

Farm to boardroom: US organic industry dominated by mega corporations

From the moment organic standards were set in the United States, ingredient suppliers, food manufacturers, food processors, retailers, and investment houses started to consolidate functions creating a concentrated group of corporations that rival nearly any other industry. Hate Monsanto for its size? Then, how would a farmers-market-attending, locavore-attempting, organic adherent feel about Coca-Cola or Kellogg? The latter company, in fact, is one of the largest companies involved in organic food.

Meanwhile the [Organic Consumers Association](#) continues to tout organic food as an alternative to the big business of conventional agriculture. Earlier this year, they put out this statement on their website:

As Americans move toward locally-grown, organic and generally healthier foods, big-name brands are feeling left out.” The group then moves on to name some very large companies, many of which are also involved in delivering organic food.

And Natural News head Mike Adams [added another touch](#) to the ‘evil corporation’ meme (usually directed at Monsanto, of course):

We expect them to behave within the boundaries of respecting human life, honest business practices and reliable science. But they don’t. In their quest for profit at any cost, they violate the basic tenets of virtue. They betray humanity. They destroy life. They malign Mother Nature herself, and in doing so, they threaten the very future of sustainable life on our planet.

The “Health Ranger’s” advice to avoid this corporate grip on life? Buy organic!

It’s farm to boardroom table

But the facts are that most organic food people buy doesn’t come from small, local farms. According to a [University of California study](#), 81 percent of organic food sales involve processors, distributors, wholesalers or brokers in California. Additionally, only 7 percent of sales are made to farm stands, markets or otherwise directly to consumers.

Not all wholesalers or processors are large corporations, but a smaller, local firm is getting much harder to find. The US (and Canadian) organic processing industry has been subject to mergers and acquisitions and alliances that have sharply reduced the diversity of organic processors, while vastly increasing the size of the remaining firms, “despite its origins as a form of resistance to the industrial model of food production,” wrote Philip Howard, The Michigan State University professor and expert on trends in the food industry also noted that this consolidation was predicted by a wide variety of stakeholders once the US set its national organic standards.

Wave of purchases

The [companies that own](#) organic, natural, or “GMO-free” products include:

- Coca-Cola, which purchased the natural juice firm Odwalla
 - Pepsi-Cola, which owns Naked
 - Kellogg, which owns Kashi, Morningstar Farms and Bear Naked
 - Danone (Dannon), which owns and licenses Stonyfield (and owns Brown Cow)
 - General Mills, which owns Cascadian Farm and Muir Glen
- [haute_37.6_chart](#)

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Many of these relationships are not just small subsidiaries of a much larger company (Odwalla and Naked, for example, do not nearly represent the entire business of their corporate owners). Another large processor, Dean Foods, purchased Alta Dena, Horizon, and owns (through Horizon) The Organic Cow of Vermont, “resulting in a claimed share of more than two-thirds of supermarket sales of organic milk,” Howard wrote.

This corporate consolidation is not limited to processors, either. Supermarkets and investment houses also have paid for their pieces of the profitable organic industry pie. The [top four supermarket retailers](#) in the United States—in order of size: WalMart, Kroger, Costco, and Safeway—all control organic brands.

The anti-GMO, pro-organic movement isn’t entirely happy about “Big Organic.” But their messages have a ring that’s familiar to their objections against GMOs, such as this article in [The Progressive](#):

Walmart’s business model is based on practices that increase the corporate consolidation of

the food system, take money away from farmers, workers, and food processors, and drive agriculture to get more industrialized.

Other activists point to the 15 or so [remaining independent organic processors](#) as ways to avoid buying food from large corporate processors (avoiding supermarkets appears to be more difficult on a national basis). And some of the independent organic processors, like Eden, [expressed concerns](#) over what they perceive are undue corporate influences in the National Organic Program.

Seeds of destruction, but whose?

But the adoption of organic by larger industries, in part to cash in on what appears to be a profitable, growing market, and in part to meet consumer demand (and scale-up requirements), may yield a decreasing loyalty to organics, Howard warned. Many companies, such as General Mills, that have bought organic subsidiaries do not put their corporate brand on the new products, a practice Howard deemed “stealth ownership.”

In addition, supermarkets like Target, Kroger, and Safeway, have their own brands of organic products—some of these brands also may have non-organic certified products. Finally, certain brands, like Odwalla, no longer carry an “organic” label, but consumers still buy these products believing they are still organic, Howard writes, “banking on the fact that consumers are unlikely to continually check the ingredients list.”

Market researchers have shown that organic consumers don’t pay much attention to brand names, outside of the “organic” or “GMO-free” stamps on the label. This makes these consumers more susceptible to subtle marketing that may use what they think is an organic brand. While organizations like [Consumer Reports](#) insist that GMO-containing food be labeled, the rise of corporate ownership and influence in organic foods not only shows the shortcomings of these labels, and takes away another alleged advantage of family-raised, locally handled organic food.

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