

Testimony  
On behalf of the  
Coalition for Sustainable Organics

With regard to

“Opportunities in Global and Local Markets, Specialty Crops, and Organics: Perspectives for the  
2018 Farm Bill”

Submitted to the

United States Senate  
Committee on Agriculture, Nutrition, and Forestry

Submitted by

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Chairman Roberts. Ranking Member Stabenow, members of the Committee. Thank you for the opportunity to provide testimony on the organic industry. My name is Theo Crisantes and I am the Vice President of Operations at Wholesum Harvest. I am a third-generation organic farmer with operations in Arizona and Mexico. I am here today as an organic grower and on behalf of the Coalition for Sustainable Organics (Coalition), which promotes the continued use of containers and hydroponics in the National Organic Program (NOP).

While I am also a member of the Organic Trade Association (OTA), Western Growers Association (WGA), and United Fresh Produce Association (UFPA), my remarks here today reflect the opinions of the Coalition.

### **Wholesum Harvest: History and Current Operations**

I am proud to say that Wholesum Harvest is a family farm and a true success story. My grandfather emigrated to Mexico from Greece in the 1930s and we have been selling into the United States since 1940. In 2012, we saw opportunity to expand our operations significantly in the United States and opened our newest operation in Arizona. While everyone else in agriculture was moving to Mexico for less regulation or cheaper input costs, we were investing in the United States.

We currently grow tomatoes, cucumbers, eggplant, peppers, and squash on 600 acres in both the United States and Mexico. We have a revenue of approximately 55 million dollars and are the largest producer of organic tomatoes on the vine in North America.

Wholesum is proud to be a longstanding participant in the organic program, receiving our first certification in 1995 and completing our most recent USDA audit just a few weeks ago.

We have found that the best way to create a sustainable and thriving organic system is to exclude pests and diseases that cannot be efficiently controlled by other organic methods. This approach has led us to use containers and other indoor growing systems not just for plant propagation, but now for the full life cycle of the plant. For example, for peppers, given the presence of the pepper weevil in our main production zones and the lack of beneficial predatory insects, Wholesum has found that it can minimize the impact on the environment by growing in shade houses. For tomatoes, the disease, pest, and environmental pressures are extremely high in our open field production areas. Rather than using a heavy load of chemicals and other scarce resources to address the problem, Wholesum invested in glass greenhouses where tomatoes are grown in containers. Greenhouses increase the efficiency of the beneficial insect program, reduce water use by 80 percent, and provide year-round employment in regions characterized by seasonal jobs.

Greenhouse and container production systems have become an important and growing portion of the supply of organic fresh fruits and vegetables. According to recent data from the *Nielsen Perishables Group FreshFacts® L52Weeks Period Ending February, 25, 2017* report, organic tomatoes produced in greenhouses primarily in containers now account for 23 percent of retail sales. The percentage of sales for peppers is 44 percent and 37 percent for cucumbers.

These methods are also endorsed by consumers. Last fall, the Coalition conducted a survey to assess consumer attitudes toward container growing. 91 percent of consumers surveyed supported current USDA policies that allow organic farmers to grow organic produce in containers. I have included our consumer study for the record in addition to this statement.

### **Increasing Uncertainty in the Organic Sector**

Notwithstanding overwhelming consumer support, our plans to expand operations in the United States have slowed because of the considerable uncertainty resulting from recent actions of the National Organic Standards Board (NOSB), a Federal Advisory Committee to USDA's NOP.

As you well know, the USDA Organic Certified Seal is one of the most recognized and trusted emblems in the global food system. But there has been increasing turmoil behind the scenes to determine what, exactly, it means to be able to receive that designation. Under the Organic Food Production Act of 1990 (OFPA), the NOSB was created to “assist in the development of standards for substances to be used in organic production and to advise the Secretary on any other aspects of the implementation of OFPA.”<sup>1</sup>

Over time the NOSB has become the driving force behind specific standards deemed appropriate, or in my case, inappropriate for organic certification. Even if USDA does not act upon a formal recommendation, many organic auditors will incorporate the NOSB's recommendations into their interpretation of standards to determine if producers meet USDA organic regulations.

Specifically, over the last few years, the NOSB has drafted and considered proposals to eliminate containerized and hydroponic growing methods from organic certification. These growing methods, which have been certified by USDA since the inception of the organic program, are crucial to meeting the rising consumer demand for organic produce. For me personally containers and greenhouses are necessary to improve the ecology of our farmland. We greatly depend on the organic premium I receive for my produce to pay for those advances.

I am not alone in this position. The Coalition for Sustainable Organics, of which I am a Board Member, represents growers across the country, all of whom farm in containers or hydroponics or aquaponics and would be severely disadvantaged if their long time organic certification was revoked.

While this issue may be the one in the hot seat currently, other issues and topics may be coming down the pipe. I am concerned that—without some change to the status quo—the organic industry will continue to face unnecessary regulatory uncertainties that will prevent it from meeting rising consumer demand.

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<sup>1</sup> 7 USC 94 §6518

## **Structural Challenges to Setting Organic Standards**

When the NOSB was originally envisioned few people really understood organic farming and an even smaller number of them were at USDA. Thus, it made perfect sense to outsource primary regulatory responsibility to an external body now known as the NOSB

But today, after 27 years, the NOSB structure is showing its weaknesses. For one thing, it is nearly impossible to capture and reflect the variety of operations that make up the organic industry with a 15-member board.

Of those 15 seats on the NOSB, four of them are filled by small operators who grow on a combined acreage of less than 120 acres. Likewise, the only seat allocated to retailers is currently occupied by a 17-store chain. Stated another way, NOSB's current composition fails to reflect the breadth and diversity of the industry.

Finally, NOSB's procedures do not incorporate sufficient public input – especially considering their influence. The Coalition has participated in every public comment opportunity surrounding the proposal to ban containers and hydroponics but several times, both extensive and complicated drafts composed by the NOSB, were released with only a few days allowed for review. This past spring, important proposed formal recommendations and discussion documents written by the NOSB were published on Friday March 17 with a deadline for comments of March 30.

The Board meets twice a year for public meetings but, excluding three-minute public comment allotments at these meetings, there are no other methods for a true two-way dialogue with these decision-makers. I have invited NOSB members to visit our operations and learn more about what they are proposing to restrict but, unfortunately, to date, no one has been able to visit. At the very least, NOSB should visit, see, and understand the organic, sustainable, and environmentally-friendly practices it seeks to regulate and, in my case, ban.

## **Next Steps**

The organic sector is no longer a niche industry. There are approximately 24,000 certified organic operations nationwide supporting tens of thousands of farm sector jobs in a \$50 billion per year industry. While other sectors of the American agriculture industry may be suffering due to depressed prices, organics is booming, creating a new safety net for farm families across the United States.

I believe that to continue the organic industry's positive trajectory, it will be important for this committee to discuss the current process for developing standards and other policy priorities.

The Coalition would support efforts to empower USDA and NOP staff to actively participate in the researching, drafting, and analysis of formal recommendations, prioritize the NOSB's agenda to ensure critical issues receive the attention they need in a timely manner, and create some stability in the regulatory and business environment for organic farmers and producers. We

strongly support an active role for industry involvement but there is a need to improve the regulatory process to encourage transparency and legitimacy for organics to continue to grow. We believe that allowing USDA to take more initiative to direct outstanding regulatory issues that have dragged on for years within the NOSB will give organics the necessary business certainty we as farm owners need to invest in the expansion of our businesses.

There are no shortage of critical issues facing the organic industry. From inequities in research spending to seed availability and certification compliance of imported organic agriculture to technology advancements, organics are at a pivot point. However, it can feel at times that the entire focus of federal engagement on organics is on outlier issues like whether a shade porch for poultry attaches to a roof at three points versus two points for poultry is acceptable. Moving forward, organic agriculture needs to focus on continuous improvement through creative thinking, innovation and technology in order to propel the industry to the next level of success.

Thank you for the opportunity to present to you today. I look forward to answering any questions that you may have.