

SANDLER, REIFF & YOUNG, P.C.

50 E STREET, S.E., SUITE 300
WASHINGTON, DC 20003

JOSEPH E. SANDLER
sandler@sandlerreiff.com
NEIL P. REIFF
reiff@sandlerreiff.com

TELEPHONE: (202) 479-1111
FACSIMILE: (202) 479-1115

COUNSEL:
JOHN HARDIN YOUNG
young@sandlerreiff.com

April 15, 2004

Via Facsimile and First Class Mail

Mark A. Egide
Avalon Natural Products
1105 Industrial Avenue
Petaluma, CA 94952

Dear Mr. Egide:

This will respond to your letter of March 18, 2004, concerning the Complaint filed on February 18, 2004, by our client, Organic Consumers Association, with the U.S. Department of Agriculture. In your letter, you charge that "many of those listed on the complaint are unaware that you have included them on this list" and that the Complaint "presents a gross exaggeration of who supports it."

We have reviewed the documentation provided by, or reflecting communication with, all of the companies listed in Exhibit 1 to the Complaint and are satisfied that all of them fully intended to endorse OCA's "Coming Clean" campaign which, from the outset, included the filing of the Complaint.¹

¹ Attached for your review is the August 12, 2003 invitation OCA sent to relevant companies to formally endorse the "Coming Clean" campaign, which states in part that:

Many businesses, like yours, have endorsed this campaign, which would require the following criteria for National organic body care standards:

- The toxicity of each ingredient in the product is minimal.
- Ordinary water is not counted in any shape or form as contributing to organic content.
- Certified organic agricultural raw materials are utilized exclusively, versus petroleum or conventional vegetable feed-stocks, in the manufacture of the key basic cleansing and conditioning ingredients.
- Manufacture of such ingredients is ecological.

If you agree with these common sense criteria, please take a moment to sign your business on as an endorser. This allows the OCA to let the Organic Trade Association and USDA know that representatives of the organic industry want national organic standards regulating body care products, to be as strong as those regulating our food.

Further, on February 19, 2004, the Complaint with a cover note was sent to all of the companies listed in Exhibit 1, after the Complaint was filed.

Subsequent to the filing, and apparently, at least in some cases, as a result of being contacted by Avalon, several companies did request that their names be removed from the list of supporters, in Exhibit 1 to the Complaint. The OCA has full documentation that it was authorized to reflect the company's endorsement by a representative with apparent authority, for all of these companies, but in some cases these representative did not have the actual authority to sign on behalf of the company. For example, individual store managers of New Leaf and Whole Foods Markets endorsed the complaint, but OCA was later informed that the individual stores do not have the authority to take such actions. In the case of Whole Foods Market, after submission of the Complaint to the USDA, the OCA was contacted by the Whole Foods headquarters who stated that individual stores cannot sign onto the Complaint unless the full chain endorses the Campaign. Whole Foods Market stated that they will not take a position on this specific issue until the USDA has responded, although they do support the OCA's overall efforts to build and protect strong organic standards. Note that "Whole Foods" is also the name of some co-operatives and stores unrelated to "Whole Foods Markets"; a few such stores have also endorsed the Campaign.

The companies the OCA has now removed from the original list are:

- Good Common Sense—Brooklyn, NY
- Healthway Natural—Seattle, WA
- Natural Way Foods—Winter Garden, FL
- Natureway Natural Foods—Anaheim, CA
- New Leaf Community Market— (four endorsing stores in CA: Boulder Creek, Capitola, Felton and Santa Cruz)
- St. Kilda Organic Food Coop—Melbourne, AU
- Vitamin Cottage Natural Grocers—Colorado
- Whole Foods Markets—(two endorsing stores in San Antonio, TX and Vienna, VA)

Also subsequent to the filing, however, a number of firms not included in Exhibit 1 came forward, specifically to express their support for the Complaint. These companies are:

- Amy's Natural Nutrition—Cincinnati, OH
- Angelina's Skin Treats—Eugene OR
- Aromaffloria—Huntington, NY
- Down to Earth—Granger, IN
- Earth is Enough—Lake Elsinore, CA
- Flowering Botanicals—Forestville, CA
- Garden of Eve—Great Falls, VA

The OCA realized some months into the Campaign that due to industry lobbying, the NOP would disclaim authority to regulate body care products notwithstanding the NOP's May 2, 2002 "Scope Document." However, OCA appropriately believed that the issue of counting ordinary water as "organic" in hydrosol water extracts would have to be addressed by the NOP, in view of QAI's certification of such water as "organic" under the NOP for use in water-based food products.

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- Georgetown Market—Georgetown, IN
- Green Street Natural Foods—Melrose, MA
- Handmade by Angela—Binghamton, NY
- Health by Heidi—San Mateo, CA
- Honey Bee Health Food—Greensboro, NC
- Kuush—Mount Compass, Australia
- Natural Foods Coop—San Luis Obispo, CA
- Northeast Organic Farming Ass'n—Richmond, VT
- Nuts and Berries—Atlanta, GA
- Outer Body Experience—Denver CO
- Plainfield Co-op—Plainfield, VT
- Ringgold Health—Ringgold, GA
- Serene Sense—Brooklyn, NY
- Soap Marketplace—Canaan, NY
- Somara Botane—Snohomish, WA
- Sunshine Bay Trading Co—British Columbia, Canada
- Winooski Valley Co-op—Plainfield, VT

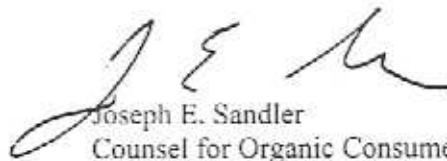
There were three instances of two companies/stores belonging to the same organization being labeled independently which should have been listed once: Eden Foods, Health Hutt and Nurture Mama.

The net result of additions and subtractions of companies totals out to 331 endorsing companies.

To ensure that the record in this proceeding is accurate, we are, by copy of this letter, informing USDA/NOP of the names of the companies who have requested that they be removed from the list of supporting companies, as well as the names of those companies that have requested that they be added to the list of supporters.

We trust that the above is fully responsive to your concerns.

Sincerely yours,



Joseph E. Sandler
Counsel for Organic Consumers Association

Enclosure: OCA's Invitation to Companies to Endorse the "Coming Clean" Campaign

cc: William Friedman, Esq., Counsel for Bayliss Ranch
CEO, QAI

August 12, 2003

To: Natural Food Retailers, Cosmetic Companies, Organic Certifiers and Organic Consumers

From: The Organic Consumer Association (OCA)

Re: Invitation to Formally Endorse OCA's "Coming Clean" Campaign

[TO ENDORSE THE CAMPAIGN, CLICK HERE](#)

[TO SEE A LIST OF BODY CARE BUSINESSES WHO HAVE ALREADY ENDORSED THIS CAMPAIGN, CLICK HERE](#)

Please Take 5 Seconds to Support Strong Organic Body Care Standards!

You may have read some recent articles in publications like the New York Times, Consumer Reports and the Los Angeles Times about a number of well-known natural body care companies who have been working to "water down" organic standards for body care products. The Organic Consumers Association (OCA), a nonprofit watchdog organization, is pressuring the Organic Trade Association and USDA National Organic Program to adopt strict national organic standards for body care products. Many businesses, like yours, have endorsed this campaign, which would require the following criteria for National organic body care standards:

- The toxicity of each ingredient in the product is minimal.
- Ordinary water is not counted in any shape or form as contributing to organic content.
- Certified organic agricultural raw materials are utilized exclusively, versus petroleum or conventional vegetable feed-stocks, in the manufacture of the key basic cleansing and conditioning ingredients.
- Manufacture of such ingredients is ecological.

If you agree with these common sense criteria, please take a moment to sign your business on as an endorser. This allows the OCA to let the Organic Trade Association and USDA know that representatives of the organic industry want national organic standards regulating body care products, to be as strong as those regulating our food...

IT'S EASY TO SIGN ON:

Simply hit "reply" and let us know the name of your business, your name, your job title and either your business website address or mailing address.

If this message has been forwarded to you from someone other than OCA, please sign on by sending this same info to: info@organicconsumers.org

WANT MORE INFO? Read the remainder of this email and/or go to:
<http://www.organicconsumers.org/bodycare/>

Invitation to Formally Endorse OCA's Coming Clean Campaign

The OCA has launched the Coming Clean campaign to counter the fraudulent "organic" labeling of conventional shampoos, body washes and other body care products by various so-called "organic" body care companies. These mislabeled products are undermining the letter and

spirit of the organic regulations, and the problem is fast escalating out of control. Effective lobbying by various cosmetic companies and associated suppliers and consultants has resulted in the National Organic Program's (NOP) and National Organic Standards Board's (NOSB) failure to regulate these mislabeled "organic" body care products, leading to widespread fraud. The OCA is dealing with the struggle between the integrity of the organic paradigm and the hollow market-driven needs of the cosmetics industry. Unfortunately, the cosmetics industry appears to be winning, and has to date effectively paralyzed the relevant organic institutions into inaction. Over the past year, this has enabled a few companies to systematically green-wash conventional surfactant shampoos, body washes and other body care products with front panel "organic" claims by counting water from steam as "organic", in spite of conventional petrochemical and vegetable based surfactants and preservatives. At least one NOSB board member even provides tacit sanction regarding this mislabeling and fraud in "organic" body care. Thus, OCA, as a watchdog for organic consumer protection, has launched the Coming Clean campaign.

Under the NOP, a front panel organic claim can be made ONLY if the non-water, non-salt weight of the product is greater than 70%. However, bogus "organic" cosmetic companies count the distilled water from steam in "flower waters" or "floral waters" (produced by the steam distillation of plant material) as "organic" in products whose core ingredients are conventional petroleum-based and/or non-organic synthetic detergents and conditioners. Distilled water makes up the vast majority of flower waters, just like in a tea, yet distilled water from steam in floral water is claimed to be "organic" in these products.

Consider the following: first, 100 pounds of lavender plant material are boiled in 100 pounds of water, and the resulting liquid is filtered and collected; second, 100 pounds of water are converted into steam and passed through 100 pounds of the same lavender plant material, and condensed and collected into liquid form. In both cases, the water in liquid or steam form extracts constituents from the plant material into an aqueous solution, where the water constitutes most of the resulting product.

The Soil Association, the UK's leading certifier and a benchmark of organic integrity, does not allow food or cosmetic products to count the distilled water from steam as organic in floral waters, no more than the boiled water in a tea. The NOP clearly does not as well, yet has refused to deal with the widespread fraud in "organic" body care.

Therefore, the OCA is inviting ethical companies, certifiers, stores and consumers to join together to preserve organic integrity by signing on to endorse this campaign. All formal endorsements will be listed on OCA's website. For more information, please go to: <http://www.organicconsumers.org/bodycare/>

Thank you for your time and consideration.

Sincerely,

Ronnie Cummins
National Director
Organic Consumers Association

[TO ENDORSE THE CAMPAIGN. CLICK HERE](#)