IN SEARCH OF DEEP ORGANIC DISTRIBUTION

By Kristine Hammel

In the keynote address at the recent Bring Food Home conference in Kitchener, Ontario, Joel Salatin said a successful local food system needs production, processing, marketing, accounting, distribution and patrons.

Salatin believes production should be diversified. His farm includes beef cattle, pigs and poultry—a rare thing in today's highly specialized agriculture. Food should be produced in such a way that customers can be invited onto the farm to see where their food comes from, without feeling revulsion. Furthermore, he said the tools and infrastructure must be suited to the size of the farm and young people should be involved.

According to Salatin, processing should be on-farm, human-scale, and use as little packaging as possible. No one should have to spend all their working hours doing the same repetitive job, especially when it comes to slaughtering animals.

> **A "distribution critter" is needed, one that preserves the integrity of the products and gets them to the patrons.**

A "distribution critter" is needed, one that preserves the integrity of the products and gets them to the patrons. Joel suggested one possibility—urban food buying clubs. But, overall, he seemed to be stumped by the challenge.

And what a challenge it is! If production and processing are as Salatin envisions them, then the challenge for the "distribution critter" is to first connect many small and mid-sized diversified family farms with small and mid-sized processing infrastructure, and then with the distribution infrastructure that can reach the general population. In essence, Joel is arguing that the whole food chain should reflect the organic farming principles of health, ecology, fairness and care.

Salatin's talk came at an opportune time. The Bring Food Home conference sought to connect various food and agriculture movements that have been growing in Ontario (and all of Canada) in recent years—especially organic and local. Salatin's words highlighted the need to connect all the pieces—chief among them the farmers who want to produce good food and the patrons who are looking for alternatives to common supermarket fare.

In terms of organic, the numbers of both farmers and patrons are growing rapidly. A recent study commissioned by the Organic Agriculture Centre of Canada showed that retail sales of certified organic food in Canada surpassed 1-billion Canadian dollars in 2006, with annual growth of over 20 percent. The number of organic farms also continues to grow: in 2007 Canada had 3,782 certified organic farms (an increase of more than 200 from the previous year, and the highest number on record).[1]

In 2007, an Agriculture and Agri-Food Canada study found hundreds of local food initiatives throughout the country. The report also found that demand often outstrips supply—there just aren't enough farmers growing for local patrons—and there is a lack of processing and distribution infrastructure to connect the two.

It is time for us to think about the local and organic food distribution systems that are developing and those that we would like to see. If we don't, there is a good chance that we'll miss our chance to shape local and organic "distribution critters" and instead be swallowed by the "distribution dinosaur" we have now.

In Europe and the U.S., the world's largest markets for organic products, the sector is undergoing dramatic changes. Following on the heels of rapid growth in the past decade, the organic sector is differentiating into shallow and deep organic.

Shallow organic consists primarily of certified organic versions of conventional products and is distributed via mainstream grocery stores (the distribution dinosaur). These products come out of organic agriculture, but the connection between farmers and patrons is no different than in the conventional system. On the other hand, deep organic strives to build relationships between farmers and patrons and to embody values that are not part of the organic regulations (such as regionality, fair trade, and artisan processing).

Bioalpin

One initiative that is navigating these dramatic changes is Bioalpin, a cooperative of small farmers and small-scale processors in the Austrian Alps. The co-op manages storage and distribution for its members. Together, the farmers and processors offer a diverse product line (dairy, meats, fruits and vegetables, eggs and bread). Fortunately, the co-op has an eager partner in a regional grocery chain with similar values.

Bioalpin is an example of horizontal integration (farmers coming together) and vertical integration (integration of elements along the food chain), both controlled by producers. The farmers are able to overcome their individual distribution challenges and together access larger markets, without losing decision-making power to the big industry players. They have found that in the process, common goals, values and quality standards can and must be defined. While economic interests are part of the drive to establish such cooperatives and partnerships, Bioalpin has found that their success depends on the shared values of all involved, including the regional supermarket.

A deep organic distribution critter, based on local resources and fairness, needs considerable organizational and production capacities.

Ontario Natural Food Co-op

In Eastern Canada, a different type of cooperative makes organic, natural and local foods available to customers. The Ontario Natural Food Co-op was organized in 1976 by 11 Toronto area food co-ops and buying clubs. Today it is a full-line distributor, serving eastern Canada with more than 3900 products from over 200 vendors. The co-op shows that the distribution critter does not have to be created by the farmers and processors—consumer groups can play a powerful role in connecting the two ends of the food chain.

Ontario Natural Food Co-op customers include natural food stores, retail co-ops, buying clubs, local independent community grocery stores, daycares and non-profit organizations. These models bypass the mainstream supermarkets, which continue to consolidate. The five largest food retailers in Canada accounted for about 60% of national grocery sales in the late 1990s, up from 50% a decade earlier, while the share of independent retailers decreased from 47% to 39% over the same period.[2]

Around the Sound

One local independent grocery story can be found in Owen Sound, Ontario. Just over a year ago, Anne Finlay-Stewart opened Around the Sound Local Food Market. It has already outgrown its first location and now connects more than eighty local producers with local patrons. Before, patrons would have had to drive hundreds of kilometres to get products from such a large number of growers; now they can find it all in one spot. And the growers and processors have a venue for their products and can therefore focus a bit more on growing and processing. Finlay-Stewart and her suppliers can attest to the many challenges and growing pains of such a venture. However, the store has become an important hub in the local and organic food system.

We have many individuals, groups and enterprises working on the issue of organic distribution in Canada. But already, supermarket chains have responded to consumer demand and now sell more than forty percent of all organic food sold in Canada. Supermarkets are showing increasing interest in the local food movement as well. The entrance of the supermarket chains into the organic and local movements can erode the power of local organic farmers, processors and consumers to determine what lands on their dinner plates.

Farmers want to produce good food and patrons are looking for alternatives to common supermarket fare.

A deep organic distribution critter, based on local resources and fairness, needs considerable organizational and production capacities. It has to address quality, consistency and seasonality issues; match supply and demand; tell the growers' stories and nurture relationships; ensure information flows along the food chain; build infrastructure; and find the needed capital.

That's no small task; no single individual can do it all. Consumers and farmers will need to work together to develop a deep organic distribution system that works for us all.

Footnotes

1. ***The world of organic agriculture statistics & emerging trends, 2009***. Edited by Helga Willer, Minou Yussefi-Menzler and Neil Sorensen.

2. ***Components of the Agriculture and Agri-Food System: Food Distribution (Retail, Wholesale and Foodservice), an Overview of the Canadian Agriculture and Agri-Food System, 2007***. Agriculture and Agri-Food Canada.

Kristine Hammel completed a M.Sc. Organic Food Chain Management in Germany in 2008. She is now farming, writing and involved in the regrowth of the local food system in Grey and Bruce counties, Ontario. kristine.hammel@gmail.com