

ORGANIC TRADE ASSOCIATION

Grain, Pulse, and Oilseed Council

2019 ANNUAL REPORT



SINCE 1985
Organic
trade association

The Organic Trade Association (OTA)'s Grain, Pulse, and Oilseed Council is made up of member companies with a role in the organic grain, pulse, and/or oilseed space. Its members cover the entire supply chain from growers to processors to manufacturers, all of whom are committed to ensuring the resilience and profitability of organic grain, pulse, and oilseed production in the United States. Within the council, members work together to identify and overcome barriers to the growth of domestic organic grain acreage by understanding key challenges and providing recommendations for pre-competitive supply chain solutions.

The council was first established in 2015 in response to concerns about organic grain shortages, both for food and animal feed, which had forced companies to import large amounts of organic grain and limited new product development. The council's main work project has been to continue the effort of the U.S. Organic Grain Collaboration—a pre-competitive collaboration of eight member companies (Annie's, Ardent Mills, Clif Bar, Grain Millers, Stonyfield, Organic Valley, King Arthur Flour, and Pipeline Foods) coordinated with support from the Sustainable Food Lab—that have brought forward company resources to support sector research, knowledge, and tool development.

By a unanimous vote at the beginning of the year, the council decided to dissolve the U.S. Organic Grain Collaboration, and have the full membership of the sector council work together on developing work plans and fundraising and executing work plan projects. This decision serves to expand the engagement and fundraising for work plan projects, and improve the transparency and communication of council business. Under this new structure, the council is working together to develop and execute goals of the sector council.

Since the new structure was established, the council has welcomed new members, bringing total participation to 20 member companies. The council held an in-person meeting in Washington D.C., in May as part of OTA's Organic Week to finalize the development of its 2019 work plan, which will focus on expanding technical assistance for organic grain growers, and preventing fraud in organic grain supply chains.

Council Members



GRAIN MILLERS



The U.S. Organic Grain Report

The council's major accomplishment in 2019 was completing and releasing a report that drills down into the key barriers in expanding domestic organic grain production, and identifies specific industry solutions to overcome the hurdles. The report, titled "U.S. Organic Grain – How to Keep It Growing," done in coordination with the Sustainable Food Lab and FarmSmart, provides an update to an earlier report in 2014 on the U.S. organic grain sector.

It provides current information on organic grain production and market trends. While organic grain production in the United States is growing, it is not doing so fast enough to meet the needs of the nation's robust and expanding organic livestock industry, and it is not always growing in such a way to ensure a sustainable supply into the future. The report hones in on the three top challenges to growing more organic grain in the U.S and recommends proven strategies the industry can adopt to address each challenge, and improve farmers' ability to enter organic, optimize production and eventually stay in organic grain production:

- Employ pricing and investment mechanisms for growers to reduce financial risk;
- Develop markets for lower value crops that are necessary in organic rotation to increase soil fertility and suppress weeds; and
- Increase the number of trusted advisors and farmer networks for organic farmers.

The report was publicized widely upon its release in February 2019. Feed Navigator was given a media exclusive and access to council members for in-depth interviews to enhance its feature article. The council also hosted a webinar for members and the public to learn about the key finding of the report, and hear from the report's authors, as well as an organic grain farmer to give a "from the field" perspective.



READ THE REPORT To read the full press release and download the report, go to: ota.com/resources/us-organic-grains-report

Price Management And Investment Mechanisms

To expand on the U.S. Organic Grain Report recommendations for reducing financial risk, the council commissioned a supplementary report, titled "Price management and investment mechanisms: Case studies for the U.S. organic grains sector," also done in coordination with the Sustainable Food Lab. The report identifies recommendations to support producers in managing price volatility, ensuring cost recovery, and becoming more competitive:

- Develop region specific transition budgets to understand costs and risks;
- Model pricing tools in a specific supply chain to better understand ripple effects and business case and share learning; and
- Innovate new mechanisms for sharing cost-benefit of extended crop rotations.

By evaluating various case studies, the report concludes that a focus on production costs rather than higher prices via fixed premiums could be central to promoting organic transition, particularly in isolated supply chains. This focus is more producer-centric, informs more accurate prices, and is a more viable incentive over time. These attributes are then compelling for a model to be scalable; however, they are limited in contexts of high crop rotation and multiple buyers.

Expanding Access To Organic Technical Assistance

Recommendations from council's U.S. Organic Grain Report are building the foundation for the council's ongoing work. Regarding the recommendation for increasing



the number of trusted advisors and farmer networks for organic farmers, the council has mobilized around the Organic Agronomy Training Service (OATS), a new "train-the-trainer" program for agricultural professionals working with organic and transitioning farmers. OATS is an incorporated consortium of organic agronomy experts from nonprofits, universities, businesses, and farmer networks that develop regionally-

Members of the Grain, Pulse, and Oilseed Council gathered in Washington, D.C. during Member Day at Organic Week 2019.



specific training curriculums about the art and science of organic crop production. By the end of 2019, OATS will have hosted three pilot trainings focused on organic row crop production across the Midwest. The pilot program will continue through the winter into next year to adapt the trainings to new geographic regions and crop types.

Members of the Grain, Pulse, and Oilseed Council have contributed to the successful first year of the OATS Pilot Program through project management or startup fundraising. The council was also instrumental in advocating for OATS to be included in the first year portfolio of technical assistance projects supported by the GRO Organic voluntary research, promotion, and education program. OTA has expanded its support of OATS by becoming the project's fiscal sponsor, and contracting with Mallory Krieger to serve as the OATS National Program Director to facilitate the growth and development of OATS.



LOOKING AHEAD TO 2020

The Grain, Pulse, and Oilseed Council is looking forward to engaging in creative and effective pre-competitive solutions to overcome barriers to the growth of domestic organic grain acreage, with a focus on expanding technical assistance for organic grain growers, and preventing fraud in organic grain supply chains.

The Organic Trade Association's Grain, Pulse, and Oilseed Council is chaired by Anders Gurda of Pipeline Foods. Shrene White of Ardent Mills serves as Vice Chair, and Ed Fish of Bay State Milling Company is the Secretary. The council is supported by Johanna Mirenda, OTA's Farm Policy Director.



Organic Fraud Prevention Solutions

To help minimize and eliminate fraud in organic supply chains, OTA launched major private-sector initiative called Organic Fraud Prevention Solutions, a quality assurance program that provides businesses engaged in organic trade with a risk-based process for developing and implementing an organic fraud prevention plan. Members of OTA's Grain, Pulse, and Oilseed Council are committed to increasing awareness and encouraging enrollment in the Organic Fraud Prevention Solutions program. Members are creating space for shared learning within the council and the creation of additional resources to help companies pilot the program with their suppliers.



ABOUT ORGANIC FRAUD PREVENTION SOLUTIONS OTA members may now pre-enroll in Organic Fraud Prevention Solutions. Learn more about the industry-wide program at: ota.com/OrganicFraudPrevention



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