

SEPT. - OCT.
2010

Cooperative Grocer

FOR RETAILERS AND COOPERATORS

#150

NETWORK NEWS

New Stores:
Harvest Moon,
Hanover Co-op

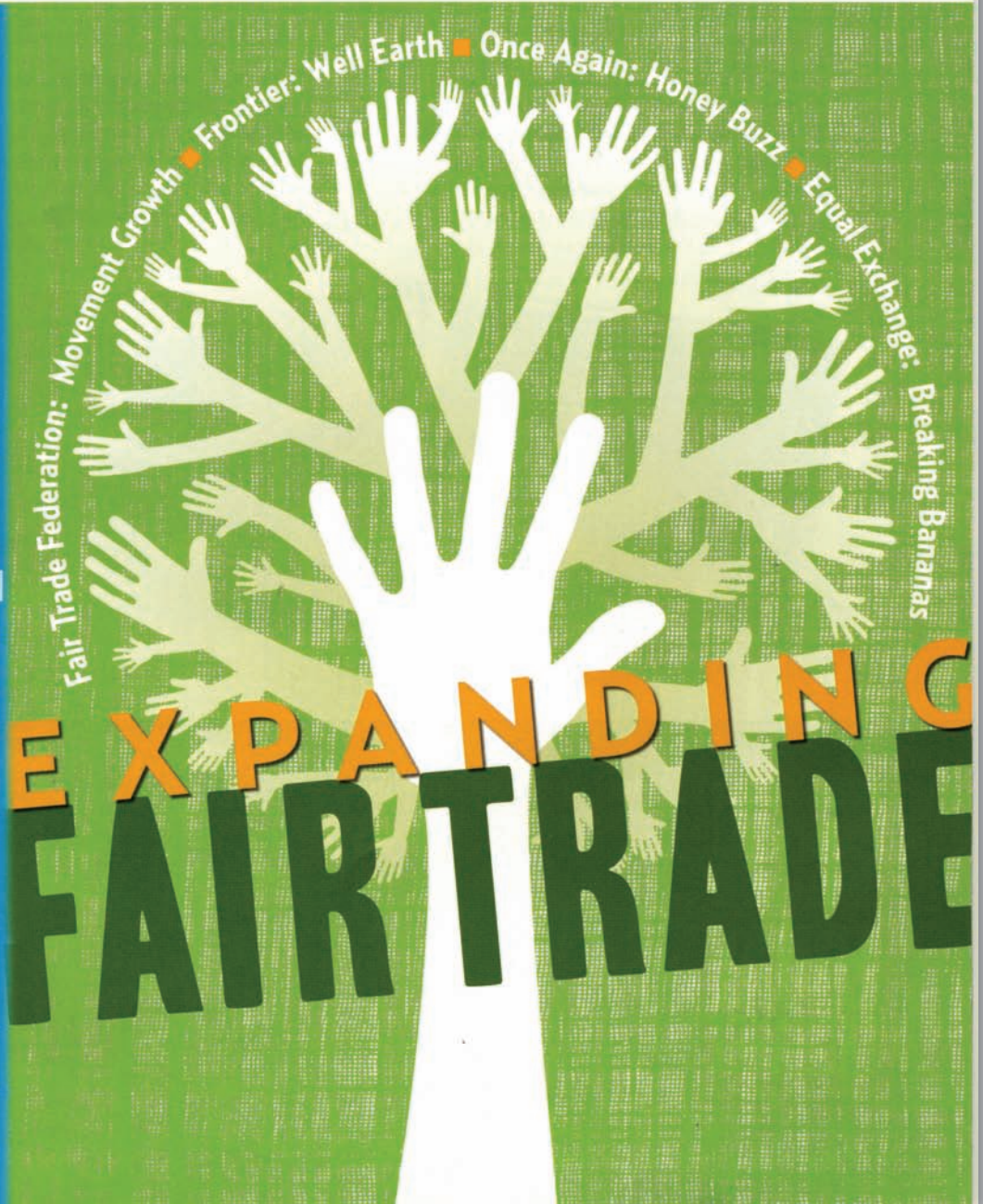
Credit Card Fees
Reduced, But
Cooperation Stalls

Stronger Together.
coop Launched

BOARD OF DIRECTORS

Management
Reports:
Accountability,
Accomplishments

Board
Self-Evaluation



EXPANDING
FAIR TRADE

COVER
SECTION

Sourcing with Integrity

Frontier Co-op grows fair trade and cultivates a well earth

BY STEVE KRUSIE

Since beginning as a two-person operation in 1976, Frontier Natural Products Co-op has specialized in natural and organic products. The business was originally structured as a cooperative that supplied herbs and spices to its members, which were retail co-ops and buying clubs. Being a cooperative itself helped propel Frontier into national and Canadian distribution through the rapidly expanding natural foods "co-op movement."

Subsequent growth led in 1982 to Frontier purchasing a 10-acre parcel of farmland near Norway, Iowa, and constructing a 21,000-square-foot facility. Several plant expansions during the past 20 years have increased the facility size to 145,000 square feet. Frontier also owns an additional 56 acres of land adjacent to the main facility, 22 acres of which is maintained as a prairie restoration project.

During 1988, Frontier introduced a line of packaged spices. This was followed in 1991 with the introduction of a line of gourmet, 100-percent-certified-organic whole-bean coffees. Subsequent introductions included a line of herbal extracts and the first certified organic beer in the United States.

Not all of these product lines were sustained successes, but all provided greater name recognition and expanded opportunities. The Frontier brand packaged-spice line developed into a significant sales contributor and laid important groundwork for the later establishment of the Simply Organic brand, launched in 2002.

The most sustained and dramatic success with product expansion has been in the area of aromatherapy. Frontier responded to this accelerating trend, capitalizing on its early success and bolstering its product line with the 1993 acquisition of Aura Cacia, a leading aromatherapy and natural personal care products company. A popular line of certified organic products, Aura Cacia Organics, has also been created.

Early decisions to invest in the equipment and personnel to create a top-notch quality assurance laboratory moved Frontier into the position of being a quality leader, as well as a sales leader in bulk products and aromatherapy.

Frontier also has been a trendsetter in employee relations. Innovative programs such as subsidized on-site childcare and meal programs, established over two decades ago, led to national recognition for workplace accomplishments at the same time that Frontier was cited as one of the country's fastest-growing companies.



Left: Organic tellicherry peppercorns from India.

Below: Rosemary on its way to market in Spain.

Right: Harvesting vanilla beans in India.

Far right: Cleaning and sorting the dried vanilla beans.

Social responsibility and fair trade

Frontier has a tradition of social responsibility in both its policies and its support of other organizations. It has established an employee-friendly workplace, respected the environment and the grower communities in its operational decisions, and championed organics and sustainable agriculture throughout the world.

For nearly 10 years, Frontier has been working closely with TransFair to provide fair trade-certified products to consumers. Tea was the first fair trade-certified product offered by Frontier. Its fair trade product offerings have expanded to cocoa, sugar, and teas, and to skin care products such as cocoa butter and nourishing body polishes. Beginning in 2009, Frontier became the first provider of fair trade-certified spices in the U.S.

Over the course of several years, Frontier has been working toward establishing an ethical and sustainable sourcing program that incorporates the elements of fair trade programs but expands into new product categories, eliminates geographical boundaries, and establishes category quality standards that must be maintained. Another important element of the program is working directly with farmers and their co-ops, eliminating middlemen brokers and agencies, practices which mean those farmers receive a higher payment for their products.

Today, Frontier's Well Earth™ program supports



PHOTOS COURTESY OF FRONTIER NATURAL PRODUCTS

suppliers committed to excelling in five critical areas:

- worker safety and fair treatment
- sustainable production practices
- environmental impact
- social and community impact
- product safety and quality.

Well Earth is Frontier's proactive program to find and develop ethical sources of high-quality products. It supports both the co-op's values and its mission to convert the world to organic and natural products.

More specifically, the Well Earth program provides:

- a viable, stable and accessible market for raw materials
- technical and financial support for producers
- a long-term purchasing relationship that supports the producer's business
- community support through direct financial contributions
- ongoing performance incentives that reward quality, environmentally and socially responsible activities.



Well Earth partners

Well Earth promotes the sustainable production of natural and organic products and creates partnerships built upon a mutual respect for quality botanicals and sound social and environmental principles. Following are some of the programs we have worked on to date.

In February 2009, Commodity Manager Kai Stark and Kathy Larson, Frontier's VP of sustainability and education, made a sourcing trip to India. One of their stops was at a Well Earth supplier of fair trade vanilla associated with Akshaya Patra, a charitable foundation that provides meals to schoolchildren in India. While there, Stark and Larson were able to attend the dedication ceremony for a truck purchased by the Frontier Foundation to transport meals to remote schools in the south-central region of the country.

Another Well Earth supplier in India used a grant from Frontier's Simply Organic 1% fund to bring 790 farmers to their training center for a day of intensive training in organic agriculture. The group demonstrated its commitment to improving the region's organic farming methods by coordinating travel and implementing the 45 sessions required to train all of the farmers. Each farmer received a Well Earth bag, containing a vermiculite starter kit as well as an assortment of biological controls for various pests and diseases, to take back to the farm.

In the hills of Guatemala, farmer Hilario Caal Chub works his hectare of land, growing organic allspice so he can give his six children what he wants most for them—an education. He can do that because he receives a premium for his crop from Frontier, which recently certified Caal Chub's cooperative as a Well Earth supplier.

Another Guatemalan organic farmer, Lorenzo Ich of the Santa Maria farmers' co-op, produces organic cardamom for Frontier and receives a



premium based on the quality of the yield. Ich harvests each cardamom plant every two weeks from September to February, being careful not to pick the pods too early, which results in low quality, or too late, because the pods will burst and lose their seeds.

Organic rosemary grower Victor Pascual has been working for decades in harmony with nature in Spain's Sierra Mariola National Park. "Through our techniques, we help grow with nature, not against it," Pascual says. Although he grows other crops too, Pascual feels rosemary, which is indigenous to the region, is his best. By using organic agricultural techniques, Pascual is able to harvest especially robust-flavored rosemary twice a year.

Joseph Devasia and his wife grow a variety of organic crops on their 2.8 hectares of hilly, jungle-like land in India. One of those crops is organic black pepper, which he supplies to Frontier. The couple also grows vegetables to feed the family and collects manure from their livestock to produce biogas fuel for cooking.

Also in India, vanilla producer Sripathi Ramai Hedge has been a farmer all his life, raising betel nuts on less than an acre of land. After watching the slow erosion of the land and the decline of the small farms in the area, he decided to try biodynamic farming. As a result, he now has healthy, lush vanilla vines intertwined with his betel nut trees. Ramai Hedge is teaching his sons about this farming method so they can continue it.

In Sri Lanka, a cooperative made up of 2,000 small-scale, remote farmers supplies Well Earth-certified spices. One of them, N.G. Wijethilaka, is a father of four who owns just three-quarters of an acre of land. He prides himself on his devotion to organics. He earns about \$900 a year, a premium that offers an opportunity for a better standard of life for his family.

David and Deborah Mader have a traditional family farm in Oregon, on which their 10 Belgian horses provide most of the muscle it takes to work

the fields. The Maders grow certified-organic alfalfa leaf for Frontier. Sustainable farm management to the Maders means efficiency, diversity, self-reliance and conservation. For example, recent improvements in their irrigation systems have reduced water use by 40 percent. They also utilize a "closed-loop" soil fertility system so that few farm soil amendments are needed. And they strive to maintain a balanced ecosystem where trees and other native perennials are encouraged to grow in the fence rows, and

conifers and cottonwoods line the seasonal creek that serves as a corridor for wildlife such as deer, elk, coyotes, bear, raccoons, mink, and pileated woodpeckers.

In the Pampas region of Central Argentina, Leony and Bertrand's farm is an organic oasis, producing grains, herbs, and beef. In 1988, Leony planted her first herb—lavender—from stock she had obtained in France. The area's Mediterranean-like climate is ideal for growing aromatic and culinary herbs. The farm covers a diverse landscape of fertile bottomlands and sometimes steep, rocky foothills—in fact, over 80 percent of the land isn't tillable. The 100 hectares of organic aromatic herbs planted in the rich bottom ground includes the herbs the farm supplies Frontier—lemon verbena,

lavender, thyme, sage, winter savory, hyssop, and tarragon.

Leony and Bertrand are committed to sustainable and organic practices. And every year, they strive to improve quality and yields by trying new techniques, new varieties, and new crops. Ongoing experiments combining dense planting in beds with mulching are proving

to be effective in maintaining soil moisture without resorting to irrigation. The workers, many of whom are second- or third-generation on the farm, live in housing on the farm during the work week, where they have a food allowance and even their own cook.

Kathy Larson notes that Frontier currently offers 42 products from 12 countries provided by suppliers certified through the fast-growing Well Earth program. "People can find a world map of all our Well Earth growers and read more about them and the crops they produce at www.frontiercoop.com," she says.

"The commitment of Well Earth growers to organic and other sustainable practices benefits them with a higher price for their crop, contributes to their communities' development and provides consumers with high-quality, sustainable organic products," says Larson. "Everyone wins." ■

Well Earth is Frontier's proactive program to find and develop ethical sources of high quality products.