

# USDA Cracking Down on “Organic” Factory Farms Country’s Largest Dairy Likely to Lose Certification

WASHINGTON - AUGUST 14 - The Cornucopia Institute has learned that the USDA appears about to revoke the organic certification of the nation’s largest industrial dairy operator, Aurora Organic Dairy, with corporate headquarters in Boulder, Colorado.

Aurora operates several giant factory dairies milking thousands of cows each in semi-arid areas of Colorado and Texas. The company has been the subject of a series of formal legal complaints filed with the USDA by The Cornucopia Institute. The complaints from the Wisconsin-based farm policy group filed in 2005 and 2006, called for a USDA investigation into allegations of numerous organic livestock management improprieties on Aurora’s facilities.

“After personally inspecting some of Aurora’s dairies in Texas and Colorado, we found 98% of their cattle in feedlots instead of grazing on pasture as the law requires,” stated Mark Kastel, Cornucopia’s senior farm policy analyst. Cornucopia also found that Aurora was procuring cattle from a non-certified organic source in apparent violation of the law. “Our sources tell us that the USDA’s investigators found many other violations when conducting their probe of Aurora.”

But Kastel warned that the USDA is under intense pressure to scuttle the Aurora decertification order. “We understand that powerful political influence is being brought to bear on the USDA in an effort to delay or water down the penalties against Aurora,” noted Kastel.

As part of their investigation of Aurora, compliance officers at the USDA took sworn testimony from Cornucopia staff, visited Aurora’s facilities and interviewed their organic certifier, the State of Colorado. The Institute found out about the impending enforcement action, and the potential for its delay, from officials in Colorado, a political appointee at the USDA and a highly placed industry executive.

The organic industry is carefully watching what the USDA does with the Aurora matter because of its size and impact on the marketplace. Aurora doesn’t directly market milk under its own name, but it is the country’s largest private-label producer of organic milk. Aurora packages store-brand organic dairy products for Wal-Mart, Costco, Target, Safeway, Trader Joe’s, Wild Oats, and other grocery chains. “The organic regulations are scale neutral,” added Kastel. “In terms of enforcement it shouldn’t matter if we are talking about a powerful corporate player, with thousands of cows, or a smaller family operation, bad actors in this industry need to be removed from the marketplace.”

Because of the delay in USDA enforcement against Aurora Dairy, The Cornucopia Institute today filed a Freedom of Information request (FOIA) with the USDA to secure documents that could uncover possible influence peddling and favoritism at the Department. “We hope that the USDA will issue tough sanctions, if warranted,” Kastel said. “And we want the agency to know that the organic community is very closely monitoring this case.”

Earlier this spring the 10,000-cow Vander Eyk factory dairy in Pixley, California lost its organic certification after an investigation revealed numerous violations of federal organic rules. The industrial-scale operation had been publicly spotlighted by The Cornucopia Institute for organic management irregularities. The Vander Eyk dairy had been selling its milk to Stremicks (Heritage-Foods) and Dean Foods (Horizon).

Based on documents recently received by Cornucopia through an earlier FOIA request, the Vander Eck dairy lost their ability to market organic milk not only because they lacked pasture for their cattle but also because

they violated requirements for careful record-keeping to assure that all cows milked were eligible for organic certification and all the feed they consumed was actually organically grown.

“It now appears that our concerns about the giant industrial dairy cutting corners by confining cattle in a ‘factory-farm’ setting was just the tip of the iceberg,” said Will Fantle, Cornucopia’s research director. “The foundation of the organic certification process is the maintenance of a comprehensive farm audit trail which can be reviewed by independent certification inspectors and the USDA. The fact that Vander Eyk could not produce the documents requested by his certifier, and that he did not appeal the enforcement action, is just damning.”

The controversy about the growing number of factory-farms producing organic milk has come to a head this year as the number of farmers transitioning to organic dairy production has dramatically increased causing a surplus of organic milk for the first time. That surplus, largely attributed to the mega-farms, is now driving down prices to family farmers around the country endangering their livelihoods. It’s also become a tragedy for some family farmers around the country who have gone through the arduous and expensive three-year transition to organic management but now have nowhere to ship their milk.

“With at least 15 of these giant dairies operating, mostly in the arid west, they have succeeded in jeopardizing the livelihood of the 1500 or so ethical dairy farm families who are doing this right,” said Merrill Clark, an organic livestock producer from Cassopolis, Michigan and former member of the USDA’s expert advisory panel, the National Organic Standards Board.

“The good news for consumers is that in our survey of organic dairy brands, a full 90% of namebrand products received very high ratings in our scorecard that critiqued the environmental and animal husbandry practices used in sourcing the organic milk for the dairy products,” the Cornucopia’s Kastel said. “With a small amount of research, consumers who care about maintaining the integrity of organics can easily find organic dairy products they can believe in.”

Aurora is owned by some of the same conventional factory-farm operators that founded the Horizon Organic brand and then later sold it to Dean Foods. Aurora’s largest equity stake is controlled by CharlesBank of Boston, which invests capital for the Harvard endowment fund.

Rumors have also been swirling in the investment community that Aurora’s owners are seeking to sell the company or to take it public.