

OFARM

Organic Farmers' Agency for Relationship Marketing

Quarterly

*The dawn of a new era in
collective pricing, marketing and
inventory by and for
North America's organic farmers.*

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OFARM: Where marketing information is power for farmers

"Sharing market information among the OFARM member organizations has resulted in big returns for farmers," according to Oren Holle, Kansas Organic Producer's Association and OFARM president. "We began with the concept that sharing information through a series of regularly scheduled conference calls where our marketers have the opportunity to talk to each other and discuss market information. They get a chance to look at the big picture as far as inventory and crop conditions as we go through the growing year. They also have the opportunity to see what might be coming into the market." A key is then developing some strategies from there as to how the marketing should happen.

OFARM's vice president, Minnesota farmer Carmen Fernholz says, "Information is power. From the perspective of a producer participating in these conference calls, the amount of information is phenomenal. We discuss crop conditions, reliable end user information, agronomic information, evolution of organic standards. All of the information is constantly exchanged from the conference calls among the marketing directors from each organization. They can then use that information to benefit their local farmers and coop or association."

OFARM information results in more dollars at the farm gate.

"One of the first times OFARM really helped me out in the beginning years was marketing a crop of Vinton soybeans," according to Mark Vollmar, Organic Bean and Grain Marketing president. "We had a large inventory. We had been regularly marketing them for \$19 per bushel. Most of the customers that year were telling me the price was going to go down and they couldn't pay those prices. There were plenty of beans around at lower prices. But I talked to other OFARM groups. We found out it wasn't really true. So we decided not to sell and wait a few months. We ended up selling them for the price we were asking for. We just had to wait."

He goes on to point out that the value of OFARM is information. More specifically information in a crop such as corn. "Through OFARM, we had the same situation where a very large poultry operation was trying to keep the price low on feed corn. We've actually been able to bring the price up 30-40 cents per bushel instead of going down. At the beginning of the season they were trying to get us to lower the price. If we didn't have information from OFARM, we might have lowered the price."

Earl Wright, Kansas Organic Producer's (KOP) marketer cites this example of OFARM member organizations working together to benefit producers. "Soft wheat is one of the minor classes that we grow, but we can grow good soft wheat in eastern Kansas and western Missouri. Soft wheat pretty much needs to go east to a market. Midwest Organic Farmer's Coop (MOFC) members in Illinois also grow soft wheat. There's a mill on the west coast that wanted more wheat than either of us can supply." According to Wright, what they did is KOP and MOFC came together to supply this mill using the two coops to do it. He notes, "This wouldn't have happened if we didn't have the OFARM network. Producers in both organizations benefited from this collaboration."

Dave Campbell, MOFC board member, farms east of Dekalb, Illinois. His personal experience in marketing grains from his farm is that, "I have no doubt that without OFARM and our coop I'd barely get what I'm getting. There

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President's Message

By: Oren Holle

As I stepped away from the breakfast table this morning to deliver my dishes to the kitchen counter there was pinkish hue reflecting from the wall of several out buildings on our farmstead in Northeast Kansas. This limited view of the morning light made me take a closer look outdoors to the east to see what sort of sunrise we were about to witness.

The glorious color of the first light of morning, saturating high cirrus clouds above a rural America landscape, nearly took my breath away. I just had to take my three year old grandson's hand and show him this work of the Creator's art. He stood there for a moment and in his 'just a bit slow speech' said "That's purrty Bum Pa". It was the kind of panorama that can not help but make one pause and say "Thank you Lord for this day". I could not help but grab the still camera for a few shots and then the camcorder to try to capture this wonder of nature on film.

A few minutes later the first rays of morning sun spilled across jack frosted harvest fields and pastures in scenes that make us all remember that this is one of the reasons we love living in the country. Some how the smog capped skyline of the metropolis most people see at this time of day just can not do justice to this scene.

While these and many other moments help make up 'the good life' it is so unfortunate that the failed economics of an industrialized agriculture are making it impossible for so many tillers of the good earth to remain. Even those of us in organic agriculture, who have broken out of the mold of this mainstream mentality too often still feel the burden of not being properly compensated for the food we produce. Some have found ways to greatly improve their economic picture through innovative marketing techniques mostly direct to consumers who care enough to care about where their food comes from and how it is produced.

Even this consistently growing organic market is being rapidly invaded by, in many cases, the same corporate giants that throw their weight around in the conventional market and continue to do their best to maintain the far too low farm gate prices for producers.

Organic agriculture has an opportunity to positively impact this situation. We are a relatively small percentage of the total food supply and consequently have the opportunity to operate in a niche market atmosphere. All of us could possibly embrace the direct to consumer marketing methods and that would be a good thing. However, aside from that method, we can cooperate with our neighbors and fellow organic producers to do our marketing together and position our selves to deal with those corporate mentality entities that fully intend to profit at the expense of us as producers.

OFARM is dedicated to provide organic producers in North America, the network that gives group marketing, collective bargaining, and fair price negotiation the opportunity to be successful. We have come a long way in our short three years of existence and you now have the opportunity to be a part of a successful marketing and bargaining effort. I look forward to hearing from you both as members and those of you considering joining our effort. I would be glad to discuss this further with you so together we can share our vision of a profitable agriculture. You can call me at 1-866-846-5544

Best Wishes for the Holiday Season and I wish you a healthy and prosperous New Year.

In marketing, information is power

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was a year where I made a couple of phone calls on my own on some soybeans I had to sell. The last couple of years in our part of the state, we've had trouble raising good quality soybeans. So they've been sold for feed grade around \$10.50 per bushel. The brokers I called quoted me in the \$8.50 to \$8.75 per bushel range. You're looking at quite a difference in price through having the information right there."

Although it is sometimes difficult to quantify exactly how much OFARM benefits producers, Oren Holle cites examples of OFARM member organizations being able to negotiate producer friendly contracts. He figures that in some instances 50-75 cents more per bushel on wheat through OFARM networking has been returned to farmers. KOP is able to sell soybean meal which can add 25 cents to \$1.00 a bushel to the producer price as opposed to just selling the beans. Also being able to accommodate smaller volumes and accumulate them into truckload lots in some instances has added 20-25 cents to producers' prices.

The value of OFARM comes back to a vast farmer network. Earl Wright sums it up, "Networking is important in any kind of business. In the area of farming, it used to be a community network that was close knit. That is no longer the situation. So, we're networking through OFARM over a large area and having access to talk to other marketing directors. It just gives you a broader base from which to operate out of instead of just your office in your own little world."

OFARM annual convention

**Tuesday, February 24 -
Wednesday, February 25, 2004
LaCrosse Center, LaCrosse, Wisconsin**

Tuesday, Feb. 24 - Committee meetings

9:30 a.m. - Audit Committee

Operating Procedures Review Committee

2 p.m. - Commodity Coordinating Committee

Wednesday, Feb. 25 - Annual Meeting

9 a.m.

Guest speaker: Roger Blobaum

Roger Blobaum, an agricultural consultant, provides professional services to organic and sustainable agriculture organizations and institutions. He has been an agricultural staff member in both houses of Congress and was co-chair of the Organic Working group, a national coalition that helped shape the 1990 Organic Foods Production Act and push it through Congress.

For further information, contact Oren Holle, OFARM president, toll-free at 866/846-5544 or e-mail: oholle@kansas.net

Producer Portrait

Kansas family takes organic as its farming future

Ed Reznicek and Mary Fund

Children: Ella (15) Evan (11)

Goff, Kansas, population 200

Located 60 miles north of Topeka on the southwest edge of the Cornbelt.

Ed grew up on a diversified farm in central Kansas in Marion County where the rotation was mixed grains, alfalfa, beef cattle, hogs, chickens and a dairy herd.

The current farm is 400 acres and it has been in his wife's family since the 1870s. Crop rotation: seven-year rotation, seeding alfalfa under wheat, oats or barley; two years of alfalfa hay, corn, soybeans, corn, soybeans. In a drought year, cereal grain may be substituted for corn the sixth year. They have a 35-head, beef cowherd. In the past they've sold feeder calves. They are now finishing some for direct marketing and other markets for organic beef.

Ed's interest in organics came from growing up on the farm. They used some fertilizer, but not herbicides. He grew up running a tractor and cultivator so he knew what non-chemical weed control was like. In the early 80s, he got interested in organic agriculture due to the energy crisis of the 70s. He was watching things unfold and relating them to his experiences of growing up on a farm. He observed some good organic farms in the early 80s that let him see it could be done. It let him see how legumes could be used to provide nitrogen needs. During the mid-80s he was doing some part-time work with the Kansas Rural Center doing credit counseling with farmers. He could see the three main expense items were interest, chemicals and fertilizer. Interest was being paid in part on the operating money used to purchase fertilizer and chemicals. As he got interested in getting started in farming on his own, it looked like organic was a way to make an entry without incurring a lot of debt for farm inputs and then seeing that there were price premiums for organic products.

Ed is general manager of Kansas Organic Producers (KOP). He has also done marketing and administrative work for KOP.

KOP has been around since the early- to mid-70s. It started as an organization that brought people together who were interested in organic agriculture and organic food. Prior to the 80s it had worked some on certification issues, trying to get a certification program on the ground to facilitate marketing. Most KOP members joined the OCIA (Organic Crop Improvement Association) Chapter and began certifying farms in 1989. Certification did a big part for developing the organic market, because as soon as they had some certified organic product on inventory, they had something to sell. The next step was to start KOP working on cooperative marketing.

In 1993 and 94, there was a strong demand for organic soybeans from Japan, just as KOP was getting going. It worked out well. Soybeans were a major part of their sales, with wheat and corn being part of it. When the Japanese soybean market took a dive in the later 90's, they began to shift to putting effort into marketing wheat, corn and feed soybeans. Wheat has been the major commodity with corn and soybeans right behind.

A few years ago, they got a local soybean processor certified organic to begin making soybean meal and manufacture organic feeds. They manufacture poultry feed and this year organic shrimp feed. KOP is participating with a group of investors in purchasing a tofu manufacturing plant.

KOP was one of the original organizations active in organizing OFARM. "We're dealing in national and international markets. Events that may seem far removed from where we are but affect our markets, sales and income. Also, the organic market is quite a ways from being fully developed. Farmers and farm organizations have an important role in continuing developing of the organic market, when you compare, cooperative marketing in organics with conventional. We have seen in organic marketing that we can have a place at the table in negotiating sales. For some of us the conventional is some years back. But when you think back, you take the price that was quoted and you really don't have a share at the negotiating table. What OFARM does is connect farmers and their marketing organizations over a much larger geographic area. I think it has fulfilled our hopes. We get much more current and accurate information by being in OFARM. The conference calls the marketers routinely have do more than anything to keep us abreast of developments and changes in the organic marketing. The most important tool we have in cooperative marketing is good information and that's what OFARM does for us. I think it has also given us some opportunities to do some joint marketing from one organization to another. It is one way we can help develop the market if we don't have the quantity or the quality we need for a sale. We can turn to our other member organizations to help in filling those markets.

"I think the organic marketing will steadily continue to grow. In my mind the issues of agricultural sustainability are real issues, sustainability not only in terms of production, but in terms of markets that can keep farmers on the farm. Organic agriculture and marketing has a key role to play in sustainable food production. I think the need will continue to be there, and the better we can work together across organizations, I think the more consistently and quickly we can develop the organic market in food systems."

Kansas Organic Producers

The first cooperative sales in were in 1991. KOP was re-organized as a cooperative and that was completed that in 1992.

KOP mission: Cooperative marketing for a sustainable food and farming future.

KOP's purpose: It is modeled upon marketing and bargaining coops where KOP doesn't typically doesn't take possession or ownership of the product. It bargains for a price and other sales terms and then coordinates deliveries and settles payments with producers.

KOP does business in: KS, CO, western MO, southwest NB, Wyoming, Texas, ND and SD

KOP markets- winter wheat, corn, food and feed soybeans, sunflowers, flax, millet, edible beans.

Calendar of Events

Jan. 12-15, 2004

National Farmers Organization (NFOrganics)

Contact: LuAnn Robinson, NFOrganics, 1-800-247-2110
Columbus, Ohio

January 22-25, 2004

The Guelph Organic Conference, "Building Sustainable Economies."

Contact: Tomas Nimmo, Tel. 705-444-0923.
Website: www.guelphorganicconf.ca
University Centre, University of Guelph

Feb. 26-28, 2004

Upper Midwest Organic Farming Conference

Tel. 715-772-3153.
Website: www.mosesorganic.org
LaCrosse Center, LaCrosse, WI

May 2-4, 2004

All Things Organic

Contact: Lisa Murray, murray@divcom.com
Chicago

Announcements

OFARM will begin listing organic dairy prices from around the nation.

Visit our Website to see the new dairy section. If you know of someone that is an organic dairy farmer who would like to report their milk price for listing on the Web site, please contact John Bobbe, OFARM executive director, at 920/825-1369 or e-mail jbobbe@itol.com

OFARM Member Organizations

Buckwheat Growers Association of Minnesota

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Website: www.buckwheatgrowers.com

Great Lakes Organic (Ontario, Canada)

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Kansas Organic Producers Association

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Midwest Organic Farmers Co-op (Illinois)

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National Farmers Organization

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