



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.



THE ECONOMIC PAMPHLETEER JOHN IKERD

The industrialization of organics

Published online February 16, 2018

Citation: Ikerd, J. (2018). The industrialization of organics. *Journal of Agriculture, Food Systems, and Community Development*, 8(1), 9–12. <http://dx.doi.org/10.5304/jafscd.2018.081.001>

Copyright © 2018 by the Author. Published by the Lyson Center for Civic Agriculture and Food Systems. Open access under CC BY license.

In my previous Economic Pamphleteer column, *Soul of the Local Food Movement*, I argued that the modern local food movement was born out of the industrialization of organics, and that if “the local food movement is to fulfill its transformational potential, it must not betray the trust and confidence of its customers and supporters” (Ikerd, 2017, p. 6). This point was reinforced in early November 2017, when Francis Thicke, a long-time organic farmer and advocate of organic farming,

gave what I would call a “farewell warning” upon completing his five-year term as a member of the National Organic Standards Board (NOSB). He wrote, “I learned, over time, . . . that industry has an outsized and growing influence on USDA—and on the NOSB (including through NOSB appointments)—compared to the influence of organic farmers, who started this organic farming movement” (Thicke, 2017, para. 2). He added, “Perhaps we shouldn’t be surprised to find that big business is taking over the USDA organic program because

John Ikerd is professor emeritus of agricultural economics, University of Missouri, Columbia. He was raised on a small farm and received his BS, MS, and PhD degrees from the University of Missouri. He worked in the private industry prior to his 30-year academic career at North Carolina State University, Oklahoma State University, the University of Georgia, and the University of Missouri. Since retiring in 2000, he spends most of his time writing and speaking on issues of sustainability. Ikerd is author of six books and numerous professional papers, which are available at <http://johnikerd.com> and <http://faculty.missouri.edu/ikerdj/>

Why an Economic Pamphleteer? Pamphlets historically were short, thoughtfully written opinion pieces and were at the center of every revolution in western history. I spent the first half of my academic career as a free-market, bottom-line agricultural economist. During the farm financial crisis of the 1980s, I became convinced that the economics I had been taught and was teaching wasn’t working and wasn’t going to work in the future—not for farmers, rural communities, consumers, or society in general. Hopefully my “pamphlets” will help spark the needed revolution in economic thinking.

the influence of money is corroding all levels of our government” (para. 7).

Thicke provided specific examples of the eroding integrity of the USDA organic label. “We have a rapidly growing percentage of the organic fruits and vegetables on grocery store shelves being produced hydroponically, without soil, and mostly in huge industrial-scale facilities” (Thicke, 2017, para. 6). “We have large grain shipments coming into the US that are being sold as organic but that lack organic documentation” (para. 5). “We now have ‘organic’ chicken CAFOs with 200,000 birds crammed into a building with no real access to the outdoors, and a chicken industry working behind the scenes to make sure that the [proposed] animal welfare standards—weak as they were—never see the light of

day, just like their chickens” (para. 3). “We have ‘organic’ dairy CAFOs with 15,000 cows in a feedlot in a desert, with compelling evidence by an investigative reporter that the CAFO is not meeting the grazing rule—by a long shot” (para. 4).

A May 2017 article in *The Washington Post* quotes Mark Kastel of the Cornucopia Institute: “About half of the organic milk sold in the U.S. is coming from very large factory farms that have no intention of living up to organic principles” (Whoriskey, 2017, para. 26). The Cornucopia Institute is a self-proclaimed “watchdog” organization that has compiled a long list of betrayals of trust that have seriously eroded the credibility of the USDA National Organic Program.

The adoption in 2000 of USDA standards for certification of organic food production cleared the path for industrialization of organics. A hodge-podge of regional certification standards for organic foods had been an obstacle for national food retailers. Uniform national standards allowed organic foods to be bought and sold nationally, based solely on the certification of a single specified production process. No further knowledge was required regarding how the product was produced, who produced it, where it was produced, or

the ecological and social consequences of its production. In a paper prepared for a 1999 international organic conference in France, I wrote, “Large, specialized food systems will quickly dominate global production and distribution of organic foods, if they are allowed free access to organic markets” (Ikerd, 1999, para. 1). I pointed out that uniform national standards would allow large cor-

porate producers who could meet the minimum standards at the lowest economic cost to dominate the U.S. organic market.

Standardization, specialization, and consolidation of control are the fundamental characteristics of industrial production. With the encoding of organic production into a uniform set of rules, organic farming operations could be organized and routinized to run

with the efficiency of factories. Workers and machines on organic farms could carry out their specific specialized activities with the efficiency of biological assembly lines. The management process could then be simplified, allowing consolidation of control into large production units to achieve the “economies of scale” of industrial organic production.

Industrial organizations are mechanistic, linear, input-output systems. Production inputs and raw materials are converted into end products and wastes—a one-way process. Standardized lists of specific allowed and prohibited inputs allowed organic inputs to be substituted for inorganic inputs without fundamentally changing the production system. Specification of production practices, such as minimal access to pasture for livestock and basic rotations for crops, could be reinterpreted, distorted, or violated as necessary to allow certified organic production to fit the industrial paradigm.

Some obstacles to industrial production, such as prohibition of genetic modification and irradiation of organic products, were included in the USDA standards—at the insistence of authentic organic producers. Nonetheless, as the industrial share of the organic market has grown, it has

**“Large, specialized food
systems will quickly
dominate global production
and distribution of organic
foods, if they are allowed free
access to organic markets.”**

become more difficult to defend the ecological and social integrity of organic foods. Organic pioneer Lady Eve Balfour wrote in 1977, “I am sure that the techniques of organic farming cannot be imprisoned in a rigid set of rules. They depend essentially on the outlook of the farmer. Without a positive and ecological approach, it is not possible to farm organically” (Balfour, 1977, para. 47). Authentic organic farms do not function like machines or factories; they are living, self-renewing, regenerative agro-systems. Whenever the organic farmer is not a person but a large, publicly traded corporation, or is a farmer producing under terms dictated by such an economic entity, production and profits inevitably take priority over the “outlook of the farmer.”

Many organic farmers believed that uniform standards would lead to increased market access for farmers and reduce prices for consumers, resulting in greater accessibility and affordability of organic foods for more people in more places. In this respect, national standards have succeeded. However, organic foods are no longer defined by organic farmers’ commitments to the ecological, social, and economic integrity that characterize authentic organic production. The metrics for success have become increased sales and profitability rather than organic integrity.

I am not suggesting abandonment of USDA organic standards. The increased availability of industrial organic products has made more people aware of the environmental and public health risks of conventional agricultural products. Certified organic foods are still produced without toxic chemical pesticides and fertilizers, hormones, and antibiotics, or genetically engineered crops. Perhaps a logical approach would be to redefine the USDA certification of “organic” to mean

**Authentic organic farms
do not function like machines
or factories; they are living,
self-renewing, regenerative
agro-systems.**

“produced with organic materials”—and to continue defending the integrity of lists of allowable and non-allowable inputs and materials. This would allow consumers to distinguish between industrial and authentic organic products and allow authentic organic farmers and their customers to return to the task of ensuring the authenticity of organic food production.

The Rodale Institute, a long-time advocate for organics, recently announced a new Regenerative Organic Certification Program. Its stated goals for the new program are “to increase soil organic matter over time, improve animal welfare, provide economic stability and fairness for farmers, ranchers, and workers, and create resilient regional ecosystems and communities” (Rodale Institute, n.d., para. 3). As Thicke stated in his farewell comments, “I support...an add-on organic label that will enable real organic farmers and discerning organic

consumers to support one another through a label that represents real organic food. I support the creation of a label, such as the proposed Regenerative Organic Certification, that will ensure organic integrity” (Thicke, 2017, para. 9).

I also agree with the intent of the regenerative organic label, particularly the addition of the concepts of animal welfare,

fairness, resilience, and communities to the criteria for authentic organic. The linear, industrial system of production is conceptually incompatible with regenerative organic production. However, the industrial food system will attempt to denigrate, destroy, or coopt any challenge to its supremacy. Any uniform national standard for organic production ultimately will lead to industrialization. The integrity of organic foods ultimately depends on the integrity of the people who produce, process, and distribute it.

References

- Balfour, E. (1977). *Towards a sustainable agriculture: The living soil*. Speech at the IFOAM [International Organic Farming] Conference, Switzerland. Retrieved from the Journey to Forever website:
http://journeytoforever.org/farm_library/balfour_sustag.html

- Ikerd, J. (1999, December). *Organic agriculture faces the specialization of production systems; specialized systems and the economic stakes*. Presentation at the Organic Agriculture Faces the Specialization of Production Systems international conference, sponsored by the Jack Cartier Center, Lyon, France. Retrieved from <http://web.missouri.edu/ikerdj/papers/France.pdf>
- Ikerd, J. (2017). Soul of the local food movement. *Journal of Agriculture, Food Systems, and Community Development*, 7(4), 5–7. <https://doi.org/10.5304/jafscd.2017.074.002>
- Rodale Institute. (n.d.). Regenerative Organic Certified. Retrieved November 2017 from <https://rodaleinstitute.org/regenerativeorganic/>
- Thicke, F. (2017, November 3). Closing Comments by Francis Thicke at end of NOSB term. Retrieved from The Cornucopia Institute website: <https://www.cornucopia.org/2017/11/closing-comments-francis-thicke-end-nosb-term/>
- Whoriskey, P. (2017, May 1). Why your ‘organic’ milk may not be organic. *The Washington Post*. Retrieved from https://www.washingtonpost.com/business/economy/why-your-organic-milk-may-not-be-organic/2017/05/01/708ce5bc-ed76-11e6-9662-6eedf1627882_story.html?utm_term=.7b12fa0a2a9f