

For the Record

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Straight talk about antibiotic use in food animal production presented by ALPHARMA Inc., Animal Health

THE LOOMING IDENTITY CRISIS IN ORGANIC FOODS

Voted by food editors as last year's third most significant food-related news, Wal-Mart's move to stock a complete organic foods section in its 4,000 stores nationwide was hailed as the mainstreaming—at long last—of organic food. By applying its formidable sourcing and distribution power to price organics within reach of the masses, the world's largest grocer said it planned to dispel the myth that organic food was reserved only for the rich.

Good news for the organic activists in their decades-old fight to save the planet from man-made pesticides, petroleum-based fertilizer and antibiotics used for anything but individual treatment of animals for specific diseases?

You'd think so.

Yet even before the ink had dried on the press releases, organic purists were dusting off the street theatre costumes and stenciled protest signs. The executive director of the [Organic Consumers Association](#) kicked off a national protest by saying he found Wal-Mart's reputation for driving down vendor prices troubling news for organic lovers. By late 2006, the [Cornucopia Institute](#), another activist group promoting low-intensity, organic farming, had filed complaint with USDA. It accused Wal-Mart of mis-labeling organic products.

Yet both these organic-support groups' complaints against the retail giant reached far past simply how it labels its organics. They sounded some familiar notes from today's ([quoting one website](#)) "most exciting, fastest growing social movement in America:" Wal-Mart-bashing. Those included complaints about low wages, lack of a union, resistance to buying employees health insurance, wage inequity by gender and impact on mom-and-pop stores.

The groups complained Wal-Mart was threatening to "undermine the ethos of the organics movement" by industrializing it.

"Food shipped around the world, burning fossil fuels and undercutting our domestic farmers does not meet the consumer's traditional



News that the world's largest grocer would try to bring organic food to the mainstream brought organic traditionalists into the wider bash-Wal-Mart movement. They claim the company is too capitalist to be organic.

definition of what is truly organic," a Cornucopia spokesman said. Ditto, the OCA: "We are asking consumers to...demand that the stores they frequent carry organic, local, and Fair Trade or Fair Made alternatives," said the spokesman.

The snubbing of so powerful an ally for strengthening organics' market position because Wal-Mart disqualifies as "truly organic," reveals a looming identity crisis in the organics movement, one that could prove its downfall. Notoriously impatient with paying for vague liberal notions of social justice as a purchase option, American consumers have so far swallowed organics' premium price because they think in return they get food that's healthier and safer. As the phoniness of those claims began to resonate, and as organic purists respond by softening the product description, it could eventually leave consumers asking: What are we really paying for?

Also in this issue

- As organic producers rush to cash in on the frightened consumer's dash to organics, proponents enter the next Farm Bill discussion to protect their turf. But what is it they're seeking to protect, exactly?
- The next alternative for milking the organic consumer: Organic Lite.
- How do organic marketers persuade consumers? asks one marketing expert. They "lie."

For the record...

The looming fight over which organic foods aren't "organic enough," reveals some of the underlying issues behind the move to ban food-production tools like antibiotics.

ORGANIC AND MORE-GANIC...WHAT'S NEXT?

U.S. meat, milk and egg producers who have endured years of media, political activists and organic food marketers beating them up for ruin-

'The organic food industry may be falling victim to believing its own good press.'

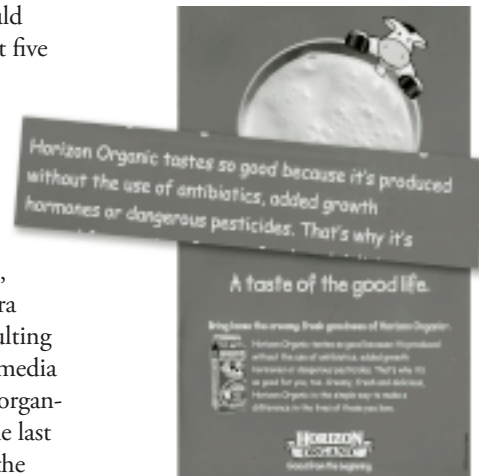
ing the environment and poisoning children should find some justice in this: The organic food industry may be falling victim to its own success. Better still, it may be facing that threat because it violated one of the time-tested rules of marketing: Never, ever fall for your own press.

Granted, the organic market is still growing—by 18.4 percent per year for the last decade, to nearly \$14 billion in sales last year. Almost one in four consumers say they “regularly” buy organic goods, the Organic Trade Association says. And according to another prediction, the

market for organic meat should grow 71 percent over the next five years, before inflation.

That financial success has lured at least 15 of North America's top 25 food processors into the organic market—including Tyson, Kraft, Pepsi, Anheuser-Busch, Dean, General Mills, ConAgra and Campbell Soup. The resulting “industrialization” has made media less hesitant to lift the lid on organics. Several news reports in the last year have begun to question the validity of their claims, including:

■ An *International Journal of Food Sciences and Nutrition* study found that despite costing twice as much, organic chicken was found to be less nutritious, fatter and worse tasting than conventional chicken.



Tastes how good? Forbidden to promote their products using direct health claims, marketers must either flirt with exaggeration, as does this Horizon flyer, or try to promote a wider social message. Will it sell? Consumer studies cast doubt on it.

Can't afford to go with real organic? How about a little “organic lite?”

USDA can fine a food marketer for misrepresenting certified organic foods as much as \$10,000 per violation. And achieving that seal of approval isn't easy nor cheap. That squeeze has led to an increase in not-quite-organic products trying to cash in on the growing market. Beyond the virtually meaningless “natural,” and “free-range,” the industry has also seen these versions of “organic lite:”

■ Texas-based Whole Foods Market, whose \$5.6 billion in 2006 sales kept it the world's largest natural and organic retailer despite increasing competition from copycats and organic sections in traditional supermarkets, in mid 2006 began requiring that each store buy products directly from at least four local farmers. Meanwhile, Whole Foods is putting the final touches on a new label for an “animal compassionate” line to make shoppers feel good about how food animals are tended.

Both moves are seen as a marketing tactic to give Whole Foods,

lately criticized by members of the “sustainable” farming movement for being too corporate, the image of returning to its roots.

■ Apparently rattled by activist criticism of “hormones” in milk but not able to source a reliable supply of organic milk, several northeastern and western dairy processors, including Dean Foods, the nation's largest milk bottler, have begun requiring some supplier dairies stop using the production-enhancing hormone rbST in order that they can label their milk as “non-rbST.”

The move, publicly blessed by Vermont Agriculture Secretary Steve Kerr—even as he recognized the FDA-approved product remains safe for both the cow and the consumer—gives retailers a relatively cheap and quick way to create a “middle label,” priced about halfway between conventional and organic.

From a food-safety standpoint, the label is empty costuming. In fact, as a result of a lawsuit brought

by the maker of rbST several years ago, bottlers must add fine print to such labels to warn consumers that FDA has found zero difference between milk from treated and untreated cows.

“It's really about milk processors trying to position themselves on the grocery store shelf,” Washington dairy producer Jim Werkhoven told the *New York Times*. “All they're doing is selling fear, and I think that's a miserable deal.”

Penn State dairy nutrition department head Dr. Terry Etherton warns producers against the seductive appeal of caving in to irrational demands disguised as consumer trend in exchange for a few cents premium. Etherton, who believes a similar move is afoot to treat dairy cow antibiotics in the same manner, argues that once all producers in an area give up the cost advantages of tools like rbST or antibiotics, the premium is likely to evaporate, leaving them with higher costs while all the markup goes to the middleman.



For the record...

Use of the USDA organic label indicates the product has been raised under a set of specific guidelines. It promises nothing, USDA says, about the safety, nutrition or healthfulness of that food. Those standards are coming under criticism from activists who want to expand the organic label to encompass issues from labor to fair trade.

Next up in the race to irrelevance: "Authentic Food"

Eliot Coleman, organic farmer, author and early advisor to USDA on the standards that eventually became the agency's National Organic Program and seal, pronounced in 2001 that "'Organic' is now dead." As far as symbolizing the highest quality food, Coleman wrote in *Mother Earth News*, organic had grown corrupted by profit-oriented agribusiness.

Coleman suggests organic farmers now discard it in favor of the new term "authentic," to signify growers "more concerned with quality than the bottom line." His standards would include:

- Authentic food can only be sold by the farmer who grew it.
- Milk, eggs and meat can only be sold within 50 miles of the farm.
- Non-refrigerated storable crops can only be sold within 300 miles.
- Fields and barns must be open for inspection any time, by anyone.
- No fertilizers are allowed except farm-derived organic matter and crushed rock.
- Green manures and cover crops must be rotated in to ensure biological diversity.
- Livestock must be raised outdoors and pastured as much as possible.

■ A late 2006 study in the *Journal of Agricultural and Food Chemistry* showed no statistical differences in the nutritional quality—whether for humans or animals—of organic over conventionally grown wheat.

■ A December 2006 *Chicago Tribune* article examined the value behind organics' premium price, concluding Americans face a risk of poor health by not eating enough fruits and vegetables of any kind that far outweighs the relatively minute risk of pesticide exposure organics may prevent. To the extent high organic prices further drive consumers away from produce, they stand to hurt health more than benefit it.

SEARCHING FOR ADVANTAGE

Meanwhile, regulators continue to insist any organic health claims must be provably true. USDA recognizes organic as simply a process—not a claim to better food. England's counterpart, the Food Standards Agency, in late 2006 forbade that country's organic milk producers from promoting the health advantage of their product, saying the science didn't support it.

Yet virtually all studies conducted into consumer buying habits continue to reach the same conclusion:

Consumers who pay the premium for organics do so because they mistakenly think they're buying safer and healthier food.

Recognizing the potential consumer backlash in that growing disconnect, the Organic Trade Association continues to back federal standards for what can and can't be called organic. Its recent comprehensive plan for the new Farm Bill urges liberal funding increases for the USDA office that oversees and enforces those standards. Such funding is necessary to "maintain the integrity" of their members' products, the organization says.

At the same time, the group also wants funding for more studies into the nutritional profiles of organically produced food, especially for the current big ticket foodstuffs. The group also wants more studies of how organic agriculture improves conservation and the environment.



Unsafe on any feed? The National Environmental Trust demands USDA forbid any fish farmer the organic seal. Why? Even "organic" salmon aren't organic enough because they can't migrate naturally and must eat meal that may contain wild fish.

it's healthier," author Felicia Mello wrote in a recent issue of the liberal magazine *The Nation*, "but because it conjures up a vision of a simpler, more pure world, where we produce our food without wreaking havoc on the environment and our relationship to it is unmediated by fear, guilt or the drive for excessive profits."

Though likely too early to brand it a fight for the soul of the organic movement, the infighting between the organic and the more-ganic wings of the "sustainable" farming fashion has the potential to add to growing consumer confusion over exactly what they're getting when they willingly increase their food bill.



The fine print. Sysco Foods and Cargill took some media and Internet criticism when consumers discovered White Marbles Farms and non-antibiotic, "non-growth stimulant" Prairie Grove Farms weren't local farms, but those companies' niche pork brands.

INFIGHTING BEGINS

Yet, many of the organic purists resist even USDA's current standards which OTA supports, arguing they need to be "more organic."

"For many consumers, an organic apple tastes sweeter not only because

For the record...

Companies that believe they're satisfying consumer demand by labeling products as "antibiotic-free" or "hormone-free" may be getting led astray by a small but vocal segment.

For the Record,

sponsored by a grant from ALPHARMA Inc., Animal Health, is designed to help unite the industry and provide a unified, rational message on behalf of producers whose freedom to use safe, effective, economical production methods is at stake. Working together, we can set the record straight on antibiotics.

Do you have questions or comments? E-mail Steve Kopperud at skopperud@skopperud.com or editor Mike Smith at CustomMedia@Food360.com. Want to read past issues or link to more information on this issue? Visit us online at www.alpharmaah.com.

THE ROAD TO DECEPTION LEADS US ALL NOWHERE

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The Oct. 1 *St. Louis Post Dispatch* quoted a mother shopping at a Trader Joe's as she "picked up a package of string cheese in the dairy section and noted that it doesn't contain rbST, a bovine hormone."

She said, "I'm not sure what it is, but I think it's something bad. I'm pretty certain it's a hormone, and I try to buy milk that also doesn't have hormones in it. I'm not one of those people where everything has to be organic, but with my child, I feel like I should get her off on the right food...without pesticides and hormones."

What better illustration of the general public's remarkable lack of scientific understanding? Thousands of hormones normally circulate in the blood of all animals and

humans—we couldn't survive without them. You naturally find hormones in not only all milk, but also all food. Moreover, any technology used that impacts the food chain, whether rbST or animal antibiotics, has been subjected to intense regulatory review by the Food & Drug Administration to demonstrate its safety both to animals and to consumers.

Yet we continue to watch as some food companies buy into voluntarily promoting their products as somehow

'Processors who are willing to exploit consumer ignorance are leading the industry down a risky road'

safer when produced without these technological tools, believing they're satisfying a roaring crowd of consumers when in fact they're really being led astray by a few anti-technology hecklers in the peanut gallery.

Both McDonald's and Compass Group Americas, the country's largest contract food-service company, have openly promoted the restrictions they now place on their suppliers' use of antibiotics. H.P. Hood and Dean Foods have begun pushing New England dairy producers to pledge not to use rbST, in order that they may begin promoting their products from those plants as rbST-free.

In a nutshell, some processors are saying they are perfectly willing to exploit consumer ignorance and suspicion that some food might be safer or healthier than other legitimately produced food. Choosing to go down that road of deception is a dangerous one for us all. We can scare consumers in a 30-second soundbite, but we can't educate them in 30 seconds. Marketing tactics that willingly exploit ignorance with "good-food" vs. "bad-food" messages are ultimately going to leave only one winner standing: junk science.



Who wins when food industry segments willingly pit one food against another as safer? asks Dr. Etherton: Junk science.

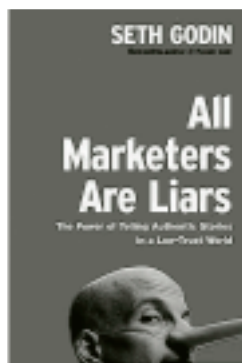
HOW DO ORGANICS WIN CONSUMERS? THEY 'LIE'

Well, maybe "lie" is too strong a word, according to business management consultant Seth Godin—even though his book is titled *All Marketers Are Liars: The Power of Telling Authentic Stories in a Low-Trust World*. More accurately, organic-food sellers are succeeding today because they tell a darned good story, he says—a story that reinforces what consumers think about the world and that gives them reason to feel good about their purchasing decision.

"[When we fall] for the story," writes Godin, who—just to be clear here—is himself an avid consumer of organic food, "we [are] telling ourselves a complex lie about food, the environment and taking care of our families."

Does organic food taste better? he asks. Not especially.

Is it any better for you? Maybe—maybe not. But even if it were, it would make such a small difference compared to, say, living near the polluted environment of New York City that it's like arguing over the value of one vs. two drops of water to a man dying of thirst.



Are organics cost effective in sustaining small, low-input family farms to guard the environment? Godin asks. Nope. Not unless you buy direct from the farm, and most of today's organic premium price goes not to the farmer but to the middleman.

Why then are consumers so eager to believe all three of those lies to be true?

"Organic food is a relatively cheap way to...feel we're doing as much as we can to tread lightly," he writes. "It's a way some Americans use to assuage our guilt about being the world's least efficient consumers of just about everything."

For conventional meat, milk and egg producers to win those consumers back under Godin's interpretation, we're going to have to learn to frame our own story according to that worldview, find ways to demonstrate the organic story is inauthentic, or some combination of the two. And unfortunately, Godin argues, logic is the least effective tool to accomplish that job with today's consumer. It's all about the emotional feeling.