

Approved 03/17/87
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Phil Kline at
Chairperson

3:30 a.m./p.m. on Thursday, February 26, 1987 in room 423S of the Capitol.

All members were present except: Representatives Moomaw, Foster, Miller (Excused)

Committee staff present:
Jim Wilson, Revisor
Lynn Holt, Research
Molly Mulloy, Secretary

Conferees appearing before the committee:
Rep. Bruce Larkin
Nancy Vogelsberg-Busch, organic farmer
Jim Cooley, representing Central Soy Foods, Lawrence, KS
Ron Schneider, Kansas Rural Center
Michel Cavigelli, consumer
Joe Vobelsberg, representing Kansas Organic Producers
Kenneth Wilke, Chief Counsel, Board of Agriculture

Chairman Kline called the meeting to order and invited Rep. Bruce Larkin to open discussion on H.B. 2448. Rep. Larkin testified that the purpose of this bill was to define the term "organic" as it relates to agricultural products. He stated that there was a need to establish universal guidelines that producers would have to meet in order for their products to be classified "organic." (Attachment 1).

The next conferee was Nancy Vogelsberg-Busch, who spoke in support of the bill, stating that a state definition of the term "organic" would protect established organic farmers as well as those farmers wanting to know how to establish organic farms. Because of the higher prices paid for organic products, she fears that imposters will take advantage of the situation unless H.B. 2448 is passed to prevent it (Attachment 2).

Jim Cooley, representing Central Soy Foods, testified in favor of the bill. He is a producer of organic soy products and said he pays a premium to farmers for organic soy beans. He wants to be sure the product he buys is organic, and feels H.B. 2448, which would define the term "organic," would give him some leverage if someone falsely said their product was organic.

Ron Schneider, Kansas Rural Center, also testified in support of the bill. He said it would enable farmers to officially designate their products as organic, relying upon statutory definition and guidelines (Attachment 3). He suggested two changes in the bill. First, he thought lines 0090-0093 put no affirmative duty on the Board of Agriculture to keep any records or to enforce the bill. However, he noted that the Board of Agriculture had expressed some concern with these lines. He said the Kansas Rural Center would like to have the lines remain, if possible, and hoped a compromise could be worked out with the Board of Agriculture. Secondly, Mr. Schneider noted that on lines 0120-0123, there is a discretionary word regarding the award of attorney fees. He feels it should be mandatory, not discretionary, and suggested that the word "may" be changed to "shall" in line 0121 if the complaining party wins in the lawsuit.

Rep. Gjerstad pointed out that lines 0052-0057 prohibit the use of growth stimulants and antibiotics etc. within 90 days of slaughter. She said this would not be reasonable in regard to organic chickens since their production length is only about 45 days or so.

The next conferee was Michel Cavigelli, who spoke in support of the bill as a consumer. He said the bill helps protect against potential fraud, would help the organic food industry and provide greater variety of products for consumers. He said he wants to know that what he buys is truly organic and fears that the opportunity for fraud exists because farmers are paid more for organic products. (Attachment 4)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT,
room 423-S, Statehouse, at 3:30 a.m./p.m. on Thursday, February 26, 1987.

Joe Vogelsberg, representing Kansas Organic Producers, testified for the bill. He said that a law defining what is "organic" will help develop markets for organic foods. His organization represents farmers selling organic grains, beef, chicken, pork, fruit and vegetables. He distributed copies of a newsletter entitled "Prairie News" (Attachment 5).

Kenneth Wilke, chief counsel for the Board of Agriculture, testified that since the bill sets up private remedies for violations (in Section 6), the Board requests that lines 0090-0093 be deleted from the bill. He said lines 0090-93 basically set up a situation where the agency could request records to verify the growing of organic goods but nothing in the bill said what the Board of Agriculture would do after gathering the information. He said if there is a lawsuit filed as contemplated in Section 6, an individual would have the same rights to obtain documents during the discovery process as the Board of Agriculture would have. The Board therefore feels that lines 0090-0093 are not essential to the bill and are duplicative.

Chairman Kline asked Ms. Holt to brief the committee on H.B. 2479, a bill which resulted from recommendations of the Task Force on Business Training. This act would provide a financial award on a competitive basis to a public educational institution which is operating an exemplary handicapped person employability program. The philosophy behind the bill is to provide an incentive for employers to train and place handicapped persons. Up to five awards a year, ranging in amount from \$10,000 to \$50,000 would be provided by the state council for employment and training.

There were no conferees to speak on this bill today.

The meeting was adjourned at 4:45. The next meeting is scheduled for Monday, March 2, 1987, 3:30pm.

①
Bruce Linkin

The purpose of this bill is to define the term "organic" as it relates to Agricultural products. The guidelines for an organic product, as defined in the title, were drawn up by the Kansas Organic Producers. It is similar to existing legislation in several other states.

The reason there is a need for a definition for the term "organic," is for protection of a specialized product and the specialized markets which exist and are currently being developed. In agriculture we have all heard the terms "value added", and "alternative crops." This is just one of the alternatives which may be available to farmers to enhance income. The need for a definition is to establish universal guidelines that producers would have to meet in order for their products to be classified "organic."

Although I am not an organic farmer, I have been studying and researching the organic industry, and I view it as a viable alternative to the many problems facing agriculture today. I would ask for your support of this bill. Thank you.

Attachment 1
2/26/87

A Farmer's Perspective

My name is Nancy Vogelsberg-Busch. I have farmed with my husband Rick in Northeast Kansas for the past 8 years. We have never used any agricultural chemicals on our farm. To maintain soil fertility and to control pests and weeds we depend on the rotation of our crops with legumes.

Our survival on the farm, thus far, has depended largely on our ability to market our farm production as organic. Because of consumer demand we are able to sell our production for prices higher than we would receive at conventional commodity markets.

I am sure I don't have to remind this committee of the current low commodity prices. Consequently, if the term organic would mean "a few extra dollars", it only makes sense (cents) to realize more farmers will want to sell their production as organic.

As consumers continue to demand food raised without harmful pesticides and farmers continue to search for ways to lower inputs and increase farm income, the advantages and opportunities to sell "organically" become more apparent.

For the protection of the long established organic farmers and for those farmers wanting to know how to establish organic farms, we need a state definition.

A state definition of organic would alleviate confusion among consumers and among farmers. Imposters would be prevented from taking advantage of the current organic markets and expanding future markets.

Our rural communities do not need corrupt competition but rather community cooperation based on a clear understanding of organic.

This state definition will allow farmers to recognize and respect what organic is. Kansas can help establish credibility among farmers and assure fair marketing by defining organic.

Thank you.

Attachment 2
2/26/87

(3)

THE KANSAS RURAL CENTER, INC.

304 Pratt Street

WHITING, KANSAS 66552

Phone: (913) 873-3431

TESTIMONY IN SUPPORT OF H.B. No. 2448

Mr. Chairman and Members of this Committee:

I am Ronald Schneider, speaking on behalf of the Kansas Rural Center. Many of you are familiar with our organization; for those who are not, we are a private, non-profit research and education organization focusing on rural and sustainable agriculture issues. We have been incorporated since 1979.

The Kansas Rural Center supports House Bill No. 2448. We believe that it is a positive proposal for economic development in Kansas agriculture.

Organic food production is an aggressively developing industry throughout the United States, and numerous farmers are recognizing the opportunities in this specialized area of agriculture. Organic farmers have more than doubled in the last two years. Our research indicates that there are 200 - 1,000 farmers producing organic products in the state of Kansas. This proposed bill shall enable those farmers to officially designate their products as organic, relying upon statutory definition and guidelines. Our research confirms that this form of legislation can substantially assist farmers and processors in the marketing of their organic products.

Organic farming and processing is not an answer for all of

Attachment 3
2/26/87

our farming problems. However, it is a special "niche" which is available for some farmers in Kansas to pursue and to be profitable. This bill provides a method to identify a Kansas product with a "positive label" at no cost whatsoever to the state, and potential economic benefits to our specialized farmers and processors. At least eight other states have adopted similar legislation, and we encourage you to recommend this bill for approval in Kansas.

The
KIPLINGER
AGRICULTURE
LETTER

THE KIPLINGER WASHINGTON EDITORS INC.

1729 H ST., N.W., WASHINGTON, D.C. 20006-3938 (202) 887-6400

CIRCULATED BI-WEEKLY VOL. 58, NO. 4

Dear Client:

Washington, Feb. 13, 1987.

Here's one small piece of agriculture that's doing well:

Organic farming...chemical-free food. Using organic materials to feed crops. Natural enemies to zap insects. Tillage to control weeds. Raising cattle, hogs, poultry and fish without chemicals and/or drugs. A consumer-driven business not yet mature...but with potential.

In absolute terms, it's still small potatoes. Organic farm output makes up well below 5% of the total agricultural production in the U.S.

But if you add in other "alternative" or regenerative agriculture, farmers who minimize but don't eliminate the use of synthetic chemicals, the number jumps rapidly. More on this growing trend in future Letters.

While small in size, natural-food business is thriving...no fluke. There are now twice as many organic farmers as there were two years ago. And the number of grocery stores, farmers' markets and mail-order firms distributing organically grown meat, poultry, fish and produce is zooming.

What's putting the pep in the market? Consumer health concerns... fears stemming from recent contamination incidents. And long-term effects of even minute chemical residues in the food gracing family dinner tables.

Gourmet taste buds...fancy-food restaurants and yuppie home cooks seeking flavor & freshness they say is lost in conventionally grown food.

Plus producers' worries about exposing themselves, their families to a lifetime with farm chemicals that might prove to be toxic over time.

And environmental anxieties. New fears about the growing evidence of groundwater contamination from fertilizer runoff, pesticide residues. And a dedication to putting more into the land than they take out of it.

Brisk demand has lifted prices, usually high enough to compensate for the higher-than-average production costs of an organic farm operation.

This, in turn, sparks worry about fraud...labeling as "organic," food that has actually been produced with conventional, chemical methods.

So certification procedures are in the works. Some organizations, including 8 states and a few dozen other groups, now issue approval seals.

Expect efforts toward a "national protocol" to intensify.

If you're interested in getting into this business...

Go slow. Investigate ways to make a transition from conventional to organic. Local extension specialists are often a good place to start.

Check your marketing options thoroughly. Seek out local buyers.

As for the meaning of organic farming to agriculture overall...

It's a reasonable profit opportunity for SOME farmers...producers who can adapt to organic-type methods and have ready access to a market.

They can fill a need that exists now among consumers...and is expanding.

Won't revolutionize food business overnight. But bears watching.

Mr. Chairman, Members of the Economic Development Committee:

My name is Michel Cavigelli.

About 50% of the food I buy is organic. I am concerned about the quality of food I eat, and I am not alone. The Food Marketing Institute did surveys in 1984, '85, and '86 in which they found that over 70% of consumers consider pesticide residues in foods a serious hazard. A Pennsylvania State University survey, reported in the January 1987 issue of Successful Farming, found that 31% of respondents are very likely to buy minimally sprayed produce even if it is more expensive. The demand for organic food is out there and I, as a consumer, want to know that what I buy as organic is truly organic.

The opportunity for fraud is certainly there since organic farmers often receive a premium for their product. However, the term organic is often misunderstood as the following example of an organic grocer's experience illustrates:

"One farmer," says Rainbow Grocery's Stuart Fishman, "told me his onions were organic because they grew in dirt. Another said he felt he could use any chemical he wanted as long as his soil fertility increased...I had a supplier tell me organic meant 'no DDT.' And an orange grower believed that since he sprayed simazine (a restricted use herbicide) between his trees instead of directly on them, his oranges were organic." These are the types of potential fraud that this bill could help prevent and thereby protect me and other consumers when I buy food labeled as "organic."

Finally, the Kiplinger Agricultural Newsletter of February 13, 1987 said that "organic farming...chemical-free" food is "A consumer driven business not yet mature...but with potential... Brisk demand has lifted prices...This, in turn, sparks worry about fraud...Some organizations, including 8 states and a few dozen other groups, now issue approval seals."

California, Massachusetts, Maine, Minnesota, Montana, Nebraska, Oregon, and Washington have legislation which defines organic. In order to clarify the definition of organic in Kansas, I urge you to pass this bill.

Thank you.

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Vogelsberg



Prairie News

Volume 7

Number 3

May/June 1986

Truth in labeling

It's Organic!

Many consumers routinely read labels and view corporate advertisement through skeptical eyes. We have seen the word "natural" repeatedly used to describe products more worthy of a chemist's endorsement than a picture of a farm on the box. Unfortunately, the term "organic" has suffered similar forms of abuse.

In the last two years, we have printed a number of stories that pointed to the dangers of chemical agriculture. Chemical contamination puts both the grower and the consumer at risk. Environmental damage to animals and the soil and the economic burden that reliance upon petro-chemical use entails have become commonplace in our society.

It has become obvious to a growing number of farmers and consumers that the organic label is not only easily earned but also easily lost. It has become equally obvious to those of less altruistic motivation that there is a buck to be made by simply changing the labels on their goods. How are organic products grown, handled and stored? And how do we know we are, in fact, getting what we pay for?

Blooming Prairie purchases organic products from a number of growers, suppliers and brokers. Our relationships are marked by both trust and factual certification. How these trusts were built and why they are maintained is clear in the example of Little Bear Organics.

Modern organic farmers are utilizing and improving the traditional methods of agriculture such as timely cultivation, crop rotation, and animal/crop mixing. The foundation of organic practice is to create a healthy and well balanced soil. Because the soil is a living organism, made up of minerals, micro- and macroorganisms, air, water and organic

matter, the way in which it is treated is crucial. Poison it, and you eventually poison whatever grows from it. Nurture it, and you gain the foundation for healthy plants and abundant crops.

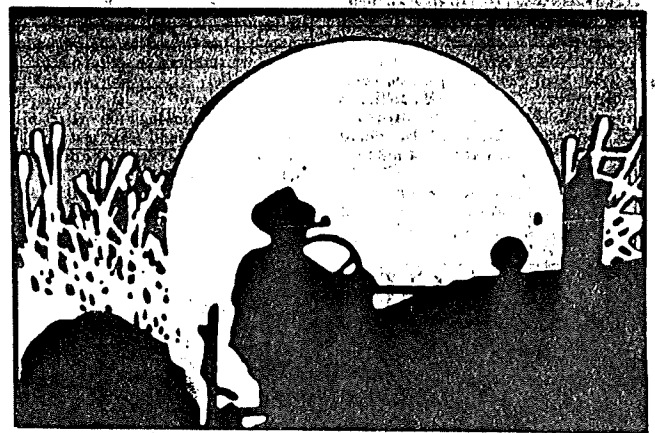
Little Bear Organics currently buys various organic commodities from over 250 organic farmers. These growers are responsible for fostering the life and fertility of their soil to produce chemical-free crops. In return for their efforts, Little Bear pays its growers fifteen to thirty percent above commercial market prices.

As a broker for organic products, Little Bear is responsible for making sure these farmers follow their strict organic standards, and handling and shipping these products without allowing any contamination. Prescott Burgh manages Little Bear's organic certification program through personal visits, inspections and laboratory analysis.

First, Mr. Burgh determines that a potential grower has not used any chemical pesticides, herbicides or fertilizers for a minimum of three years. During his on-site visit, he eyes the farm and fields for any obvious signs of chemical use; checks for natural crop drying techniques; determines the existence of biological insect and rodent control and inspects raw material storage bins.

Next, the farmer must fill out a thirty page questionnaire, including a legal affidavit in which the grower attests to the authenticity of the quality of his or her crops. The final step in certification involves regular testing of crop samples by an independent laboratory. This analysis checks for the presence of over twenty commonly used pesticides and herbicides, including Aldrin, DDT, Dieldren, PCB, and Malathion.

Until now, the responsibility for maintaining organic standards has been in the hands of the manufacturers and producers. There was no way for the



distributor or the retailer to determine authenticity of organic claims. You either trusted the supplier or had the products certified by an independent laboratory. Companies such as Little Bear, Wayne-Paul, Diamond K, Stockton Roller Mill and Arrowhead Mills have earned their reputation through the use of organic and non-work.

Currently, a number of states have enacted laws that govern the labeling of a product as organic. California, Oregon, and now Minnesota have legally defined requirements for organic labeling. Key employees of Little Bear were asked to co-write the Minnesota bill that went into effect this April. These legislative acts serve to legitimize the growers, brokers and organizations that have always been committed to strict quality standards. It is hoped that

these laws will weed out those who have exploited mis-labeling for their personal gain.

When you purchase certified organic products, you help foster and support an industry committed to eliminating the threats to the environment and health that have resulted from chemical agriculture. The commitment to organic practices is in all of our interests. That's why when we say "organic", we mean it.

Parts of this article are from a paper written by Prescott Burgh and have been reprinted with permission of the New Pioneer News, a publication of New Pioneer Cooperative of Iowa City, Iowa. Mr. Burgh is the Organic Certification Manager at Little Bear Organics of Cochrane, Wisconsin.

Going to the fair?

County fairs, health fairs, and similar community events are popular places in the summertime. And they are great places to let people know about the benefits of natural food and recruit new members for your co-op buying club.

This year, to help your co-op participate in these events, we've put together a "Fair Kit" that includes a colorful banner, a how-to sheet, and handouts that can be copied and distributed. We'll have some free samples of products available, and your co-op can order extra newsletters and product catalogs to give away.

You might also want to sponsor or offer prizes in the whole grain baking contest at the county fair. Last year Blooming Prairie sponsored prizes in four categories at the Iowa State Fair. Three of the four winners were members of Blooming Prairie co-ops! We received lots of exposure and positive response to the contest, and to the booth we set up in the exhibit hall. This year we'll be back at the Iowa State Fair, and at the Nebraska State Fair too, encouraging more use of whole grains and natural sweeteners in baked goods. We hope to see many of you there.

Fairs are an inexpensive, fun way to expose many people to natural foods and interest new members in co-ops. Contact our Members Services department soon to arrange for the "Fair Kit" to be sent to your co-op in time for the Fair.

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Attachment 5
2/26/87