

# Organic Production and Marketing Newsletter

J. J. Ferguson,

Editor  
Professor and  
Extension  
Horticulturist  
UF/IFAS -  
Horticultural  
Sciences Dept.  
PO Box 110690/  
Gainesville FL  
32611-0690  
[jjfn@ifas.ufl.edu](mailto:jjfn@ifas.ufl.edu)



The purpose of this newsletter is to provide production/marketing information about organic and related sustainable farming practices.  
Contributions are welcome.

## ORGANIC PRODUCTION AND MARKETING NEWSLETTER

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[Newsletter Archives](#)

[University of Florida Sustainable/Organic Vegetable Crops Position](#)

A Horticultural Sciences Department Screening Committee is currently reviewing applicants for an extension/research position in sustainable/organic commercial vegetable crop production and home gardening. The application deadline was July 1 with a scheduled starting date of October 1, 2003.

This is one of the first specifically designated organic farming position at the University of Florida, although a number of other faculty in horticulture and related departments have conducted research in related sustainable and organic farming areas.

[New Department of Citrus Rules for Organic Citrus  
Effective August 1, 2003](#)

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Go to [fac.dos.state.fl.us/faonline/chapter20.pdf](http://fac.dos.state.fl.us/faonline/chapter20.pdf) for Rule 20-2.002 and 20-2.003 (6) dealing with the organic trip ticket and Rule 20-39.017 dealing with the registration program. For information on grove registration and trip tickets, contact the office of Jim Ellis, Office of License and Bonds, Division of Fruit and Vegetable at 1-800-782-3240, ext. 225.

### Required Trip Ticket

"The documentation required to be in possession of anyone operating a motor vehicle hauling citrus fruit in bulk or in unclosed containers for commercial purposes on the highways of this State shall be ...

..... for organic citrus fruit, numbered in sequence and in a form approved and issued by the Florida department of Agriculture, Division of Fruit &Vegetables. Such form shall contain the following statement in bold type in a conspicuous place: "IN ADDITION TO THE PENALTIES PROVIDED FOR IN CHAPTER 601, FLORIDA STATUTES, ANY PERSON WHO MAKES A FALSE STATEMENT OR WHO KNOWINGLY SELLS OR LABELS A PRODUCT AS ORGANIC IN VIOLATION OF THE FEDERAL ORGANIC FOOD PRODUCTION ACT AND/OR USDA NATIONAL ORGANIC PROGRAM IS SUBJECT TO A FEDERAL PENALTY OF OUP TO \$10,000 PER VIOLATION"

Other sections of this rule require the following:

- 1) The name of each individual grower, grove and grove location from which the fruit came on trip tickets.
- 2) Loads made up from lots from different groves must be accompanied by trip tickets from each grove and grower name and grove location must be indicated. The load must also be labeled as a "mixed load." However, when loads of organic fruit are mixed at a packing house or other location, a single trip ticket can be used for subsequent fruit movement. But, the fruit dealer doing the mixing will be responsible for maintaining the above described trip tickets for each separate fruit load that was delivered to his facility.
- 3) Trip tickets for organic citrus shall be completed in quadruplicate prior to hauling citrus fruit for commercial purposes on the highways of this State.
- 4) No organic fruit shall be commingled with non organic fruit in mixed load.

### Organic Grove Registration Program

"To aid enforcement of proper citrus fruit labeling and to assist with estimates of organic citrus fruit volumes, an Organic Grove Registration Program shall be established as herein provided.

- 1) All groves from which organic citrus fruit is placed into commercial channels shall, upon certification and by August 1, 2003, and August 1 of each year thereafter, be registered with Division of Fruit & Vegetables, License and Bond.

2) The registration form shall include documentation of current organic certification, the USDA accredited certifying agent name, organic certificate number, the name of the grove property owner, the grove location referenced in Global Positioning System coordinates, the varieties of citrus fruit, an estimate of current season production in boxes, and such other information as may be deemed necessary by Florida Department of Citrus.

3) All organic citrus fruit placed in commercial channels shall be harvested from groves certified by a USDA accredited certifying agent and shall be accompanied by an organic trip ticket when transported on highways of this state.

## **Organic Herbicides**

The most recent Brand Name Products List of the Organic Materials Review Institute (OMRI), June, 2003, and earlier OMRI publications list several non-synthetic, or botanical herbicides that are regulated. That is, farmers must obtain permission from their organic certifying agencies to use these materials. These herbicides are

AllDown, a knockdown herbicide, advertised as effective against a range of grasses and broadleaf weeds. Active ingredients are citric acid (5%), Garlic (0.2%) and 94/8% other ingredients, including acetic acid. Go to [www.sumrset.com/agriculture.htm](http://www.sumrset.com/agriculture.htm) for more information. Preliminary tests determined effective burndown of grasses and broadleaf weeds. More extensive greenhouse and field tests and costs for AllDown, Matran, and Xpress are being planned at the University of Florida.

Matran, a non-selective, post-emergence herbicide for annual grasses and broadleaf weeds. The active ingredient is Clove Oil (33.7%). Contact EcoSmart Technologies at [www.bioganic.com](http://www.bioganic.com).

XPRESS, a non-selective herbicide for control or burndown of a broad spectrum of weeds on contact. Active ingredients include thyme oil (10.4%) and clove oil (10.1%). Contact BioHumaNetics in Chandler Arizona (480) 961-1220.

DEVINE biological herbicide is a mycoherbicide based on a naturally occurring fungus, *Phytophthora palmivora*, that kills milkweed vine (*Morrenia odorato*) especially on citrus, without hamringing citrus tree roots, fruit, or foliage, as do other *Phytophthora* species. This herbicide was developed on the basis of observations made by Florida Extension Specialists and researchers at the University of Florida. Contact Encore Technologies at [www.encoretechllc.com/](http://www.encoretechllc.com/)

## **Sustained but Uneven Organic Sales**

During the past few months, *The Packer* has reported continued but somewhat uneven growth

in organic sales. Coastal states, predominantly on the West Coast, and college towns everywhere continue to be the strongest markets for organic fruits and vegetables. *California* organic grower-shippers report that they are continuing to expand their operations into conventional retail outlets as food safety concerns prompt consumers to seek more pesticide-free products. Retailers in the San Francisco area report that if prices are comparable, buyers will request organic over conventional produce. Better production methods have improved the external appearance of organic produce and growers are also offering packs that are the same size as conventional produce. One wholesaler provides information about its growers and offers farm tours for their retailers to associate the product with the grower and to build brand recognition.

The demand for organic produce in the *Michigan* is increasing slowly. Chain stores across the state are carrying more organics. At the same time some wholesalers are not carrying organic produce, saying they tried and the items did not sell. *Minnesota* has a progressive political and agricultural history and has more natural food stores per capita than other states, suggesting a link between politics, lifestyle and organic sales.

Retailer interest and support also appear to affect wholesaler, distributor and related market growth. In-store requirements to handle organic produce also could detract from retailers' interest. However, the Organic Trade Association has developed a manual, CD disk, a seminar, and has held conference calls to clarify program requirements and to review good retail practices to implement so retailers could achieve compliance. Go to [www.ota.com/index.html](http://www.ota.com/index.html) for more information about the Organic Trade Association, which is the major marketing and lobbying organization for US organic farmers.

Another approach to organic retailing was developed by Whole Foods, the largest natural and organic supermarket chain, with 144 stores in 25 states, the District of Columbia, and Toronto. The entire Whole Foods chain was certified June 6 by Quality Assurance International, a federally recognized organic certification agency. Another Californian certification agency, Scientific Certification Systems, is in the process of certifying four other small, medium, and large retail chains. Organic certification for retail stores is different from certification for farmers. Whereas farmers have to go through a three-year transition period, develop a farm plan and use specific inputs, retail stores are required by organic standards to use proper signage, keep conventional and organic produce from mixing, and maintaining careful records.

Bigger retail chains like Albertsons, Krogers, and Wal-Mart are also becoming interested in organics. Supercenters like Wal-mart and Target, have nearly doubled their share of U.S. retailing in the past decade. While smaller neighborhood markets and grocers have historically had superior produce quality, these large stores have caught up in the quality of their fresh produce. Recent surveys report that the main obstacle for consumers shopping at the large supercenters is distance, as they are often located on the edge of town. The message here for the local traditional retailers is to become more consumer-friendly to remain viable and retain their share of the market.

In a related report in *The Packer*, "Industry Leaving Some Pioneers' Wagons Stranded, small

and middle-sized growers who built the organic produce industry are having trouble competing with the larger, more efficient grower-shipper-packers. Many small and mid-size growers are being forced out of the wholesale market and are selling to the public at CSA (community-supported agriculture) programs and farmers markets. Another sales and marketing manager said that organic operations are changing rapidly from small growers to more efficient grower/packer/shipper operations and that "efficiencies are a must because the price differential (i.e. between organic and conventionally grown produce) is shrinking. Increased volume has led to more efficient production methods and more affordable pricing, which in turn increases sales further. Although it still costs more to grow organic fruit and vegetables, greater amounts are being produced allowing for volume sales and making lower prices possible.

## TV Ads for Organics

A television commercial, shown in Toronto, promoted organic oranges as part of a pilot project sponsored by the Organic Trade Association and funded by the USDA market access program. Preliminary results indicate the ad increased sales by 10% and increased organic produce awareness. Marketing research done in Toronto also indicated that the primary household purchaser had low exposure to organic produce in general, and prior to these ads, little awareness of organic oranges as a grocery item. Studies also show that consumers do not always trust the information that has been written by organic proponents.

## Changing Markets

The U.S. population is aging and is becoming more ethnically diverse. During the next 17 years the proportion of the population under 45 will decrease, and the proportion over 45 will increase. As Americans age, they are also becoming more health conscious and trends suggest that they will eat more fruits and vegetables.

The shift in the country's ethnic makeup, with the Hispanic population leading the way, will also change produce sales over the next two decades. The USDA economists also predict that produce quality, convenience and variety, will increasingly influence consumers' food-buying habits. This could benefit grower-shippers of specialty crops, such as vine-ripened tomatoes and fresh-cut organic baby leaf lettuce packaged in bags. Other bagged items currently offered include over 100 different organic fresh-cut fruit and vegetables including: iceberg and romaine lettuce, salad mixes blended fruits, baby carrots, herbs, and green onions.

## Generic Advertising Woes

Six Florida citrus growers have brought suit against the Florida Department of Citrus to stop collecting taxes, 80% of which are used for generic orange juice advertising campaign.

While studies covering the last 33 seasons have shown that Florida orange growers' profits rose an average of \$2.90 for each dollar the growers paid in taxes, research has also indicated that such generic advertising has also substantially increased the level of orange juice imported into the U.S. Accordingly, the Florida growers claim they are paying a tax that benefits foreign orange growers. On March 31, the 10<sup>th</sup> Circuit Court in Bartow, Florida ruled that the tax

was unconstitutional because it forces growers to pay for advertising to which they object. The growers are now asking the court to order the Florida Department of Citrus to stop the tax and to end the advertising campaign. The case will most likely be appealed.

In another case, mandatory assessments of the Washington State Apple Commission were ruled unconstitutional. Ironically, the suit was initiated by the Commission as a preemptive strike to firmly establish the legal issues involved and to avoid similar lawsuits developing in other industries like mushroom and beef production. However, according to *The Packer* on April 21, 2003 the campaign backfired, the judge ruled against the Commission and it has folded. To continue apple marketing programs, local organic apple producers are now forming their own Washington State Organic Tree Fruit Growers Association to create and maintain quality standards and to promote organic tree fruit. Conventional growers who supported the Washington State Apple commission thought the Commission did a good job promoting organic apples and said the organic growers will have to spend significantly more money to promote their product than previously.

## Clementines

California Citrus Mutual and the California Grape and Tree Fruit League continue legal actions against the USDA about that agency's new protocol allowing shipments of Spanish clementines into the U.S. The two industry groups claim the clementines come from Medfly infested areas and the USDA's protocol was based on an unfounded scientific foundation. The USDA Animal and Plant Health Inspection Service's current work plan allows live Medfly larvae in 1.5% of fruit destined for the U.S. before cold treatment. The groups bringing suit claim this protocol does not adequately protect the U.S. from Medfly infestation and challenge currently required cold treatments, experimental design in terms of specific citrus crops used in research supporting this protocol, and whether or not Medfly larvae have survived this treatment in recent shipments from Spain.

## Struggling Strawberries

During one of the worst seasons for Florida strawberries in 20 years, Plant City, Florida growers have doubled-cropped 85% to 95% of Florida's 7,000 strawberry acres with Athena cantaloupes, to recoup some of their financial losses sustained in February and March. Too much rain, freezes followed by extremely hot weather, bird damage, and competition from the Californian strawberry growers have hurt Florida's market. As a result, Florida's crop was down at least 30%. Florida's \$200 million strawberry industry accounts for 15% of the nation's production.

## U.S. Pursues WTO Case over GMOS

The Bush administration, along with Argentina, Canada, and Egypt, is planning to file a World Trade Organization case against the European Union over the five-year moratorium on approval of agricultural biotech products. Australia, Chile, Colombia, El Salvador, Honduras, Mexico, New Zealand, Peru, and Uruguay will also join the case as third parties. Polls indicate that while 75% of Americans would buy produce that has been genetically enhanced to reduce reliance on

pesticides, 70% of Europeans would not. It is estimated that the European Union's policies have cost American farmers about \$1 billion during the past 4 years.

## **Citrus Commission Budget**

The Florida Citrus Commission recently approved a \$68.7 million budget for the Florida Department of Citrus that includes a continued 20 cent per 1 3/5 bushel tax on fresh oranges; 25 cents per box for grapefruit and 21 cents per box for fresh specialty fruit.

The budget also includes a 1.5 cent reduction in the box tax for processed oranges which will be offset somewhat by a voluntary 1.5 cent tax by Florida Citrus Mutual to finance a two-year, \$70 million campaign to preserve the federal import tariff of 29.7 cents per gallon on imported orange juice, ostensibly from Brazil, our largest competitor.

In addition to these box taxes, Florida organic growers must also pay initial and annual organic certification fees as well as a percentage (usually less than 1%) of gross annual sales or organic products. Some mandarin hybrids with only limited acreage like Page, Lee, Dancy and Robinson are exempt from the Citrus Commission box taxes.

## **Organic Trade Association (OTA) Publications**

The OTA has a number of expensive but invaluable publications on different aspects of organic production, retailing, and marketing on their bookstore website ([www.ota.com/bookstore.html](http://www.ota.com/bookstore.html)).

## **Industry Guidelines**

- Guidelines/American Organic Standards
- US Federal Organic Regulations Background Kit
- OTA Position on Laboratory Testing
- OMRI Generic Materials and Brand Name Products List

## **Market Information and Industry Research**

- The Organic Trade Association's Organic Fiber Shopper Study
- Organic Consumer Profile
- OTA's Manufacturers' Market Survey
- 2001 What Do Consumers Want From Organics
- 3<sup>rd</sup> Biennial National Organic Farmers' Survey (1999)
- Searching for the "O-Word"

## **Promotional and Merchandising Material**

- List of OTA Promotional and Merchandising Materials
- Choose Your Own Future Adventure Game

## **Training Tools**

- **Good Organic Retailing Practices Training Manual**
- **How to Harvest the Profits of Organic Produce**
- **Video: Organic Foods: A Growing Trend**

## **Other Publications**

- **The Organic Foods Sourcebook**
- **Natural Products Field Manual**

