Where Did the Grain Go?

In defense of the real victims of grain fraud

Anne Ross, JD, and Melody Morrell

The actors and backdrop are different, but the latest story of organic fraud is painfully familiar.

In July, a Minnesota farmer was indicted for felony wire fraud after passing off conventionally grown corn and soybeans as organic. The scam reportedly made him over $45 million. This story follows the explosive tale of Randy Constant, a Missouri farmer who pled guilty to $142 million in organic grain fraud in 2018.

These cases of corruption highlight the USDA’s apparent indifference to its own organic program. The USDA leans on certifiers to gather evidence of suspected fraud; the process is painfully slow. Cornucopia expects more fraud cases to surface over the next few years.

Justice may well be served in the cases of these individual producers. But more work is needed to ferret out corporate traders – those who buy massive amounts of fraudulently labeled grain and funnel it to industrial-sized operations for livestock and poultry feed.

Complicated and increasingly consolidated supply chains make it all too easy for these corporate buyers to perpetuate massive fraud in a cloak of secrecy. Cornucopia’s work has long highlighted how industrial organic dairy and poultry operations fuel the fraudulent grain trade.

At enormous scale, industrial organic companies continue to drive demand for absurdly cheap organic grain, flooding the market with organic dairy, eggs, and meat of dubious integrity. They pretend to be victims of fraud, while ethical farmers and organic consumers pay the price.

What can you do?

Read our reports to learn about the schemes that industrial operations would prefer to keep hidden. Then use our scorecards to support some of the best regional producers.

We’ll do our part by fighting for more sensible policies and stronger enforcement. We all have a role to play as we collectively build more resilient food systems.
Organic Truth Squad

A letter from Cornucopia’s executive director

Dear supporters of Cornucopia,

I am excited to share that we will soon hire an organic investigator to join our small, scrappy team! This intrepid traveler will be your eyes and ears in the field as they search out the best and worst in US organic production. Industrial organic operators should be on notice.

To help guide our strategy, we have been busy onboarding four new board members whose wisdom has already emboldened us. We are grateful for their diverse backgrounds and their deep commitments to food we can trust. (Read more about what drives them on the right.)

Like you, we are frustrated by inaction at the National Organic Program and the longtime need for clear regulations. Big industry players have successfully thwarted improvements to the organic rules at every turn. And yet, among the dangling regulatory questions and profit-driven scofflaws, you will find some of the most thoughtful and skilled farmers and advocates of our time.

People with integrity who share our values about food are working in each link of the supply chain. You will read about some of them on these pages.

Cornucopia champions these changemakers. We talk to people from all corners of the organic world: farmers, scientists, certifiers, government personnel, and leaders at retailers and co-ops. Often, that’s you! With our finger on the pulse of the organic movement, we deftly apply pressure. (Turn to page 4 for details.)

We are grateful for your help! Many of you report that our scorecards have led you to rethink the food you buy. You will soon see Cornucopia’s reboot of Dr. Phil Howard’s enlightening work on Who Owns Organic? The infographic will show which organic brands are owned by conventional corporations that are not committed to organic integrity.

The power of your pen is also needed. Humane animal husbandry should be required in organic, but industrial players unflaggingly exploit loopholes in the rules to keep animals confined. (Read about the draft Organic Livestock and Poultry Standards in the egg insert.) Check your email for our recent action alert and let the National Organic Program know how much this matters to you.

Thank you for helping this watchdog go further.

Melody Morrell

P.S. Cornucopia is committed for the long haul. We know you are too. We appreciate all the ways you fuel our work, from your market research and letter writing to your legacy giving and recurring donations. Thank you.

Board Spotlights

Transformation requires diverse voices from all points of the food system pushing for an organic marketplace that serves people, not profit margins. Imbued with passion for organic integrity and guided by strong credentials, Cornucopia’s newest board members are up to the challenge.

Dr. Jennifer Taylor

In the video celebrating Dr. Taylor as Florida’s “2019 Woman of the Year in Agriculture,” a colleague calls her an “extraordinary resource who doesn’t know the word quit.” The roots of perserverance run deep. Lola’s Organic Farm, a small-scale certified organic farm Taylor owns and operates in rural Southern Georgia, was first farmed by her grandmother. As coordinator of the Florida A&M University Statewide Small Farm Program, Taylor is building resilience with underserved small farmers and their communities.

Laura Zaks

The natural world is Zaks’ muse. “At this crucial tipping point, simply minimizing harm to the planet is not enough,” she says. “It is time to produce food in ways that proactively restore balance, protect biodiversity, and reduce greenhouse gas emissions.” Zaks has worked at the intersection of agriculture, economic development, nutrition, and public health for more than 18 years, currently as the associate director of communications and development at National Sustainable Agriculture Coalition.

Nicole Vitello

Vitello brings deep experience in organic, ethical, and fair-trade food. “It’s our responsibility to create a healthier system that considers and connects all supply chain stakeholders,” says Vitello, president of Equal Exchange Produce. “Farmers are increasingly taking more risks as climate change and other uncertainties build. By building equal relationships with farmers and communities, everyone benefits from shared resilience.” She speaks from experience: Vitello operated a thriving organic produce farm for 10 years.

Mike Robert Horenstein

A New York City father and attorney, Horenstein shops at multiple grocery stores — up to five weekly. “I find I need to keep hunting to put together healthy, varied meals,” says Horenstein, who quizzes his local butchers on organic labeling. Horenstein has fond memories of the vegetable farm neighboring his childhood home. The goal of a better food future for his 4-year-old son, Sol, and a desire to push back against industrial farming led him to Cornucopia’s board.

Our new hire will be your eyes and ears in the field.
The 3 Branches of Our Work

Nearly 650 of you responded to our survey earlier this year. Thank you for helping us better understand what drives you. Your input guides this work and helps us best represent you in the organic marketplace.

Organic is growing. While this is cause to celebrate fewer pesticides on the land and in our bodies, what is the cost? Industrialization. Many conventional producers have come over to organic, lured by the promise of a premium price point.

As a result, consumer confusion and frustration with the organic label are on the rise, as shoppers seeking authentic organic food are left to sort through products that do not align with the values promised by the organic label. The Cornucopia Institute keeps a finger on the pulse of the organic marketplace.

After 18 years, we are more equipped than ever to fight for integrity in organic. Our theory of change can be represented by a series of three interlocking gears — a simple machine — propelling and amplifying the power of this work. The smaller wheels turn more quickly, while the bigger gear (policy) grinds more slowly and with more force. Our three-pronged strategy includes the following:

WATCHDOG
Industrial “organic” operations are skirting the law and flooding the organic market with cheap food produced using substandard practices. Cornucopia has uncovered a number of fraudulent activities and filed more than two dozen complaints with the USDA. Our reporting has resulted in fines for scofflaws and decertification of fraudulent operations. Our watchdog work is growing.

POLICY
The USDA continues to lack the will and/or resources to improve the organic program. Inadequate enforcement and slow regulation have forced many legitimate organic farmers to close their doors, while industrial operations continue to grow. Cornucopia carefully tracks organic regulation. Our policy experts engage thousands of small farmers and organic consumers who may otherwise remain uninformed. We share calls to action to engage farmers and eaters more deeply with the policy process.

CONSUMER ACTIVISM
Cornucopia’s consumer tools identifying authentic organic brands and farms have been used more than 1 million times to date. Our scorecards uncover the practices behind the brands. The organic label requires pasture-based management and complex farming systems to increase biodiversity and prioritize soil stewardship. Animal confinement and monocropping have no place in organic.

As more and more US Americans purchase organic food — in 2020 an estimated 94 million people spent more than $56 billion on organic, or approximately 6% of total food sales in the US — Cornucopia’s work becomes more critical. A small nonprofit with six full-time and two part-time staff, Cornucopia multiplies our efforts through collaborations with like-minded organizations, ethical businesses, co-ops, and independent retailers.

More than 95% of Cornucopia's supporters have changed their purchasing choices based on information found in our scorecards.

With your help, and with the help of our partners, Cornucopia will fight for truth and transparency in organic, watchdog the organic industry, expose cheaters, and put more tools in the hands of more people to shift more dollars to authentic organic food and farms.

It’s so important to know, as a USDA certified organic farmer, that someone is confronting the weakening of organic standards at USDA, someone with expertise, integrity, and dedication.”

—Jim Crawford, organic farmer and recently retired Cornucopia Board Member
Every egg has a story

But with dubious labels and statements cluttering cartons, it's often difficult to unravel the truth. Pack this primer on your next trip to the grocery store.

Free Range

It sounds virtuous, but "free range" does not actually ensure reputable animal welfare. Authentic organic producers, on the other hand, provide year-round outdoor access and accommodate the health and natural behavior of birds.

Vegetarian Fed

Chickens naturally forage for invertebrates and even small vertebrates, along with seeds, grains, and fruits. "Vegetarian fed" usually means their diets are supplemented with corn and soy.

Pasture Raised

Beware of this marketing claim. Eggs can be labeled "pasture raised" even in the absence of legitimate outdoor access or vegetation.

Third-party Labels

Despite righteous-sounding names, some add-on labels have low standards that are not enforced. Read the fine print to avoid being fooled by vague claims.

The Organic Seal

When compared to their conventional counterparts, eggs with this label guarantee less exposure to toxic agrichemicals. When organic hens are allowed to forage outdoors, their eggs are also more nutritious.
One dozen organic egg facts

1. Shopping for organic eggs isn’t as straightforward as companies make it seem.

2. The organic label is the only label on your egg carton backed by regulation.

3. Organic eggs are always non-GMO and free from pesticides and synthetic fertilizers.

4. Organic egg production prohibits the use of antibiotics and growth hormones.

5. Hens producing eggs labeled as organic must receive certified organic feed.

6. Organic egg producers must show proof of year-round outdoor access for their hens.

7. Many industrial-organic operations flout regulations by providing small porches for a large number of hens in lieu of legitimate outdoor access.

8. High-quality outdoor access encourages healthy and instinctive behaviors like socializing, dust bathing, and foraging.

9. High-quality outdoor access results in eggs that are more nutrient dense.

10. Authentic egg producers prioritize animal welfare.

11. Industrial-organic egg operations undercut ethical producers, making it difficult for them to compete or even exist.

12. Use Cornucopia’s Organic Egg Scorecard to find the good eggs: cornucopia.org/scorecards/eggs

Bird Watching

Cornucopia’s policy team is deep in regulatory work. The long-awaited “Organic Livestock and Poultry Standards” proposed rule dropped in early August. Cornucopia argues that the organic livestock standards must reflect organic consumers’ expectations for meaningful animal welfare practices.

The stakes are high for organic poultry and egg production, where industrialized practices are thriving, unchecked. Big business is also waiting for this animal welfare update, and is expected to unleash the usual stall tactics. Check our website for ways to mobilize. A united front of organic advocates is critical.
A Formula for Disaster
How one independent, organic brand is easing the formula crisis
Michele Marchetti

Earlier this year Memphis hospital pediatricians admitted two children with dehydration caused by a rare strain of E. coli, a substitution made after their regular formula was suddenly out of stock. The story was just one of many reported in the months after Abbott Nutrition, maker of Similac and others formula brands, closed its Sturgis, Michigan plant. The temporary shutdown came in the wake of FDA/CDC reports of bacterial infections in five infants, including two who died, who had reportedly consumed formula from the facility.

Because only four companies control the US infant formula industry, the resulting formula shortage shook the entire marketplace.

Cornucopia has long tracked the infant formula market and remains concerned about the enduring impacts of consolidation. The formula debacle is an emphatic reveal of the major flaws associated with this type of oligopoly: limited competition, scarcity of choice due to government complicity, and a vulnerable food supply.

A bright spot is Nature’s One, an independent, organic brand that has been scrambling to meet demand.

“Retailers who wouldn’t normally return an ‘off-cycle’ phone call are now saying, ‘can we send a truck tomorrow?’” reported founder & CEO Jay Highman at the height of the shortage.

Echoing the story of many independent organic brands, Nature’s One was created out of a deeply personal need. After Highman’s son was born with Cystic Fibrosis, Highman was appalled by the formula options needed to help improve his son’s growth and weight curves. So in 1997, he founded Nature’s One with a pledge to reject “junk ingredients,” such as palm oil and corn syrup, and focus on organic ingredients wherever nutritionally possible.

In 2020, Nature’s One built a $60 million manufacturing facility dedicated to “small-batch” organic infant formula. Its formulation features a distinctive, naturally derived source of DHA (omega-3 fatty acid) and ARA (omega-6 fatty acid) using certified organic egg yolks. “It’s a phospholipid form, which means it’s highly bioavailable,” Highman says.

The DHA and ARA added to almost all US brands of infant formula are extracted from strains of algae and fungus that have never been part of the human diet, let alone the diet of infants. While many companies have switched to water-extracted DHA, ARA extracted with the use of hexane is still the norm.

“Science has come a long way, and that innovation is very slow to hit infant formula in part because it’s currently controlled by so few players,” says Dr. Bridget E. Young, assistant professor of pediatrics at the University of Rochester School of Medicine and Dentistry. (Dr. Young does not endorse Nature’s One or any other infant formula brand.)

Highman is hopeful that a new rollout will provide more choices. Nature’s One has been working with the FDA since late 2020 to gain approval to market an infant formula. Until then, Highman says, its “nutritionally complete” toddler formulas may be fed to an infant as directed by a healthcare professional.

Cornucopia champions independent organic brands. Their success is a step toward a more resilient marketplace. With children’s health at stake, parents rightfully demand it.

Community, Not Commodity
Orkestai refines farming
Michele Marchetti

For months, one of Orkestai Farm’s organic growers kept to herself. One day, another grower confidently approached her as she picked tomatoes. While he would occasionally lose his balance, on that day he steadied her hand with his own.

Eventually they made eye contact. In the ensuing months, they worked together, communicating with body language and the occasional word. She has since left the farm, but their relationship lives on in the soil they tended together.

Orkestai promotes “the creative participation in society of people with differing abilities through practicing ecological agriculture and expressive arts.” Challenging beliefs about “disability,” it cultivates deep respect for people with the ability to grow food that enriches lives.

The 17 individuals with neurodiverse skillsets who care for Orkestai practice life skills, such as learning to tolerate the feel of water on your skin or improve the fine motor skills necessary to bunch turnips, through farming.

The one-acre, no-till “human scale” farm in Oyster Bay, New York, also operates a Community Supported Agriculture (CSA). CSA members, farmers, and families come together for farm events, such as a ritual preparation of the beds. “We make a line of people, slowly passing mulch from one bucket or bowl to the other,” said co-founder Alethea Vasilas.

The interdependence woven into Orkestai was seeded on a trip to Mali, when Vasilas took a detour in search of a resonant drumbeat. It led to a farm, where one community had just arrived to assist its neighbors. “They came with their farmers, but they also came with their dancers, drummers, food, and community,” she recalls, noting how she learned that the farm receiving the help would later reciprocate. “I thought, gosh, this makes so much sense.”

Vasilas, along with her husband Josh Marcus, certified their operation organic three years ago, partly because people were asking for it and mostly because they believe in it.

As a child, Vasilas watched her father persevere in organic farming. “When it comes to organic, he is a man of no compromise.” (After he discovered that his daughter’s high school was spraying the sports field, he forbid her from playing until they stopped. They did.)

For Vasilas, growing food in a way that respects the Earth means more than the absence of pesticides. It’s about building an ecosystem that connects, and cares for, people and plants.
As a donor of Cornucopia, you are a valuable member of the organic food movement. We are pleased to continue to bring you quarterly issues of the newsletter as a benefit of your support.

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**Co-op Spotlight**

Rainbow Grocery Cooperative

The produce managers at San Francisco’s Rainbow Co-op routinely set their alarm for 4 a.m. to rise with the organic farmers that supply the store’s exclusively organic produce shelves.

“There is so much value in supporting local and organic producers, but it’s not always easy to relate it, especially in this economy,” says Cody Frost, marketing and creative strategist at Rainbow, one of the oldest retailers focused solely on organic and locally sourced food.

Bright persimmons from fifth-generation Blossom Bluff Orchards or cherries from family-operated Ferrari Farms help tell that story, turning the grocery aisle into a class on the role shoppers can play in the food system.