



# Organic Spices

- Organic Supply Chain Differences
- Systemic Issues in Purchasing Organic Spices
- Suggested Keys to Organic Procurement

# Organic Spices = No Chemical Inputs

- Land must be in transition for 3 years
- Documentation assuring no chemical inputs verified by a 3<sup>rd</sup> party (certifier)
- No chemical fertilizers, herbicides or insecticides permitted



# Sustainable Agriculture

Sustainable agriculture methods are mandatory

- Replanting
- Terracing
- Selective Harvesting
- Intercropping
- Manual Weed Control
- Buffer Zones



# Traceability & Transparency

Organic certification requires a formal Internal Control System (ICS) to assure full lot traceability back to the farmer and transparency of records

Farmer → Collector	Collector → Processor	Processor → Export	Export → Customer and/or Warehouse
<ul style="list-style-type: none"> <li>• Transaction Receipts</li> <li>• Purchasing Records</li> </ul>	<ul style="list-style-type: none"> <li>• Cartage Records</li> <li>• Proof of Receipt Forms</li> <li>• Purchasing Records</li> <li>• Receiving Records</li> </ul>	<ul style="list-style-type: none"> <li>• Processing Records</li> <li>• Inventory Records</li> <li>• Shipment Records</li> </ul>	Shipping Documents: <ul style="list-style-type: none"> <li>• BOL</li> <li>• Packing List</li> <li>• Cert. of Origin</li> <li>• Weight Cert.</li> <li>• Commercial Inv.</li> <li>• Cert. of Analysis</li> </ul>

\* All records are available for review by Farmer Groups, ICS Staff & Certifiers

# Impact on Customers' Buying Practices

Systemic issues in purchasing organic spices:

- **Economies of Scale** - Organic spices remain a small percentage of the total spice market
  - Organic Paradigm
  - Higher Logistical Costs
  - Limited Warehouse Locations
  - Smaller Tonnage Orders

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- **Supply Chain Sensitivity** – Any break in the supply chain's integrity can nullify a product's organic certification
- **Supply/Demand** – Supply/Demand conditions can rapidly change in a niche market (i.e. Alar & Mad Cow!)

# Keys to Successful Organic Procurement

- Evaluate your suppliers on more than just price
- Secure contracts whenever possible to reserve supply
- Coordinate purchasing with farmers' cultivation plans and harvest schedules
- Provide adequate lead time and/or maintain higher safety stocks –  
“Just in Time” is difficult with organic spices



# Keys to Successful Organic Procurement

- Communicate any changes to your suppliers, such as requirements, timelines, volumes, specifications, etc.
- Work with your suppliers to create “win-win” business propositions on shipment size, terms of sale, and secured lots