



PROEXAG

NON-TRADITIONAL AGRICULTURAL EXPORT SUPPORT PROJECT

**BUILDING AND MANAGING A CERTIFIED ORGANIC FOOD PRODUCTION SYSTEM
THAT MEETS THE NEEDS OF A DIVERSIFIED MARKETPLACE**

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When I think of the management system required for a certified organic food production system of commercial scale, I'm tempted to sight- all the traditional management advice found in scores of publications today. However, the first thoughts that come to mind is when we considered converting my wife's family farm in Pennsylvania to an organic system many years ago.

We all got together and it seems now that we talked for days about the subject, without any real resolution or final direction. Why? Perhaps mostly because there was very little reliable information available back then; except from those in the publishing business - and frankly some of the family members were doubtful about our possible success. Further that the organic system would be too labor intensive versus the traditional synthetic chemical and capital intensiveness of the conventional system we had all been used to!

What we apparently never saw or gave little real thought to was the "management intensiveness" of our organic system, if we did it right - particularly as the transition/conversion started to take shape and the economic realities were coming headlong down the furrow at us.

The "organic system" had to be carefully planned and managed at every level - with the discipline and touch of one fine tuning a violin -

Most important it would require a personal and business commitment and attitude change, as well as a whole new (although they have existed for centuries) set of farm management principles - foremost; we had to employ the

best, of what is being called today "the stewardship management principles". In otherwords - monocultures are least desirable; planned diversification was essential; cover crops, green manure (legumes), some livestock and crop rotation was most beneficial - and that you must realize that nature is your partner and not your enemy - and that we didn't get in this situation overnight, therefore be patient and do not expect miracles - and most of all, give the "whole system" time to start working together for the common cause!

It immediately became apparent to us that we must not replace synthetic chemicals with "organically acceptable chemicals", mainly because they were not readily available and were also usually too costly and in some cases unproven. Equally important what we must avoid was to duplicate the pitfalls of the conventional system, as we developed and learned to manage our organic system. Therefore we needed to seek viable alternatives, which were usually improved management practices and employing common sense, and developing an appropriate technology for our specific farm management situation. Specifically we were on our own and the cause of success would be our hard work and good management principles.

Further, besides the significant production management changes that were being required, we had to also remember that a major problem that we and our farm neighbors were having was the sales and marketing of our products at the farmgate. Specifically the difficulties of fair pricing, maintaining reasonable profit levels and return-on-investment - and providing a fair standard of living for our families. We had never received any farm subsidies - and continue that practice today.

What all this meant to us was that the "certified organic system" would

require us to reconnect ourselves, to both the farm and our land - and our marketplace - through direct hands-on innovative, day-to-day farm management, including limited vertical integration - and direct product sales and marketing of our new certified organic food products and personal contact with our customers - the consumers!

With these thoughts in mind, I want to share with you some of the important issues and considerations that we and others that we have assisted over the years have recognized and learned from our "organic system experiences" that may be of value to you as you plan your farm system changes. Above all remember these are personal choices that we are advocating here, but I do believe that they could become very valuable to all American farmers if they started to employ these simple management principles on their farm enterprises.

FOOD FOR THOUGHT!

As farmers seek to reduce off-farm cost, move towards a less energy intensive system, and desire a more environmentally and economically viable and sustainable food production system, at a reasonable profit, they must keep these basic points in mind:

1. There are no "quick fixes", regardless of who is promising - an improved management system holds many of the answers you need.
2. Conversion/transition to less energy-intensive and less environmentally intensive systems must be planned - and managed day-to-day.
3. Farmers must know their markets - and grow for those markets and avoid cheap, resource consuming markets at the farmgate. Add value on the farm wherever possible and practical.

4. Farm production systems can be environmentally conscious, resource conserving, cost effective, and utilize good stewardship principles. They could make the difference.

Certified Organic farming systems are simply production choices that are emerging and that employ an innovative style of farming that fully integrates appropriate technology with proven ecological principles. Wherever possible and economically feasible they exclude or limit the use of or the dependency on non-renewable resources for fertilizers, pest controls, growth regulators and livestock feed additives. They also advocate a responsible and practical management of their on-farm resources with particular concern for the safe preservation and conservation of their vital soil and water resources.

"QUICK FIXES"

There are no "quick fixes"!

1. Farmers are confronted with the need for economically and environmentally viable alternatives for their food-production systems.
2. Due to low raw material prices, falling yields and higher production cost, many farmers are looking for the "quick fix" to solve their problems - there are none!

Perhaps a better choice is to seek a balanced system, one which fully and efficiently utilizes on-farm resources, one that builds and conserves vital soil, water and nutrient producing resources, rather than one that depends solely on costly, off-farm non-renewable resources. Particularly those that stress the system and that pose possible soil and groundwater contamination problems.

Conversion Systems Planned

Conversion to less energy-intensive and less environmentally intensive systems must be planned.

1. Conversion or transitional farm systems must employ a sound and practical farm management plan. Guessing is no longer good enough.
2. The plan must be appropriately designed for the enterprise. It must be based upon its specific production, resource and market capabilities.
3. Conversion schedule and budget is essential if success is to be realized. And it must be carefully implemented with the livelihood of the enterprise in mind.

A conversion program does not necessarily mean a complete shift to an "organic system" all at once, but it could over time represent a significant reduction in off-farm intensive chemical inputs, greater crop diversification and in the long term, major cost reductions and a more profitable enterprise.

FARM MARKETING

Farmers must know their markets - and grow for those markets!

1. Too often farmers lose contact with their markets and therefore find themselves growing for markets that are over-supplied and low priced.
2. Supporting world food markets with cheap raw commodities through costly off-farm inputs, at the risk of depleting or contaminating our vital soil, groundwater and human resources, makes no economic sense.

The employment of a sound farm diversification program that is tied

directly to the farm production base and related market needs offer serious economic options.

Farm Production System Resource Responsible

Farm production system can be environmentally conscious, resource conserving and cost effective.

1. Today it is practical to assume that an agricultural food-production system can be environmentally feasible and cost effective, provided the proper incentives are structured within the conservation program policies.
2. Soil, water and on-farm resources must be managed within the production enterprise, and when poorly managed the enterprise management must be held accountable.

It is essential that tomorrow's food production systems employ the best on-farm resource management systems that science and appropriate technology can deliver. Our vital soil and groundwater resources must be wisely managed and protected against depletion, contamination and mismanagement.

New and appropriate research priorities must be established and the search for practical resource conserving systems broadened. It must be recognized that these might come from either "traditional or non-traditional" sources, and developed through a partnership between the public and private sectors.

A Sound Business Decision Must Also Be a Sound Environmental and Resource

Conserving Decision!

As certified organic farmers (farmers in general), we must never lose touch with the needs of our market-place, our environment, our community or our quality of life.

Put A Little Touch of Excellence in Your Marketing Program!

Following are a few additional thoughts for your consideration, relative to managing and competing in today's diversified and over-supplied marketplace - particularly relative to the direct-marketing of "certified organic foods".

1. Certified organic foods must be of the highest possible quality, employ the best quality-assurance measures at every production step - growing, harvesting, and post-harvest handling.
2. Certified organic food must come from a consistent and diversified supply. Never turn on a market that you cannot consistently supply with high quality. Also crop and market diversity is excellent insurance and good business.
3. Certified organic food must be carefully and appropriately packaged and attractively presented. Be proud that you grew it, tell a little story about the "tender loving care" you gave it - and how and why it was grown organically.
4. Certified organic food must carry a product guarantee, in other words independently third-party certified, with a complete audit trail from growing through distribution.
5. Certified organic food must be affordable - not cheap at the cost of our environmental sustainability, our farm and farm families and communities.

However, it must also be a safe and healthy food system that is available to every consumer regardless of location or economic status. And it can be, if we price this food system out on a comparative basis, at every level and consider the many stewardship contributions it makes to mankind,

nature and planet earth too!

Make Nature Your Farm Partner

So I leave you with these final thoughts as you start to build and manage your new "certified organic food production system" - Never lose touch with your production system or your marketplace - and be proud of being a farmer and of the farm products you offer to the marketplace - respect and listen to the land and let nature be your friend and farm partner. Thank you for allowing me to share these thoughts with you!