



World tradewinds

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One Dollar



Organic Ingredients: A Planet-Friendly Way of Going Global

Through valued relationships with growers, suppliers and processors, MBITA member Organic Ingredients, Inc., located in Aptos, CA, provides a diverse range of quality organic ingredients to the global marketplace while maintaining the integrity of our environment through dedication to the principles of sustainable agriculture.

The company traces its roots back more than 20 years ago. Since then Organic Ingredients has positioned itself into one of the world's leading suppliers of premium quality, certified organic fruit and vegetable ingredients.

Organic Ingredients has earned a reputation for the highest quality ingredients,

competitive prices with full service and reliability. Their customer base includes some of the most reputable manufacturers in the natural food industry, both nationally and internationally. Their exports overseas are mostly oriented to Japan, Korea, Canada, Australia, New Zealand, Switzerland and EU countries like UK, Germany and Italy. Until a couple of years ago Japan represented 30% of the company's international sales versus 15% today. As a consequence of the Japanese economic crisis their sales in Japan have slowed down considerably, though Korea still offers a good market for exporting organic foods. The company's international sales in Europe have increased in the last year and a half. "Germany represents the biggest organic food market in Europe, whereas UK is growing the fastest," says Joseph Stern, President of Organic Ingredients. "UK is the hottest EU country as to growing demand potential. New Zealand and Australia represent two other large sources for various organic ingredients as well as a growing marketplace for Organic Ingredients to export to," Joseph continues.

Exporting to the EU has been more of a challenge for the company because of the EU's severe

customs duties, organic certification and import regulations. To put up with the excessive EU taxes, Organic Ingredients' export strategy is to promote those products that have an exotic flavor overseas. Prices for organic foods reflect many of the same costs as non-organic foods in terms of growing, harvesting, transportation and storage. Certified organic foods must also meet strict regulations governing all these requirements, so the process is often more laborious and management intensive.

Prices also depend on the particular item, time of the year, place of purchase and retail pricing policy which makes it more difficult to market organic foods abroad. "We try to source our ingredients from both the northern and the southern hemispheres to adjust to regional climates and seasons to guarantee fresh and high quality products year-round and to keep a steady base price for our products," Joseph Stern remarks.

Sales of organic food totaled \$3.5 billion in 1996 and the market has grown at least 20% each year for the past seven years according to *The Natural Foods Merchandiser*. According to the Organic Farming Research

Foundation and the Organic Trade Association, U.S. sales of organic foods exceeded \$4 billion in 1997. The organic foods market is growing considerably. "By the year 2002 50% of Sweden's food sales is forecasted to be organic," Joseph reports.

The Food Marketing Institute reports that 42% of mainstream stores carry organic produce, and that presently organic grocery sales represent only 1% of the total market which is expected to grow to 3-5% by the year 2000. Worldwide, there are now almost 600 organic producer associations in 70 countries. There are now over 10,000 U.S. farms engaged in commercial production of organic products. Every year an extensive portion of American harvested land is getting converted into organic acreage.

(cont. page 2)



MBITA UPDATE

MBITA'S Global eCommerce Training initiative moves forward.

On July 24th in Santa Cruz, a new era for MBITA was unveiled.

After almost five years of providing "hands-on" support for small to mid-sized businesses developing new Global Markets, MBITA launched its first in a series of Global eCommerce seminars.

Twenty-five businesses attended this one day training on how to use online and offline sources and applications for market analysis, negotiation-shipping logistics and banking procedures.

Stay tuned for MBITA's new Global eCommerce 2000 seminar series in virtual-time presentation format.

**Robert "Tony" Livoti
Executive Director**

Translation services

Locally owned and operated, the **Santa Cruz Translation Company (SCTC)** has recently announced to cooperate in translation services with Soget S.p.A. of Padua, Italy. The SCTC relies on a network of professional, native language speaking translators who have been successfully operating in Europe and throughout the world for twenty-five years.

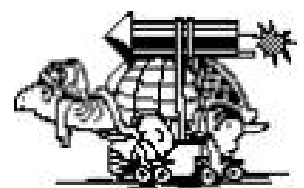
As global export markets continue to expand SCTC will now meet the increasing demand for translations in all major languages, with particular emphasis on European, South American and Asian languages. "The combination of in-country global translation resources with the software resources of the Bay Area will allow an organization to receive a superior translation (e.g. technical, legal, commer-

cial, etc.) at extremely reasonable rates," remarks Nicoletta Catinaccio, Director of the SCTC. "Companies such as General Electric, HP and the US Air Force have cooperated with our partner company, Soget, for many years, and we anticipate that our strong credentials and translating experience will attract many Santa Cruz companies to deal locally with their future translation needs," adds Ms. Catinaccio.

Impressed with ARF's dedication for stray and abandoned animals, the SCTC has announced that they will donate five per cent of net revenues to Tony La Russa's - Animal Rescue Foundation (ARF). "It is our way of giving something back to the community. We hope that we start a trend with this policy. Upon learning more about the

great achievements of ARF, we decided that we would like to donate to ARF on a regular basis," concludes Nicoletta.

The SCTC has a progressive history in the translating of foreign language documents (e.g. technical, commercial, legal, medical, etc.). For contact and details information on SCTC please contact the MBITA office at 831-469-0148 or email MBITA at info@mbita.org



“Organic Ingredients”
(cont. from page 1)

Genetic engineering (GE) and genetically modified organisms (GMOs) is another critical issue for concern in the organic foods global market. Organic foods exportable to the EU must be GMO-free which makes it harder to expand the outreach in the global market. modified organisms (GMOs) is another critical issue for concern in the organic foods global market. Organic foods exportable to the EU must be GMO-free which makes it harder to expand the outreach in the global market.

In May of 1999 Organic Ingredients has signed an agreement to merge with

Spectrum Naturals Inc. and Organic Food Products Inc. As a result of this merger the new combined companies will have over 200 retail products in the following categories: pasta sauces, salsa's pasta, culinary oils, nutritional oils, oils for body care, vinegars, juices, energy drinks, mayonnaise, salad dressings and other condiments. "The combined companies will be vertically integrated from the supply side sourcing to the retail shelf. As a result it will make us a low cost supplier of a full spectrum of industrial organic ingredients to the trade as well as low cost suppliers for our own retail products", Joseph concludes.

The merger is expected to close in early September.

All in all, Joseph Stern acknowledges MBITA's valuable assistance in his company's export activities and sees MBITA's value as a partner in the Foreign Commercial Service's (FCS) 120 commercial offices throughout the world.



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UPCOMING EVENTS

October 1, Santa Cruz
High-tech products and services and the
European marketplace
McPherson Business Center,
noon to 1:30pm

November 5, Salinas
Monterey Flavor - Wine & Cuisine
Phase II
Elks Lodge
noon to 1:30pm

November 16, Santa Cruz
Global eCommerce 2000 Seminar Series
Santa Cruz

December 3, Monterey
TBA
Monterey Hilton
noon to 1:30pm

**For details go to “events” at
www.mbita.org**

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