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# Two Small Mills in New York State

Contributions to Sustainable Agriculture



Farming Alternatives Program  
Department of Rural Sociology  
Cornell University

by Jason Frost

Student Project Series

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## About the Farming Alternatives Program

The Farming Alternatives Program is administered through the Department of Rural Sociology in the College of Agriculture and Life Sciences at Cornell University, and is guided by an advisory committee comprised of faculty, Cornell Cooperative Extension staff and farmers. Institutional collaborators include the New York State Colleges of Agriculture and Life Sciences and Human Ecology, Cornell Cooperative Extension, and the Cornell Office for Research.

The Farming Alternatives Program aims to work with and provide farmers, educators, communities and institutions with the necessary tools, materials and educational programs which will help to ensure a vibrant future for farming in New York State.

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# Introduction

This publication is an installment in the **Student Project Series** sponsored by the Farming Alternative Program at Cornell University. The Farming Alternatives Program is dedicated to enhancing the viability of established and beginning farmers in New York State. The program focus is on supporting communities, organizations, and institutions in building the partnerships needed to develop a more sustainable agriculture and food system.

This series was established to provide a publishing forum for Cornell students as well as to meet the growing information needs of the agricultural community. The first four publications in this series were born out of a Rural Sociology Graduate Seminar in Sustainable Agriculture and Development taught by Professor Tom Lyson during the Fall, 1995. This seminar focuses on the social, economic and political foundations of sustainable agriculture and the linkages of agriculture to development. The course deals with issues of sustainability and development in both industrial countries and in the Third World. Several sections of the course deal with global aspects of the food system.

In partial fulfillment of course requirements, some students opted to conduct case studies on local food and agriculture issues. The following four were included in the series:

- ***Cincinnatus Farmers' Market: A Case Study in Rural Development***  
This case study highlights the efforts of Rural Services a Catholic Charities organization to combat high food prices as well as promote local economic development and social capital in a rural community. In light of rural disintegration and failing economic opportunities, the Cincinnatus Farmers' Market has opened doors for local growers and producers.
  - ***Ithaca Farmers' Market: A Case Study in Small Business Incubation***  
The Ithaca Farmers' Market is recognized as one of the most successful farmers' markets in the Northeast. This case study is based upon interviews with four vendors and their experience with IFM as a business incubator.
  - ***Two Small Mills in New York State: Contributions to Sustainable Agriculture***  
This study profiles two small grain mills and their business relationships with local farmers. The opportunity of developing a strong, local agriculture is made viable with enterprises such as grain milling and processing. Two Small Mills illustrates the opportunities and challenges in making local agriculture an economic and social reality.
  - ***GreenStar Cooperative: An Incubator for Small, Local Business***  
As a local cooperative natural foods market, GreenStar offers opportunities for small, local producers to develop and expand local products. GreenStar serves as a positive example of how local producers and retail outlets can work cooperatively to support a local agricultural and economic system.
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These four case studies fit within the rubric of Community Agriculture Development (CAD), a community-based approach to sustainable agriculture and economic development identified by the Farming Alternatives Program. CAD involves community-based partnerships working to create or improve economic opportunities for farmers, by: (1) sustaining existing farms; (2) providing opportunities for beginning farmers; and (3) strengthening rural communities. There are more than 40 CAD initiatives going on throughout New York State, a growing number of which are supported by county Cooperative Extension associations. CAD developed as a result of continued dialogue between local farmers, entrepreneurs, Cooperative Extension and the Farming Alternatives Program. The Farming Alternatives Program supports these efforts through research, education, and outreach through publications such as this case study series.

It should be noted, however, that while Farming Alternatives staff may provide some support and guidance in the conduct of a student project, the content of this publication is entirely the responsibility of the student author.

# Two Small Mills in New York State Contributions to Sustainable Agriculture

by Jason Frost

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## Introduction

This paper uses two case studies to assess the potential for a new food processing and distribution system that is compatible with the 'alternative agricultural paradigm' that has evolved in the last twenty years. A new model of processing and distribution is needed to complement the alternative food system, getting farm products to consumers' tables in a manner that adheres to the basic tenets of sustainability that guide the primary agricultural production.

These basic tenets have been described by Beus and Dunlap (1990) with a series of dichotomies that contrast the alternative and conventional 'paradigms' of agriculture. Alternative agriculture is said to be based on ideas of decentralization, independence, community, harmony with nature, diversity and restraint. Conventional agriculture, in contrast, is based upon centralization, dependence, competition, domination of nature, specialization and exploitation.

As the alternative paradigm of agriculture emerged, the ecological limits and negative health consequences of current production practices were addressed first. A system based on "capital-intensive, large-scale, highly mechanized agriculture with monocultures of crops and extensive use of artificial fertilizers, herbicides and pesticides, with intensive animal husbandry" (Knorr and Watkins, 1984, quoted in Beus and Dunlap) was said to have negative consequences for soil fertility, erosion and quality of surface and ground water. In turn, pesticide residues on food and in drinking water were creating unnecessary human health problems.

But of the six ideas of the alternative agricultural paradigm, only 'harmony with nature' and 'diversity' deal primarily with environmental concerns; the others clearly refer to the pattern of human relationships in basic production. This expansion of the paradigm to concerns of community begins with the observation that the food system entails much more than just farms. The institutional structure surrounding agricultural production and the social context in which these activities take place is also important.

Recent years demonstrated the magnitude of this issue as agribusiness producers of farm inputs and processing and marketing firms developed into an immense, highly

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concentrated part of the food sector of the economy. Farmers have become increasingly marginalized in such a system and many have been forced out of business. These farm closures result not only in the disruption of farm families, but they also contribute to the deterioration of rural communities as businesses supporting and supported by farmers close or move out of town.

Since a food system is created by humans to satisfy their needs, it makes sense that it should sustain not only the quality of land, but the quality of life in human communities dependent on the land. And quality of life implies more than a lack of health problems from consumption of tainted food and water. More basic is the ability to earn a viable income and support one's family and community. The plight of family farmers and decline of rural communities, on one hand, and complaints of some urban residents about lack of involvement in and awareness of their food supply, on the other, signal that the present system has fundamental problems beyond environmental concerns.

To correspond to the alternative agricultural paradigm, a food processing and distribution system would not only be less dependent on the consumption of fossil fuels—an environmental concern—but would also support development of a family-based agriculture of appropriate scale, making viable rural communities possible in America. At the same time, it would promote development of community among urban residents by creating interest and involvement in their local food supply. This is an important link for those interested in rural community development. They have seen that the emergence of a new agriculture would influence community development through the processing and distribution sector (Gillespie, 1995).

While we may have a firm handle on what the system should do, it is a more complex challenge to identify how it would work. But how could the six guiding principles of the alternative agricultural paradigm translate into structural or operational qualities of organizations that make up the system? The current states of both family farming and rural America suggest that it wouldn't function like the present system of high concentration and resource intensity. But can we assume that a more desirable system would merely be a downsized, decentralized version of this? A simple reply of 'yes' to this question pushes one dangerously in the direction of a romanticized return to the past. The inclusion of the principles of 'community' and 'restraint' in the alternative agricultural paradigm indicate that we are searching for something qualitatively different from both the system of the past and what it has expanded into. These qualitative differences lie in the organization and dynamics of human relationships.

### *Objectives & Methods*

In an effort to better understand the form organizations in a new system could take, I interviewed operators of two small mills in New York State, members of what some consider the 'alternative' food system developing parallel to the conventional food system. The subjects of these case studies were Community Mill and Bean in Savannah, a specialty producer of organic flours, baking mixes, grains and dry beans,

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and New Hope Mills near Moravia, a water-powered mill specializing in pancake mixes and buckwheat grinding.

In the interviews I tried to discover not only how the businesses operate as independent entities, but also how they relate to other parts of the food system, such as the growers of the grains they process, the consumers of their final products, and other mills. Also, recognizing that real world circumstances sometimes call for compromise, I asked for concerns or troubles the businesses had regarding each of these areas to find out their vision of what these relationships should be like. I use both the facts about their operations and their visions of what their business should be to evaluate their contributions toward a more sustainable food system.

An 'interview guide' was constructed to aid in creating consistency of the interviews and ensure that vital material was collected. In spite of this, the interviewees were allowed freedom to discuss the issues of greatest importance to them, and each interview proceeded quite differently. The interviews lasted approximately one hour each. They were tape recorded and then transcribed for analysis.

### *The Interviews*

This section is divided into five subject areas and the mills are described in turn under each. This structure would probably lead to confusion if the mills were very similar enterprises, but in fact they are quite different and it is my hope that this segmentation will allow the reader to more effectively contrast them by presenting comparable information together.

Part one is an introduction to each of the mills, a summary of their histories and characteristics. The next three parts focus on the three important types of inter-relationships I have stressed. Part two, marketing, deals with the relationship with consumers. Part three concerns the mills' relationship with the growers of the grains they process. Part four highlights their major concerns about competition within their industry. Finally, the fifth part discusses their visions of the future.

## **The Mills**

### *Community Mill and Bean*

Richard Corichi, Master Miller at Community Mill and Bean, founded the business with a partner in 1980. He first moved to the small, rural town of Savannah, New York in 1978 to work with Clear Eye Natural Foods, a distributor and retail store founded in 1974 in Rochester. Since they were interested in selling organic products at Clear Eye, during the first year they searched for mills to supply them. They found that sometimes what they wanted was available, but in many cases it wasn't. After a year they decided that there was enough demand in the organic market that wasn't being met to justify starting their own mill. They laid the foundation next door to Clear Eye in

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1979. There was initially talk of establishing the mill as a farmers' cooperative, but at that time there weren't enough organic farmers around and it became a private business. In any case, Richard says the mill was "founded on the principle of supporting local and regional agriculture."

The two businesses still stand next to one another at the crest of a hill on Route 89 just inside the township of Savannah. This location suits them well. They are near the urban markets of Syracuse and Rochester, and the Finger Lakes region to the south is an important agricultural center, especially for organics. There are a number of local organic farmers who supply them with grain. A recent change that could negatively affect agriculture in their area is that about 50 percent of Savannah will soon be part of the Montezuma National Wildlife Refuge. But Richard sees this as a potential benefit for organic agriculture, which is more compatible with wildlife than conventional practices.

Today Community Mill and Bean sells about 200 different products: 12 baking mixes sold under the "Old Savannah" name, about 30 flours available in 3 sizes, 32 varieties of beans in 2 sizes, and 30-40 different grains in 3 different sizes. These products are all organic, the most important distinguishing factor of their business. Richard associates most closely with the 'natural foods' industry, which he says is experiencing tremendous growth.

### *New Hope Mills*

Dale and Dave Weed also began their business in 1980, although the foundation for their mill was put in place 148 years earlier, in 1832. The water-powered mill stands in a ravine just off Highway 41A at the tiny crossroads of New Hope in southeast Cayuga County. The Weed brothers' father purchased the mill in 1947 and originally operated it primarily as a feed mill. But he had problems with not receiving payment from farmers and began to turn to grinding flour first and then to making pancake mixes. When Dale and Dave bought the mill in 1980, they continued their father's business, but worked primarily on pancake mixes.

"If we wanted to just make a living grinding flour," says Dale, "we would have probably gone the way the other 11,500 flour mills have gone since 1919—we would be gone." They now have about 30 different pancake formulas all developed and patented by them. In addition, they deal in wheat-allergy substitute flours and some grinding of grain—especially buckwheat. In fact, of the five major remaining buckwheat mills in the country, they are the second largest.

Their location serves them well since the surrounding area still has a strong agricultural base to the economy and local growers provide much of their grain. And the naturally occurring ravine made it possible for them to have a water-powered mill. This is an obvious source of pride for the brothers. The red colored buildings and the waterfall alongside are depicted on their packages of pancake mix. Some people have suggested that the tourist potential is a 'gold mine,' but they have found that they can

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make more in a day of production than they can showing people through the mill. They have one day a year in which they shut down and give tours.

Being located in a ravine does have its disadvantages, however. It would cost them \$66,000 to have three-phase electricity brought to the mill (they are no longer entirely water-powered). Another disadvantage is that they have no room to expand and consequently have had to purchase another building at a different location to help keep up with their growing demand.

There are other unique aspects to the business. One is the strong family focus. Dale and Dave have 11 children between them and they are encouraged to take part in the business. The majority of the names on the payroll are 'Weed.' Also, they consider themselves to be deeply religious and operate their business on principles of the bible. For example, the Scripture states to "owe no man nothing," a command to which they comply by avoiding debt and paying all their bills ahead of time. They believe that God will limit the size of their business by controlling how much money they have.

## Marketing

### *Community Mill and Bean*

Community Mill and Bean produces about 8 million pounds of product a year which are sold nationwide, although Richard estimates that 75 percent of their sales are in New England. Other than a mail-order service with about 3000 accounts, all of their products are sold wholesale to distributors. As a result, very little is sold in the immediate locality. Even the one local distributor they deal with supplies stores more on a regional level. Food cooperatives, natural food stores, and food buying clubs have been their traditional outlets, but this is changing rapidly as supermarket chains are adding natural foods sections to their stores. In fact, one way they are beginning to have a greater impact on the local food system is that supermarkets like Wegman's and Tops in Ithaca use Community Mill and Bean flours in some of their baked goods.

Richard describes the typical consumer of Community Mill and Bean products as white, highly-educated, and financially well-to-do. Their sales change with the college season, showing that many who buy their products are affiliated with universities. Richard attributes this trend to the generally higher prices of organic products compared to those grown and processed using conventional methods. Consumers must be willing and able to pay the higher price. These are the people who generally fall into this category—"it has nothing to do with it other than that."

In fact, the mill recently changed their marketing strategies and they hope this change will attract more diverse buying populations to some extent. The new strategies have been implemented partially in response to the change in retail markets and partially to attract new kinds of customers to their products. In commercial retail markets,

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as opposed to food cooperatives, products need to be packaged in smaller units, be more attractive, and have prices more competitive with conventional brands to even sell.

They have regarded this change in the marketplace as a challenge to appeal to customers who wouldn't have normally bought their products. In the early days of the business, people were interested in organic flours and mixes because of health concerns. They were willing to pay more, not because they had more to spend, but because they felt it was worth it for better health. Richard feels that they need to return to this mentality. Their challenge is to get people who wouldn't normally purchase organic to do so for the sake of health. They may pay 20 percent more up front, but if they realize that this will mean lower health costs in the end it is worth it. Richard also stresses that this is important to lower health costs for society and regards these new marketing efforts almost as a mission.

### *New Hope Mills*

New Hope Mills makes about 2 million pounds of product each year. They sell primarily wholesale to distributors. Their mixes end up in a variety of retail markets—grocery stores, natural food and gourmet markets, farm stands—and even restaurants. There is a small store at the mill, but this is primarily to satisfy the curiosity of people who want to see a water powered mill and it doesn't do much volume. Another outlet is a small mail-order operation, primarily catering to holiday needs and people who have moved out of the area and want to continue to use their mixes.

About half of their products with the 'New Hope Mills' label are sold in New York State, 99 percent in the Northeast, placing them in the category of 'regional' food processor. But 'private-label' production—packaging their products under another company's labels—is starting to give them access to greater geographical areas and new kinds of markets. Dale sees tremendous opportunities for growth of the business in this way, and he is perfectly willing to let others take care of the "nightmare" of marketing. This tactic is even allowing them to access, although indirectly, the tremendous New York City market that has always seemed out of reach for them.

Ten years ago Dale investigated the possibility of selling in New York City and found that the minimum investment necessary to get into those markets was \$225,000 in slotting allowances and the price has gone up a lot since then. One warehouse in New York City has a \$30,000 slotting allowance per kind and size of product, and if you don't sell the necessary amount in 6 months you're out, you've lost your investment. Dale never felt there was any way to do that for a business their size. Consequently, they sell more under their own label in Paris than they do in New York. In spite of the language barrier and different currencies, he feels it is less hassle to do business in France than in his own state. In addition to France, they have done business in Taiwan, Israel, and potentially Ireland in the near future.

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The private labels are able to get into this market because they are charging up to four times as much as New Hope Mills does for the same product. Dale said that he wouldn't have believed you could charge so much for a pancake mix several years ago, but he does now. He says he's learned his lesson that the cost of producing a product isn't necessarily reflected in the price.

Dale sees that the major consumer of their products is also changing. It used to be primarily farm families that wanted a good breakfast and had a large family to feed. Now there is a pretty wide range. There is still a percentage of their old customer base, but changes are obviously occurring. They used to sell big bags of pancake mix and these keep getting smaller as the population ages and households are shrinking.

They do virtually no advertising, but have found they don't really need to. News of their products travels by word of mouth quite well. Their biggest concern at this point has been meeting the demand that currently exists. The recent purchase of the new storage facility will take care of this concern and allow them to meet the demand they will have for a number of years to come. With this warehouse in place they can begin to pay attention to marketing. Dale is sure that untapped markets exist.

## **Relationships with Growers**

### *Community Mill and Bean*

"If we could buy everything we could possibly need from local and regional farmers," says Richard, "then we would certainly do that." Currently, crops such as soft wheat, buckwheat, corn, soybeans, rye and spelt can be purchased in New York, although not all are available in the quantity needed by the business. This year, 90 percent of both soft wheat and spelt were purchased from local growers. The reverse is true of rye, of which only 10 percent was grown by local farmers. The problem with rye is that the varieties required by the milling industry are less often grown in New York State, where the crop is most commonly used as a cover crop or for feed. The strain used in milling is taller and thus has more problems with lodging (plants topple over from wind and rain). The percentage of local buckwheat varies greatly, 30 percent this year as opposed to only about 5 percent last year. It is a risky crop to grow in New York because it is harvested so late and an early frost or snow can cause a lot of damage.

Richard says that "we're an organic flour mill first...that's our primary thing," but in conjunction with that they try to support the specific requirements of organic farming. "We're not farmers, the farmers don't tell us how to mill. Millers don't tell the farmers how to farm. On the other hand we have to work together. As our needs grow, we try to work with the farmers to diversify even more." A major component of this is the diversity of products produced in organic systems because of rotation requirements. By dealing with so many different grains and beans, they provide a market for farmers who want to work new crops into their rotations. But their intention isn't simply to

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cater to the needs of farmers and to provide markets for them. Some of this demand, especially for beans, actually comes from the marketplace. Richard feels that the growth of the mill and their increasing requirements for a variety of crops has pushed local growers to diversify their operations, improving agriculture in the area.

But this emphasis on local and regional agriculture must be measured against the economic realities of doing business. Richard considers the cost of business very high in New York State for a couple of reasons. First, the state taxes and other demands of businesses that buy within the state are high. Second, and more importantly for local growers, Richard feels the prices demanded by organic farmers in New York are sometimes excessive. The marketplace for purchasing organics has become extremely competitive. If local crops cannot be purchased at a negotiated price that makes it reasonable for them to sell after cleaning and processing, Richard will search for other sources outside the state, in some cases going as far away as California for certain varieties of beans. He feels it is ironic to buy crops that can be grown in New York State from California with a much more substantial freight rate and still pay a lower price than the local grower would charge. At the same time, New York State crops may be purchased by companies in Michigan.

Local growers have only an informal, verbal contract with the mill, but most of these are long-term, 15-year relationships. Part of the challenge of working with local growers is getting them to grow the crops needed by the mill and having them be able to get a high enough yield using organic practices so that the farmer can get a price that will support them, and the mill will be able to sell the product reasonably well. In some cases yields using organic methods could be 20 percent less, but farmers get a price premium, probably 50 percent more for the whole crop. The local growers are small family farmers, cash crop farmers operating at a variety of scales, some with as few as 10 acres. The benefit of working with local growers is that, presumably, it will be more economical for everyone, although Richard points out that this is not always the case.

### *New Hope Mills*

The grains used by New Hope Mills are almost all from their locally contracted growers. Some of the growers are cash crop farmers, some dairy farmers. They are all dealt with on an individual basis. All of the wheat, corn and rye they grind is purchased from local growers, with local defined as "surrounding counties." The proportion of local buckwheat, which constitutes the major portion of the grain they grind, changes from year to year depending on the crop. They usually try to get 50 percent or more from local sources, but this year it will probably be only 10 percent. If local buckwheat is not available, they will go first to neighboring states and then to Canada.

They operate with this buying hierarchy because of the advantages they see to using local growers. If you work with local farmers they are more likely to be able to provide for you in future years. And normally the transportation costs will be much lower. Another advantage is that their business could potentially get local farmers to

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grow an unusual crop that customers demand but otherwise would not be available, a strategy that Community Mill and Bean uses frequently. Dale says their honest reputation among local farmers enables them to utilize this informal, cooperative framework.

They currently use this system to get local buckwheat. Growers purchase buckwheat seed from the mill at the beginning of the season and sell the grain back to them at the end. An additional area in which this could have potential is organic grains. The mill is starting to get some demand for organic grains from the consumer end, especially through some of the private labels. Dale has some reservations about the production end of organics because of the numerous certification organizations and standards that exist. He says much of the buckwheat they process is grown without chemicals anyway, because the crop is often used to bring a field back into production after a fallow period. He doesn't feel the high cost of certified organics is currently justified, but if they have a big enough player in the market interested in organics they will respond to this demand.

There are some advantages to purchasing large volumes from grain dealers. One is that the grain comes to them already clean and dry. The contract with local growers stipulates requirements for moisture and trash content, but often the grain comes in quite dirty and it takes a lot of work to get it into shape to grind. Another disadvantage to buying locally is that the state requires them to place a bond with the Department of Agriculture and Markets to guarantee that state farmers will be paid.

## Competition

### *Community Mill and Bean*

The business was originally established just to meet the needs of the Clear Eye warehouse, but it eventually grew to be much larger than that. This pattern of small businesses being established in response to a very specific need and then growing is very common in the natural foods industry according to Richard. There are a lot of little mills around, all hoping to become larger, and they provide keen competition. In order to grow, their markets must expand, sometimes beyond the capacity of their region to absorb increased product. In many instances this will not initially create problems because mills complement one another, each producing something others don't manufacture at all. So a distributor can pick up those specialty items from a number of different mills in different regions. But then, since they are available, the distributor also starts to carry the more "bread and butter" items of each business and this leads to general competition. Richard stresses that in order to succeed in this type of business environment companies must find a niche in which to specialize, or produce a large volume.

### *New Hope Mills*

Dale has always considered the national pancake brands—Aunt Jemima and

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Pillsbury—to be their major competition. New Hope Mills products are traditionally priced under these brands. Their pricing strategy has been to track the low-ball player in the market, the loss leader, and still make a decent profit. They can do this because the customers don't have to pay the costs of transportation, advertising and packaging like they do with the national brands.

Recently, they tried increasing their prices a bit to put together a fund for advertising and noticed no changes in sales. Dale now feels that they could probably raise prices again and not feel the effects, especially in light of the new experiences with private labels, some of which have outsold their products in New Hope Mills packages at four times the price. Dale can't fully explain this buying trend, but he thinks much of it can be attributed to an established clientele who like the product and will purchase it regardless of price. But, Dale notes, people still must think you get what you pay for because they continue to buy the higher priced products.

## **Future**

### ***Community Mill and Bean***

The mill began with only Richard and a partner. Today they employ 14 workers and have been growing at the tremendous rate of 25 percent per year in the last four years. Richard is extremely optimistic about the future of the natural foods industry and feels their mill alone could quadruple in size by 2007.

He feels that the milling industry will remain the same in terms of volume, but it is likely that increasing concentration will occur as the "big boys" buy smaller companies. He also noted the trend of corporate buyouts of natural food businesses, citing the purchase of After the Fall, an organic juice company, by Smuckers. Corporate spin-offs—small, 'alternative' companies created by big corporations—are also starting to be more prevalent.

Richard thinks the presence of these kinds of businesses will change the character of the natural foods industry. Many natural foods businesses built from the ground up were started by women—a sharp contrast to the male-dominated corporate culture. An ethic of social and environmental responsibility often exists in these businesses which influences the way they do business. Richard feels this is very true of Community Mill and Bean. This ethic can continue to exist and create a difference as small businesses grow, but never exists in the first place in corporate spin-offs where he feels profits are always the sole concern. Despite the tremendous growth of Community Mill and Bean, Richard feels the ethic will remain.

### ***New Hope Mills***

In 1980, New Hope Mills employed 6 people. Last year up to 30 full- and part-time workers were employed during the busy fall season. Their business has grown 50

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percent in 2 years with virtually no effort at marketing. As Dale said "God seems to be allowing us to get bigger."

They are making some changes in the way they do business to respond to this increased demand. One change they foresee is to get more involved with the rest of the industry. Dale says that in the past they haven't been as sophisticated as larger firms in terms of marketing and organization, but this is changing some. They have begun to attend food shows and "pick up some of the more modern ways of doing things."

They are also planning to eventually purchase a computer, "just for the sake of not being able to be called computer illiterate." Dale seems somewhat uncertain about this strategy, however, and says they will always have manual backups to access information. They have experience with several major clients who have lost information thanks to their computers and had to contact New Hope Mills to retrieve it.

Dale would like to see the mill become more dependent on local growers in the future. The major problem with this is the inconsistent yields and difficulty of harvesting buckwheat. He places some hope in experiments being conducted at Cornell University to figure out why yields are so variable. Developments that allow growers to improve the consistency of their harvests would allow New Hope Mills to become more dependent on local farmers.

Their ultimate hope for their business is that the next generation will be able to take it over when that time comes. They see enough potential for growth in the market that every one of their 11 children who wants to become a part of the business should be able to. One college-aged son of Dale has already decided to apprentice in the business rather than attend college.

## **Discussion—The Food System in Social Context**

The central characteristic of modern America's conception of a humane and modern society is independence or individuality of humans, something stressed as positive even in the alternative agricultural paradigm. Independence is made possible primarily by the existence of a highly developed money economy. With such a system in place, reciprocity between humans—a basic tenet in all that is social—can be reduced to a simple transaction in many situations. A highly developed money economy is in turn related to economic specialization in society, the "division of labor" brought on by the twin processes of modernization: industrialization and urbanization. This isn't to say that independence can only come about with such developments, but it is clear that, at least in the West, it has achieved its highest levels—with all the corresponding goods and bads—only with such a system in place.

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With this in mind, what are the consequences for the food system? First, these developments make it possible for food to be a commodity just as any other. It doesn't make it absolutely necessary, but food will be a commodity in this system unless there is intervention in the market to make it less like one. And if food is just another commodity, it is also just another means of accumulating wealth in a capitalist society. The idea of food as a means of accumulating wealth is at the base of explaining the tremendous growth and concentration of the processing sector in America and the recent phenomenon of 'global sourcing' in the food industry.

Second, the consequence of an increase in independence of this kind is often a decrease in community. There seem to be some contradictions within the alternative agricultural paradigm related to the contrast between 'rural community development' and a more general concept of 'human community development.' When we discuss the demise of rural communities there is a general assumption that 'community' is being lost, but it isn't evident that community existed in the first place in many cases.

Community is often equated with rural life. Community at its most basic, however, is not equivalent to 'rural.' Rather, it is the lack of rational organization and a dominance of whole-person, rather than short-term, contractual relationships. 'Community' is contrasted with the concept of 'society,' which required was to establish an urban economic system of wage-labor, something that was done long ago. The term 'rural' maintains some of its mystique, but in many places it can be better defined in terms of quantities rather than qualities—rural areas have fewer people, fewer services, and fewer opportunities than other areas.

At the core of the concern of rural community developers is the question of economic sustainability, something many rural areas don't have. Their approach focuses on using community—more whole-person relationships—to build economic sustainability so that small towns may simply exist. In contrast to this, the 'human community' approach focuses on breaking down the rigidity of the market system to build a greater 'sense' of community. This is a double movement. Although both groups have similar, perhaps initially identical, visions of what the food system of the future should look like, they are heading toward that goal from different directions. What amounts to decentralization for society in general is economic development for individual rural communities. This led the beginning of a split in visions of an alternative agricultural future described by Gillespie (1995). In this light, Gillespie's 'agrarian-sociocentric' agriculture is not a more conservative version of 'ecocentric' agriculture—it is a completely different trajectory.

## **Criteria of the Alternative Agricultural Paradigm**

In this section I evaluate the mills with the criteria regarded as central to the alternative agricultural paradigm: decentralization, independence, community, har-

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mony with nature and diversity, and restraint. Do these businesses come close to the type of organization we need, in either reality or vision?

I stated in the introduction to the interviews that it was important to determine the vision of these organizations because real world constraints often limit their behavior. In evaluating these businesses, the relevant constraints ought to be considered as well. Is it possible that the real world and vision are incompatible for each of these firms? Do components of the vision seem contradictory when the real world is considered?

### *Decentralization*

The key idea of decentralization is that local and regional processing and marketing is better than national and international because it leads to a more dispersed population and more farmers. In this way, land, resources and capital are controlled by a larger number of individuals.

These businesses certainly fit well into this category. Both use local grains in their products and distribute largely on a regional basis. In operating this way they provide opportunities for farmers around their small communities and jobs for residents of those communities.

### *Independence*

The key elements of this component are smaller, low-capital production units and technology; reduced reliance on external sources of energy, inputs, and credit; more personal and community self-sufficiency; and a primary emphasis on personal knowledge, skills and local wisdom (Beus & Dunlap, 1992).

In the case of New Hope Mills, it is certain that the production unit is smaller than average. The mechanism they use is from the 19th century, and the technology from well before that. There is also a reduced reliance on external sources of energy because they try to use local grains whenever possible to reduce transportation costs and because they use a renewable energy source in production. Contracting with local farmers on the belief that local people are more dependable and will be there to support them in future years shows community self-sufficiency. A decreased reliance on credit is also an important part of the New Hope Mills operation as a result of their religious ethic.

The water-powered aspect of New Hope Mills is something the Weed brothers seem to value for the independence it allows them. This spirit of independence is expressed in the antagonism between them and the power company. They have a small-scale hydroelectric plant upstream from their mill. The output from this plant is sold to NYSEG at 5 cents/kwh while they have to pay 13 cents/kwh for the power that goes to their mill.

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The water-powered aspect is also related to the idea of using personal knowledge, skills and local wisdom, all of which go into keeping the mill operating. At the same time, Dave Weed is trained as an electrical engineer. He uses this education in combination with locally developed knowledge to contribute to the goals of the family and business.

Community Mill and Bean exhibits these qualities as well. Their mill is much smaller than many in the industry, although the technology used is largely the same. Local grains are used in the mill, showing a degree of community self-sufficiency. An aspect of knowledge gained through labor is exhibited by Richard's title as "Master Miller," which brings to mind craftsmanship rather than mass production.

The most striking aspect of "independence" exhibited by each mill, however, is that they are completely free to purchase grain from out of state. They tend to purchase local grain because of certain advantages they see in it and an ethic of responsibility, but they are not dependent on the local growers. Independence in the alternative agricultural paradigm is more closely related to 'self-sufficiency.' It doesn't reveal much about the nature of human relationships.

### *Community*

The relevant key components of community are: increased cooperation; preservation of farm traditions and rural culture; emphasis on permanence, quality, and beauty.

The mills seem to cooperate well with local farmers. But it is important to note that contract production is sometimes criticized in other types of agricultural production. While in these cases the relationship between the millers and farmers is clearly one of interdependence, in other contexts the power in such arrangements can be very uneven. The legal form of the contract used by New Hope Mills is essentially the same as that used in other areas. The informal 'verbal contract' of Community Mill and Bean is more evocative of 'community.'

Both exhibited some concern for permanence, quality and beauty at some point during their interviews, although Dale expressed sentiments much closer to an agrarian-social perspective. Their efforts in preserving their 163 year old mill shows they are concerned with permanence and rural culture. A stress on family and religion are considered traditional aspects of rural culture. Richard expressed these concerns by supporting the expansion of the wildlife refuge near his home. He feels it should be looked at as a positive rather than a negative occurrence—potentially even positive for organic agriculture.

But again, the fact that they need to make a profit will lead them to sometimes behave in ways that may not be best for the community. As Richard said, "a mill is an

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entity unto itself." Their businesses aren't simply a service to local farmers. They could probably continue to operate without local farmers altogether.

### *Harmony with Nature and Diversity*

Components of these aspects of the alternative agricultural paradigm are: humans are part of and subject to nature; nature is valued primarily for its own sake; food should be minimally processed and naturally nutritious; broad genetic base; multiple crops in complementary rotations; locally adapted production systems; an interdisciplinary, systems-oriented science and technology.

These components are most closely related to the idea of environmental sustainability. This is the area of greatest divergence between the outlooks of the two mills. The focus on organic agriculture at Community Mill and Bean shows that they share these ideas completely. Richard stressed not only the important health issues related to organic foods, but discussed at length the importance of using organic agriculture for the sake of environmental quality. He even went so far as to make a distinction between 'true' organic agriculture and large, 'commercial' agriculture, which still depends on many off-farm inputs, although they are organic. In addition, however, Richard stressed the notion of economic sustainability—that a farmer must be able to get a high enough yield using organic methods to earn enough to support a family.

Dale said New Hope Mills may be interested in organic production if there is consumer demand for it, but their interest in organic farming doesn't go beyond that. In fact, his hope in the prospects of Cornell University coming up with a technological solution to the problem of harvesting buckwheat is an attitude indicative of the conventional paradigm.

### *Restraint*

The relevant aspects of restraint are as follows: all external costs must be considered; short-term and long-term outcomes are equally important; renewable resources should be used and non-renewable resources conserved; consumption should be limited to benefit future generations; self-discovery, a simpler lifestyle, and non-materialism are stressed.

A distinct ethic is more clearly present in the operation of New Hope Mills. This is related to their belief in the importance of religion which leads them to operate their business in many ways that are in line with the community aspects of the alternative agricultural paradigm. Their concern that their family take over the mill shows that they are operating with future generations in mind. They are planning on growing, but hope to become more dependent on local agriculture as they do.

These qualities of community are less evident in the activities of Community Mill and Bean. They are growing rapidly and plan to continue this growth even though their

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demand for agricultural products already exceeds the amount that can be supplied by local agriculture.

## Conclusion

Overall, these organizations show a surprising mix of characteristics. Although both exhibit many of the qualities necessary for an alternative food processor, both also diverge from the model in some ways. The attitude toward organic production and faith in science shown by New Hope Mills is a rejection of a central component of the alternative agricultural paradigm. But the strong ethic guiding their business practices in many ways embodies the qualities of community, independence and restraint. Community Mill and Bean, on the other hand, stresses the importance of organic production practices—they are clearly more in touch with the intellectual tradition from which the alternative agricultural paradigm developed. The importance of community, independence and restraint is certainly present in their business ethic—it is present in their name—but it doesn't dominate their actions to the extent it does at New Hope Mills.

In the end, the existence of these mills shows that processing industries can actually contribute to the development of alternative agriculture by creating markets for products that wouldn't otherwise exist. Such industries are often assumed to be built upon a base of agricultural production, but these case studies show that processing businesses can actually be a progressive force, pushing farmers to diversify their operations and improve their economic and environmental sustainability. Processing and distribution industries should be further investigated for their potential to be an active force in changing agriculture as well as ways to develop rural communities. The development of large, 'commercial' organic production noted by Richard shows that we can't assume the institutional structure that develops around a new agriculture will be any different than that supporting conventional agriculture. The ideology guiding primary production isn't automatically transferred to processing and marketing.

Yet even businesses founded with an ethic of dedication to community and social solidarity are affected by the system in which they operate. In their present form, both businesses could probably be placed into Gillespie's (1995) 'agrarian-sociocentric' vision of alternative agriculture. This is important because it implies that they are on a development trajectory. The businesses are decentralized industry in a way, but both are growing at very rapid rates. At some point you must ask if it is possible for them to continue growing while maintaining the ethics guiding their business. Richard feels such an ethic will remain, although concedes that some compromises must be made. He discussed how organic production isn't truly organic if farmers bring in lots of off-farm inputs, but is his operation 'truly organic' if it brings in grain from the Dakotas?

These problems show how a business ethic of community and social solidarity are in some ways incompatible with the institutional structure of these businesses. Their

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vision is eroded by the real world system in which they operate. We must ask if a system that treats food as a commodity and cherishes 'independence' to the extent that ours does can ultimately be compatible with the alternative agricultural paradigm. If not, new institutional structures or processes that insure the inclusion of community concerns in decisions that affect the food system need to be created.

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