
Organic Marketing and Certification

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Work supported by: WVU Extension Service

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Introduction to Organic Production and the National Organic Program

Farmers are turning their attention to organic production because of the increasing awareness of the many potential impacts conventional farming can have on the environment. In addition, they are influenced by the knowledge that there is a niche market concerned about the health risks associated with foods treated with chemicals during production. Farmers know that such consumers are willing to pay a premium price for organic commodities. The U.S. Department of Agriculture (USDA) has discovered that the amount of certified organic land more than doubled between 1992 and 1997 in the United States and that another million acres of organic land was added between 1997 and 2001, bringing the total to 2.3 million acres certified as organic (Greene and Kremen 2003).

The increase in consumers' demand for organic products over the last several decades coincided with an increase in the number of state and private institutions that set standards supporting organic claims made by farmers. After recognizing the need to ensure the credibility of the small and growing organic industry, the California Certified Organic Farmers (CCOF) organization was formed in 1973 and became the first agency to begin third-party certification. As various certifying agencies cropped up around the country, confusion between the different standards made interstate and international trade difficult.

The federal government became involved in the organic industry with the passage of the Organic Foods Production Act, part of the 1990 Farm Bill.

The act was implemented to initiate the creation of national standards. These standards, known as the Final Rule, were designed by the National Organic Program (NOP), which is directed by the Agricultural Marketing Service, an arm of the USDA. Following more than a decade of development, the national organic standards were implemented in October 2002 to mitigate the problems of interstate and international trade. In addition, the standards helped to define the term "organic," assuring consumers that foods marketed as organic followed certain prescribed standards. The Final Rule also includes a national list of substances approved for and prohibited from use in organic production and handling.

Organic Certification

A grower selling more than \$5,000 worth of organic commodities annually must become organically certified by a certifying agency accredited under the USDA's NOP. Please go to <http://www.ams.usda.gov/nop/CertifyingAgents/Accredited.html> for a list of accredited certifying agencies. A producer cannot apply any prohibited materials to his or her farm for three years before being certified. Use of genetic engineering, irradiation, and sewer sludge is prohibited in the production and handling of organic agricultural products. Defined barriers and buffer zones to prevent contamination from neighboring farms need to be established. Under the NOP's Final Rule, the producer is required to maintain or improve the soil's physical, chemical, and biological conditions. Soil fertility and crop nutrients are supplemented with animal and crop waste materials and approved synthetic materials.

When a farmer wishes to become certified, he or she is responsible for developing an organic systems plan. This plan, which is updated annually, is written and followed by the farmer and is approved by an accredited certifier. The plan describes the practices and procedures the farmer will follow to meet the national organic standards. Such practices and procedures include crop rotations, inputs on the farm, where they are from, soil testing, and pest management strategies. An organic plan must also identify monitoring techniques that inform the producer and certifier that the objectives of the organic farm plan are being met and explain how the producer will keep records of everything that happens on the farm. A certifying agent can request additional information to determine if a farm is meeting the requirements set forth under the NOP.

Overview of Marketing

Since being implemented by the USDA, the certification process has helped to pave the way for organic markets to take off. The first step creating to an effective marketing plan is to perform some market research in order to understand the market, the competition, and consumer trends. A farmer must then decide on a marketing strategy. Most organic food produced in the United States is sold through natural food stores, conventional food stores, or direct sales to consumers. A small portion is exported to foreign markets. Many organic farmers choose direct marketing for such perishable items as fresh vegetables and milk. The three main direct marketing channels an organic farmer usually chooses from are Consumer Supported Agriculture, farmers' markets, and direct sales to consumers who visit the farm.

Traditionally, organic produce has been sold in natural food stores, but mainstream supermarkets are beginning to carry organic products because consumer demands and willingness to pay higher

prices remain steady. Exports are also a growing market for organic growers. Organic beans, grains, and less perishable items have been the usual commodities sold, but sales of exported organic fruits and vegetables are also expanding.

References and Additional Resources:

- Green, Catherine. 1992. Success Steady in organic produce. *Agricultural Outlook*. May:15-17.
- Green, Catherine, Dimitri, Carolyn, Richman, Nessa. 2001. Organic marketing features fresh foods and direct exchange. *FoodReview*. January-April:31-37.
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- Jolly, Desmond A., Norris, Kim. 1991. Marketing prospects for organic and pesticide-free produce. *Amer. J. Alternative Agric.* 6:174-179.
- Organic Trade Association <http://www.ota.com/index.html> The Organic Trade Association (OTA) is the membership-based business association for the organic industry in North America. OTA's mission is to encourage global sustainability through promoting and protecting the growth of diverse organic trade.
- National Organic Program <http://www.ams.usda.gov/nop/indexIE.htm>
- Alternative Farming Systems Information Center <http://www.nal.usda.gov/afsic/> The National Agricultural Library specializes in identifying and accessing information related to alternative agricultural enterprises and crops as well as alternative cropping systems.

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