

# Volume XXIII, Number 1 February 2017

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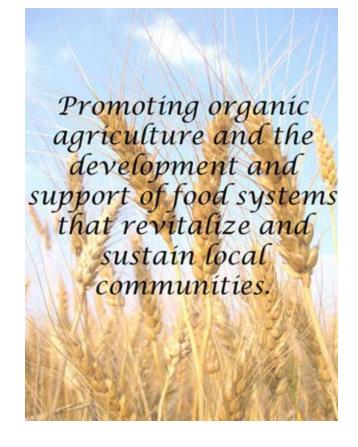
## A Message from the Chair

Welcome to the Winter Edition of the 2017 Organic Connections! This is Volume XXIII. We are also celebrating the 25th year anniversary of the Michigan Organic Food and Farm Alliance!

**Grow and Develop.** This past month saw the closing of the store front for the East Lansing Food Cooperative (ELFCO). The buying club started in 1976, 40 years ago. Many new options are now available for purchasing the quality food that ELFCO and other similar organizations first helped make available. The organization is still together and beginning a process of identifying next steps. This transition is clearly a win and not a loss. The opportunity is there for a new focus on the needs for the future.

A valuable message here is the reminder that once new ideas become more commonplace, there is always room to develop new directions. A key to growing is having the personal confidence to move forward into new territory when the time is right. Our responsibility is to look at what we can do to help cultivate next steps for ourselves and others. If we feel the need to personally be stable, we can still support those who hear the calling to grow.

Personally, my wife Patti and I are looking forward to 2017 to celebrate the arrival of our first grandchild, the marriage



of our son and future daughter in law, paying off our home mortgage, 40 years of marriage, and 60 years of living. Definitely a year to both be present as well as open to what is next?

My perception is that many MOFFA members and MOFFA as an organization also have the opportunity to reflect and ask "What's next?" For some the answer may be growing into what you are already doing. For others there may be the sense that it is time to let others move into the space where you have worked before, while you grow into a new place.

Here in Michigan we have gone through another season of short daylight days. We are heading into the long daylight time of the year that is prime for sowing and growing. How will you be growing this year?

Organic Education. This year there are 38 students in the MSU Organic Farming Principles and Practices class, 10 more than the last few years. While the class was originally developed for students in the horticulture programs with emphasis on being a farmer, the audience of students that also want to know more about organic farming perspectives and policies continues to grow. Larger numbers of students from environmental studies. human nutrition, forestry and other majors are joining the class. I am making some changes to the class to allow a greater number of students to participate. One of the changes for 2017 will be an online version of the class for students starting the new Novice Farmer Training program, a trial Ag Tech option that will include 18 credits of online courses and 6 credits of on-farm internship at the UPREC North Farm in Chatham. I see this as part of a theme of "cultivating growth and development".

**Communication.** Over the past week I hope you saw and opened two important emails from MOFFA. One addressed membership and one the upcoming 2017 Organic Intensives. With the use of MailChimp, we are able to see how many of the more than 1300 people receiving email announcements and the newsletter click

on and open them. The opening rate is typically about 25 to 30%. I often view emails without clicking on them or fully opening them. I am requesting that when you get the occasional email from MOFFA, you take the time to offer a vote of support by opening, reading and sharing the message with others who might benefit. With the constant flow of emails we all receive, I hope you can make MOFFA a priority. I am trying to practice the option of fine tuning and sieving the barrage of emails for a few important contacts that keep me connected to the principles and people that I value most.

Newsletter Contributors Wanted. While cleaning out old files recently I came across some printed copies of the Michigan Organic Connections Newsletter from more than ten years ago. The Organic Connections Newsletter authors over many years have documented evolving organic issues. Please consider writing something to share, inviting someone else to share, or nominating someone for us to invite. Our goal is to complement the regular farm news coming from publications like Acres USA or Growing for Market. Our goal is to share the news and perspectives that we need to stay connected. What Michigan voices would you like to hear from?

**Membership.** One MOFFA member who stopped by the booth at the Northern Michigan Small Farm Conference last weekend shared their delight in receiving the always eloquent and thoughtful membership letter from John Hooper. We mailed around 350 letters and invitations for continued support. Have you read your letter and responded? I have about 30 membership forms from the most recent post office pickup to process today. Hoping there will be more next week as our 150 members in 2016 grow and develop in new directions in 2017.

Dr. John Biernbaum is Professor of Horticulture at MSU, one of the founders of the MSU Student Organic Farm, and recently-elected Chair of MOFFA's Board of Directors.

## **Organic Intensives**



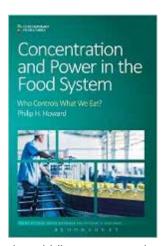
In the recent mailing and on our website (<a href="www.moffa.net/">www.moffa.net/</a>) are the details of the three sessions of the 2017 Organic Intensives. We have selected "<a href="Markets"</a> as the key topic for field crop farmers, "<a href="Organic Pest Management"</a> for our specialty crop farmers, and "<a href="Planning for Success">Planning for Success</a>" for the organic farm and garden for everyone looking to improve their soil and crop management. Included in the third topic is our intention to reach homesteaders and community and school garden practitioners eager to increase access to fresh organic food. Each

session is relying on our best Michigan talent as presenters. Please join us as a participant and invite others to join you, as we invest in our education and future.

#### **Book Review:**

# Concentration and Power in the Food System: Who Controls What We Eat? By Philip H. Howard

by Jessie and Leah Smith



Whenever a man can stand between another man and something he needs, there is a chance to make a profit, particularly when that need is for something that is necessary for everyday life. This principle is aptly illustrated by our current food system. As populations in cities grew, and the countryside was depopulated, there was a chance for

the middleman to step in and make money by bringing the food to the people. Eventually individual corporations also saw a chance to increase their advantage in this business by increasing their size and consolidating their power. This led to the first anti-trust laws in the late 19th and early 20th centuries. But what has happened since then? Those laws are surely still on the books and being enforced? The answer to this question, and those it elicits, can be found in Philip H. Howard's book, Concentration and Power in the Food System: Who Controls What We Eat? Using a new perspective to analyze concentration (defined here as the composition of a given market), Howard shows us the food system is currently controlled by only a handful of corporations, forming near-monopolies. Production and agricultural inputs, packaging and advertising, distribution and retailing, all levels are given their turn and they all share a high level of concentration and, consequently, power.

Consumers are most familiar with the retail sector of the food system, though doubtless are not aware of the extent of the power struggles involved in putting food onto store shelves. "Slotting fees" are basic at the retail level, and a simple concept that allows brands that can afford it to buy prime shelf space in stores. But there's much more involved in the race to increase profits. Large competitors buy out small competitors, leaving fewer but larger stores (horizontal integration, favored by Kroger). Alternatively, retail companies that own manufacturing and processing firms have additional control and advantages over competitors (vertical integration, used by

Kroger and also Target). Another source of control and power over the market would be owning a private distribution system, thus combining the normally separate sectors of retail and distribution (vertical integration again, this time Walmart).

Walmart further enhances its profits and its ability to further expand its control with the use of hidden subsidies, including government assistance for its low paid workers, and manages to take advantage of local tax incentives while using federal tax avoidance strategies as well.

All of these techniques and advantages help the big get bigger and make the job of smaller competitors very difficult, as well as the effect it has on retail's relationship with the distribution sector. As the retail stores get bigger and bigger they exert more and more power over their suppliers for volume based discounts, contrary to the Robinson-Patman Act of 1936 that was designed to help protect competition in the retail market. However, distributors have themselves been getting bigger (the few that remain), which gives them power of their own. This power is over the smaller storefronts with which they deal who don't have many distributor options left to work with, as well as their ability to buy out smaller competitors or push them out as they contract with the ever-enlarging retail stores. Their power is also exerted when dealing with restaurants dependent on their deliveries. At least when Sysco and U.S. Foods were competing distributors the restaurants could receive some benefit by picking from one of two options (a little competition). Since Sysco has bought U.S. Foods, that competition will no longer be at work.

This trend in retail and distribution isn't without its deviations, of course. Farmers markets have been experiencing a nationwide explosion in recent years, as a retailing alternative with fresh produce and other farm based products to offer. Though they fail to threaten the retail chains in a monetary way, their rise has led to the parroting of farmers market displays and the "know your farmer" signage in many a grocery store produce section. Additionally, values-based value chains, which refers to food hubs, community food enterprises and the Farm to

Institution (FTI) programs, are also being formed to provide alternatives to the national food distribution system. These are just some of the alternatives to the food system being described that Howard highlights in this book.

Next Howard shows us that on a processing/retail level, increased profits are achieved with increased product consumption or decreased costs of production.

As one food scientist at Nestle said, "We are always trying to make it cheaper."

For example, the soy milk brand 8th Continent cheapens its product by using the ultra-refined ingredients soy protein and soybean oil to decrease the amount of whole soybeans used, using genetically modified soybean sources when soybeans are needed and using artificial flavors and sweeteners rather than the more expensive, real thing. Increased consumption of a product can be achieved with spatial colonization, which is the moving into new markets of products that previously failed to be relevant there. This sets capitalist sights on third world nations, or sections of the U.S. they have not previously had success in. It comes as no surprise to read that advertising is a primary manipulative tool of the processing/retail industry to increase product consumption. Generally targeted towards children, women and minorities, the aim of advertising is to "colonize mind space," making you want what they have for sale. Product lines where such colonization has successfully achieved significant customer loyalty show high concentration ratios (involve few companies) and includes products like breakfast cereal, potato chips, canned soup and soft drinks. The surprise is how much seemingly competitive firms are actually working together. For example, such high levels of concentration increase the ease with which price signaling (when one company indicates its intention to raise prices and its competitor(s) follow suit and avoid price wars) can occur. Deskilling is another tactic used to make a product desirable. Deskilling is doing the customers' work for them, as it were, and offering a product that requires less preparation and costs more. The bagged salad industry is a prime example of this and has taken off in a big way in recent years.

It is worth noting that the two companies that have the greatest amount of bagged salad sales (Chiquita and Dole) also both have a long history of manipulation of the peoples and governments of Latin America, including opposing land reforms and workers' rights movements contrary to their own interests to the extent of opposing and/or deposing "unfavorable governments."

The industry of commodities is "gargantuanism" at its worst. Any company with a global reach can organize its business in a fashion that is most beneficial to its own interests, and they do. This is well illustrated, and practiced, by commodities firms. With transfer pricing, transactions are moved through paper companies and offshore banks and shift profits away from high-tax countries no matter where the physical activities of the company took place, and so naturally taxes are reduced. A great deal of commodity trading takes place in Switzerland, known for its low taxation.

In 2010, the U.K. nonprofit ActionAid accused SABMiller of shirking its tax burden around the world. They noted that the corporation had more tax haven companies (65) in Africa than breweries and bottling plants, and that this strategy was estimated to deprive India and African countries of \$31 million a year.

Processors (such as commodity processors) exert incredible control on other levels of the food system, as well. Large processors are readily positioned to indulge in price fixing, to the disadvantage of the customer. Processing firms that contract with growers are able to influence the price the growers will be getting through their contractual agreement: agreements in which the producers keep all production risks and bear the responsibility of waste disposal, and which the processors have the power to change or cancel at any time. Additionally, contractual agreements, as well as direct ownership by processors of raw materials, are further ways to add non-transparency to the industry by making price discovery hazy. This tactic abounds in the pork industry. As well as harming small-scale processors, producers and consumers, large-scale processing is injurious to the environment. As processing companies have become larger they have concentrated their operations geographically, leading to increased environmental degradation in these areas. Additionally, without local processing, travel is increased for the processed products to reach destinations outside the aforementioned areas of concentrated operations.

Farming is actually the least concentrated sector of the food system, as the challenges of raising crops and animals do not lend themselves to factory style production systems. Instead, two different methods are employed to skim profits off agricultural production. These are substitutionism, which replaces a farm product with something that is made in a factory, and appropriationism, which replaces a farm input that is produced on the farm with one that is sourced off the farm, and most likely produced in a factory. These are used, respectively, to diminish demand for farm products that have not been highly processed and to reduce a farm's self sufficiency, making it a better customer for agricultural input firms.

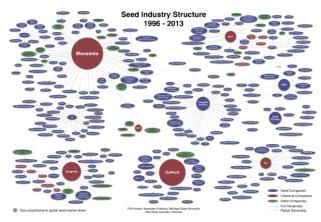
Howard's examples of how capital is steered away from small to medium-sized farmers are numerous. Subsidies, a word that is commonly linked with farming, refers to tax money paid to farmers that is being used to make up for the fact that farm products are sold below production costs. And the inequity at which farm subsides are distributed is fairly well known.

Of the twenty largest U.S. subsidy programs, 85.5 percent of the funding went to the top 20 percent (largest) producers.

This is obviously doing little to help the average farmer. The well publicized "check-off" programs, which are taxes collected from producers (e.g. of pork, soy or beef), are imposed ostensibly to fund research in technologies and marketing that will benefit the producers. However, it is usually the large scale producers alone that receive benefits. The result of all of this is the loss of farms, particularly medium-sized ones.

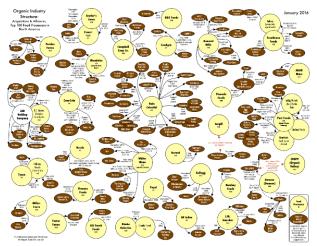
Appropriationism, as defined above, replaces on farm inputs with those from off the farm. Seed production, which has been carried out on the farm or in the garden for centuries, is now controlled by large corporations. It began with Monsanto, who bought a soybean seed company and began breeding a plant resistant to its herbicide Roundup. It has expanded greatly since then. At the farm level of agriculture, seed production has been thoroughly removed from the hands of farmers. The seeds used are tied to technologies that require more expensive inputs manufactured by the same companies that sell the seeds. At this point, farmers have used synthetic fertilizers and pesticides and the complementary seed for so long that the skills needed to replace this farming method have been all but forgotten. The world of garden seeds is tenuously safe from take over, but as chemical firms buy more seed companies this refuge from corporate control is being lost, too. Control of a seed company allows its parent chemical company to drop varieties and thus reduce the choice of seeds available to gardeners and farmers who want

an alternative to the high-input type of seed. One of Howard's excellent bubble charts shows the extent to which the concentration of seed companies has been carried. The world of livestock has fared no better in recent decades, being pared down to fewer and fewer breeds and displaying little diversity in their traits, except that they grow well in CAFO situations. And more and more, CAFOs are the only "farms" left raising animals.



[Phil Howard's Seed Industry Chart is available online at msu.edu/~howardp/seedindustry.html.]

The one alternative to food produced in the industrialized system of conventional agriculture was organics. However, following the standardizing of the definition of organically grown food across the entire nation with the implementation of the USDA organic program, big business has rapidly moved into this sector, too. All big business interests needed was a clear and widespread definition of organics to take control of. The move was met with hesitance by the long established organic community, fearing that it would lead to a watered-down interpretation of organic ideals in order for larger



[Phil Howard's Organic Industry Chart is available online at msu.edu/~howardp/organicindustry.html.]

companies to enter the field. As another of Howard's excellent graphics shows us, organic companies are now being concentrated into the hands of fewer and fewer firms, making it almost inevitable for this watering-down to happen.

As you can see, Philip Howard's book is absolutely replete with important information about the food system. Whether your interest is environmental, political, sociological, or you simply want access to good food choices, his book contains information that you should know. His facts are well researched and, with the aid of his numerous bubble charts,

exceptionally understandable. Despite appearances, we didn't cover everything in this overview.

Please, Read The Book!

Jessie and Leah Smith are sisters, co-writers and MOFFA members, as well as Michigan State alumnae. They work at Nodding Thistle, their family's farm, which has a history of organic gardening and farm marketing since 1984. They are working to make agricultural writing a part of their way of life.

## **Northern Michigan Small Farm Conference**

by John Biernbaum

Did you make it to the <u>Small Farm Conference</u> this year? Five MOFFA Board members participated in the January 27 and 28 NMSFC near Traverse City. We saw many MOFFA members and quite a few new farmers and gardeners motivated to learn about a wide range of topics. The three Friday Farm School topics included season extension, fruit production and grazing management. Many of the presenters represented organic farms. The 30

sessions on Saturday also included at least 10 sessions by presenters representing organic farms. The sessions and trade show were all well organized and attended. We were treated to a great selection of well-prepared local foods for lunch. MOFFA was one of 35+ sponsors and 75+ trade show exhibitors. If you did not make it this year, please plan to attend next year.

## The Diastrous Denial of Climate Change An Inauguration Day Lament

by Maynard Kaufman and Barbara Geisler

How does President Trump propose to make America great again? It is hard to know from the many things he has said, but a look at his proposed cabinet is an indication of what he intends.

First of all, most of his nominees are multimillionaires, like he is. So we can expect a government of the rich, for the rich—standard behavior for politicians, perhaps, but likely to cause more hardship for the other 99% of us. Many who voted for him are likely to feel betrayed.

Second, a look at some of Trump's nominations for crucial cabinet positions can provide more specificity about how the administration will govern. He nominated Scott Pruitt to head the Environmental Protection Agency, a man who is suing to stop the EPA Clean Power Plan. Pruitt is a climate change denier, like Trump, who also denies any need to curtail the rate of global warming. Another of

Trump's astounding nominations is that of Rex Tillerson, who, as the head of Exxon-Mobil, has not only denied climate change but spent millions to cast doubt on it. Tillerson was nominated for Secretary of State, so an oil man would negotiate U.S. policies with other countries. As head of the Energy Department Trump has nominated Rick Perry, who wanted to abolish that department a few years ago. It is fair to say that these are men do not like regulations.

These three nominations to his cabinet indicate the way that Trump hopes to make America great again. He wants to boost a failing economy by liberating business enterprise from any constraining regulation. This is Trump's big mistake, exactly the wrong policy for this time. The economy is already failing because the energy resources that made it great in the past, mainly fossil fuels, will be

increasingly expensive and hazardous to burn because they pollute the atmosphere with carbon dioxide and methane, so-called greenhouse gases, which warm the atmosphere. In a few years the costs of climate change will exceed any short-term benefits of growth: more storms and floods, more droughts and failing crops, more forest fires, rising tides and storm surges along the coasts.

The world now has a brief period to slow the rate of climate change. Soon, as warming temperatures release more methane from tundra and from the oceans, global warming will be more rapid and irreversible. Eventually, as glaciers melt, rising ocean levels will inundate many of the world's large cities and millions of refugees will seek resettlement. And while climate change will be the most destructive of our environment, it is on top of the many other insults that industrial activity has inflicted upon the earth, including loss of topsoil and desertification, and pollution of fresh water supplies by fracking and other damaging energy extraction methods. Industrial civilization is not ecologically sustainable and should be scaled down. The issue is whether it will crash or come to a soft landing. Trump's policies are leading to a crash after a shortterm boom.

How could our leaders promote a soft landing?

- First, forget the myth of progress understood as economic growth. This myth is the most powerful falsehood.
- Second, accept rather than deny the reality of climate change.
- Third, promote the appreciation of our threatened earth.
- Fourth, gratefully accept what the earth offers and refuse to take more by force. This means raising food with organic methods instead of chemicals and harnessing power from sun and wind.
- Fifth, help people resettle the countryside of America, which remains a place of fragile but threatened beauty to be cherished and compassionately cultivated.

Maynard helped to start the Environmental Studies Program at Western Michigan University, where he taught courses in Religion and Environmental Studies; Barbara was active in the anti-nuclear movement in San Francisco before she and Maynard were married in 1991.

## Organic "Check-Off"—Public Comment Open Now Through March 20

In January the USDA announced a proposal for an Organic "check-off" program. This proposal has been heavily promoted by the Organic Trade Association, but the great majority of organic farmers continue to oppose the program, seeing it as a tax to pay for marketing which they neither need nor want.

A public comment period extends through March 20th. You can submit your comment — and we urge

you to do so — at <a href="https://www.regulations.gov/comment?D=AMS-SC-16-0112-0002">www.regulations.gov/comment?D=AMS-SC-16-0112-0002</a>.

For more information on why organic farmers oppose OTA's organic check-off proposal, see <a href="https://www.noorganiccheckoff.com">www.noorganiccheckoff.com</a>.

## At Last, A New Organic Poultry and Livestock Rule

The long awaited final Organic Poultry and Livestock Rule was published on January 19th, with an effective date of March 19, 2017. On his first day in office, President Trump delayed all final rules that are not yet effective for 60 days, which in this case adds just one day to the effective date of the rule. However, during those 60 days, the new Administration potentially could take action to further delay the implementation date or even start the process of rescinding the rule.

The provisions in the rule have been in contention at some level since before the final rule for organic food production pursuant to the Organic Foods Production Act was published in 2000. In the years since, the National Organic Standards Board has issued multiple recommendations for the humane treatment of livestock and poultry. Some of these recommendations were adopted by the USDA, particularly those governing livestock, but it consistently refused to implement NOSB recommendations regarding outside access for

poultry. (Some information on the history of these recommendations is available here.) The imprecise wording in many areas led to inconsistent certification requirements.

The current publication clarifies the requirements for daily access to the outdoors, specifically in areas that are at least partially soil or covered in vegetation, and minimums for space, air quality, light, and enrichments for both poultry and livestock.

Many additional requirements are clarified in the areas of humane treatment, transportation, and slaughter.

For most organic producers, the new rule becomes mandatory a year after its effective date. Organic egg and broiler producers, however, would have until 2020 or 2022 to comply depending when their facilities were first certified organic..

# MOFFA's 25<sup>th</sup> Anniversary

The Board of Directors holds eight meetings each year, with the April meeting designated as the official annual meeting. At this meeting we hold the election for the Board leadership positions and make the transition. Several years ago on the advice of legal counsel we made the necessary by-laws changes to switch from general membership voting for Board leadership positions to the Board managing these positions.

We hope to have the <u>book on the Organic</u> <u>Movement in Michigan</u> finished and available by this meeting. We welcome all who would care to join us and help with the celebration of the 25th Anniversary of MOFFA. The April Board meeting is scheduled for Tuesday the 11th and will be held in the Lansing area. If you'd like to attend, please <u>let us know</u>.

### Healthy Food, Healthy Bees Connection 2017

Healthy Food Healthy Bees Connection is now accepting registrations for the 2017 season! Many beekeepers are looking for additional locations to put honeybee hives and many farmers are looking for honeybees to help pollinate their crops – so we provide the match free of charge! Registration is easy, simply go to <a href="www.northernbeenetwork.org">www.northernbeenetwork.org</a> and click on the Healthy Food Healthy Bees Connection! Then register your farm and the county you live in, and if there is a beekeeper interested in putting honeybees on your farm you will be notified. Now is the time to register as beekeepers order new bees in the winter months. If you have any questions, please contact Barb Barton at 734-576-8427 or email mailto:barb@leaningtreeshoney.com.

## A Message from the National Young Farmers Coalition

Thank you to the 1,500+ farmers who have already taken our National Young Farmer Survey! We're excited about our early results, but we still need 3,500 more participants in order to meet our goal. This survey is a crucial advocacy tool: we encourage you to show up, take the survey, and tell Congress that #FarmersCount!



#### **MOFFA News**

Newsletter – We are very interested in featuring new voices in the newsletter. If you are interested in contributing, or if you have a suggestion about content or can recommend someone who would be interested in contributing, please contact us. If you're not interested in writing an article, please consider contributing photos of your farm or your harvest; we're always looking for more illustrations.

**Facebook** – Emily Nicholls is maintaining our Facebook page. Stop by and give us a Like!

Membership – In 2016, 147 individuals, families, and businesses expressed their support for the MOFFA mission through membership. Now it's 2017; the membership year begins in January so if you haven't already joined, please take a minute to join or renew online, or if you prefer you can download a membership form and send it along with your check to P.O. Box 26102, Lansing, MI 48909.

Keep up with MOFFA on our website: www.moffa.net, or email us at moffaorganic@gmail.com.

Write to us at: Michigan Organic Food & Farm Alliance

PO Box 26102 Lansing, MI 48909