

The Dallas Morning News

Same great paper, plus more than 250 extra pages of local coverage every month.

Texas' Leading Newspaper

Dallas, Texas, Sunday, August 20, 2006

DallasNews.com

\$1.50

Sunday



A DAY IN DALLAS LIFE

The city's culture — high, low and everywhere in between, morning through night — chronicled by our writers and photographers.

\$332

in coupons
(Not all areas)

GUIDELIVE, 1G

Partly sunny



High: 100 Low: 79
Metro, Back Page

UPDATE



Battle goes on for 4949 Swiss

Both sides in the fight to control Mary Ellen Bendtsen's once-grand home may soon face off in court. **12A**

Also: After *The News'* series on 4949 Swiss, many readers wrote to say their elderly relatives had been financially exploited. Their stories, **12A**

In Points: Why do Dallas County and Texas lag behind in protecting our elderly from exploitation? **4P**

Mesquite trio still bears stain

But as cellphone terror case unravels, family declares: 'We're good people'

By GRETTEL C. KOVACH and SCOTT FARWELL
Staff Writers

A dozen members of Lina Odeh's family crammed into her parents' sitting room to wait for news, sipping iced pineapple-orange juice, nibbling baklava left over from happier get-togethers, and passing Ms. Odeh's drowsy newborn daughter from lap to lap. Ms. Odeh, a 20-year-old Mes-

quite High School graduate, stopped midsentence when mugshots of her husband and two relatives flashed on the large-screen television. "Look, they're talking about them," she said.

Her husband, Louai Othman, 23, his brother Adham Othman, 21, and their cousin, Maruan Muhareb, 18, had been arrested in Michigan during a trip to buy loads of prepaid cellphones.



Louai Othman



Adham Othman



Maruan Muhareb

To local police, the phones, a digital camera with numerous photos of a bridge and, as they ominously reported, a box cutter, added up to one thing: terrorism.

Back home, their Palestinian-American friends and relatives had a very different view of the three men caught in the crosshairs of the war on terror.

See MESQUITE Page 22A

Truce strained by Israeli raid

Leaders say goal was to stop arms; U.N. says move violates cease-fire

From Wire Reports

BEIRUT, Lebanon — Israeli commandos raided a Hezbollah stronghold deep in Lebanon on Saturday, engaging in a fierce gunbattle, and the Lebanese government threatened to halt fur-

ther troop deployments to protest what U.N. officials called a violation of the 6-day-old cease-fire.

Israel said the raid was launched to stop arms smuggling from Iran and Syria to the militant Shiite fighters. An Israeli officer was killed during the raid, and two soldiers were wounded, one seriously.

See U.N. Page 21A



TOM FOX/Staff Photographer

When principal Anthony Price arrived at Everman Junior High three years ago, he was warned about out-of-control students and threats to teachers. After getting parents' consent, he instituted paddling last year, and he says he's seen the results. "The building is a pleasure to work in now," he says.

By KIM BREEN and KATHY A. GOOLSBY
Staff Writer

EVERMAN — A sign stuck to the principal's desk outlaws whining. A blue jar on a nearby shelf claims to hold the ashes of problem students.

But it's the custom-made, arm-length pine paddle that delivers the old-school discipline that Anthony Price says has helped turn his junior high school around.

He stands behind a practice headed toward extinction.

Most local students returning to school this month will not face corporal punishment. But in a time when child psychologists, Dr. Phil and even

Supernanny tout timeouts and tenderness, a dwindling number of holdout school districts continue to believe in the power

of the paddle. Some spank their students for missing homework, others for untucked shirttails. They

have the support of the state Legislature and their communities and say that despite research to the contrary,

they're helping a generation that needs some old-fashioned remedy.

"We, as Americans, have let our school system get a little bit out of control," Mr. Price said. "I love children, but when I see how many are going astray, it's heartbreaking. ... Corporal punishment adds just one small fear factor back into the system."

Area educators used corporal punishment to discipline nearly 3,000 students last year, mostly in a half dozen small or high-minority districts, according to an analysis by *The Dallas Morning News*.

See SOME Page 5A

Power to the PADDLE

Some North Texas school districts are holding fast to corporal punishment, but critics say they're out of whack

TOP FIVE PADDLERS

Area districts that reported using corporal punishment in the 2005-06 school year, ranked by percentage of total school enrollment paddled.

14.75%
Prosper ISD
Collin County

6.14%
Blue Ridge ISD
Collin County

5.44%
DeSoto ISD
Dallas County

5.26%
Grand Prairie ISD
Dallas County

5.13%
Everman ISD
Tarrant County

Other school districts, **5A**

Big retailers want piece of organic pie

Wal-Mart, others hope to cash in on growing market niche; critics fear standards will drop

By KAREN ROBINSON-JACOBS
Staff Writer

When Wal-Mart Stores recently promised to boost the number of organic foods it stocks, the an-

nouncement sent shock waves rolling among producers and distributors of organic products.

Large corporations have been quietly snapping up organics' marquee names for years. Many

A NATURAL QUESTION

Second in an occasional series

organic farms already are industrial size. And organic food has long been trucked cross-country, gobbling up gasoline along the way.

See ORGANICS Page 18A



NATHAN HUNSINGER/Staff Photographer

With supply not meeting demand for organics as it is, some say, Wal-Mart is too big a beast to keep stocked.

INSIDE

A Lubbock firm is accused of selling regular beans as organic. **3A**

INDEX

SECTION A	
Lottery	2
Science & Medicine	13
Nation	8-10, 14-15, 31
World	21-22, 24-26, 29
METRO — SECTION B	
SPORTSDAY — SECTION C	
TV/Radio	2
BUSINESS — SECTION D	
Market Week	5
SUNDAY LIFE	
Horoscope	17
Puzzles	17, 23
Dear Abby	19
CLASSIFIED — SECTION F	
GUIDELIVE — SECTION G	
TRAVEL — SECTION I	
EMPLOYMENT — SECTION J	
HOMES — SECTION L	
CLASSIFIED/AUTO — SECTION M	
NEW HOMES — SECTION N	
POINTS — SECTION P	
Letters	2-3

©2006, The Dallas Morning News



Organics purists wary of changes

Continued from Page 1A

But the pronouncement by the world's largest retailer sent a signal that big business, lured by escalating demand and fat margins, wants to claim an even greater slice of a niche long associated with the Birkenstock bunch.

"Large companies see the growth and understand consumer attitudes," said Joe Scalzo, president and chief executive of White Wave Foods, a subsidiary of Dallas-based Dean Foods that makes Horizon and Silk organic milk. "They see an opportunity to market brands in the better-for-you space."

Consumers are eating more fresh foods and organically grown products as awareness rises about the link between poor food choices and poor health.

Many Fortune 500 companies already have been digging for organic gold — the list includes manufacturers such as Dean Foods, Altria Group's Kraft Foods, General Mills and Kellogg.

For organic purists, "big" means more outside farms, increased imports and other supply-chain realities antipodal to the segment's weeds-and-seeds roots.

For consumers, "big" means more organic products available in more places at more affordable prices.

Organic food and drinks pulled in an estimated \$13.8 billion in sales last year. While that's only 2.5 percent of U.S. grocery sales, organics is the fast-growing food segment, with annual sales increases of about 16 percent.

Experts say sales are growing fastest at mainstream supermarkets.

Earlier this year, Wal-Mart said it would nearly double the number of organic items it stocks — from 109 to 189 — at 374 stores in neighborhoods most likely to house organic shoppers. It also plans to expand offerings in stores it thinks are underserved.

But whether Wal-Mart — the 800-pound gorilla of groceries — will have a sizable impact on organics' trajectory depends, in part, on the chain's ability to persuade its everyday-low-price shoppers to pay a premium for organic offerings.

Wal-Mart says it can deliver organics at lower prices — in some cases at only a 10 percent premium to comparable nonorganic products.

But organic farming takes time, in large part because of government regulations that keep organics "organic."

The need to increase supply to satisfy a customer like Wal-Mart has led some to worry about weakened organic standards and stress on a fragile supply pipeline. The mega-chain already has gone to China for some of its organic goods.

"I truly believe that Wal-Mart's promise to deliver lower prices is based on large, industrialized food production," said Ronnie Cummins, national director of the Organic Consumers Association in Finland, Minn.

Wal-Mart hasn't lobbied at any government level to change organic rules or standards, said Wal-Mart spokeswoman Gail Lavielle.

"It's very important to us to work with suppliers who follow the rules. Cheating by anyone isn't in our interest," she said. "The trust factor is really a big one with our customers."

With retailers already facing shortages of organic items ranging from almonds to milk, finding ways to boost supply is essential to growth.

Many supermarkets are scrambling to stock organic goods, said Caren Wilcox, executive director of the 1,700-member Organic Trade Association. "There's a huge demand."

While supply is not yet huge, it is growing.

Nearly 5,000 new organic items sprouted on retail shelves in 2005 — a 60 percent increase from 2004, according to SPINS, a San Francisco-based market research and consulting firm for the natural products industry.

It was the biggest one-year jump since at least 2000 but was still a small portion of the 29,343 new items introduced last year, based on the Food Marketing Institute's tally.

Several Wall Street heavyweights have added to the new-product mix.



NATHAN HUNSINGER/Staff Photographer

Jose Herreros restocks the organic foods section of a Wal-Mart in Plano. Wal-Mart says it can offer reduced prices on organic goods and is expanding the range and number of organic products on its shelves.

CAPTURING THE ORGANICS MARKET

TOP U.S. CHAINS

Wal-Mart and other grocers have been moving into the organics space, but the major chains are still going strong. Here's a look at the U.S. leaders by 2005 sales:

Rank/company	Headquarters	Stores	Sales
1. Whole Foods Market	Austin	184	\$4.70 billion
2. Wild Oats Markets	Boulder, Colo.	113	\$1.12 billion
3. Earth Fare	Asheville, N.C.	13	\$100 million

NOTES: Smaller organics chains typically do not disclose sales. They include New Seasons Market, Portland, Ore. (7 stores), Mother's Market & Kitchen, Costa Mesa, Calif. (4); MOM/My Organic Market, Rockville, Md. (3); and Jimbo's, San Diego (3). Among specialty chains that carry some organics are Trader Joe's, Monrovia, Calif. (243 stores), which said about 20 percent of sales are organics, and Sprouts Farmers Market, Scottsdale, Ariz. (13), which said about 15 percent of sales are organics.

SUPERMARKET STRATEGIES

Some major supermarkets have offered organic products for years, and others are stepping up their investment in the category:

□ Cincinnati-based Kroger, a pioneer among the conventional chains, has carried organic produce since 1987 and created a dedicated area, Nature's Market, in stores in 1993. It also has its own Naturally Preferred private label.

□ Minneapolis-based Supervalu opened its first

Sunflower Market natural and organic store in Indianapolis in January and plans to open 50 stores in the next five years.

□ Lakeland, Fla.-based Publix Super Markets is taking its private-label GreenWise brand and turning it into a new store concept.

□ Last year, Pleasanton, Calif.-based Safeway introduced its O Organics private-label line of more than 150 products in stores including Tom Thumb in Dallas.

SOURCES: Dallas Morning News research; Progressive Grocer magazine

BETSY BOCK/Staff Artist

Kraft owns the popular Boca and Back to Nature lines, while General Mills owns Muir Glen and Cascadian Farm.

Organic consumers might not be aware of the corporate connections because most came through acquisitions. And for the most part, the corporate name is not on the product packaging.

But that's changing. More corporate players are launching organic lines under some of their best-known brands.

In June, Kellogg launched Keebler Toasted Organic Harvest wheat crackers.

And this summer, Kraft unveiled Kraft Organic Macaroni and Cheese — a direct competitor to its Back to Nature Organic Shells and Cheese.

"Clearly, there is an opportunity in natural/organics for Kraft and other food companies," said Sydney S. Lindner, a spokeswoman for Kraft. "Kraft is working with our customers to develop product line extensions to meet the growing consumer interest in natural and organic foods."

Despite its rapid acceleration, the consumer market for organics remains small.

Less than 20 percent of adults eat organic food at least once a week, according to The NPD Group, a research firm in Port Washington, N.Y., that tracks food and diet trends.

Some marketers wonder whether companies risk putting out too much of a good thing — a fate that befell the low-carb craze.

"A flood of organic products might discourage retailers away and overwhelm consumers," said Maryellen Molyneux, president of the Natural Marketing Institute, a consulting and market research firm in Harleysville, Pa. "A sudden flood makes it less believable. [Consumers will] think it's a marketing ploy."

Among the new organic offerings are six yogurt flavors from brands owned by Dean Foods.

Few major companies are more heavily invested in organics than Dean, which became the nation's largest supplier of organic milk following its 2004 purchase of Horizon Organic Holding Corp. Dean acquired White Wave and its Silk soy milk brand in 2002.

Horizon and Silk make up the White Wave Foods subsidiary, which owns two organic dairies. The larger operation, in Idaho, has about 4,400 cows.

Once four more farms begin supplying White Wave, the com-



LARA SOLT/Staff Photographer

Natasha Knapton and son Gavin Knapton review the label on Horizon Organic half-and-half at Whole Foods Market in Plano. Dean Foods bought Horizon Organic.

ORGANIC OFFSPRING

Some of the best known organic names are owned by large parent companies. A sampling:

Brand	Buyer	Sale announced
Horizon Organic	Dean Foods	2003
Details: Paid \$216 million for 87 percent it didn't already own for parent Horizon Organic Holding Corp.		
Silk soy milk	Dean Foods	2002
Details: Paid \$189 million for the 64 percent it didn't already own for parent company White Wave Inc.		
Muir Glen and Cascadian Farm	General Mills	1999
Details: Paid \$70 million for parent Small Planet Foods		
Stonyfield Farm	Group Danone	2003
Details: Increased ownership from 40 percent to 85 percent (terms not disclosed)		
Kashi	Kellogg Co.	2000
Details: Paid \$32 million		
Morningstar Farms	Kellogg Co.	1999
Details: Paid \$307 million for parent Worthington Foods		
Boca	Kraft Foods	2000
Details: Terms not disclosed		
Back to Nature	Kraft Foods	2003
Details: Terms not disclosed		
Ben & Jerry's	Unilever	2000
Details: Paid \$326 million		

SOURCE: The companies

pany will get milk from at least seven organic dairy farms with more than 1,000 cows each. (A White Wave spokeswoman said less than half of its milk comes from large farms.)

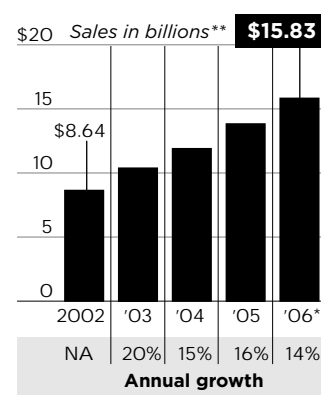
Critics charge that such "industrial scale" farms fool consumers, who only see the bucolic images on the milk cartons of a

handful of cows lolling in grass. And they see that as among the more troubling aspects of the "corporatization" of organics, in part because the cows have less time to graze on grass.

"We don't know of any legitimate dairies that operate much over 1,000 cows," said Mark Kastel, senior farm policy analyst with

ORGANIC GROWTH

U.S. sales of organic foods and drinks have risen by 83 percent since 2002 as retailers expanded their offerings to attract more health-conscious consumers.



*Estimate
**U.S. sales of products labeled 100 percent organic, organic and made with organic ingredients.

SOURCE: Organic Trade Association

BETSY BOCK/Staff Artist

DigitalEXTRA

Links: Log on for a closer look at the changing organics retail landscape, plus previous coverage of organics issues, online resources and more.

DallasNews.com/Extra

the Wisconsin-based Cornucopia Institute, which advocates for small family farms.

White Wave chief Mr. Scalzo argues that the cows have adequate time to graze. And he said farms like the one in Idaho are needed to meet the demands of large retailers.

"If the industry didn't figure out a way to do some form of scale farming, the prices would always be high" and supply would always lag demand, he said.

But Mr. Scalzo was unable to convince PCC Natural Markets, a small co-op chain in the Puget Sound area, that its scale farming methods weren't compromising organic standards. PCC told the company earlier this month that it would no longer sell Horizon Organic products, in part because of pasture concerns.

"It's the sourcing that concerns us," said Diane Crane, a spokeswoman for PCC. "And making sure the organic certification is being lived up to."

Ms. Wilcox of the trade association concedes there's a debate now over the impact of large companies — and whether big means bad.

She calls it industry "growing pains."

"The pioneers are not always thrilled when the settlers move in," said Ms. Wilcox, who counts small firms as well as White Wave and No. 1 organic grocery chain Whole Foods Market among the group's members.

Ms. Wilcox, whose group has been criticized for siding with large corporations on changes in organic standards, fears that debate over large vs. small, and the attendant accusations, may undermine consumer confidence in organics.

"This is a civil discussion that needs to happen over what is organic," she said. "We need to stop tearing each other to shreds over these things."

Staff writer Maria Halkias contributed to this report.

E-mail krobinson@dallasnews.com

Lobbyists sprout up to change standards

Critics afraid that modifications will blur definition of 'natural'

By PAULA LAVIGNE
Staff Writer

Not only has organics gone mainstream, it's gone to Capitol Hill.

The Organics Trade Association — partially backed by big business — came to Washington last fall to lobby for changes to organics standards during the drafting of the 2006 agricultural budget bill.

Republicans in the House and Senate added a section to the bill that allowed processors to use some manmade ingredients in organic foods.

"When you deviate from the definition by allowing nonorganic materials, you end up questioning whether it's going to stay pure," said U.S. Rep. Sam Farr, D-Calif., a leader of the Congressional Organic Caucus.

U.S. Rep. Henry Bonilla, a San Antonio Republican and chairman of the agriculture appropriations subcommittee, said in a prepared statement that he supported the changes at the request of the Organic Trade Association and "over two hundred organic groups."

The trade association's members range from mom-and-pops to the biggest industry players. Some of the largest are Austin-based Whole Foods Market, Wild Oats Markets and Supervalu Inc. on the retail side and Dallas-based Dean Foods' White Wave unit and Altria Group's Kraft Foods on the product side.

The group argued that small amounts of nonorganic ingredients, such as ascorbic acid used as a preservative, were vital to keep organic manufacturers in business.

Other companies had lobbyists behind the scenes as well, including Kraft Foods, whose lobbyist, Abigail Blunt, is married to the majority whip, Rep. Roy Blunt, R-Mo.

"We've never seen the big players out like this," said Ronnie Cummins, national director of the Organic Consumers Association in Finland, Minn. "Gigantic corporations are trying to reframe the standards."

William J. Friedman, a Washington, D.C., attorney who represented the association in the congressional debate, said businesses of all sizes supported the amendment. He said that just because large companies entered the debate doesn't mean they're out to chip away at the regulations.

It's impossible to say how much food companies spend specifically on organic lobbying efforts. But they are pumping millions into influence on Capitol Hill.

Kraft Foods has its own political action committee. So do General Mills, Dole Food, Tyson Foods, Kroger, Safeway, Wal-Mart Stores and Dean Foods.

In 2000, Dean Foods (then Suiza Foods Corp.) spent \$300,000 on all lobbying, according to the Center for Responsive Politics, a nonpartisan, nonprofit research group in Washington, D.C., that tracks money in politics.

That climbed to \$1.15 million in 2002, and \$1.62 million in 2005.

Campaign donations from the Dean Foods PAC grew from about \$60,000 to \$230,000 over roughly that same time.

Ultimately, it will be up to consumers to decide how far their trust will go if standards keep changing, Mr. Farr said.

"The question is, what happened last year, is this the floor, or is this the ceiling?" he said.

Walt Smith, an associate staffer for agriculture issues in Mr. Bonilla's office, said the recent push from big corporations isn't going to unravel the industry, he said.

"Companies of all sizes rely on the regulations for their marketability," said Mr. Smith. "None of them want to see that deviated or diminished in any way. If it did, it would hurt their bottom line."

Staff writer Karen Robinson-Jacobs contributed to this report.

E-mail plavigne@dallasnews.com