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Soybean industry awaits check on China's organics

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U.S. Department of Agriculture auditors are scheduled to make their first — and long-awaited — trip to China this month to check on organic food operations there.

U.S. organic farmers and processors have been asking for closer USDA surveillance over Chinese organics, especially in the wake of recent problems with some products: antifreeze in toothpaste, lead in children's toys and banned antibiotics in fish. Imported Chinese wheat gluten also was the source of toxic melamine blamed in the deaths of thousands of American pets.

Several USDA-certified organic products are imported from China, but of particular concern to Iowans is the amount of organic soybean imports.

A shortage of organic soybeans in the United States and Canada is forcing more U.S. companies to turn to China. Those beans are used to make foods such as soy milk and tofu, and for feeding organically raised cows, pigs and chickens.

Soybean dealers, processors and some farmers familiar with the USDA's strict rules for organic production doubt that Chinese farmers are complying.

Roy Bardole, a director on the United Soybean Board and a soybean processor in Rippey, said he has visited USDA-certified organic soybean fields in Asia where he has seen farmworkers walking through rows with backpack sprayers.

"We may be importing 'organically produced soybeans' that have either herbicide or insecticide on them, which is absolutely against the rules in the U.S.," he said. "It's not fair to the U.S. producers."

But importers and certifiers say Chinese farms are subject to the same scrutiny as U.S. farms.

The USDA won't say whether it suspects violations. Two auditors with the USDA National Organic Program will make surprise visits to organic farms and processing plants and will inspect the records of four agencies that grant USDA certificates in China, said Barbara Robinson, head of the USDA division that oversees the organic program.

Robinson said the agency expects to issue a report a few weeks after the trip.

Imports now account for about half of all soybeans purchased for organic food and livestock feed, said Lynn Clarkson, president of Clarkson Grain in Cerro Gordo, Ill. Eighty percent to 90 percent of those imports come from China and the rest from South America.

The USDA's visit to China should "do a lot to calm people's concerns," he said. "It also will do a lot to warn people who might be cheating, or thinking of cheating, that we're going to be looking."

All USDA-certified organic farms and processors, regardless of where they are, have to follow the same regulations that prohibit chemicals on crops and antibiotics and hormones in livestock.

Shoppers might not know products are coming from China because companies are not required to list the source of ingredients on the label.

Sarah Reid, 30, of Des Moines said that as long as imported organic products are held to the same requirements as U.S. products, organic ingredients from China don't necessarily bother her.

Reid buys organic soy products and meat. She said that her 3-year-old son can't drink regular milk and that organic foods have "fewer nasty things" in them.

Peter Shortridge, president of Northland Organic Foods in St. Paul, Minn., said consumers shouldn't worry as much about organic Chinese imports as they do other Chinese agricultural products.

All organic farms are monitored by third-party certifiers who hire inspectors to ensure growers and processors are following USDA rules, he said.

To further assure quality, Northland Organic contracts directly with organic farmers in China to supply its U.S. customers, and it does its own inspections and chemical testing — a step not required by the USDA — for both imports and domestic beans.

Most Chinese farms are certified by the Organic Crop Improvement Association in Lincoln, Neb., which has more than 200 clients in China. It is one of the four certifiers that USDA auditors plan to visit this month in China.

Jeff See, the association's executive director, said his agency has been inspecting in China since 1994.

Although China's problems with industrial pollution exposed some fields to environmental contamination, they can still be certified as long as growers are following the USDA organic rules, he said.

"If the area of the world you live in has a high background of natural pollutants, then, yeah, you're not getting maybe as pure and clean a product as you should," he said. "But that shouldn't kick anybody out for making the attempt to go organic."

Iowa organic soybean farmers still feel that their Chinese competitors are not held to the same standards. And they say poor quality or fraudulent organic soybean imports could cast doubt over the entire industry.

"It's definitely something to worry about," said Tom Frantzen, an organic soybean farmer in New Hampton. "The (organics) train is pulled by an engine of people who want a differentiated food because they believe what they're getting has value. If you water that down, you take away the power of that engine."

Tim Daley, a production agronomist at Stonebridge Ltd., a soybean dealer in Cedar Falls, said some companies have been sensitive to using imported organic soybeans, although none of his customers has specifically ruled out Chinese soybeans. "Some food companies are requiring you to sign letters of authenticity saying that they meet all the protocols," he said.

As long as the organic certificates and paperwork are in order, "we have no problems signing those letters," he said.

Although organic soybeans from China have USDA organic certificates, David Bruce still doesn't trust them.

Bruce is a pool director with Organic Valley, a cooperative based in LaFarge, Wis., that produces organic milk, soy milk, meat and other products. Organic Valley uses only U.S.-grown soybeans in its soy milk and other beverages, and it discourages its farmer members from using imported soybean meal to feed their poultry and livestock.

"There has been a concern, although the USDA did accredit that process, that there are some holes there," he said. "We had somebody who is there look into it ... and led us to believe that it's not entirely clear that the process is free of any people going around the edges."

Why is the demand for organic soybeans high?

1. Consumers are buying more organic soy food products, including soy milk and tofu.
2. They also have a rapidly growing appetite for organic chicken, meat and dairy — products that come from animals often fed organic soy meal.

EXPANDING: Organics is the fastest-growing segment of the food industry, and although it accounts for only 3 percent of total retail food and drink sales, its portion is expected to multiply.

Overall U.S. organic food sales rose 20.5 percent from 2005 to 2006, totaling nearly \$16.7 billion, according to the Organic Trade Association's 2007 Manufacturer Survey.

Organic soy milk sales grew 6 percent to more than \$1 billion in 2005, and demand for organic meat increased almost 30percent.