

# Organic farming systems

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**New Ag**  
**Network**  
Midwest Organic Team  
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Organic farm produce ready for market. Kalamazoo, MI.



Besides supplying numerous local restaurants with fresh produce, Blue Dog Greens Organic Farm also participates in a profitable Saturday morning farm market in southwest Michigan.

## A guide to marketing organic produce

Roy Ballard\*

Marketing organically grown fruits, vegetables, flowers and herbs is not fundamentally different than marketing similar produce grown under a more “conventional” production regimen. As with any product, the producer must assess the needs of the consumer, determine the benefits (real or perceived) to that consumer and then deliver a product of consistently high quality that meets those needs at a price the customer is willing to pay.

It is important to remember that under the current national organic rules the term “organic” does not imply a product is safer or superior nutritionally or otherwise to similar conventionally grown products. Instead the organic label provides consumers a level of assurance that the product has been grown under a regulated regimen. This allows and prohibits specific production tools and techniques favoring those that enhance farming and environmental sustainability and avoiding those that are synthetic rather than natural and farm based in origin.

Marketers of organic produce need to know the official definition of “organic” established by the National Organic Standards Board in April 1995:

“Organic agriculture is an ecological production management system that promotes and enhances biodiversity, biological cycles and soil biological activity. It is based on minimal use of off-farm inputs and on management practices that restore, maintain and enhance ecological harmony.”

“Organic” is a labeling term that denotes products produced under the authority of the Organic Foods Production Act. The principal guidelines for organic production are to use materials and practices that enhance the ecological balance of natural systems and that integrate the parts of the farming system into an ecological whole.

Organic agriculture practices cannot ensure that products are completely free of residues. However, methods are used to minimize pollution from air, soil and water.

Organic food handlers, processors and retailers adhere to standards that maintain the integrity of organic agricultural products. The primary goal of organic agriculture is to optimize the health and productivity of interdependent communities of soil life, plants, animals and people.

Though conventional and organic farmers may differ in their production practices, many share similar marketing issues:

- ◆ They find marketing the hardest part of farming.
- ◆ They lack the skills and creativity to find profitable markets.



Organically grown salad greens.  
Nashville, IN.



Maple Creek Farm and CSA.  
St. Clair County, MI.

- ◆ They do not see marketing as a priority until harvest nears.
- ◆ They lack patience for or dislike dealing with the public.
- ◆ They dislike doing market research.

For all these and other reasons, farmers all too often become “price takers” rather than “price makers.”

The demand for and production of organic products has increased substantially over the past couple of decades. It is very likely that the day will come when the increase in demand will be met by the increase in supply, eventually reducing or even eliminating the premium prices attracting many new growers to certified organic production.

Actively seeking buyers, evaluating offers and negotiating the best deals are becoming more and more crucial to the economic survival of organic farmers. Farmers interested in adding value by going organic must learn as much as they can about the organic food market to make the best production, pricing and marketing decisions. Reading industry publications can be useful for identifying the products that are in demand now, which products look promising for the future, price ranges for various products, and so on.

## Contract production

While many people assume that organic crops are marketed directly to the consumer, some organic crops are produced under contract. While contract production can add value and reduce risk, an unwary farmer can run into problems with contracting. Some buyers fail to honor contracts, leaving growers stuck with a crop to sell at a loss or not at all. Others accept delivery of the crop but fail to pay the growers on time or at the agreed-on price. The rapidly growing and changing organic market has resulted in many buyers entering and leaving the business. Buyers who were solid last year may be on the verge of bankruptcy this year. A wise farmer will do some investigating. Industry publications are a good first source of information on buyers. After you have identified potential buyers, talk to other growers who have done business with them. Most reputable buyers can provide grower references. If considering contract production, learn how to evaluate contracts and make sure the farm is legally protected. For more information on evaluating and using contracts to manage risk, visit the National Agricultural Risk Education Library at [www.agrisk.umn.edu/](http://www.agrisk.umn.edu/).

## Penalties for mislabeling and making false statements about organic products

Anyone who knowingly mislabels a product as organic can be fined a maximum of \$10,000 and may be disbarred from the organic program for five years. Persons who make false statements to the Secretary of Agriculture, a state official or a certifying agent are subject to penalties under federal law and may be disbarred from the organic program for five years.

## Who is exempt from organic certification?

The following regulations are taken from the Electronic Code of Federal Regulations (e-CFR) at [ecfr.gpoaccess.gov](http://ecfr.gpoaccess.gov).

- ◆ Growers who follow the national organic standards and sell less than \$5,000 (total gross sales) of organic product per year. §205.101(a)(1). Growers must still follow the prescribed set of organic standards.



Organic salad greens being grown on a slope within a shade house. Nashville, IN.

- ◆ Handlers (processors) who sell less than \$5,000 (total gross sales) of organic product per year. §205.101(a)(1).
- ◆ Retailers and other handlers who do not process or repack organic products. §205.101(a)(2).

If a farmer does not use synthetic inputs and sells less than \$5,000 worth of organic products a year, they cannot necessarily consider their farm organic. The only thing the exempt provision does is free one from filing an organic system plan and paying for certification/inspection. The farmer still has to follow the national organic standards. The standards require more than not using synthetic chemicals. They include provisions to promote natural resource conservation, to use only approved materials, prevent contamination and make proper label claims. If the farmer is a grower or a handler, they should review the exemption/exclusion requirements in §205.101 thoroughly. They must understand and follow the requirements and maintain records (§205.101(c)) for at least three years.

## Additional resources

“A Guide to Marketing Organic Produce.” <http://sustainable.tamu.edu/publications/organicproduce/intro.html>.

The Organic Consumers Association. [www.organicconsumers.org](http://www.organicconsumers.org).

“Organic Production: Opportunity, Requirements and Pitfalls.” [www.aggie-horticulture.tamu.edu/alternatives/riskmanagementseries/organicproduction.html](http://www.aggie-horticulture.tamu.edu/alternatives/riskmanagementseries/organicproduction.html).

The Organic Trade Association (OTA). [www.ota.com/index.html](http://www.ota.com/index.html).

Rodale Publishers’ “New Farm Organic Price Index.” [www.newfarm.org/opx](http://www.newfarm.org/opx).

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