

# BUILDING A BRIGHT FUTURE FOR ORGANIC FLOUR AND GRAINS



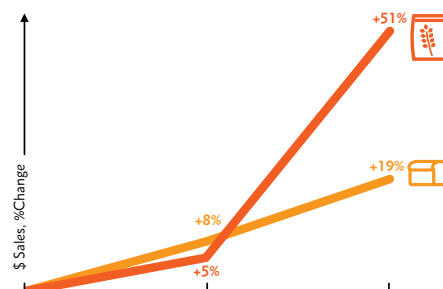
A conversation with Shrene White  
General Manager, Emerging Nutrition

*“Each year we continue to make new investments and commitments in organic. Our vision is to be the trusted partner in Nourishing What’s Next.”*

*Shrene White has spent her entire three-decade career working in the grain and flour milling industry, forming relationships with farmers, buying wheat for flour mills and building out specialty programs for Ardent Mills. In her role as General Manager, she leads a team that explores what’s next in grains and pulses, custom growing programs, R&D, and product development.*

**Q: What kind of growth have you seen in the organic market over the years?**

A: More people are eating organic than ever before and the category is still growing. In 2019, US organic food sales surpassed the \$50 billion mark for the first time.<sup>1</sup> Organic food products are now available throughout traditional sales channels and are gaining momentum in online and delivery channels as well. During the pandemic, this growth continued to accelerate, which is in some ways surprising, since I've typically seen organic foods decelerate in challenging economic times. We believe that this is the result of consumers prioritizing personal health and foods they perceive as healthful.



**Organic rising:** Organic flour grew 51% in 2020 vs. 2019, outpacing the total flour category which grew 33% in this same time period. Organic bread also saw significant growth of 19% in 2020 over 2019.<sup>2</sup>



**Q: What challenges has the growth of organic wheat and flour created?**

A: In the early years of Ardent Mills and our organic program, it was all about finding the organic wheat supply. As our customers have expanded and the market has grown, we have seen customers shift their focus to quality over quantity. Consistency and bake quality are key for our customers and building strong relationships with our grower partners is critical to ensure we have the right wheat for the products our customers are making. We are asking growers to make decisions today that will affect their farming operations for the next several years. This cannot be a transactional market. We need to be building relationships from the bakery all the way back to the farm.

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**Q: What kinds of initiatives have you been involved in to address supply challenges?**

A: The Ardent Mills Organic Initiative 2019 was our stake in the ground and really showed the commitment we were making in the organic grain and flour space to both our customers and the growers that we work with each day.

Since we launched the initiative in 2014, we've made great strides in meeting organic demand as our customers grow in this space. In that time, we have been instrumental in doubling organic wheat acreage in North America. We have also organic certified 8 new milling locations, 1 grain storage location, 2 mix plants and our specialty bakery, Innovative Baking Resources. In addition to these organic certified facilities, we have made investments in new assets to support growth. In July of 2019, Ardent Mills purchased an organic certified grain elevator in Klamath Falls, Oregon. In February 2020, we acquired the operations of Andean Naturals, our first certified gluten-free facility, where we are cleaning and packing organic quinoa & other gluten-free grains. And in February 2021, we commissioned the final phase of our Denver RiNo project, which will allow us to offer cleaned, intact & steel-cut organic grain berries to support the plant-forward and whole grain innovation spaces.

**Q: And how are you addressing quality and consistency?**

A: It takes a lot of work to maintain our Organic System Plans (the practices and procedures used to produce organic products required for certification). Our organic mills have made commitments to our growers and customers that they will maintain the process that will allow us to accept organic wheat and produce a flour that meets final product specification.



To help ensure this kind of consistency, we have also implemented an Organic Harvest Survey. Each year we pull organic wheat samples from our growers across the US. We bring these samples to our R&D facility, the Ardent Mills Innovation Center (AMIC), where they are evaluated and baked. This program allows us to target specific growing areas and farmers to purchase from, based on the need of our customers.

In addition, Ardent Mills is a member of the OTA's Organic Grains, Pulse & Oilseed Council, which has been working together in a precompetitive effort to increase the domestic supply of organic grain.

**Q: Tell us about a grower you work with and how you are helping them succeed in organic.**

A: I've known Ron Rabou since 2017, when he was just starting to transition from conventional to organic. Ron, his wife and his three boys live and work on Rabou Farms in southwest Wyoming, near the town of Albin. Ron knew transitioning from conventional to organic would be a learning curve, but he was passionate about learning and making it work. We were able to help him all along the way. Today, Rabou Farms is 100% organic certified, growing about 8,000 acres of hard red and white winter wheat, and Ron is expanding into spring wheat as well. The Rabou's share Ardent Mills' passion for and commitment to organic. It's been a win-win for everyone.



Watch a brief video, *From the Field*, to learn more about Ron Rabou's organic farming journey.

 [ArdentMills.com/OrganicHub](https://ArdentMills.com/OrganicHub)

**Q: What is the Transitional Certification Assistance Program (TCAP), and how can it help growers and manufacturers?**

A: TCAP was part of our Organic Initiative 2019. Ardent Mills designed this program to help farmers as they were making the transition from conventional farming to organic farming. It included grower meetings where we connected them with other industry partners like their local Natural Resources Conservation Service contact who helped them develop their organic system plan. We brought in a representative from Oregon Tilth that helped with transitional education about the kind of information they would need to provide for certification and what an organic audit might entail. And because we know that organic farmers need a good crop rotation and markets for all items in that rotation, we also helped make introductions to organic companies in the supply chain.

Early in the program we offered a premium for wheat grown during the transitional crop rotation. Growers in transition must grow organically but are not able to officially certify until year 3. We paid them a premium for wheat grown during this transition.

I saw firsthand that this program helped reveal barriers to entry and gaps we had in the supply chain. Once we identified these, we were able to build our program in ways that turned these obstacles into opportunities for education, connecting our customers with our growers and building out a solid supply chain for the future.



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**Q: What's next in terms of Ardent Mills helping grow and optimize the organic flour market?**

A: Ardent Mills is a leader in the organic flour space. The commitments we've made have supported farmers and given our customers the confidence they need to make investments in organic and expand in this growing market, and each year we continue to make new investments and commitments in organic. In addition to expanding our organic footprint through new grower programs, mill certifications, and acquisitions, we will continue to focus on new research priorities and additions to our product portfolio. We will also continue to leverage our connections with our public and private breeding partners to engage and expand efforts in the organic space.

This past August, the USDA rolled out its new Strengthening Organic Enforcement (SOE) Proposed Rules. To help support the organic sector, the USDA and the OTA have collaborated on a new Organic Fraud Prevention Solutions program. Ardent Mills is an early adopter of this program and is working on our new Organic Systems Plan which will ensure we are compliant when the new SOE rules are put in place.

**Q: What kinds of new products has Ardent Mills added to enhance its organic portfolio and increase options for manufacturers?**

A: Our vision is to be the trusted partner in nourishing what's next. That may come in the form of new flour and seed mixes or R&D for new organic breads. We will continue to make investments in genetics. And our recent acquisition of Andean Naturals moved us into the gluten-free organic space and has opened the door to new organic gluten-free seeds and blends.

**Q: What do you see as the future of organic wheat and grain?**

A: We can expect continued growth for organic wheat and grain. Millennials and Gen Z, in particular, believe in its value and benefits, and they're raising the children of tomorrow. It's likely that their lifestyle choices will continue to drive increased demand for organic wheat and alternative grains and pulses. That demand will also be fueled by the continuing growth of plant-based foods. Manufacturers and bakers expect increased consistency, quality and supply. We're more excited than ever to be help shape that conversation and make those changes happen.



To learn more about the Ardent Mills organic portfolio, contact your account manager, visit [ArdentMills.com/OrganicHub](https://www.ArdentMills.com/OrganicHub) or call (800) 851-9618.