for addressing all aspects of composting and compost utilization.

A Trade Show Exposition featuring products, equipment and techniques used in the composting industry is being planned in conjunction with the conference. Processing equipment will be demonstrated during the field tour to the Sumter County/Black Kow composting facilities.

The conference will help you:

*** Find valuable processing, recycling and marketing and utilization information on organics,**
*** Stay on the cutting edge of the latest research, developments and technology,**
*** Discover solutions to challenging problems,**
*** Learn about government regulations and legislative trends affecting organics recycling,**
*** Be part of the network and shape the future of composting and compost utilization, and**
*** Discover educational programs that work**

For complete information about the Composting in the Southeast Conference and Exposition visit this web site: http://conference.ifas.ufl.edu/compost

On the road to sustainable agriculture, October 23-26, 2002, Sheraton Imperial Hotel, Raleigh, NC. A national Sustainable Agriculture Research and Education (SARE) Conference centered around two days of farm tours. Contaqct the Southern SARE program at 919-515-2261 or visit their web site at www.griffin.peachnet.edu/sare/

Conference on ecolabels and the greening of the food market, November 7-9, Boston, MA. Contact Willie Lockeretz, Tufts University, willie.lockeretz@tufts.edu or visit their web site at http://nutrition.tufts.edu/conted/ecolabels

Future Farms 2002: A supermarket of ideas, November 15-16, Norman, OK. Innovative ideas for sustainable crop and livestock production, for adding value and marketing farm products and in alternative farm revenue. Contact the Kerr Center at 918-647-9123 or visit their web site at www.kerrcenter.com

Southern SAWG goes to Mobile in 2003

"Practical Tools and Solutions for Sustaining Family Farms," the 12th Annual Southern SAWG Conference, will be held at the Adam's Mark Hotel in Mobile, Alabama on January 23-26, 2003. Over 40 educational sessions will be featured on production techniques, marketing strategies, farm policies, youth education, and other important issues of sustainability. There will be field trips to area farms, a trade show, and an Eco-Feast. The cost of registration is $105 per person. A full schedule of events and registration form will be in the winter issue of *Southern Sustainable Farming*.

Once again, we are offering a small number of fee-waivers. Those with sincere interest in sustainable agriculture, who are farming or intending to farm in the South and who can not afford to attend the conference are encouraged to apply for a fee-waiver. Deadline for fee-waver applications is December 1, 2002.

For more information about the Conference and the fee waivers, visit our website at www.attra.org/ssawg/ or contact Ryan Cohen, conference publicity coordinator at 404-819-2122 or ryancohen@msn.com

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This page is maintained by Susie Futch .