



**TESTIMONY OF
BEA JAMES,
NATIONAL COOPERATIVE GROCERS ASSOCIATION,
BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE
SUBCOMMITTEE ON SPECIALTY CROPS AND ORGANIC PROGRAMS
HEARING ON
ORGANIC AGRICULTURE AND RURAL DEVELOPMENT
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WASHINGTON, D.C.**

Mr. Chairman and members of the subcommittee, good morning. My name is Bea James, and I want to thank you for giving me the opportunity to speak to you about the economic impact of organic production and processing. My testimony will provide an overview of the delicate, integral working relationship between local organic farmers and the retail cooperatives, as well as the thriving economic results produced by this relationship.

I have worked in the natural and organic food industry for more than 20 years and have a variety of combined experience, including distribution, production and purchasing in mass market and co-op store formats. I currently manage the Category Leadership program for the National Cooperative Grocers Association (NCGA). I also hold the retailer seat on the USDA National Organic Standards Board (NOSB), although my comments today do not represent those of the NOSB.

I also am a member of the Minnesota Department of Agriculture Organic Advisory Task Force, and chaired the Food Market Institute Organic and Natural Board for more than two years, and serve on the Organic Trade Association Retailer Task Force.

Although I am not an economist, I would encourage you to read Bill McKibben's book, *Deep Economy*. McKibben is a scholar in residence at Middlebury College (Middlebury, Vt.), and on the Green Institute Advisory Board. His book offers compelling economic facts about the current need to pursue prosperity in a more local direction with cities, suburbs and regions producing more of their own food.

My point today is simple:

- The local organic farmer, as an individual – and as a member of a larger community – has a positive impact on the thriving success of our communities, our economy and the integrity of organic agriculture.

I am here before you today on behalf of the National Cooperative Grocers Association (NCGA), a business services cooperative for natural food co-ops located throughout the United States, which includes more than 130 independent co-op storefronts in 32 states with combined annual sales of nearly \$800 million.

NCGA is also a founding member of the National Organic Coalition (NOC) -- a national alliance of organizations working to provide a "Washington voice" for members involved in organic agriculture. The coalition operates under the central principle that protecting the stringency and integrity of national organic standards is necessary.

Organic agriculture is undoubtedly a bright spot in agriculture today. Many farmers have made the conversion to organic with hopes for a better return on their labor and investment.

This conversion is not an easy process, nor should it be. Organic agriculture is not merely a list of “dos” and “don’ts” that must be followed. It is a broader commitment to a system of production that uses nature as an ally to be fostered, not an enemy to be eradicated.

Despite the difficulties in making this shift, the rewards are great for those farmers, who truly make the commitment to do so...But the rewards for organic farmers are dependent on consumer acceptance and access to their product. And there’s where the role of NCGA starts.

NCGA is working to provide markets for small, local sustainable and organic farmers. This partnership not only ensures consumers have a broad array of organic products available in their stores, but also makes sure the infrastructure of this symbiotic relationship is contributing to a thriving community of economic growth and development.

In a general survey conducted by the NCGA, we learned many of our co-ops are sourcing over 15 percent of their products from local producers. And as a group, the 12 Minneapolis/St. Paul area co-ops alone have estimated that almost 19 percent of their retail sales are from local purchases.

The NCGA works with thousands of local farmers and producers across North America, and we are proud that our co-op members have a first-name working relationship with them and their families. I would like to share with you three economic success stories to illustrate the symbiotic relationship between farm and community.

In New Prague, Minnesota, Dan Minar’s third-generation farm is thriving, but this would not have happened without the co-op partnership. The Minar family farm goes as far back as 1926. Seven years ago the Minars decided to commit to sustainable agriculture and began selling their milk in glass jars to six co-ops in the Twin Cities area. In 2004, they became USDA-certified organic and today their Cedar Summit Farms products can be found in more than 90 retail outlets throughout the Midwest. As Dan Minar put it, “we would not be where we are today if it was not for the co-ops. Our sales started with them, and are successful because of them.”

On the West coast, Judy and Paul Fuller operate Sweet Creek Foods, which produces pickles, fruit spreads and salsas for co-ops in Washington, Oregon and California. They started as a small, organic farm delivering pickles to just a few co-ops in Oregon. In 2004, the Fullers realized they needed help obtaining the supply of produce needed to process their products. The Fullers now support their neighboring rural, organic farms by purchasing from nine other families, who operate farms ranging from 20-50 acres.

Now, the Fullers provide unique and wholesome organic products to eight co-ops in Oregon, six in Washington and two in California. “We could buy organic strawberries from China and save a significant amount of money,” said Paul Fuller, “but we believe in sustainability, and want to support our local organic farms. Our products are not only organic and local. They are sold locally at co-ops that are our neighbors. Many resources are saved in our method of production. We believe in that.”

On the East coast, John and Joy Primmer have operated Windstone Farms since 1989. They started out with just a quarter of an acre growing a few vegetables for Wild Oats Co-op in Williamstown, Mass., Long story short, Wild Oats Co-op encouraged the Primmers to become certified organic, which they did. Over the years, the co-op met with them each winter to assess what sold as well as to discuss ideas for other products they might consider growing for the co-op.

Eighteen years later, the co-op purchases essentially all of the produce the Primmers can grow. Windstone Farms has expanded its tilled acreage to 21 acres, is getting more money for the crops they grow, and spends very little time or money on marketing.

These examples illustrate what is clearly a win-win-win situation for the farmers, the co-ops and their customers.

Organic consumers have a strong philosophical desire to support local agriculture, and value the quality and freshness they receive in doing so. Organic consumers also appreciate the smaller ecological footprint the distribution of local organic food makes, enjoy knowing organic farmers, and value the connection their purchases give towards the food they are eating. The small local organic farm adds to the integrity and value of the organic label by creating these hands-on experiences for their communities.

Current organic standards are strict and they should be. Organic standards should not be a stagnant standard, but should involve continuous quality improvement as our technology and understanding evolves. In some cases, synthetic products are used in organic production and processing. However, for each synthetic product or ingredient that is permitted, there should be a rigorous process underway to find ways of meeting that need with an organic product or ingredient.

Currently, the USDA National Organic Program National List allows synthetic substances and nonorganically produced agricultural products as ingredients in or on processed products labeled as “organic” or “made with organic,” and there are currently 58 processing materials under consideration for the National List. Clearly the outpouring of petitioned nonorganic items could be avoided if there was improved supply of organic products in our industry. The organic standard should not be diluted with additional nonorganic agricultural materials or synthetics. Consumers expect organics having roots and meaning, according to the Organic Foods Production Act of 1990.

If we are to maintain the hope and promise that organic agriculture has become, it is critical that we meet consumer demand with ample supply and continued standards based in organic integrity. Simply put, we need more organic farms and continued government funding for expanding the organic sector in agriculture.

I appreciate the opportunity to provide testimony on this important topic. Through our work with the National Organic Coalition (NOC), we are very focused on the 2007 farm bill process, and look forward to working with this Subcommittee as you move forward in writing the bill this summer. Attached to my written testimony is a summary of our farm bill priorities on a wide range of issues and programs, and I urge your strong consideration of these proposals.

Mr. Chairman, and members of the Subcommittee, I thank you and encourage you to recognize that local organic farms are vital to the success of the communities we all live in. In conclusion my point today remains:

- The local organic farmer, as an individual, and as a member of a larger community, has a positive impact on the thriving success of our communities, our economy and the integrity of organic agriculture.