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**DECEMBER  
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**Shippers outline path to organics at OGS**

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By

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December 7, 2021

A trio of California grower-shippers revealed their own paths and motivation to the organic produce sector at the recent Organic Grower Summit, which was held in Monterey, CA, Dec. 1-2.

Jessica Hunter of Del Rey Avocados, Scott Mabs of Homegrown Organic Farms and Dick Peixoto of Lakeside Organic Gardens relayed how their operations each became significant organic producers and the challenges they faced in scaling. Appropriately, Rod Braga of Braga Fresh Family Farms led the discussion as the moderator, as his family farming operation also became a major player in organics over the past two decades after more than a half century as a conventional grower in the Salinas Valley.

Hunter, a third-generation North San Diego County avocado grower, initiated Del Rey's move into organic production soon after she began working with her father on the ranch. In 2004, she began transitioning a 10-acre grove to organic production. "I kept it simple in the beginning focusing on trying to get the N-P-K (nitrogen, phosphorous and potassium) right." Through trial and error, she figured it out and over time was able to achieve similar yield results as growers were getting from conventionally farmed groves.

Hunter took it upon herself to pass these learnings to other growers that were under the Del Rey umbrella and the company gradually built its organic footprint. Today, she said Del Rey ships about 30 percent of California's organic production and also offers organic avocados from Mexico and Peru during the year, giving it year-round production. She loves to work with other growers sharing her experience as she said the key to success in transitioning from conventional to organics "is not stumbling for too long." Reducing that stumbling time for fellow growers is clearly her passion. "The grower's success is my success."

For avocados, Hunter said transitioning to organics can be a great economic model. If you can get the same yield, which she reiterated is possible, the per-pound price is typically significantly better than what conventional avocados are receiving at farmgate. And consumers have shown they will pay the price premium at retail. At many times during the year, organic avocados are in a demand-exceeds-supply situation. "Ultimately, I want to get the most money for each grower," she said.

Mabs, who is CEO at Homegrown, was not with the family operation as it transferred itself to a 100 percent organic company, but he is familiar with the backstory and the significant inroads the grower-shipper has achieved in the past quarter century. Starting from a 120-acre ranch that began growing organic crops in the late 1990s, Homegrown now represents scores of growers who farm about 8,000 acres of fruit in the San Joaquin Valley as well as other regions. The company's main crops are citrus, blueberries, stone fruit, fall fruit and grapes.

He has been involved with many growers as they make the transition. "There are no short cuts,"

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Mabs said. “A lot of it is learning your soil, learning your ranch, learning your trees.”

Every ranch is different, and in fact he added that some ranches just don't lend themselves to organic production for specific cultural reasons, such as huge pest pressure: “A lot of it is ham and eggging — trying to figure out what works from year to year. If your acreage doesn't lend itself to organics, don't do it.”

In bringing the organic product to market and creating growing demand, Mabs gave a lot of credit to produce wholesalers around the country who serviced the smaller retailers that built the demand. He said smaller retailers and co-op markets around the country were the foundation for organic produce sales with larger retailers eventually following suit.

Moving forward, Mabs said continued growth for organic involves building the shelf space and making sure you can fill it on a consistent basis or it will go away.

Building a consistent supply of fresh vegetables has informed Peixoto and Lakeside Organic Gardens during its journey. The company founder, who started as a grower when he was in high school in the mid-1970s, is celebrating 25 years in organics this season. The company farms 2,000 acres in the Pajaro Valley near Watsonville during most of the year, and has a 1,000-acre operation in the Imperial Valley, as well as small footprint in Mexico, for winter production.

In scaling his operation, he admits that the “field of dreams concept” didn't work. “We built it, but they didn't come,” he quipped.

Instead, Peixoto said sales were built two to three boxes at a time, and one store at a time. Delivering to a cadre of natural food stores throughout Northern California was the foundation of Lakeside's organic business, and, in fact, it maintains that delivery route today.

Peixoto noted that the company name was created in a large part by fellow growers who used to ask him what his little garden of organic crops was producing this week. At the time, he was mostly a conventional grower devoting only a small part of his operation to organics, but he had the vision that organics would be his future. Twenty-five years later, history has recorded that success. His acreage is no longer confined to a “garden” but the name stuck.

Like the other two panelists, Peixoto said the key is using good ground. In the beginning, he would take any vacant ground and try to grow it with organic crops to avoid the three-year transition period. But at the end of the day, he said the land was vacant because it wasn't good soil, which is an enemy of organic production. Today, he only uses the best land and often must only plant cover crops as it is transitioned to organic production. “That's three years of hell,” he quipped, noting that it is an expensive proposition.

To continue their scaling effort, each of the company's is taking a little different approach. Homegrown Organic Farms has become an ESOP (employee stock ownership plan) to involve all the workers in the company's success. “We want team members to act like owners,” Mabs said. “We are building on our people. When you start to scale, it has to be with people, you can't do it on your own.”

Though that may be true for most organizations, Peixoto has taken a little different route. “I'm involved in everything. I have to be.”

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He noted that five years ago, he hired a management consultant team to figure out how he could manage the operation better. After studying the structure for a while, he said the consultants gave him his money back, stating that they can't figure out why his system works but it does, and they can't find a way to change it.

With that said, Peixoto gave a glimpse into his strategy and it also involves taking care of his employees. For many years in a row, he said 100 percent of his employees have received a year-end bonus: "If we make money, they make money."

Del Rey continues to grow its footprint by taking good care of both its people and customers. Hunter said the company loves to invite retailers to its operation and tell its story. "Stay true to who you are. You can't change from year to year if you care about your story — and that includes your people."

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