

Organic

From the Ground up Organic Coffee Certification, Production and Processing

By Mike Dill, Oregon Tilth Certified Organic

With an introduction by Jennifer Rose, Organic Trade Association



A Project of the Organic Trade Association

These days, organic coffee is everywhere. No longer limited to specialty co-ops or high-end coffee shops, it has gone mainstream, making its way from mass merchandisers to college dining halls, high-end restaurants, and most every place in between. According to Daniele Giovannucci, author of the recent *North American Organic Coffee Industry Survey: 2009*, the North American organic coffee market alone reached 1.3 billion dollars in 2008, continuing an eight-year trend of 29 percent annual growth and illustrating consumers' continued commitment to making organic coffee part of their daily experience.

What is behind this organic coffee buzz? Is organic coffee really that different from its conventional counterpart, and if so, how?

As organic coffee certifier Mike Dill explains below how organic coffee is distinct on a number of levels. Beginning with the soil in which the coffee beans are planted, organic coffee is required to meet a strict set of government standards that not only give rise to unique production and processing practices, but also provide assurance that organic coffee is produced in a manner that consumers can trust.

All coffee growers who wish to have their green and roasted coffee represented as organic must seek certification. To do so and if planning to sell their coffees in the U.S., they must adhere to the strict requirements set forth by the National Organic Program (NOP) of the U.S. Department of Agriculture (USDA) as it relates to agricultural crop production and must be able to verify that organic integrity is maintained throughout the process.

The certification process begins at the ground level with the selection of a suitable and certifiable plot. Before any planting can occur, the land may not have had any prohibited substances applied for at least three years. Whether the land had been previously cultivated, organically or conventionally, or is a newly cultivated plot, the accredited certifying agency (ACA) must be able to verify the three-year absence of prohibited materials. Growers seeking certification must be able to show distinct boundaries between adjacent non-certified land, with buffer zones in place to prevent unintentional drift of pesticides and fertilizers applied by surrounding growers. Buffer zones are especially important in split operations, where a grower may only have a portion of the plantation certified organic while the remaining portion is managed conventionally.

Once the land is deemed certifiable by the ACA, growers must develop and maintain an organic system plan, which is agreed upon and approved by the certifier. The plan must include written descriptions of practices and procedures that will be adhered to and monitored continuously to ensure organic integrity is not compromised during all aspects of production and handling. All fertility and pesticide inputs must be approved by the ACA, and it is the responsibility of the grower to document the use of all inputs.

Subpart C of the NOP rule includes the production and handling requirements for all operations. Here you will find standards related to soil fertility and nutrient management. Additionally, standards are in place for seeds and planting stock, crop rotation and cover crops, and pest, weed, and disease management. Growers must implement tillage and cultivation practices that will maintain or improve the natural resources of the operation, including soil and water quality. As crop rotation

is not a feasible option in coffee production and because coffee is mostly grown on hillsides, growers plant permanent sod cover between rows to promote biological habitat, improve soil organic matter, and most importantly, help prevent erosion.

When cultivation practices are not sufficient for the nutrient needs of the plantation, growers have several options to turn to. While composted plant and animal materials are allowed, NOP has also set forth specific standards on synthetic and non-synthetic fertility inputs for general crop production. Sections 205.600-205.606 of NOP is the National List of Allowed and Prohibited Substances, which was developed to allow for non-organic inputs that have been deemed necessary for production and handling. This list is broken down into allowed and prohibited substances for crop production, livestock production, and processing. Certified coffee growers consult this list to evaluate the compliance of the fertility inputs they wish to use. Any input that is non-synthetic or contains non-synthetic constituents except for those substances listed on 205.602 may be used. Growers may also use non-synthetic substances listed on 205.601 of the National List.

When it comes to pest, weed, and disease prevention, the standards are similar to those in place for fertility management. Pests may be controlled through cultivation and sanitation practices along with mechanical traps and lures. Biological methods such as the introduction of predators and parasites and development of habitat for natural enemies of the pest are also allowed and encouraged. When these methods are not effective and a suitable non-synthetic substance is not available, growers may consult the National List for allowed synthetic substances.

Any material input intended for fertility, pest control, or disease prevention used on the plantation must be reviewed and approved by the ACA, be listed on the National List of allowed non-organic substances, or have been approved by an acceptable materials review program approved by the USDA. Inputs must be monitored for compliance during all stages of production, from pre-planting through harvest and storage.



The certification and verification process does not stop at harvest. All coffee berries must be harvested and handled in accordance with NOP standards. Growers must develop procedures to ensure only coffee from certified plantations or the certified section of split operations is harvested. This is where it becomes critical that plantation boundaries are clearly identified. Field maps help ACAs and inspectors easily identify organic boundaries and plantings.

As most coffee is harvested by hand, plantation managers must ensure that any container or bag used during harvest has not previously contained or been treated with prohibited substances. To eliminate the potential for contamination, virgin or dedicated bags and bins should be used. If any of these previously contained non-organic material, an adequate cleaning step is necessary to remove the non-organic material or residue that may be present.

Often color-coded, these bags or bins must be identifiable as containing organic coffee in storage and during post-harvest activities. If any of the bags previously contained non-organic material, they must be cleaned to remove any non-organic material or residue that may be present.

Following harvest, the coffee berries go through several processing steps before being ready for export. These post-harvest activities must be included in the grower's organic plan or, if carried out off-site, must be done at a certified facility. A processing plan must be agreed upon and approved by the ACA to ensure that all actions are compliant with NOP standards. For example, the plan must include a description of practices that will keep organic product segregated from conventional. All equipment, containers, and contact surfaces used in organic coffee processing must be free from contaminants coming from sanitizers and chemical pesticides as well as any remaining residue from non-organic products.

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In addition, procedures must be in place to maintain water and soil quality. As the pulping and de-husking process produces a large amount of solid waste and uses a vast quantity of water, procedures to manage this waste must be in place. Solid waste in the form of plant residue may be incorporated back into the plantation as compost and must be kept from entering streams and rivers. Additionally, there need to be methods for recycling water used for processing.

Following the completion of post-harvest processing, the green coffee beans are bagged and exported. If the bagging occurs off-site, handling must take place at an organic-certified facility. If this handling operation handles conventional coffee as well, an approved plan must be in place to prevent commingling of organic and conventional coffee. Equipment must be cleaned to ensure removal of non-organic residue. Depending on the sanitizer used, a rinse step with water may be required to prevent contamination by sanitizer residue. Sanitizers allowed without a rinse are listed on the National List, section 205.605. All bags must also be clearly identified as organic.

Once ready for export, bagged coffee is shipped in cleaned, or organic dedicated containers either to a storage facility or directly to the roaster. In order for the finished product to be labeled as organic, it must be roasted at an organic-certified facility, unless the roaster is exempt from the requirements of certification (i.e., less than \$5,000 annual sales in organic products). The roaster must protect the organic integrity of the certified coffee from the moment it receives and stores

green beans through the roasting and retail packing process. As most roasters handle both organic and conventional beans, it is critical to prevent contamination and commingling during this final step.

If the operation does not have a dedicated roaster or grinder for organic beans, it must implement measures to remove all non-organic residues from equipment. This is most effectively done by conducting a purge or flush with organic beans in which a pre-determined amount of organic beans is run through the roaster and/or grinder to flush out all residues that could not be removed through physical cleaning. The amount used for flushing the system must be agreed upon by the ACA and the operator. The beans used for this flush must be disposed of or sold as

non-organic as they would not be eligible for organic representation. The beans following the flush will be deemed organic compliant.

Organic integrity and prevention of contamination and commingling are the basis for many of the requirements in coffee production. However, no rules or laws can strengthen the organic integrity more than the commitment of the operations to follow the production standards with care and honesty. For more information about organic coffee, please see http://ota.com/organic_and_you/coffee_collaboration.html. *CT*



Smart Marketing

by Lisa Olsen

Is Your Marketing Talking to the Right Customer?

Whether the economy is booming or in a slump, the most often asked question I get is, how do I attract new customers to my business? Rhonda, a coffee shop owner in a hip urban area of Portland, Oregon, has been in business for six years. Customers have been cutting their consumption of coffee drinks and "add-ons" (scones, coffee cake, etc.) for about 18 months now, but she is noticing that people are slowly starting to order one size up and "sharing" a scone with a friend. This slow creep back is encouraging.

Rhonda has not been just waiting for people to show up at her shop. She regularly mailed fliers to new residents in the area. Her rationale was that people who had just moved into town would be looking for a place to grab a morning java in quick order.

Rhonda came to me wondering why what seemed like a good strategy was not working. Why was she only getting one or two coupons back from each mailing to 500 prospects? She asked me if she was targeting the right people. "Anyone with a mouth is in my target market, right?"

Good question. In theory, yes, any red blooded, beverage drinking person living in the area is a potential client. In reality, customers have very different reasons and attitudes towards the beverages they consume.

Rhonda was making the same mistake that most small business owners make in thinking about their target market. She was trying to market to everyone who might need to quench their thirst instead of targeting the most likely prospects. After trying this for a year, she recognized that this marketing strategy was costly and inefficient.

The alternative to broad based, costly marketing is to target your prospects more precisely and shape your marketing message accordingly.

There are three types of people in your target market.

- People with an immediate problem – have to have that cup of brew just to kick start their day. These prospects have a high sense of urgency. In Rhonda's case, these are the caffeine-addicted, blurry-eyed customers who come in every day.
- People who have a problem or want to improve their situation and are

considering a purchase. In Rhonda's case, these customers are looking for a place to meet friends or a business associate. They also include the non-coffee drinkers looking to satisfy their thirst and are often at a coffee shop for social reasons. These people need more information in order to understand why they should come to YOUR coffee shop. They may take more time to reach a decision to buy and are very influenced by others (what they think or where they want to go). These are the people who need to be educated in order to make a decision.

- Then there are people like my dear husband in every target market. It is a point of pride with him to see how little he can spend for a cup of coffee and it still is drinkable. My husband has never been in a Starbucks or anything above the coffee he can get at McDonald's. Even if you have the perfect product or solution for these people, you are not going to get their business. Marketing to this group is a waste of your time and money.

You will get a much better response by targeting your prospects more precisely. That means focus your marketing message to what your prospects are looking for. You will end up spending less and making more. Rhonda needs to focus her marketing on coffee drinkers who are avid coffee drinkers or use coffee as a social tool.

In Rhonda's case, a few changes to her marketing message can make a huge difference. She needs to focus on identifying the customer's needs and concerns and then give them some helpful tips that involve visiting her coffee shop.

Discovering how to target your prospects to get results from your marketing is just one part of growing your business. Once you see how many inquiries and sales you can generate, you will wonder why you waited so long to apply these simple strategies to bring in new customers.

CT

Lisa Olson is the President of Smart Marketing, Inc.

Have a marketing question? Submit it to Lisa at lisa@you-r-smart.com.

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