

Ausveg study excursion to the US: a learning trail



Steve Skopilianos visited some of the US's largest producers and the PMA global trade conference late last year in an excursion funded by Ausveg.

By Sarah Wooldrage

STEVE SKOPILIANOS OF LADYBIRD Organics is an organic lettuce grower who recently embarked on a 12-day whirlwind tour of the US.

Steve was one of nine growers to attend the Ausveg study excursion, which was funded through the Vegetable Industry Advisory Committee and subsidised by the National Vegetable Levy.

The nine growers, who were all vegetable farm owners, were from a variety of backgrounds ranging from hydroponics to horticulture. However, even with this diversity it was Steve who was perceived as the black sheep – an outsider to conventional farming in Australia. Steve said he did not let this outcast status hinder his enthusiasm: “It just made me more determined to inform the other farmers of all the benefits that organics has and why it is the way of the future.”

The US tour, which was focused around the valleys of California and the city of Florida, saw Steve visit a range of farms, both conventional and organic, and included attendance at the Producers Marketing Association (PMA) conference.

The farming visits were designed to help encourage, invigorate and educate the growers on different farming practices, procedures and produce.

The majority of these farm viewings took place in the Californian valleys, a region where farms produce some of the highest quantities of both conventional and organic produce in the US.

A 16,187-hectare organic salad operation, Earthbound Farm markets a range of packaged salads and other products ranging from nuts to juices. The company's research farm in Carmel Valley was – fortunately for the Australian lettuce grower – one of the tour visit locations.

“Earthbound Farms was definitely a highlight for me as it was the first successful company to launch organic pre-packaged salads. It is also one of the largest organic farms in the US and supplies to around 75% of supermarkets nationwide.”

While on the farm, Steve was particularly interested in how Earthbound Farms implemented its integrated pest management (IPM) systems so successfully.

“Mark Marino (farm manager) made the suggestion to limit my crop rotations from five or six per annum to three or four and to also aim for longer fellows in between the rotations.”

It was also interesting to note that even in the current economic climate, Earthbound Farms is still seeing continuous growth of its organic products.

“I can relate to Earthbound Farms' growth rate,

as even with our economy in crisis my company, Ladybird Organics, is still noticing continuing growth with our packaged salads,” said Steve.

Steve commented that the achievements of Earthbound Farms in the organic world are astronomical. “I could only hope that one day I will be able to achieve something similar in Australia with my own range of pre-packaged salads and lettuces.”

The other half of the tour incorporated attending the Produce Marketing Association (PMA) in Florida, which is a leading global trade conference helping to serve the entire produce and floral supply chains through the marketing of produce, floral and related products and services worldwide.

The opening address by PMA president Bryan Silbermann focused heavily on the current economic climate and how it has changed consumer purchasing. There has been a shift in consumers not eating out as much, instead choosing to ‘get back to basics’ by cooking at home. This directly related to the keyword in the industry at the moment: local. Consumers are influencing their purchasing towards local produce.

However, most alarming was learning that growth in organics had flatlined. Mr Silbermann even recommended that no-one should start producing anything in a niche market.

Steve related that a slowdown in organic sales was forecast but he says that did not deter him; instead, it made him more focused on what he now had to do in order to relate more to consumers.

“I enrolled myself in a workshop that the conference was hosting called What are Consumers Really Thinking? as I believe that while farming organic produce is my business I need to know more on what it is that consumers, as a whole, are wanting out of the produce industry,” he said.

The workshop consisted of a panel of four product managers from Rouses Supermarket, Save Mart, Hen House Markets and D'Agostino Supermarkets.

Steve said that the workshop opened with the four produce managers stating that while they discovered consumer visits were down by 1.9%, people *were* actually buying more.

The workshop panel stated that the current economic climate had not put a hold on organic sales, with most retailers still experiencing a growth of 3-5% within their produce department.

The US organic market is huge compared to Australia, with about 90% of consumers admitting they have purchased and/or still purchase

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from farm to fork

organics. There is generally a greater understanding of why people should purchase organics in the USA as opposed to Australia.

"I personally believe that sales could also be attributed to the retail price of organics in the US compared to that in Australia. In the US, the average pricing of organic produce is only marginally higher than that of conventional produce," Steve said.

So, with this positive talk of the organic industry, Steve focused on what else his consumers were really after.

"I found that consumers on a global market are after fresh produce pre-packaged. They are after convenience, cleanliness and accessibility – all contributing factors that pre-packaged produce offers."

In the US 80% of produce is now being sold pre-packaged, with many supermarkets opting for only pre-packed produce.

"I was definitely happy with this news as Ladybird Organics sells 95% of its produce pre-packaged."



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ORGANIC CROP PROTECTANTS Pty Ltd ACN 003 149 719
 42 Halloran Street Lilyfield 2040 NSW Australia Phone 02 9810 4566 Fax 02 9810 4674
 Freecall 1800 634 204 Email info@ocp.com.au Web www.ocp.com.au



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