

OVERVIEW

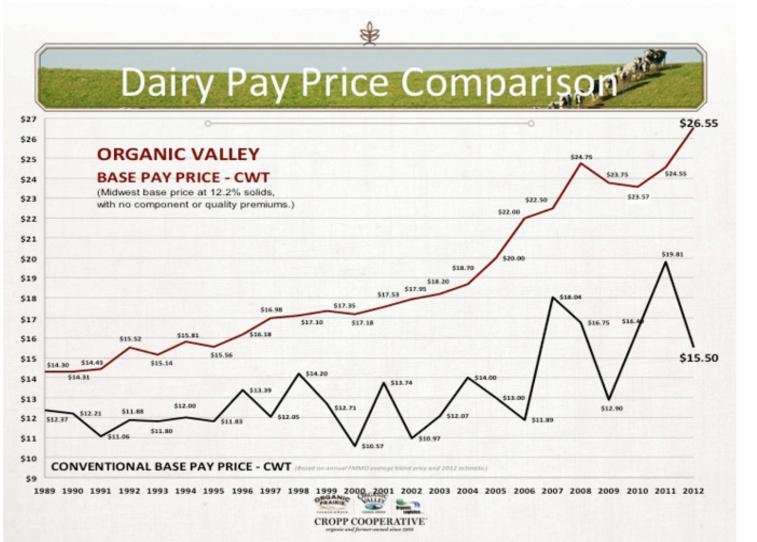
- Organic Valley is unique for a market leading firm in:
 - Social and environmental sustainability
 - Farmer control over value chain
- What strategies led to this unique success?
- What are the conditions of possibility?
- But don't other large cooperatives five farmers control over the value chain?

CROPP / ORGANIC VALLEY

- o "Social experiment disguised as a business".
- Sales near US\$1 Billion
- Membership includes about 10% of the organic farmers in the U.S.
- Over 500 employees.



PRICE MAKING



ORGANIZATIONAL AND VALUE CHAIN STRATEGIES

- Creating a differentiated market niche
- Supply management
- Coordinating decentralized production
- Participatory, mission-driven governance
- Finance

THE EVOLVING ORGANIC FOOD LIFESTYLE

Personal action

Direct relationship, Bioregional lifestyle, New traditions, Voting with feet

GROW YOUR OWN

Hands in earth, Memories, Canning/Freezing, Seed collection, Sharing, Spirituality

CSA FARMERS MARKET

Direct relationship, Farm visits, Seasonal features, Financial partner, Family involvement, Community support

LOCAL

Rural culture, Food miles, Bioregional diet, Regional support, Bulk foods, Seasonal foods

VALUES ADDED

Cooperatives, Fair trade, Packaging, Biodiversity, Humane treatment of animals, Family farming

NATURAL WHOLE FOODS

Family dinners, Cooking skills, Minimal processing, Whole foods, Minimize synthetics, Less convenience, Dispelling myths, Understanding labels

Federal oversight

Personal choice

Awareness-building, Movement expansion, Brand positioning, Advocacy/Education,

Special interest, Voting with purchases

Accreditation, USDA Label, Interagency clearance, Federal support



ORGANIC FOOD PRODUCTION ACT

Soil care, Farm plan, Inputs/Materials, Humane livestock conditions,
Organic Labeling, Processing standards

Being organic

An intimate relationship between your lifestyle, your religion, the earth and your food.

Living organic

Practicing a close relationship between you, the earth, the farmer and your food.

Growing organically

Nurturing awareness of the relationship, between organic food and your health, your values and our culture.

Entering organic

The realistic limit for federal involvement in assuring that organic food meets basic organic production standards.

@2006 Organic Valley Family of Farms

CONDITIONS OF POSSIBILITY

- Being at the right place
- Being at the right time
- Having the right people
- The characteristics of dairy
- The social movement
- Ability to translate values into a clear business strategy

OV vs. other market-leading dairy co-ops

- Ability to set price
- If you can't beat them join them
- Challenges to the ability of farmers to govern: size, scope, complexity
- Internal contradictions and conflicts of interests:
 - Focus on cost reduction undermines sustainability
 - Close connections with the corporate world
 - Diversification
 - Maximizing profit vs. maximizing farm revenues

