Organic Family Farms are Likely to Suffer from Wal-Mart's Foray into Organic Food Industry

(NaturalNews – Julie Wilson) What happens when large, powerful corporations violate the law and are immune from prosecution or accountability? They usually become repeat offenders, and in this situation, Wal-Mart, the culprit, is no exception.

About seven years ago, the big box store was accused of "cheapening the value of the organic label by sourcing products from industrial-scale factory farms and developing countries, including China," according to a report by The Cornucopia Institute, a farm policy research group that acts as an organic industry watchdog.

Around that time, Wal-Mart also partnered with Horizon Organic, which is owned by dairy giant Dean Foods, and became the largest retailer of organic milk. Wal-Mart then used Aurora Organic Dairy, located in Aurora, Colorado, to package their own private-label organic milk.

Organic watchdog groups bust Wal-Mart for violating USDA food standards in 2005

In 2005, The Cornucopia Institute blew the whistle on the company's operations, alleging that it was violating USDA organic rules by confining more than 4,000 dairy cows to their cages, instead of letting them graze freely, as required by federal organic standards.

Understanding that organic consumers are label checkers who

genuinely care about the quality of food, and how animals are treated, Wal-Mart deceptively marketed their products to depict happy cows, grazing on lush green pastures, with some campaigns even using graphics of small family farms.

The truth is that the dairy cows used to produce Wal-Mart's "organic" milk were living short, stressful lives in filthy industrial facilities, exactly the type of environments which organic consumers seek to avoid.

The watchdog's investigation found that Aurora Organic Dairy "willfully" violated 14 tenets of USDA organic standards and was caught labeling "natural" food as organic.

Despite the findings, Wal-Mart was not prosecuted but agreed to remove fraudulent signage and was allowed to continue operating without being fine a cent.

Now, the big box giant is back at it, preparing to introduce a new line of organic products that the company promises will "drive down organic food prices," marketing them as 25 percent cheaper than the organic food currently on shelves.

This time, Wal-Mart isn't revealing the source for their organic products and is instead using a private-label supplier and marketing products under the Wild Oats brand, a former natural foods grocery chain temporarily owned by Whole Foods in 2009 before an antitrust rule forced the company to divest its holdings.

Whole Foods then sold Wild Oats' licensee rights to Luberski Inc., another food distributor, in 2010. Wild Oats' physical locations were "parceled out" to buyers like Trader Joe's and Kroger, Gelsons, according to an *LA Times* report.

However, Wild Oats made a comeback due to a generous donation from American venture capitalist Ronald Burkle, co-founder and

managing partner of The Yucaipa Companies, LLC, a firm specializing in helping underperforming businesses.

Burkle reportedly intends to revamp the company by offering catering and take-out food services, home delivery and phone-in orders.

When Wild Oats CEO Tom Casey was asked how their partnership with Wal-Mart intended to deliver organic products, including pasta and cookies, more cheaply, his reply was, “Bigger can be better,” as paraphrased by NPR.

Considering Wal-Mart’s past with organic food, some experts aren’t convinced.

Michael Pollan, author of *The Food Movement, Rising*, said in an interview with the *St. Paul Pioneer Press* that he’s concerned that the expansion of “Big Organic” will lower food quality, weaken standards and hurt small family farms.

Organic food costs more, because it’s more expensive to produce, “and paying farmers a fair price has always been part of the deal,” said the Cornucopia Institute.

Will Wal-Mart tweak its business model in a way that allows them to offer organic foods without premium prices, while still adhering to organic federal standards?

Perhaps, but past behavior is usually a good indicator of future behavior, and Wal-Mart’s track record does little to assure skeptics.

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