

ETHICAL AND ORGANIC

PRIVATE ENTERPRISE WITH A CONSCIENCE

By Katrina Simmons

In our Spring 2004 issue of *EcoFarm & Garden* (now *The Canadian Organic Grower*), Av Singh profiled various cooperatives across Canada, citing their natural compatibility with organic farming, based on principles of mutual respect, cooperation and interdependence. The following article on ethical business features small businesses that thrive within the same framework of respect, community and environmental responsibility.

Homestead Organics

Tom Manley, proprietor of Homestead Organics in Berwick, Ontario is a strong advocate for small business and the contribution these businesses make to their communities. He has been involved as member, management, customer and supplier of various cooperative ventures over the years, from housing and farming to banking. He is adamant that an ethically run, for-profit business considers its shareholders' and stakeholders' interests equally, just as a co-op does.

As a private business owner, he strives to balance the needs of three key stakeholders: employees, customers, and owner or shareholders. "I like to see it in the shape of a triangle, with each of the stakeholders at the points," he says. "As long as the triangle has equal sides linking the three groups, the triangle is solid. As soon as the distance between two groups changes, the triangle becomes imbalanced and will collapse."

In reality, how does this model translate in the food, feed and farm supply environment at Homestead, while maintaining social and environmental responsibility? For employees, it means an average wage of \$14/hour (higher than the regional average and the sector in which they work), and 20% discount for the part-time farmers among them who purchase feed for their own animals. These incen-

tives are designed to give them income stability; the company, in turn, benefits from low staff turnover.

Recognizing their skills and trusting their judgment means that Manley gives employees some degree of independence to do their job. He shares feedback he gets from customers, and as a group, they brainstorm to develop creative solutions when problems or changes need to be addressed. If all goes well throughout the year and sales have been good, employees get a year-end bonus of up to \$500, since they are the ones that helped make it happen.

Less than eight years ago, this small town feed mill, about 45 minutes south-east of Ottawa, was an abandoned shell. Each year money has been reinvested for ongoing improvements. What was once done manually—drying, cleaning and bagging of organic grains for food and feed—is now easier and more efficient with machinery. Manley admits that

this doesn't make less work for employees. It does change the nature of the work, though, making it less frustrating and more satisfying to put out a higher quality product.

Waste packaging from the mill, on-site store and office is separated for recycling, and picked up by the municipality. There is still a small percentage of packaging (e.g. bags made from combined plastic and paper) for which there are no recycling facilities in the area. For these, he regrets, the options are

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Homestead Organics' team (from left to right): Tom Manley, Isabelle Masson, John Badger, Christine Estermann, Murray Manley, Denis Hart and Stefan Perras.

either to send them off as landfill, or burn them.

Homestead Organics, which is certified organic (by OCPP), handles crops grown predominantly in eastern Ontario and western Quebec. Since the grains are also certified organic, Manley can be confident they have been produced in an environmentally responsible manner. The only non-organic grain he handles is buckwheat; buying this “gives us an opportunity to introduce ourselves to conventional farmers. It becomes a recruiting tool to get people to consider organic.” Manley extends his role of educating farmers and the public beyond his small town mill, though. As a member of the national board of Canadian Organic Growers, and chair of the Ottawa COG chapter, he has been active for a number of years in promoting the industry both locally and across the country. Homestead acts as a sponsor for various conferences, workshops and educational opportunities for both

farmers and consumers. He also invests a lot of time in The Green Party of Canada as their agriculture advocate, with his sights on leadership in this political party that makes environmental issues their central platform.

Organic certification is a consumer's assurance that the environment is being treated kindly. But how do they recognize a business that keeps the rest of the framework—respect for workers and community—in balance too? “I made inquiries with Fair Trade. I even called the office in England,” says Manley, “but they explained to me that Fair Trade only works between developing and developed countries.” The message he got: There is nothing in a developed country with domestic trade to certify an ethically run and environmentally responsible business.

Level Ground Trading

Stacey Toews, co-founder of Level Ground Trading in Victoria, Brit-

ish Columbia, echoes that frustration. The company has no nationally recognized verification that proclaims their strong commitment to ethical principals. But they were awarded the Ethics in Action™ Award in 2003, a province-wide program designed to recognize businesses that make corporate social responsibility a large part of their mandate.

Level Ground Trading Ltd., established in 1997, imports coffee, dried fruit snacks, and cane sugar directly from Columbia, Bolivia and Peru, marketing it through outlets such as the Ten Thousand Villages, and other retailers who support the principals of fairly traded products. Though only one of their products sports the TransFair logo, they meet, or exceed the guidelines set out by the Fair Trade Labelling Organization. They pay the coffee growers a minimum of \$1.26 per pound for their product, when the world coffee prices average around \$0.60/lb. They are directly involved with the cooperatives from whom they source their product, and have registered a non-profit society (Famicafé) in Columbia to direct the fair trade premiums into scholarship programs for children of the region's coffee workers.

Though their Bolivian and Peruvian coffees are certified organic, the Columbian coffee is not. Achieving certification is a bit of a Catch 22. It takes money to meet requirements and pay for inspections. Farmers who are being paid less for their coffee than it costs to produce have no money to invest in improvements, organic training or certification inspections. “They're very holistic about how they're managing their farms,” says Toews, “but they don't



Fair Trade premiums funded a health campaign for Café La Paz coffee farmers in Los Yungas, Bolivia.

have infrastructure nor stability in the region to let themselves be monitored.” Level Ground Trading’s direct relationship means that they visit these villages at least three times a year. They see, first hand, how the environment is being cared for. “Our 2005 initiatives are to have our fruit and our coffee farmers move toward certification.”

Back home in their office and warehouse on Vancouver Island, environmental issues are just as important. Paper in the office is from recycled stock and is separated for recycling. They’ve cut down on paper use with electronic ordering, invoicing and inventory. Foam packing material is biodegradable (made from corn). Bulk orders for office accounts and food services are delivered in plastic, returnable crates rather than their standard packaging. Lunchroom waste is composted on-site, while a composting service hauls away the chaff from the coffee beans, and

takes the old burlap coffee sacks (used for all kinds of things, from gardening to decorating) as payment.

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- Find out if a business:
- supports the local economy;
 - is environmentally sustainable;
 - produces their goods with respect for human rights.
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The practices that guide Level Ground Trading aren’t limited to the products that they market. In Canada, Toews takes ethical business into the classroom, educating students on how to identify products that are made with respect and dignity behind their label. He doesn’t provide a list of companies that do business responsibly. Instead, he coaches students to find out for themselves if a business:

- supports the local economy;
- is environmentally sustainable;
- produces their goods with respect for human rights.

When food products are local and organically grown, it’s not so difficult to answer these questions. The goods on locally manufactured products are harder to trace. For instance, if the labels say made in Canada, garments could be assembled by homeworkers. They may have limited awareness of their rights, and may be paid less than minimum wage for their piecework. Don’t be afraid to ask questions about the factory, he advises, like who owns it, where it’s located, and what percentage of the retail price actually covers the cost of labour. Was the cotton grown with the use of pesticides? Was it processed with bleach? Were dyes non-toxic and disposed of responsibly? Were the field and mill workers paid a wage that would support their families and give

them access to health care and decent housing? These are all valid questions to ask the merchant from whom you buy.

Contact the company’s public relations or customer service department with your concerns. When consumers speak up and refuse to purchase products with questionable integrity, merchants and manufacturers will recognize that fair and ethical business practice is important to their bottom line.

Hardy’s Organic Products

On Old Dock Farm, a fourth generation family farm near Alberton, Prince Edward Island, fairness is what drives John Hardy as well. He simply doesn’t do business with anyone he knows is not treating people fairly.

Two years ago, he purchased Maritime Soycraft and moved the tofu manufacturing operation from Nova Scotia to join Hardy's Organic Products. He grows certified organic soybeans in the rotation on their 210 acres to supply the business, and purchases some from P.E.I. and Ontario growers too.

Hardy has developed an unwritten code of ethics that evolved from his many years on the farm. That code, quite simply, is to treat people, the land and the environment fairly. "We don't have the same mentality that a larger corporation would have. That may be to our detriment," he laughs. We're often told we're too nice." This code trickles down to the value-added business at Maritime Soycraft, and even to where he does his banking. "We go through the Credit Union because we feel they treat their employees quite fair, besides treating their members fair," he asserts.

Old Dock Farm was under conventional management until the 1980s, when Hardy started to realize that the only people making a lot of profit were the companies that produced the fertilizers and pesticides. That just didn't seem right. He started to investigate alternatives to what the company's experts extolled. Most of what he's learned about organic farming is self-taught. The farm has been certified since 1987 (currently with OCPP) and now the whole business, from the field to the store, is certified too.

Hardy is involved with the Organic Growers Association of P.E.I., a cooperative that supports

organic farmers on the Island by providing information, and helps find markets for their products. They will soon be involved in a study that will outline the benefits of eliminating genetically engineered (GE or GMO) crops from the Island. There are a number of producers in P.E.I. that grow Bt potatoes, a spud that's been modified with the genetics of a caterpillar-busting bacteria to reduce the need for pesticide. "As an individual, it's hard to talk to people about GMOs," says Hardy. "We know all our neighbours. In a lot of cases, they grow GMOs. It's not just political. You're dealing with



Tofu curds in press form at Maritime Soycraft.

your neighbours, and it's a hot issue." So he walks gently, brings up the topic when there is opportunity. He prods other farmers to question the unproven science of genetic engineering, and works with the Association to support their provincial Premier Pat Binns, who has proclaimed that he wants to see a GE-free P.E.I.

These are just a few examples of the people behind ethical and responsible businesses. Small businesses with an ethical approach,

that place social and environmental responsibility in the forefront of their practice, play an important role in our communities. But you may not find a logo or label that announces their good work. Seek them out, ask a lot of questions. You might just make a sound business ally, and your money and time will be well spent.

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Resources

Homestead Organics
Berwick, Ontario

613-984-0480 or
1-877-984-0480
www.homesteadorganics.ca

Hardy's Organic
Products/Maritime
Soycraft
Alberton, Prince Edward
Island
902-853-4014
www.maritimesoycraft.com

Level Ground Trading Ltd.
Saanichton, British
Columbia
250-544-0932 or 1-888-
565-6633
www.levelground.com

Ethics in Action™ Awards
www.ethicsinaction.com

Fair Trade Labelling Organiza-
tions International
www.fairtrade.net

CBSR – Canadian Business for
Social Responsibility
www.cbsr.bc.ca

Ethical Trading Initiative
www.ethicaltrade.org

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