Sales of organic produce in Texas retail grocery stores total around $300 million annually. Almost none of this is Texas-grown. This handbook helps specialty crop growers in Texas learn how to get their farm-land certified organic and how to better grow organic fruits and vegetables. This handbook also provides a list of produce buyers in Texas who are looking to source Texas-grown, certified organic produce.

**Introduction**

Texas is famously a big state. We also have a lot of people living here now: about 26.5 million in 2013. We have four of the top 11 most-populated cities in the country: Houston, San Antonio, Dallas, and Austin. We also have 19 other cities with a population of at least 100,000.

These 23 metropolitan areas account for the biggest share of retail grocery store sales in the state, including sales of organic produce. We estimate the retail-level sales of fresh, organic produce in Texas to be about $300 million per year. We also know that only a miniscule portion of that produce is grown in-state. In fact, we conservatively estimate that, if it were planned correctly, there could be an additional 4,000 acres of organic fruits and vegetables planted and harvested in Texas to satisfy this local demand. (See explanation of calculations on page 10.)

The largely untapped opportunity for development of the organic produce industry in Texas is the reason for this handbook. It is written for the grower who wants to certify some of his or her land as organic for the first time and for those growers who want to increase their existing production of certified organic fruits, vegetables, and pecans. With this handbook, we intend to answer three basic questions that these producers might have about accessing the market for organic produce in Texas. Those questions are:

- How can I get my farmland certified?
- How do I grow fruits, vegetables, and pecans organically?
- How do I find a market for my organic fruits and vegetables?
Organic Certification Agencies Operating in Texas

As of August 2014, 82 organizations are accredited by the National Organic Program (NOP) of the USDA to certify growers. These organizations are authorized to issue organic certification to growers who comply with USDA regulations. It is important for you to remember that even though you get a certification number from USDA, your operation will be inspected by one of the 82 organizations that are not part of USDA. Each of these organizations does business a little differently from the others. Eighteen certifiers are currently operating in Texas. This section will give contact information for them, list the types of organic certification they offer (crop, wild crop, livestock, handling), and give a short presentation of important information from the certifier. It is up to you to decide which of these 18 agents is best for your operation. For more detailed information about the NOP Accredited Certifying Agents, please see the National Organic Program website www.ams.usda.gov/AMSv1.0/nop.

A Bee Organic (ABO)
Certifications: Crop, livestock, wild crop, handling
40707 Daily Road
De Luz, CA 92028
Sarah J.E. Costin
760-731-0155
sarah@abeeorganic.com
www.abeeorganic.com/

ABO application fees are fixed at $200 for the first year only. There are no application or renewal fees in subsequent years. There is a base inspection fee of $300 that goes toward payment of the inspector. Certification fees (annual) are on a graduated scale based on sales.

Agricultural Services Certified Organic (ASCO)
Certifications: Crop, livestock, wild crop, handling
P.O. Box 4871
Salinas, CA 93912
Katherine Borchard
831-449-6365
Kat@ascorganic.com
www.ascorganic.com
The Certification fee is based on acres for crops, not a percentage of your gross sales.

1. There is a site-inspection fee of $60 per hour, which includes site-inspection time, photos, reports, and travel time to and from site.

2. In subsequent years of certification there is no application fee required, and you receive a 10% discount every year thereafter off certification fees.

3. The National Organic Cost Share Program is back in effect; therefore you will be able to additionally obtain a reimbursement of $750 for certification fees annually. The company will help you file for that program to obtain the reimbursement.

**Americert International (AI)**

Certifications: Crop, handling

2603 NW 13th Street #228
Gainesville, FL 32609
Jonathan Austin
352-336-5700
americert@gmail.com
http://americertorganic.com/home

The company charges a flat fee that is based on the complexity of the operation. There are three tiers. Most operations with 10 acres or less fall into Tier 1, which is $750. Most other larger and more complex operations fall into Tier 2, which is $1,350. The certifier does not charge assessments or a percentage of sales. The only thing not included in this price is the mileage for the inspector traveling to conduct the inspection.

**CCOF Certification Services, LLC (CCOF)**

Certifications: Crop, livestock, wild crop, handling

2155 Delaware Ave, Suite 150
Santa Cruz, CA 95060
Jake Lewin
831-423-2263
jake@ccof.org
www.ccof.org/

This certifier charges a one-time application fee of $325. Annual certification fee is based on value of production, with a base fee of $200 for growers. The fee is determined by Gross Organic Production Value, which is the value of the organic products you sell. Detailed information and a chart showing the range of rates based on OPV can be found on the CCOF website www.ccof.org/certification/fees. You would have one inspection before you became certified with CCOF and one per year after that. Inspections are billed at $65 per hour. Travel time is billed at $44 per hour, and expenses include mileage, food, lodging, etc. This certifier works with trained inspectors in the local area and attempts to schedule inspections as a group so the travel costs can be shared. The actual length of the inspection is based, in part, on how organized your recordkeeping is. The inspector would be looking at the audit trail of your farm practices from annual production planning to sale of the product.

**Ecocert ICO, LLC (ICO)**

Certifications: Crop, livestock, wild crop, handling

70 East Main Street, Suite B
Greenwood, IN 46143
Dave DeCou
317-865-9700
dave.decou@ecocert.com
www.indianacertifiedorganic.com

Fees are a flat rate (no user fees or sales data are collected). After organic cost share reimbursement, the total cost starts at $250 per year for producers. Additionally, this certifier does not charge hourly rates, service fees, fees for forms, per diem or travel costs for inspectors. This certifier is also willing to accept forms of other agencies. Questions about formal quotes can be answered via email or phone.

**Global Organic Alliance, Inc (GOA)**

Certifications: Crop, livestock, wild crop, handling

3185 Township Road 179, P.O. Box 530
Bellefontaine, OH 43311
Betty Kananen
937-593-1232
Natural Food Certifiers (NFC)
Crop, livestock, handling
119A South Main Street
Spring Valley, NY 10977
Reuven Flamer
914-319-9040 or 888-422-4632
nfccertification@gmail.com
http://nfccertification.com/

Nature’s International Certification Services (NICS)
Certifications: Crop, livestock, wild crop, handling
224 State Highway 56
Viroqua, WI 54665
Dave Engel
608-637-7080
dave@naturesinternational.com
www.naturesinternational.com/

NICS strives to provide quality certification services at a reasonable cost. Certification and inspection deposit fees must accompany all requests for certification. This certifier offers both flat rate/sliding scale fee and user fee percentage of sales’ options for producers. Note also the on-farm fee structure on the producer fee worksheet. And per the processor/handler fee worksheet schedule, it is a flat $600 for the first year (unless you are coming from another agency; then it is $500), then a flat $500 in subsequent years up to $166,667 in sales, at which point a .3% user fee kicks in up to $500,000, where it drops down to .15%, etc; see worksheet. Note also the reduction in the user fee for producers at $300,000 of sales, from .5% down to .1%.

Mayacert S.A. (MAYA)
Certifications: Crop, livestock, wild crop, handling
18 calle 7-25 zona 11, Colonia Mariscal
Ciudad de Guatemala, 01011 Guatemala
Noe Rivera Flores
502-2463-3333
noe.rivera@mayacert.com
www.mayacert.com/

This company’s charges for service is based on a flat fee that depends on the days of work that the operation may need (USD $200/day). If it’s a processing plant or a small farm, it may take just one on-field work day; the rest of the charge is based on how many standards you want to certify (NOP, Europe, Japan). In addition, there are separate charges for the inspection report and the certificate, plus trip costs.

OneCert, Inc. (ONE)
Certifications: Crop, livestock, wild crop, handling
2219 C Street
Lincoln, NE 68502
Sam Welsch
402-420-6080
sam@onecert.com
www.onecert.com/

This certifier charges a flat fee per organic sales bracket. That makes it easier to calculate than a percentage method. The fee also is the full cost—it includes the cost of inspection.
Oregon Tilth Certified Organic (OTCO)
Certifications: Crop, livestock, wild crop, handling
Connie Karr
2525 SE 3rd Street
Corvallis, OR 97333
503–378-0690
www.tilth.org

Fees are based on a sliding scale corresponding to the client’s gross organic sales. This certifier is committed to maintaining stable certification fees and being competitive while also supporting its nonprofit mission. Transparency is also important to the company. Growers will find that all fees related to certification are outlined in the Fee Schedule. Anyone can call the Oregon Tilth Farmer Hotline (503-581-8102) to ask questions about certification; they don’t even need to be a client or prospective client. The Hotline is staffed by members of the certification team on a weekly rotating basis, from 9-5 Monday through Friday, excluding federally recognized holidays. Oregon Tilth also has a new Transitioning Farmer Network in cooperation with NRCS.

Organic Crop Improvement Association (OCIA)
Certifications: Crop, livestock, wild crop, handling
1340 North Cotner Blvd.
Lincoln, NE 68505
Angie Tunink
402-477-2323 Ext. 320
atunink@ocia.org
www.ocia.org

OCIA is member-owned and has been certifying for over 25 years. There are flat fees for OCIA chapter members and percentage of sales fees for OCIA Direct Associates. Coupons can be used on the first year of certification fees. Chapter members (typically the smaller producers) pay a flat fee of $300 for their annual certification fee and chapter fees that vary per chapter (help to pay for mentorship, on-farm field days, etc). There is also an annual acreage fee that varies depending on the crop. Direct Associate members (typically large processors) pay a percentage of sales that starts at $800 per year.

Quality Assurance International (QAI)
Certifications: Crop, livestock, handling
9191 Towne Center Drive, Suite 200
San Diego, CA 92122
Jonathan Lackie
858-200-9708
jlackie@qai-inc.com
www.qai-inc.com

For handler operations, this certifier bases certification fees on the number of products to be listed on your organic certificate. This means you pay a fair price for your organic certification no matter how big your business grows.

Quality Certification Services (QCS)
Certifications: Crop, livestock, wild crop, handling
1810 NW 6th Street, Suite F; P.O. Box 12311
Gainesville, FL 32604
Denise Aguero

Organic Certifiers, Inc (OC)
Certifications: Crop, livestock, wild crop, handling
6500 Casitas Pass Rd.
Ventura, CA 93001
Susan Siple
805-684-6494
susan@occert.com
www.organiccertifiers.com/

Organic Certification is based on two main components: Inspection Fee + Travel and Annual Certification Fee. An inspection is conducted annually for each client at OC. An OC inspector visits the client’s organic operation to verify organic compliance to the standard. The client is responsible for inspector travel to the operation. The Annual Certification Fee is calculated based on your scope:

- Crop- fees based on organic acreage
- Handler-fees based on annual gross organic sales
Organic Specialty Crop Production of Fruits, Vegetables, and Pecans

One of the agencies mentioned above will be able to certify your farm. Once you have your operation certified organic, the question becomes how to grow your fruits and vegetables correctly and profitably. There are many books on the market about organic farming and also many websites dedicated to this topic. Chelsea Green Publishing has wonderful books on growing organic fruits and vegetables. ACRES USA also has a great book selection, along with its monthly newspaper. The Rodale Institute was one of the first national sources on organic farming and is still one of the best. The ATTRA sustainable agriculture program of the National Center for Appropriate Technology (NCAT) is also one of the foremost national sources of information about organic farming. We will focus here on some of the nearly 100 publications that NCAT/ATTRA has available that are of particular interest to organic specialty crop producers in Texas.

Organic Farming

Biointensive Integrated Pest Management - IP049
Bug Vacuums for Organic Crop Protection - IP194
Colorado Potato Beetle: Organic Control Options - CT107
Cucumber Beetles: Organic and Biorational Integrated Pest Management - IP212
Downy Mildew Control in Cucurbits - CT111
Farmscaping to Enhance Biological Control - CT065
Flea Beetle: Organic Control Options - CT114
Organic Alternatives for Late Blight Control in Potatoes - IP131
Plums, Apricots, and Their Crosses: Organic and Low-Spray Production - IP386
Squash Bug and Squash Vine Borer: Organic Controls - IP298
Use of Baking Soda as a Fungicide - IP130

Certification Process

Conservation Buffers in Organic Systems - IP470
Forms, Documents, and Sample Letters for Organic Producers - IP276
Guide for Organic Crop Producers - IP225
National Organic Program Compliance Checklist for Handlers - IP301
National Organic Program Compliance Checklist for Producers - IP232
Nutrient Management Plan (590) for Organic Systems - IP472
Organic Certification Process - IP262
Organic Market Farm Documentation Forms - IP285
Organic Materials Compliance - IP313
Organic Standards for Crop Production: Excerpts of USDA's National Organic Program Regulations - IP332
Organic System Plans: Market Farms and Greenhouses - IP343
Preparing for an Organic Inspection: Steps and Checklists - IP261
Soils and Fertilizers
Manures for Organic Crop Production - IP127
Notes on Compost Teas - IP118
Nutrient Management Plan (590) for Organic Systems - IP472
Potting Mixes for Certified Organic Production - IP112
Soil Management: National Organic Program Regulations - IP270

Business and Marketing
Organic Marketing Resources - IP124

Organic Fruit Production
Blueberries: Organic Production - IP021
Grapes: Organic Production - IP031
Organic Culture of Bramble Fruits - IP022

Organic Orchard, Vineyard, and Berry Crop
Documentation Forms - IP238
Peaches: Organic and Low-Spray Production - IP047
Pears: Organic Production - IP167
Strawberries: Organic Production - IP046
Tree Fruits: Organic Production Overview - IP028

Vegetables, Herbs, and Flowers
Cole Crops and Other Brassicas: Organic Production - P175
Garlic: Organic Production - IP320
Herb Production in Organic Systems - IP224
Herbs: Organic Greenhouse Production - IP164
Organic Allium Production - IP138
Organic Greenhouse Tomato Production - IP190
Organic Greenhouse Vegetable Production - IP078
Organic Tomato Production - IP439
Plug and Transplant Production for Organic Systems - P160
Resource Guide to Organic and Sustainable Vegetable Production - IP188
Seed Production and Variety Development for Organic Systems - IP272
Sweet Corn: Organic Production - IP336
Sweetpotato: Organic Production - CT128

These are but some of the publications available on the ATTRA website, www.attra.ncat.org. Other important features of the ATTRA site with regard to organic production problems are the Ecological Pest Management Database and the Ask an Ag Expert sections and other resources. You can also subscribe to NCAT’s weekly Harvest newsletter at
www.ncat.org/subscribe. The ATTRA website is often updated with new publications.

Selling Organic Produce in Texas

So now you have your produce certified, grown, harvested, and packed, ready to sell. The following list gives you contact information for the produce buyers who purchase the great majority of organic produce here in Texas.

Texas Wholesalers

**W. G. Averitt Brokerage Co., Inc.**
Gary Putnam
9999 Perrin Beitel Road
San Antonio, TX 78217
210-832-0636 – main number
210-659-7355 – alternate phone

**Big State Produce Company**
Luciano “Lucky” Gonzalez
1500 S. Zarzamora Street, Unit 510
San Antonio, TX 78207-7223
210-223-9567
bigstate@bigstateproduce.net

Might occasionally bring in organic produce, mostly repack.

**Brothers Produce of Dallas, Inc.**
Chris Garcia
2600 McCree
Garland, TX 75041
214-428-6666– ext 218

**Brothers Produce of Houston**
Brent Erenwert
3173 Produce Row
Houston, TX 77023
713-924-4196
brent@brothersproduce.com

**Chefs Produce Company—Dallas**
www.chefsproduce.com
Allen Smith
1654 Terre Colony Court
Dallas, TX 75212
214-688-9930

**Chefs Produce Company—Houston**
Darryl Johnson
4007 Telephone Road
Houston, TX 77087
713-643-4190

**FreshPoint Dallas, Inc.**
Shane Lovell
4721 Simonton Road
Dallas, TX 75244
972-385-5800 – main number
972-385-5080 – direct line
Shane.Lovell@FreshPoint.com

**FreshPoint South Texas**
Vice President Purchasing Dylan Massave
4651 Greatland Drive
San Antonio, TX 78218
210-699-9391

**Hardie’s Fruit and Vegetable Company—Houston LP**
Jason Youngblood
3145 Produce Row
Houston, TX 77023
713-926-4445
jyoungblood@hardies.com
Hardie’s Fruit and Vegetable Company
—Dallas
Arturo Travis
1005 North Cockrell Hill Road
Dallas, TX 75211
214-426-5666
atravis@hardies.com

Ben E. Keith Company—Fort Worth
Mike Endsely
7650 Will Rogers Blvd.
Fort Worth, TX 76140
817-759-6000

Ben E. Keith Company—San Antonio
Allen Dorsey
5505 Kaepa Court
San Antonio, TX 78218
210-661-7997

Kerr County Produce, Inc.
John Rains
215 A Street
Kerrville, TX 78028
800-648-0533
830-896-7330

Premier Produce Service, LLC
Andy Crow
8125 Western Hills Blvd.
Fort Worth, TX 76108
817-367-3120

Very interested in purchasing organic product from Texas.

Reaves Brokerage Company
Billy Kitts
2007 S Ervay Street
Dallas, TX 75215
214-421-4666

River City Produce Company, Inc.
April Marquez
1616 S. Laredo Street
San Antonio, TX 78207
210-271-0371
am@rivercityproduce.com

Texas Best Produce —San Antonio
David Lopez
210-346-1939
texasbestpro@aol.com

No address available
Organic watermelon only.

Texas Produce Company, Inc.—Houston
Rick Morgan
3125 Produce Row
Houston, TX 77023
713-923-2818
texproduce@yahoo.com

Very interested in purchasing organic product from Texas.

Texas Retail Grocery Stores
The Texas wholesalers listed above will all buy certified organic produce because some of their customers want it. For example, there are more than a few restaurants, hospitals, food co-ops, nursing homes, and corporate cafeterias in Texas that order organic produce from the wholesalers. A few of the wholesalers sell a lot, but most of them currently sell limited quantities. If you are a grower with less than five acres of
production, these wholesalers might be a perfect fit for you.

The big-volume buyers of certified organic produce in Texas are the retail grocers. While there are many small retail grocery chains and independent stores in Texas, less than 15 major chains buy the majority of the organic produce sold in Texas. Here is the contact information for these chains:

Brookshire Brothers
Keith Durham
936-634-8155
keithdurham@brookshires.com

Fiesta Mart
Freddie Martinez
713-869-5060

Gerland’s
Cecilia Hutton
713-746-3600

HEB
Roger Harkrider, Director of Produce
Austin Moore, Associate Business Development Manager
5103 Rittiman Road
San Antonio, TX 78218-0200
210-938-4452 (Harkrider)
210-938-4454 (Moore)

HEB Central Market
Marty Mika, 210-938-4457
Lee Crenshaw, 210-938-4456

Market Basket Stores
Keith Dauterive
409-727-3104

Safeway/Tom Thumb/Randall’s
Go to www.suppliers.safeway.com and fill out the form. Then follow up at 925-467-3000.

Sprouts Farmers Markets
Mike Sparks
469-481-5000
mikesparks@sprouts.com

United Supermarkets
Kora Rush, Organic Category Manager
806-472-5900

Walmart
Darla Barba
972-551-5536
Mike Myers
972-551-5436
Go to http://corporate.walmart.com/suppliers/ to see requirements. It helps to get local store produce manager involved to get you into their Local Purchase Program. See http://corporate.walmart.com/suppliers/apply-to-be-a-supplier/local-suppliers.

Whole Foods Market—Southwest Region
Brent Demarest, Regional Produce Team Purchasing Leader
840 Interchange Blvd.
Austin, TX 78721
512-381-8560

Explanation of Calculations
According to the Food Marketing Institute, grocery sales in the United States were $620 billion in 2013 (Farm Marketing Institute, 2013).

Texas accounts for 7.4% of grocery sales (Food Marketing Institute, 2013), so grocery sales in the state were about $46 billion that year.

Produce sales equal 11.03% of grocery sales nationwide (Food Marketing Institute, 2014). Using that percentage, produce accounted for $5.1 billion in sales in Texas in 2013.

The Packer magazine estimates organic sales at 6% of produce sales nationwide (Karst, 2014). Multiply that percentage times the $5.1 billion in organic sales in Texas, and the state’s organic sales are at about $303 million.

However, nearly none of the organic produce being sold is grown in the state. Producers’ prices generally are about 60% of retail prices. In Texas, 60% of that $303 million in retail sales means a potential total of about $182 million.

Since not all organic fruits and vegetables sold in Texas can be grown in the state, we are estimating that Texas growers could possibly generate $100 million of those sales.

Estimates of how much revenue can be generated from an acre of organic produce range from about $25,000 to $40,000. At a conservative estimate of $25,000 per acre, $100 million in sales would support an additional 4,000 acres planted in organic fruits and vegetables in Texas.
Conclusion

The performance of the produce department in retail grocery stores is one of the few bright spots for the industry. According to a report from the Nielsen Perishables Group (NPG) at the 2014 United Fresh Produce Association conference, total average same store growth for the industry was 1.1% in 2013, while the produce department increased 7% in dollar sales and 3% in volume (Anon, 2014).

The growth of organic produce sales within the overall produce department is also an important factor. According to the Organic Trade Association (OTA), the increase in sales of organic produce from 2012 to 2013 was 15% (Karst, 2014). Statistics from the same organization (www.ota.com) show that the growth in sales of organic produce has been over 9% per year for the last four years (Karst, 2014). In addition, FreshLook Marketing (the source contracted by The Packer for its yearly Produce Guide publication), measured total fresh produce sales that were certified organic in 2013 at 6% (Karst, 2014).

So the numbers are there to back up what you have seen and heard informally about the growth of the market for organic produce. Market growth is real and it is happening here in Texas. Last year, sales were approximately $300 million in Texas. This year, sales will probably be $330 million. Next year, they could increase even further.

For more information and assistance contact NCAT’s Southwest Regional Office at 210-265-3905 or visit www.ncat.org/southwest.

References


Further Resources

Acres USA
www.acresusa.com

Chelsea Green Publishing
www.chelseagreen.com

Nielsen Perishables Group
www.perishablesgroup.com

Organic Trade Association
www.ota.org

Rodale Institute
www.rodaleinstitute.org

United Fresh Produce Association
www.unitedfresh.org

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By Robert Maggiani, Sustainable Agriculture Specialist
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