

MINUTES OF THE Senate COMMITTEE ON AgricultureThe meeting was called to order by Senator Allen at
Chairperson10:12 a.m./~~XXX~~ on April 1, 1987 in room 423-S of the Capitol.All members were present except: Senator Doyen (excused)
Senator Thiessen (excused)Committee staff present: Raney Gilliland, Legislative Research Department
Jill Wolters, Revisor of Statutes DepartmentConferees appearing before the committee: Joe Vogelsberg, farmer, Kansas Organic Producers,
Home, Kansas
Nancy Vogelsberg Busch, farmer, Northeast Kansas
Michel Cavigelli, consumer, Whiting
Ronald Schneider, Kansas Rural Center
Ivan Wyatt, Kansas Farmers Union
Kenneth Boughton, Marketing Division, State Board
of Agriculture
Jim Cooley, Central Soyfoods, Lawrence
Wilbur Leonard, Committee of Farm Organizations
Rich McKee, Kansas Livestock Association
Representative Jack Beauchamp

Senator Allen called the Committee to order and called attention to HB 2448; he then called on Joe Vogelsberg to testify.

Mr. Vogelsberg gave the Committee copies of articles concerning organic products (attachment 1) and copies of testimony from his sister, Nancy Vogelsberg Busch who could not be present to present her testimony (attachment 2). Mr. Vogelsberg stated that he is an organic farmer and that he has been pursuing more markets for organically grown products. He stated HB 2448, if passed, would give a legal description for organic products. He stated several states have passed similar legislation. Mr. Vogelsberg stated he mostly sells out of state but that he would like to be able to sell more in Kansas. He expressed support for HB 2448 which, if passed, would be good for the farmers of Kansas, the agricultural economy of Kansas, and especially farmers that want to produce organic products in Kansas.

The Chairman thanked Mr. Vogelsberg and called on Michel Cavigelli to testify.

Mr. Cavigelli gave copies of his testimony to the Committee (attachment 3) and expressed support for HB 2448. He stated that eight other states have passed similar legislation; he requested passage of this bill to give organic a definition by law in Kansas.

Mr. Cavigelli answered that section 6 of the bill addresses how the law would be enforced.

The Chairman thanked Mr. Cavigelli and called on Ronald Schneider to testify.

Mr. Schneider gave the Committee copies of his testimony (attachment 4) and expressed support for HB 2448. He stated the provisions of this bill would help a small market of products in Kansas but there is potential to expand this market and that whatever the market is it amounts to supplemental income for farmers in the state.

The Chairman thanked Mr. Schneider and called on Ivan Wyatt to testify.

Mr. Wyatt gave copies of his testimony to the Committee (attachment 5) and expressed support for HB 2448 which could provide economic growth for agriculture in Kansas.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,
room 423-S, Statehouse, at 10:12 a.m. ~~xxx~~ on April 1, 19 87

The Chairman thanked Mr. Wyatt and called on Kenneth Boughton to testify.

Mr. Boughton presented written copy of his testimony (attachment 6) and expressed support for the organic industry and services when appropriate. He stated the organic market is consumer demanded.

The Chairman thanked Mr. Boughton and recognized Jim Cooley to testify.

Mr. Cooley stated he was a small producer of organic soybean products. He expressed support for HB 2448 and stated this bill gives the word 'organic' a definition by law which will help in the labeling of organic products.

The Chairman thanked Mr. Cooley and called attention to written testimony presented for the Committee by Representative Beauchamp; he could not be present to present his testimony (attachment 7). Representative Beauchamp expressed problems associated with the bill.

The Chairman called on Wilbur Leonard to testify.

Mr. Leonard gave copies of his testimony to the Committee (attachment 8) and stated there is nothing wrong with promotion of organic products but that the promotions should not downgrade other products. Mr. Leonard requested the Committee request HB 2448 be given more study before action is taken.

Senator Allen thanked Mr. Leonard and called on Rich McKee to testify.

Mr. McKee gave the Committee copies of his testimony (attachment 9) and expressed opposition to HB 2448 stating that the bill contains no regulations on advertising by organic interests. He explained that some of their advertising is false by implication.

When questioned if there is a way to test soybeans to know if they are organically grown or not, Mr. Cooley stated he worked with the producers so that he knew the product was organically grown.

The Chairman adjourned the Committee at 10:59 a.m.



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 certification program has become equally obvious to those of

less articulate 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, inspection 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 been responsible for this 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

committed 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.

The Inside Story

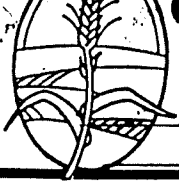
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BULK RATE
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Future bright for organics

Network responds to consumer demand

Bart Dupuis and Will Jennings

Events of the past year brought an increased media focus on the state of American agriculture. Tragic accounts of crop losses due to floods and droughts and continued reports of a bleak rural economy became standard fare. While these events captured their share of headlines, another type of story began to emerge with alarming frequency.

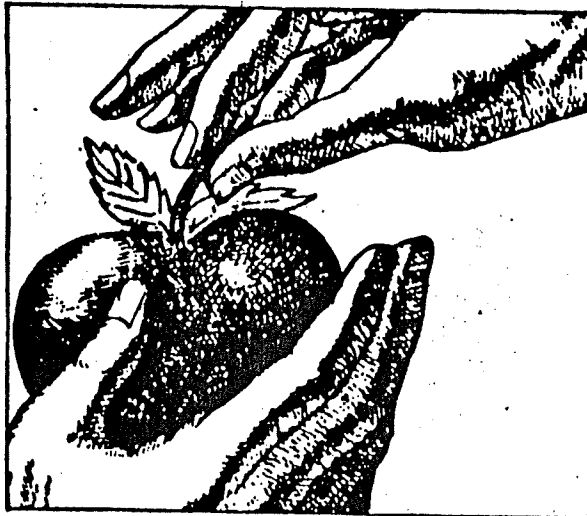
A series of stories published in the *Des Moines Register* documented the pollution of Iowa's groundwater resources by agricultural chemicals. In California, an entire melon crop was ordered recalled and destroyed because a hazardous pesticide had been misused. U.S.D.A. inspectors discovered that nearly 100 feedlots were injecting hormone implants into edible portions of cattle. And national statistics posted the

poisonings at 45,000, including some 200 fatalities.

But amidst this continuing wave of warning signs, there was a hopeful event. Consumer groups and food safety advocates joined together early last year to persuade several major supermarket chains not to carry apples sprayed with the agricultural chemical daminozide—tradename, Alar. Five different medical studies have found Alar to be a probable human carcinogen.

Soon after, apple juice, apple sauce and baby-food processors told growers that they would also refuse Alar-sprayed fruit. State apple growers' associations echoed the stand, and as a result, the use of Alar on apples this season was reduced greatly. Only pressure from food industry sources has prevented an across-the-board EPA ban of the growth-regulator, which creates apples of uniform maturity and size.

This heightened awareness by consumers of the dangers of pesticides and other chemicals in foods has led to a ris-



Why buy organic?

- Since 1950, overall pesticide production has increased from 200,000 lbs. to more than 2.7 billion lbs. per year. During the same period, crop loss due to insects has doubled.
- More than 600 species of insects, viruses and fungi are now resistant to

- Between 60% and 90% of pesticides currently used have not been adequately tested for their ability to cause cancer, genetic damage or birth defects.
- As of 1983, close to 90% of the fresh and frozen produce consumed in the U.S. between December and May was imported from Mexico. Many of these goods contained six times the pesticide residue considered acceptable by the USDA. Because of financial limitations, the FDA tests only three percent of the Mexican produce imported yearly.

ing demand for safer, organically grown goods. A recent survey of U.S. consumers by the Food Marketing Institute found that 73% of those surveyed would buy pesticide-free food if they had the chance; 56% said they also would willingly pay more for the products. At a November health-food industry conference, a spokesperson said that 'an attitude of personal commitment' is becoming clearly apparent among consumers.

This same concern for personal safety has also motivated more farmers than ever to turn to organic means of produc-

tion as an alternative to conventional growing methods. A 1986 poll of organic farmers in Kansas cited 'personal health' as their primary reason for choosing organic techniques. Further spurring the shift in practices is the farmers' desire for ways of farming that don't rely on high chemical input, which often drains their pocketbooks as well as the vitality of their soil.

The benefits of the organic system are so vast that they create an enormous potential for expansion. To date, progress has been led by a newly-born partnership between growers, distributors

and consumers. This cooperative effort has produced organic goods of excellent quality, an increasingly consistent supply of products, and an overwhelmingly positive consumer response. This response illustrates just how widespread consumer acceptance of organic food has become.

The consumer's role in this period of expansion and development is extremely vital. As consumers, we must look at what we value in our selection of food. When safety, flavor and quality are judged against 'cosmetic perfection at any cost,' the healthier choice becomes clear. Educating ourselves to consider the larger picture of our food supply is crucial. It is time to take an interest in the future of a sustainable, healthy, and secure food supply with every purchase we make for organic food.

To maintain the integrity of organic agriculture, our distributors and growers have established means of reliable, factual certification of organic goods (see 'It's Organic!', *Prairie News*, May/June 1986). These standards of certification have been established so you may receive a wide variety of organic foods without a doubt as to their top-grade quality.

Shipments of organic produce from the West Coast, selecting each on its individual merits of price, quality and availability. Through various brokers, we also buy a wide range of organic

dred family farms, many located here in the Midwest. Upcoming newsletters will regularly feature new organic products, as well as take a look at the people who grow them and the innovative methods they are using.

Consumer demand for food that is safe and nutritious has sparked the tremendous growth of organics nationwide. The organic network, which includes your local co-op and Blooming Prairie, is working to secure and expand the variety and selection of quality organic products. As more consumers request organic products, more farmers will learn how to grow them and the system will continue to thrive.

We're excited about the possibilities in store for organic foods and hope you share our enthusiasm. Please feel free to ask us any questions about growers, certification standards, or the range of products available. By working together, we'll all reap the benefits offered by organic foods and a safe, self-replenishing agricultural system.

The Inside Story

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attachment 1

4-1-87

THE MARYSVILLE ADVOCATE

Editorial opinion

"Where all men think alike few men think at all."

—Alfred North Whitehead

Time is ripe for organic food

A few years back a young Marshall County farmer wondered aloud whether a farmers' market that sold only organic food would do well in this community. At the time it was questionable whether it would. Today, though, it seems certain that such a market might be acceptable in a great many communities.

The reason is simple. People are concerned with the growing awareness that our soil and water are being polluted with a buildup of chemicals.

Recent stories by environmental writer Dick Russell focused on these problems in Marshall and Washington counties. Last week the Advocate carried a story on a Waterville woman suffering from environmental illness. This week a letter from a Fonda, Iowa, woman tells of her battle with the same disease. Granted, their disease is rare, but the ramifications affect us all.

"Food and eating take on a

whole new meaning," Eileen Buske Anderson wrote of the precautions she must take.

"Food must be grown without the use of chemical fertilizers, insecticides, herbicides, fungicides, hormones and antibiotics."

She said her husband and her three children have allergies, but none as bad as hers.

"I work very hard to keep them that way," she wrote.

"My entire family eats organic food, simply because I cannot tolerate even cooking non-organic foods due to the chemicals which come out in the cooking odors."

People in growing numbers are increasingly concerned with what they are eating and drinking. This, it would seem, presents an opportunity for those growers who produce food and livestock without the use of chemicals to realize what could well become a growing new market.

New Hope For Rural America

'Rural communities can't just be smokestack chasers. They have to take advantage of their local resources.'

THE NEW FARM STAFF

- In Dawn, Texas, a new flour mill creates 14 new jobs and helps area farmers earn 21 cents more for a pound of wheat.
- In Scotts Bluff, Neb., a small, inde-

pendent processing plant is established to buy local produce, quick-freeze it and sell it to Campbell's Soup in Omaha for use in "Le Menu" frozen dinners.- In Guthrie Center, Iowa, 40 farmers earn extra money making auto parts for a Chicago-based manufacturer.

A few years ago, virtually no one

thought such homespun businesses could be a key answer to rural America's economic woes. But today, from Alaska to South Carolina, farmers and lawmakers together are approaching rural regeneration from just such a local perspective. With innovative programs aimed at helping farmers add value to

Off The Farm, Into The Fire

ALTOONA, Iowa—Seven years ago Duane and Dorothy Hall watched their dream of full-time farming go up in smoke. "We bought 80 acres in 1980, right when land and grain prices dropped," recalls Duane. "We saw the handwriting on the wall and got out."

But the setback didn't snuff out their entrepreneurial spirit—or their burning desire to be self-employed. Instead, the Halls fueled their financial comeback from cheap and abundant raw materials piled all around them. "I saw those piles of corn cobs and knew lots of people burned manufactured fireplace logs, so we decided to go into business making logs ourselves," says Duane.

There was no doubting the market for fireplace logs. The country's largest manufacturer, alone, sells more than 10 million of them each year. Nor did the Halls have to worry about a reliable supply of ground corn cobs. One local dealer annually sells more than 200,000 tons of these byproducts of the seed corn industry, for about \$50 a ton.

The couple spent three years perfecting a way to mix the ground cobs with different paraffin-like waxes. "We also knew we'd have to price them competitively," says Duane. "But we're able to compete because our overhead is really low."

He's not exaggerating. The Halls have less than \$7,000 invested in equipment.



Photo courtesy of The Des Moines Register

Duane and Dorothy Hall this year expect to sell more than 30,000 of their "Hall-O-Logs," which they make from ground corn cobs and wax.

They salvaged most of it from neighboring farms: A 500-gallon milk tank stores wax; an old gasoline tank is used to mix cobs and wax; and a corn picker elevator carries the mix to molds made from sections of 4-inch pipe. Even their factory and warehouse are in a converted machine shed. "None of it was ever meant for manufacturing logs," admits Duane. "Still, the couple can produce up to 250 logs per hour, which is plenty fast for now."

This winter, only their second season, the Halls expect to sell more than 30,000 of the foot-long, 4-pound "Hall-O-Logs," mostly at supermarkets in Iowa, Nebraska, Illinois, Wisconsin and Minnesota. That's twice their '85 output, and enough to keep several local

people busy packing logs by hand. "It's labor-intensive, but it's easy to find good, part-time help around here," says Duane.

The Halls hope to expand a little more each year. But Dorothy, who's in charge of sales when she's not teaching school, expects to keep her marketing efforts local for the time being. "Transportation costs are a big factor," notes Duane. "The other log factories are mostly on the West Coast, so we can compete (in the Midwest), because of our transportation advantage."

To what do the Halls credit their success? "Patience, and willingness to work long and hard," says Duane. "... And not investing a lot of money."

Mention branded or natural beef to Mel Coleman and you'll barely see an eyebrow lift. It's old news. This veteran cattleman has been plugging away at the natural-beef market for eight years, and for the flourishing past two, he has been up to his elbows stocking meat cases nationwide.

"When we first started, back in 1979, we were the only game in the whole U.S. Now, competition continually gets tougher—natural-beef products are coming out of the woodwork," says Coleman, who breeds, raises, feeds, packages and markets his brand.

The idea of selling to a specific audience—called "niche marketing"—is rapidly growing in the beef industry. But University of Minnesota economist Mike Boehlje doesn't see the idea overtaking regular beef marketing channels. He says: "I don't think we'll see a dramatic surge in niche marketing, but approaching beef from a consumer perspective is pretty critical."

And that's what Mel and his brother Jim are doing. Their natural-beef sales soared last year to over 20,000 head, or 13 million pounds, even though the price is about 20% above that for other beef in the grocery case. About half of the Colemans' beef is shipped to the Grand Union grocery chain in Elmwood Park, N.J., and sold in over 180 of its East Coast stores. Other destinations include Chicago, Detroit, Los Angeles, San Francisco, Salt Lake City, Austin, Houston, Dallas and New Orleans.

The going was rough at first, though, for the Saguache County, Colo., brothers. Like many in the cattle business, the 3,000-head cow-calf producers tried to hold out through sliding cattle prices. That's when they grabbed on to the natural-beef idea. "My daughter-in-law, who was raised on a ranch, started school in Boulder, Colo., and complained that she couldn't find any meat without hormones and antibiotics like she had on the ranch," Mel recalls. "When she said we should try raising, finishing and marketing them without drugs, it sounded like a good idea."

The Colemans' banker agreed, so the brothers took half their calf crop and began finishing them in a custom lot without any hormones or feed additives. "I got into the pickup and drove all over Colorado trying to sell the beef with pictures and explanations," says Mel. "And I just couldn't. I slept in the pickup, went down to 155 lb, lost my driver's license, my sanity and almost

NATURALLY SUCCESSFUL IN COLORADO

The Colemans have found a niche for 20,000 head a year in drug-free branded beef

By GREG LAMP

lost my family and all my money."

Then, one of Mel's sons suggested he spring for a plane trip to Los Angeles to try the West Coast's health-food market. "When I got there I tore the yellow pages out of a phone book and just started walking around health-food stores. Eventually, word spread and the natural idea caught on."

The Colemans also had to struggle with the government for 1½ years to get their "natural" label approved. "It was a long, drawn-out process," Mel says. "I even had vets and neighbors calling me Euell Gibbons. Some said, 'What do you mean? All cattle are natural!'"

The Coleman Natural Beef label that's attached to all their products reads: "No hormones or growth promotants were ever administered to our animals. No antibiotics were ever added to the feed. No artificial or synthetic ingredients were ever added to this meat. The USDA does not permit preservatives in this product. This product is only minimally processed."

To those who criticize anyone marketing beef under a natural label, Mel says: "I'm a basic livestock man. We've

never negatively sold the industry, and we still don't. We say only that we raise cattle without the use of antibiotics, hormones or chemicals, and that the beef is an alternative for people who want it. We never say that other beef is laden with chemicals."

After 30 years of ranching on 240,000 acres in southern Colorado, the Colemans continually shoot for leaner animals. They run on-ranch trials with their breeding herd and have used artificial insemination since 1959. Currently, they've narrowed their breeding stock to Angus, Hereford, Limousins and Gelbvieh.

The Colemans raise cattle on natural grasses and pesticide-free corn and alfalfa. At about 750 lb, yearlings are shipped to one of three commercial feedlots for finishing. Then, it's on to the packer, usually Sterling Beef Company, where the cattle are processed without preservatives or tenderizers. Some partial truckloads of beef are sent to the Colemans' Denver plant for further packaging and distribution.

The Colemans vaccinate 150- to 200-

"Both Cybill and James really embody that good-for-you image we want beef to have in consumers' minds," says Jeanne Sowa, BIC's director of advertising. "I think they also add an element of surprise to the campaign—you don't really expect Cybill Shepherd to be talking about hamburgers. Most people would expect her to endorse hair care products or cosmetics."

"Also, both are in the limelight, and it looks like they will be for a while. The more attention they get, the more attention beef gets."

Is this cheesecake a la beef? Just like the amount of money being spent on this campaign (six times the amount spent on national advertising in 1986), the ads themselves are a major departure for the beef industry. Already, some members of the Beef Board have heard from constituents who are worried that Shepherd may speak for beef more colorfully than they'd like.

"Almost every time we do a commercial with a woman, no matter how we use her, I get asked about its being cheesecake," Olson says. "I'm as sensitive as anyone—I'm a feminist—and Cybill is definitely not cheesecake. Remember, these ads are directed to consumers with fairly negative attitudes to-

ward beef, so we needed someone who would turn them around."

"Had we decided to advertise beef to producers, we would have chosen someone they would have been more inclined to believe and react to," BIC's Sowa points out. "There's no question that Cybill Shepherd is glamorous—she'd look great in a house robe and curlers. But I don't think there's anything risqué about the ads."

Unlike the beef industry's traditional food ads, the new ones are designed to be entertaining and to make consumers aware of beef's goodness and convenience. Some of the radio and television ads will be accompanied by humorous lyrics that look at beef as "real food" and at hard-to-pronounce diners as out of style.

Garner's spot on fast food is a good example: "I knew a woman who was always in such a hurry, she'd slice her steak before she cooked it. Then she'd stir it around a hot skillet with a spoonful of green onions and parsley. Whole thing took about three minutes. Smart woman. And I wasn't a bit surprised to hear she'd gone from writing novels to short stories."

To evaluate the campaign's effectiveness, the BIC has begun a study of consumers that will be completed next Jan-

uary. "We're using a technique called the Walker Tracking Study, which monitors consumers' awareness of our advertising and then checks whether or not those who are aware of the ads have any better attitude about beef," Sowa explains.

"Last month, BIC did a precampaign study to assess consumers' attitudes about beef. It measured 25 attributes from calorie-content perception to whether or not consumers considered beef fashionable. BIC also looked at consumers' perception of their beef-eating habits—how many times they eat beef each week, for example.

"We'll do the same thing next January, but we'll also ask about awareness and whether or not people who are aware of the ads have any better attitudes about beef than those not aware of them," Sowa says. "That will be a gauge for whether or not we're getting our message across."

The Beef Industry Council also studied the ads last month to find out how consumers reacted to them. "Those tests were done in five cities across the country, with a 150 consumers," Sowa says. "We'll change the ads if the results say we should. But we're not expecting any surprises."

YES, THEY DO EAT BEEF

...beef. It's a good story and was completely natural for him to say. The ad he called Garner's roast beef goes like this: "This is James Garner, and I'd like to tell you how I really like my roast beef. Of course, my wife is going to kill me for saying this, but she's always cooked a roast beef and put a dollop of ketchup on it. Well, I don't like ketchup on my roast beef. I don't like anything in my roast beef except a little salt and pepper. So I finally talked her out of that after 25 years, and you know what now she's putting ketchup in my beef cream sauce?"

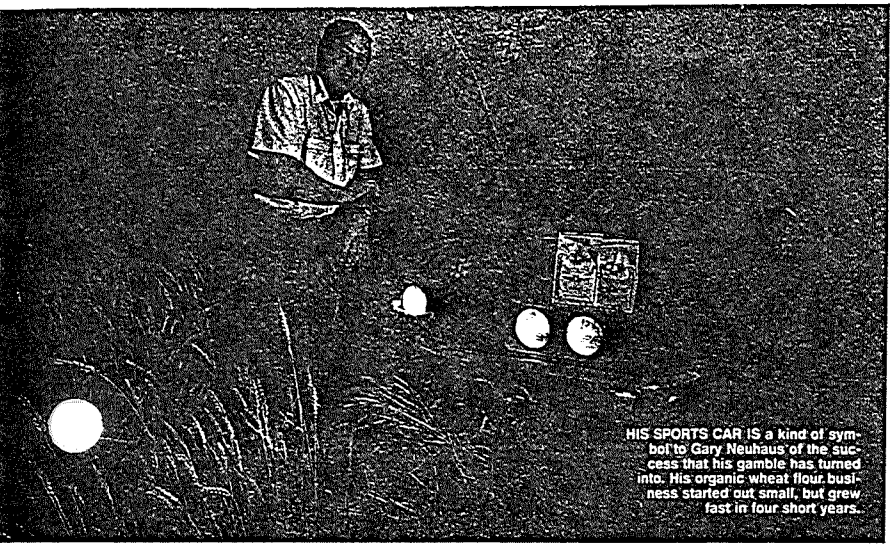
Garner says he's been eating beef on an Oklahoma farm. "It was the staple of my diet and when you didn't have an appetite, it was ketchup. Hamburgers are my favorite, but regardless of which way you slice it, I like it. Just a little onion, salt and pepper and the rest is in the meat."

When Garner BIC's marketing director said he'd like to see more of the same, BIC's Sowa said she'd like to see more of the same. "I'd like to see more of the same," Sowa says. "I'd like to see more of the same."

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HIS SPORTS CAR IS a kind of symbol to Gary Neuhaus of the success that his gamble has turned into. His organic wheat flour business started out small, but grew fast in four short years.

ON A WHOLE-WHEAT ROLL

MILLING HIS ORGANIC WHEAT INTO FLOUR REAPS \$12.90 A BUSHEL FOR THIS COLORADO FARMER

By Meg Gaige

Gary Neuhaus can afford to be a little flashy now when he drives his sports car to town. He found a way to gross about five times what other wheat farmers earn from their crop.

"I got tired of hauling my wheat in to the elevator and taking whatever they decided to pay that day," says the Yuma County, Colo., grower. "And I didn't want to be going around bellyaching about how times were hard and wanting help from the government. I decided to find a way to make more money from my wheat. The main thing was to get cash flow going."

With minimum investment, Neuhaus figured he could grind wheat into flour on his 4,400-acre farm. And he knew that health-conscious consumers want organically grown, whole-wheat flour. But he'd noticed that the general public couldn't buy the product in standard grocery stores. So he zeroed in.

Now he supplies chains such as Associated Grocers of Colorado, Super Valu,

and Buyer's Club, as well as 58 other stores on a route he developed in Colorado and Nebraska. At last count, more than 700 stores in six states stock his Wheat Land Farms products.

What's even more exciting are the contacts he has made with buyers in some 20 foreign countries.

Product diversity. In addition to the whole-wheat flour, Neuhaus packages corn bread, pancake, biscuit and bread mix; cracked wheat and four-grain cereal; wheat bran; yellow corn meal; unbleached wheat flour; rye, millet, amaranth, and milo sorghum flour; pinto, great northern and soybeans; popcorn, pumpkin and edible sunflower seeds. Many of these products are home grown.

If that's not enough, he's ready with Sam's Snacks, a line of dried fruit and nut mixes. Neuhaus imports these ingredients from California, then mixes and packages them at his farm. He named the snack line after his father, Sam Neuhaus, who gave him a good start in farming when Gary was in high school. The elder Neuhaus died last year.

The 39-year-old farmer has a hard time hiding his delight over a hunch that paid off. "This mill is going to be my salvation," he says.

Neuhaus went organic because he's realistic. "People are more health-conscious these days," he explains, "more concerned about what they eat." He wanted to distinguish himself from other flour-suppliers, and thought the organic label would help.

Pesticide-free wheat. "The other guys who buy wheat for grinding don't know the history behind the crop," Neuhaus says. "On the other hand, I have complete control from the time the seed goes into the ground until the flour goes into the sack."

Neuhaus uses no chemical herbicides or insecticides, and applies no commercial fertilizer for three years before he cuts a crop. He averages about 33 bu. per acre on dryland wheat.

"But farming is like mining, and you can't go on taking nutrients from the soil year after year without replenishing them," he says. After only limited experiments with foliar and soil-applied organic fertilizers, Neuhaus admits, he hasn't settled on a program yet.

Neuhaus's mill is pretty unassuming. His start-up costs in 1982 came to about \$55,000—"and I haven't paid retail for anything yet," he says. That sum included money for the equipment he needs to grind grain into flour, and for some renovation

to a metal barn on the farm that he once used for cattle.

He also makes his own labels in the basement of his house.

This is the route grain follows from combine to sacked flour: Neuhaus augers truckloads of grain into a used grain cleaner he bought from a local grain dealer. Then he augers it into a hammermill for cracking. The last two stops are a small stone flour mill and the packaging machine.

He says the stone grinding process preserves the nutritive value of the wheat germ, and produces less heat than other mills.

After he fills and weighs the 5-lb. bags, he and Joe Stoner—a neighborhood teenager and part-time employee—shake down the contents and sew the bags closed. This duo has help from full-time employee Clayton Meis, too. "We will add a vibrating conveyor to settle the flour in the sacks," says Neuhaus. "It'll sure speed up the production line."

Neuhaus reaps compliments for his packaging every time he turns around. Buyers and sellers like the stitched brown kraft bag with simple brown lettering and down-home logo. He even printed a whole-wheat cinnamon roll recipe on the side panel "that comes out right no matter what kitchen you bake it in," he says.

Packaging costs come to \$1.98 per bushel. When you subtract that from Neuhaus's gross of \$12.90 per bushel of wheat, you still calculate a net that's five times the market price.

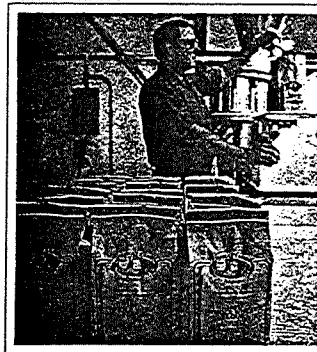
He grinds about 150 bu. of wheat per week—enough for 1,750 5-lb. bags of flour. Soon he'll start filling 30-lb. bags for bigger customers. This year he harvested 400 acres of organic wheat for flour, up from about 250 acres last year. And next year 1,200 acres will meet the organic guidelines accepted throughout the food industry.

"Now I'll put about half my yield through the mill as flour or whole grains," Neuhaus says, "but I want to be ready to expand when the market is ready for me."

He predicts that he'll be able to market all of his own wheat crop through the mill within four years. He already has offers from other wheat growers who'd like to sell him some of their crop.

Modest beginning. If it sounds like this business—separate from his farming operation—has sprouted wings and flown high in four short years, Neuhaus says he has succeeded in part because he started out modestly.

PHOTOS JOHN RUSSHOOLE



PACKAGING HIS PRODUCTS in kraft bags helps Gary Neuhaus create a natural image for his organic flours, mixes and cereals. The Yuma County, Colo., farmer by-passes the local elevator in favor of grocery stores, which buy his wheat in flour form for five times the market value.

"I used to dump grain into the cleaner with a 5-gal. bucket." And he has resisted the temptation to get too big too fast.

"I could put in a second mill and grind all my wheat, but I want to be sure there's a market for it first." He's insistent that consumers associate quality with the Wheat Land Farms label, now and in the future.

Competitive prices. Neuhaus sells 5 lb. of his whole wheat flour for about 10¢ less than Gold Medal does. Shelf price ranges between \$1.39 and \$1.89 per bag. This pricing scheme ruffles the feathers of some entrepreneurs who feel a specialty product priced higher than competitors' signifies extra value.

"I aim for the supermarket customer," responds Neuhaus, "and I'm looking for volume sales."

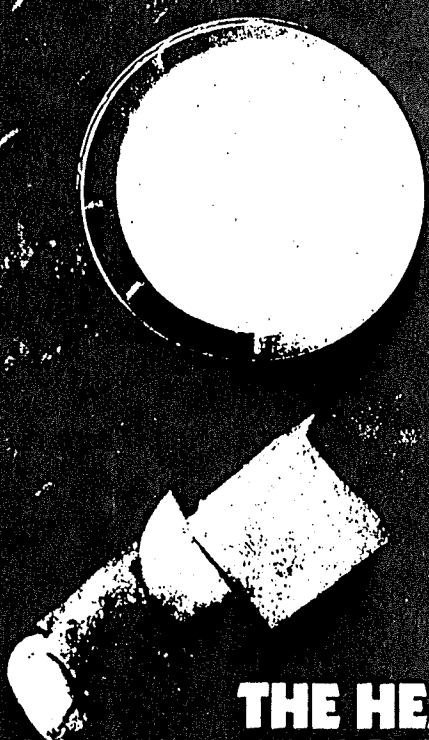
"I've lived on a farm all of my life, and I just came to the point that I couldn't take the prices received and continue farming," he says. But in any marketing venture such as Neuhaus's, he claims the key to success is locating a market first, then growing as needed.

"You know you're doing something right when you get letters every week from consumers who are happy with your product, or who want to know where to buy it."

Gaylor Holt

THE FURROW

CORN BELT EDITION/JANUARY-FEBRUARY 1987



130

THE HEALTH-CONSCIOUS CONSUMER: A GROWING MARKET FOR FARMERS

**TOUGHER CORN HYBRIDS
TIPS FOR BETTER BEAN SCOUTING**

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

4-1-87

Mr. Chairman, Members of the Agriculture Committee:

My name is Michel Cavigelli. I have a few points I would like to make regarding HB 2448 and the need for this type of legislation.

First, there is a growing interest in organic food. I represent one of those concerned about the quality of the food I eat: about 75% of it being "organic." I am not alone in this concern. 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.

I would also prefer that it be grown in Kansas. Currently, not much, if any, of the organic food I buy is from Kansas. This is because larger markets for organic foods are just being developed. Establishing these markets requires closer scrutiny than for other foods, including guidelines for the production, handling and processing of organic food. HB 2448 provides these guidelines and some legal ramifications for those who do not abide by them, thereby providing Kansas consumers, as well as farmers and others who handle or process food, protection against fraud. The opportunity for fraud in selling organic food is a factor that must be considered since organic farmers often

attachment 3
Senate agriculture
4-1-87

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. Other states are considering similar measures. In order to clarify the definition of organic in Kansas, I urge you to pass this bill.

Thank you.

The
KIPLINGER
AGRICULTURE
LETTER

RECEIVED
FEB 17 1987
Board of Agriculture
Marketing Division

THE KIPLINGER WASHINGTON EDITORS INC.

1729 H ST., N.W., WASHINGTON, D.C. 20006-3938 (202) 687-6400

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.

attachment 3

4-1-87

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

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4-1-87

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.

attachment 4

4-1-87

The
KIPLINGER
AGRICULTURE
LETTER

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STATEMENT
OF
IVAN W. WYATT, PRESIDENT, KANSAS FARMERS UNION
ON
HB-2448
(LABELING ORGANIC FOOD PRODUCTS)
BEFORE
THE SENATE AGRICULTURE COMMITTEE
APRIL 1, 1987

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I AM IVAN WYATT, PRESIDENT, KANSAS FARMERS UNION.

DURING THIS LEGISLATIVE SESSION WE HAVE HEARD MUCH DISCUSSION AND PROMOTION OF ECONOMIC DEVELOPMENT, DIVERSIFICATION AND "VALUE-ADDED" AS A MEANS TO REVITALIZE THE FALTERING FARM AND RURAL ECONOMY OF THE STATE.

SOME OF THE PROPOSALS MAY SOUND GOOD ON PAPER AND IN CONVERSATION, BUT THE LIKELIHOOD OF THEIR DESIRED EFFECT MAY BE IN DOUBT.

HB-2448 MAY NOT BE CONSIDERED ONE OF THOSE GLAMOUR SCHEMES, BUT IT MAY BE ONE OF THE MORE REALISTIC PROPOSALS THAT COULD HAVE TRUE ECONOMIC BENEFIT TO THE FAMILY FARMS OF THE STATE.

HB-2448 CAN BE THE FIRST STEP TOWARDS THE DEVELOPMENT OF A BUDDING INDUSTRY THAT HAS A GROWING DEMAND.

A GROWING DEMAND FOR FOOD PRODUCTS THAT ARE FREE OF CHEMICAL OR DRUG RESIDUES, AND CHEMICALLY RESISTANT STRAINS OF BACTERIA.

THERE IS GROWING DEMAND FOR THESE FOOD PRODUCTS THAT CANNOT BE READILY MASS PRODUCED OUTSIDE OF THE CONFINEMENT OF A CONTROLLED ENVIRONMENT WITHOUT CLOSER AND MORE CONTROLLED MANAGEMENT WHICH IS MORE READILY ADAPTED TO A FAMILY FARM TYPE OF OWNER-OPERATOR OPERATION.

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4-1-87

HOWEVER, THESE TYPES OF OPERATIONS CANNOT GROW OR BE SUCCESSFUL IF THE UNSCRUPULOUS PRODUCTION AND SALES OF NON-ORGANIC FOOD ARE ALLOWED TO BE MADE UNDER THE GUISE OF FALSELY LABELING NON-ORGANIC PRODUCED FOODS AS ORGANIC.

HB-2448 IS THE FIRST NECESSARY STEP TO GIVE VALIDITY TO THE LABEL OF "ORGANIC FOOD PRODUCTS". MUCH LIKE THE PROPOSAL TO ESTABLISH A KANSAS "TRADEMARK" TO LEAD TO MORE ADVANTAGEOUS MARKETING OF AGRICULTURAL PRODUCTS OF KANSAS (HB-2517).

HB-2448 CAN PROVIDE THE CREDIBILITY TO THE TERM OF ORGANIC FOODS PRODUCED IN KANSAS.

THIS VALIDITY OF THE TERM CAN ASSURE A REASONABLE SENSE OF POSSIBLE SUCCESS FOR FAMILY FARM OPERATORS TO MAKE THE NEEDED INVESTMENT IN TIME AND FUNDS TO DIVERSIFY THEIR PRESENT OPERATIONS WHETHER IT BE IN ORGANIC CROPS, LIVESTOCK AND SPECIALIZED PROCESSING AND MARKETING.

THIS IS A GROUP OF PRODUCERS WHO ARE NOT ASKING FOR ANY SPECIAL INTEREST LEGISLATION OR FINANCIAL ASSISTANCE.

THESE ARE PRODUCERS WHO WOULD PULL THEMSELVES UP BY THEIR BOOT STRAPS, ASKING ONLY FOR PROTECTION FROM THOSE WHO WOULD FALSELY USE THE TERM "ORGANICALLY PRODUCED" TO ENCROACH UPON THEIR MARKETS.

WE THEREFORE SUPPORT HB-2448.

The primary purpose of this bill is to identify and define the term "Organic Raw Agricultural Commodity" and to set recognizable standards of acceptance for growers, processors and consumers. It is merely a beginning point to focus on a small piece of agriculture that appears to be growing and trying to gain a place in the mainstream of food production. The organic business is a consumer-driven business, but with yet to be determined potential.

Since this is a very young industry it is difficult to conceive of the problems which may occur down the road as the industry grows, if indeed it does grow.

At present, the industry must rely on the honesty and good faith of those with whom they do business. It would, therefore, seem realistic that whatever problems are encountered in the future, should be addressed when we know what they are, and have a much better idea of what cost would be involved.

The bill does provide for enforcement that does not involve a state agency nor cost the state money.

The emphasis is that this is a starting point that gives a fledgling industry some support and an opportunity to move forward without being encumbered with a lot of rules and regulations; which might not only be costly to those involved in the industry, but also to the state as well.

~~We would encourage a favorable recommendation on this bill, in its present form, by the committee.~~ We will ~~also~~ pledge our continued support of this industry and offer our services as is appropriate.

Thank you

Ken Boughton
Marketing Div.
St. Bd of Agri

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Senate agriculture
4-1-87

STATE OF KANSAS

JACK E. BEAUCHAMP
REPRESENTATIVE, FOURTEENTH DISTRICT
FRANKLIN COUNTY
ROUTE 3, BOX 61
OTTAWA, KANSAS 66067
(913) 242-3540
STATE CAPITOL, ROOM 174-W
(913) 296-7676



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: AGRICULTURE AND SMALL BUSINESS
INSURANCE
LOCAL GOVERNMENT

March 30, 1987

Mr. Chairman and Members of the Senate Agriculture Committee:

Thank you for this opportunity to appear before you and offer testimony on HB 2448. My interest in this bill is the result of my observations of the organic farming activity in past years.

It seems if this market is to attain prestige and honesty to the consumer, that the consumer is entitled to, then it should be the best there is if produced in Kansas. Not as good as what other states produce but better than any other state.

The "organic produced" claims have been badly misrepresented and the consumer has been taken advantage of long enough. Most all other consumer products, that I know of, are inspected and guaranteed by analysis and weight to the consumer, therefore, a retail check-off to pay for the inspections of the products to guarantee product purity, analysis and weight should be in order. Also, inspections of production techniques, practices and records to guarantee the organic production facet. FDA has for years been moving closer to -0- tolerance of residues of pesticides in consumer products. It would only be appropriate that organic produced products should start with a guarantee of -0- residue. Veterinary products used for livestock illness treatment should be guaranteed no residue in meat, milk and eggs before use in addition to 90-day withdrawal before slaughter.

The word "organic", according to Webster, as it relates to agriculture production says, "relating to, produced with, or based on the use of fertilizer of plant or animal origin without employment of chemically formulated fertilizers or pesticides."

The bill addresses the use of a multitude of organic raw agricultural commodities including soap, as production aids. Soap used should be guaranteed organic derivative compounds.

*attachment 7
Senate agriculture
4-1-87*

As a suggestion, these products should be one label under the Kansas trademark, "From the Land of Kansas", with the name of the producer, location, guaranteed analysis, weight and product. The bill now addresses the use of natural fertilizers earthen, natural, rock extraction, and so forth. For the record, the primary components of fertilizer, "that agriculture has done so great a job of providing food in such surplus quantities of", the natural origin of the fertilizers are the mother earth. Nitrogen is drawn from the air and in combination with natural gas, makes nitrogen fertilizer with a clay stabilizing agent. Urea is synthetically produced but is based on its namesake urea. Phosphate is mined from the ground, as is potash (or potassium). Potash was first discovered by early alchemists as a residue in wood ashes. Certain responses to growing things resulted when wood ashes were dumped on the garden. Once again, I would like to underscore the importance of honesty to the consumer.

Representative Jack Beauchamp

attachment 7

4-1-87

Committee of . . .

Kansas Farm Organizations

Wilbur G. Leonard
Legislative Agent
109 West 9th Street
Suite 304
Topeka, Kansas 66612
(913) 234 9016

TESTIMONY IN OPPOSITION TO HB NO. 2448
BEFORE THE SENATE COMMITTEE ON AGRICULTURE

April 1, 1987

Mr. Chairman and Members of the Committee:

I am Wilbur Leonard, appearing on behalf of the Committee of Kansas Farm Organizations. I appreciate this opportunity to express the views of our member organizations with respect to House Bill No. 2448.

We do not take issue with the provisions of this bill with respect to the labelling or distribution of natural food products as described in the bill. The citizens of Kansas who seek to produce, sell and consume these products should have the right to so engage without interference or harassment in their endeavors.

Likewise, they have a responsibility to not promote their products by the public downgrading of meat and food products not grown or manufactured by their standards. There's not one word in this bill which restricts, in any way, any advertising claims which can be made with respect to the superiority of so-called natural foods over other food products or limiting the allegations which can be made as to the dangers of Kansas meats and manufactured grain products.

This legislature, and more especially this Committee, have expended time and energy in aiding and encouraging the agricultural community to achieve more efficient production, improved products and increased sales. Deliberate adverse advertising which draws false comparisons between organic foods and those foods consumed by the public generally can have only a negative effect on those efforts.

We respectfully suggest that this bill be referred to further study.

Senate agriculture attachment 8
4-1-87

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2044 Fillmore • Topeka, Kansas 66604 • Telephone: 913/232-9358
Owns and Publishes The Kansas STOCKMAN magazine and KLA News & Market Report newsletter.

STATEMENT
OF THE
KANSAS LIVESTOCK ASSOCIATION
TO THE
COMMITTEE ON
AGRICULTURE
SENATOR JIM ALLEN, CHAIRMAN
SENATOR DON MONTGOMERY, VICE CHAIRMAN
WITH RESPECT TO HB 2448
ORGANIC FOOD PRODUCTS
PRESENTED BY
RICH MCKEE
EXECUTIVE SECRETARY, FEEDLOT DIVISION
APRIL 1, 1987

Mr. Chairman and members of the committee, I am Rich McKee. I am here representing the Kansas Livestock Association. KLA represents a broad range of over 9,000 livestock producers who reside in virtually every geographic corner of the state.

Until recently, the Kansas Livestock Association did not become interested in this bill, HB 2448. However, a recent advertisement which

*attachment 9
Senate agriculture
4-1-87*

appeared in the March 22, 1987 Wichita Eagle Beacon has a good number of our members enraged. Attached is a copy of this particular advertisement.

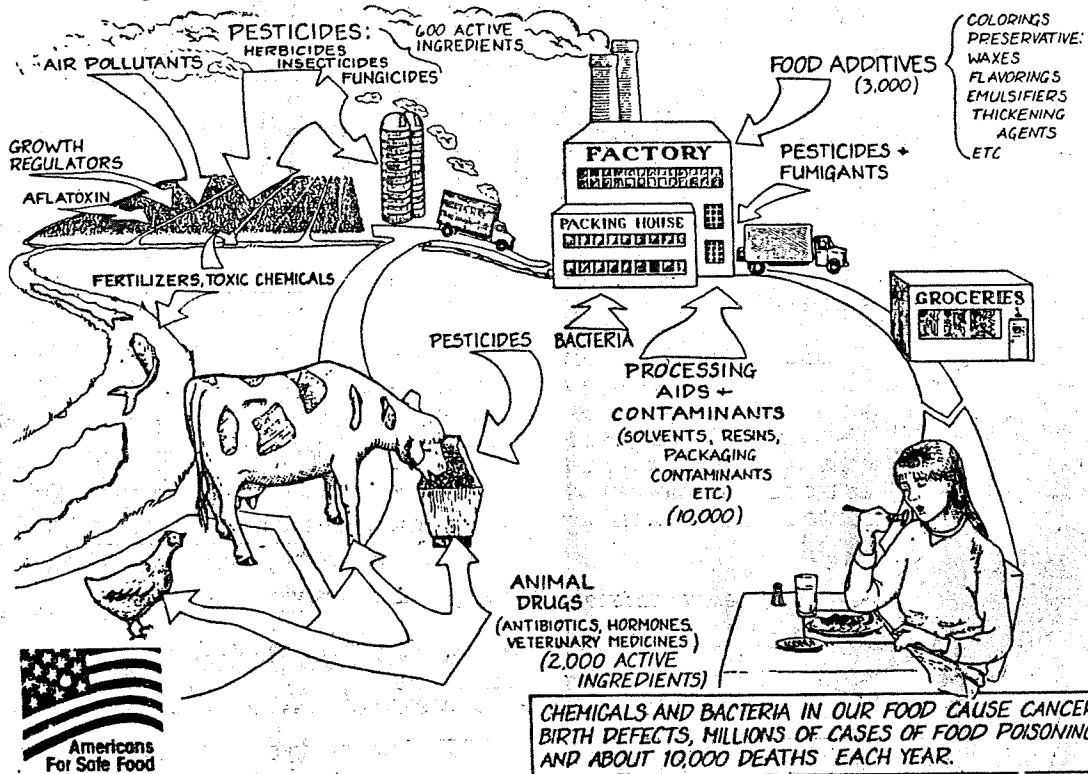
The KLA membership has not taken any position as to how an individual entity may want to raise his livestock ... as long as it is within the strict federal guidelines as administered by the Food and Drug Administration (FDA). This agency is in place to protect public interest. No medicine or feed additive is approved for use in meat producing animals without first gaining approval from FDA. This approval is not granted until a particular medicine has first passed rigorous expensive and time consuming tests. Stockmen pride themselves in following the rules and regulations administered by FDA.

While we assume it is not the intent of the proponents of this bill to produce advertisements such as the one I have attached ... this bill may be an invitation to such slander. Therefore, before this bill is given serious consideration by your committee, we would respectfully request the review of an amendment to clarify how such an "organic" or "natural" product could be advertised. Also attached is a copy of the natural and organic food law of Maine. Specifically, on the third page of the Maine law, Section 555, are provisions dealing with the advertisement of such products. If similar language was added to HB 2448, KLA would consider full support for the bill.

Thank you for considering the position of the Kansas Livestock Association. As always, we would be happy to entertain any questions.

attachment T

GUESS WHAT'S COMING TO DINNER...



Coleman

Natural Beef.

Why raise cattle the old fashioned way? So you can have a natural choice. Coleman Natural Beef is raised without any chemicals, stimulants or feed additives. Their cattle graze on unfertilized mountain pastures, are fed corn with no chemical residues, drink from snow-melt streams and breathe the crystal clear air of the Rockies. That's why we call Coleman Natural Beef "100% Rocky Mountain Pure". It's beef with a natural flavor you haven't tasted in a long time: tender, juicy and delicious. And government certified natural.

MEAT, SEAFOOD AND CHEESE SPECIALS					
	REG.	NOW		REG.	NOW
Halibut steaks	LB 4.98	LB 4.59	Fresh ground beef		
Swiss cheese			Coleman's Natural Beef	LB 1.98	LB 1.79
Imported from Switzerland	LB 5.28	LB 4.78	Rib Eye Boneless		
Fresh chicken breasts	LB 1.59	LB 1.19	U.S. Choice roast or steaks	LB 4.98	LB 4.49
Fresh chicken legs & thighs	LB .98	LB .89	Minute Steaks	LB 3.39	LB 2.98



LARCHER'S

2929 E. CENTRAL 682-5575

CHAPTER 240

H. P. 1016 — L. D. 1236

AN ACT to Define What Foods May be Labeled or Advertised as Natural or Organic.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 7 MRSA c. 103, sub-c I-A is enacted to read:

SUBCHAPTER I-A

FOODS LABELED AS NATURAL OR ORGANIC

§ 551. Definitions

As used in this subchapter, unless the context indicates otherwise, the following terms shall have the following meanings.

1. Minimal processing. "Minimal processing" means any or all of the following:

- A. The removal of inedible substances;
- B. The application of physical processes such as cutting, grinding, drying, homogenizing or pulping or the mixing or blending of 2 or more foods which changes only the form of the food;
- C. The processing necessary to make the food edible or safe for human consumption or to preserve it by heating, pasteurizing, freezing, smoking, curing or the addition of water or salt;
- D. The peeling or seeding of fruits and vegetables, shelling of nuts, the removal of chaff and hull from grains;

E. The pressing of fruits and vegetables to express their juice or the pressing of seeds, nuts and other source materials to express their oil, provided such is done without the use of solvents, bleaches and dyes;

F. The separation of grains into their component parts, provided that each component has a nutrient density at least as great as that of the whole grain;

G. The partitioning of eggs into yolks and whites;

H. The separation of milk into skim milk and cream and its churning or fermenting, whether the fermentation is accomplished by naturally occurring organisms or by the addition of cultures; and

I. The addition of microorganisms approved by the Food and Drug Administration for use in food.

2. Raw agricultural commodity. "Raw agricultural commodity" means an agricultural commodity which has not been colored or treated in the unpeeled form, except that it may have been rapidly heated or chilled, which has been produced, stored, processed and packaged without use of synthetically compounded fertilizers, herbicides, fungicides or pesticides for either:

A. Two years after the appearance of flower buds in the case of woody perennial crops; and 3 years prior to the harvest of herbaceous perennial crops; or

B. Three years prior to seeding in the case of annual crops.

§ 552. Food labeled or advertised as natural

1. Artificial ingredients and pesticides. No food shall be labeled or advertised as "natural" unless it is free from any artificial flavoring, color additive or chemical preservative or any other artificial or synthetic ingredient added after harvesting.

2. Minimal processing. No food shall be labeled or advertised as "natural" if it has undergone any processing other than minimal processing.

3. Exemptions. Exempted from the provisions of this section are alcoholic beverages subject to the Federal Alcohol Administration Act of 1935; dietary supplements of vitamins, minerals or protein; and natural flavors and colors approved by the Food and Drug Administration for use in food.

§ 553. Labeling and advertising

Except as otherwise provided in this chapter, a food shall not be labeled or advertised as "organic," "organically grown," or "biologically grown" or by a similar term, unless the food is:

1. Types. One of the following:

A. A raw agricultural commodity: Microbiological products and materials consisting only of, or derived or extracted solely from, plant, animal or mineral-bearing rock substances may be used in the production, storing, processing or packaging of raw agricultural commodities in order to meet the requirements of this paragraph. For the purposes of this subsection, "synthetically compounded" means those products formulated by a process which chemically changes a material or substance extracted from naturally occurring plant, animal or mineral sources, excepting microbiological processes. Microbiological products shall include, but are not limited to, raw manures, composted manures and inoculants and shall exclude chemically contaminated and uncomposted sludge;

B. Processed or manufactured from a raw agricultural commodity which complies with the requirements of paragraph A;

C. Manufactured only from raw agricultural commodities which comply with the requirements of paragraph A, and foods processed in compliance with paragraph B;

D. Meat, poultry or fish produced without the use of any chemical or drug to stimulate or regulate growth or tenderness and without any drug or antibiotic administered or introduced to the animal by injection or ingestion, unless prescribed by a veterinarian or extension specialist for treatment of a specific disease or malady and in no event administered or introduced within 90 days of the slaughter of the animal; at least the final 60% of the sale weight of each animal, bird or fish must have been raised on feed which is a raw agricultural commodity which complies with the requirements of paragraph A; or

E. Milk from animals or eggs from poultry which are raised on feed which is a raw agricultural commodity which complies with the requirements of paragraph A, or a feed which complies with the requirements of paragraph B, and into which animal or poultry no drug or antibiotic has been administered or introduced by injection or ingestion, unless prescribed by a veterinarian or extension specialist for treatment of a specific disease or malady, and in no event administered or introduced within 30 days prior to the production of that milk or those eggs; and

2. Other requirements. A food:

A. Which is free from any artificial flavoring, color additive or chemical preservative or any other artificial or synthetic ingredient; and

B. Which has no more than 10% of the level of any pesticide, fungicide or herbicide which the United States Food and Drug Administration regards as a safe level.

§ 554. Prohibition on labeling or advertising as "health food"

No food may be labeled or advertised as a "health food" or as containing "health foods."

This section does not prohibit the use of the term "health food" to identify a store or restaurant or any part of a store or restaurant.

§ 555. Prohibition on certain claims of superiority

No food which is advertised as natural, organic, organically grown or biologically grown, or by a similar term, may be advertised as superior to any other food in nutrient content or safety because it is natural, organic, organically grown, biologically grown or similar to any of those terms.

§ 556. Certification

No food which is labeled or advertised as natural, organic, organically grown, biologically grown or by a similar term, may be labeled or advertised as "certified" unless the name of the person or organization which provides that certification is stated on the label or in the advertisement.

§ 557. Records

1. **Growers.** Every grower who sells a food which is derived from a crop which he or it has grown and which is identified as organic, organically grown or biologically grown, or by a similar term, shall keep accurate records of the location of the acreage used for growing that crop and the additions made to the soil or applied to that crop. These records shall be retained for 2 years after the food is sold and delivered by the grower.

2. **Processors and manufacturers.** Every person who processes or manufactures a food which is sold or identified as natural, organic, organically grown, biologically grown, or by a similar term, shall keep accurate records of the ingredients of that food and the names and addresses of persons from whom the ingredients were purchased. These records shall be retained for 2 years after the food is sold and delivered.

3. **Sellers.** Every person who sells a food subject to subsection 2, shall keep accurate records of the names and addresses of persons from whom that food was purchased. These records shall be retained for 2 years after the food is sold and delivered.

4. **Provision of information.** A grower, manufacturer or seller of any food subject to subsection 2 shall provide the Department of Agriculture, on demand, with the relevant information from the records required under this section.

§ 558. Exemptions

The prohibitions contained in this chapter shall not apply to any person engaged

in business as a wholesale or retail distributor of a food labeled or advertised as natural, organic, organically grown or biologically grown or by a similar term, except to the extent that that person:

1. Manufacture, package or label. Is engaged in the manufacturing, packaging or labeling of that food. The prohibitions contained in this chapter shall not apply to any such wholesale or retail distributor who in good faith makes the same representations on a package or label as have been made by the manufacturer, distributor or other person providing the food to that wholesale or retail distributor;

2. Prescribe or specify means. Prescribes or specifies by the specific means prohibited by this chapter, the manner in which that food is manufactured, packaged or labeled; or

3. Has knowledge of violations. Has knowledge of the violation of any provision of this chapter by any specific batch of that food and continues to sell or distribute that specific batch.

§ 559. General penalty

Violation of any portion of this chapter is a Class E crime.

§ 560. Injunctive relief

Any person, organization or public or private entity may bring an action in Superior Court pursuant to this section, and that court has jurisdiction upon hearing and for cause shown to grant a temporary or permanent injunction restraining any person from violating any provision of this chapter. Any proceeding under this section shall conform to the Maine Rules of Civil Procedure.

In addition to the injunctive relief provided in this section, the court may award to that person, organization or entity reasonable attorney's fees as determined by the court.

§ 561. Stores and restaurants

This chapter does not prohibit the use of the term natural, organic or biological to identify a store or restaurant or any part of a store or a restaurant.

§ 562. Enforcement obligations

The Department of Agriculture has no affirmative obligation to enforce this chapter.

Sec. 2. Effective date. This Act shall take effect on January 1, 1980.

Effective January 1, 1980

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