

# ORGANICS VIABLE NICHE FOR HOSIERY

**The Organic Trade Association expects the organic fiber industry to grow 45 percent over the next three years.**

BY BRENT CHILDERS

The U.S. organic industry grew by 20 percent in 2003 reaching \$10.8 billion and it's an industry that the hosiery industry has begun tapping into as American consumers are saying they want products manufactured with all natural products.

While the organics market for the hosiery industry is still miniscule

compared to the \$10.3 billion organic food products industry, many of those people working with organic hosiery products say the potential for growth is great.

The Organic Trade Association expects the organic fiber industry to grow 15 percent each year over the next three years.

Apparel companies are developing programs that either use 100 percent organically grown cotton, or blend small percentages of organic cotton with conventional cotton in their products. There are a number of companies driving the expanded use of domestic and international organic cotton.

There are numerous sock producers, large and small, using organic cotton fiber and organic wool fiber. Nike, Patagonia, Timberland are currently three top brand-name companies that have staked out a claim in the organic cotton fiber market.

All three of those companies have business philosophies which address sustainability, a buzzword for those companies who tout policies that promote environmental responsibility – a primary fuel component in the drive to grow the organic market.

Therein lies the marketing concept behind organic cotton – a growing number of consumers are more environment-conscious and are buying products that coincide with their environment-friendly consumerism.

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*Cover Photo: Sandra Marquardt, director of the Organic Trade Association.*

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Eraina Duffy, who works with Nike's sustainability programs, says the Oregon-based company's organic cotton program connects Nike with the growing number of consumers who are linking healthy choices to not only the foods they eat but the clothes they wear.

That includes socks.

Patagonia, perhaps the forerunner in the organic cotton arena, has been producing outdoor wear socks with 100 percent organic materials since the mid 1990s. The 1,000-employee company produces outdoor apparel.

"The company made a decision in 1994 that it was going with

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*Heidi McCloskey with Nike's sustainability program views clothing at a recent Organic Exchange meeting.*

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100 percent organic cotton,” says Jill Vlahos, Patagonia’s environmental analysis manager.

“We’ve stuck with and it’s been very successful,” she said.

Nike, perhaps one of the largest companies committed to develop products made with organic cotton, also has a line of socks produced with organic cotton. While its sock group use only a 5-percent blend of organic cotton, that percentage is slated to increase.

There are several North Carolina manufacturers using organic cotton fiber to manufacturer socks as well as numerous yarn manufacturers working with organic cotton fiber.



*Tamara Stenn produces socks made from alpaca.*

Parkdale Mills in Gastonia, N.C., has been using organic cotton fiber to produce yarn since 1998, and is widely known and respected in the organic fiber industry. “They’ve been an amazing partner to work with,” Vlahos says of Parkdale.

Doug Woolweaver, who heads up product devel-

opment at Parkdale, says quality with organic cotton versus cotton produced with traditional farming methods isn’t an issue.

“With proper finishing, it (quality) becomes a non-issue,” Woolweaver says.

While Woolweaver sees organic cotton fibers as currently filling a niche market, he believes it is a growing trend.

OTA statistics support that view.



*Matt Mole, owner of Vermont Organics, assists wool yarn manufacturers in the organic certification process.*

U.S. manufacturers of organic fiber products saw their sales grow by an average of 22.7 percent, to \$85 million, in 2003, according to OTI’s 2004 Manufacturer Survey. Women’s clothing, representing 38 percent of total organic fiber consumer sales in 2003, is the fastest growing category, followed by infant’s clothing/diapers, sheets and towels, and child/teen clothing. Most sales took place in boutiques and specialty stores, followed by natural food independent grocery stores, the Internet and catalogs. Respondents anticipate

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an average annual growth rate of 15.5 percent overall for organic fiber products between 2004-2008.

Sandra Marquardt, director of the Organic Trade Association, says she sees no reason why the organic fiber industry “doesn’t explode.”

Marquardt sees a number of advantages for sock manufacturers to begin looking seriously at the organic market.

Marquardt cites an example of being at a trade show when a customer stops by to ask a question. She introduces the customer to a man standing there as the person who grew the cotton that was used in the man’s shirt or socks.

Promotion of domestic production is an important part of the organic movement, she says.

One yarn manufacturing company representative had this caveat for industry peers to consider: The organics market could give the industry a tangible advantage against foreign imports.

The explanation of such an advantage lies in the difference between organic and certified organic.

Using cotton as an example, the substance is not man-made and therefore is an organic substance. But that’s not the type of organic that is fueling the growing industry.

While cotton is not man-made, its production uses harmful herbicides and pesticides in the growing process before its converted into the yarn that goes into the socks or other apparel.

So to the American consumer who wants a product made with no harmful substances, those products would not fill the order.

Certified organics on the other hand are products made with no harmful substances.

That also means it would be much more difficult to prove a product made overseas is free of dangerous chemicals.

For cotton products, there’s even a more direct advantage. Bales of cotton shipped to the U.S. have to be fumigated at U.S. ports and that also means it could no longer be labeled certified organic.

That means U.S. producers of organic fiber, and the manufacturers that use that U.S.-grown fiber, could captivate the domestic market, says Matt Mole, a wool fiber certification specialist with Vermont Organics. “That’s the argument that we’re pushing with the domestic production.”

While the U.S. Department of Agriculture has standards for growers to be able to say their product is certified organic, the standards end there.

So while apparel producers can say they use organic cotton the product can’t be labeled as 100 percent organic.

The OTA has been working to change that.

Third-party certification organizations verify that organic farmers use only methods and materials allowed in organic production. In January 2004, OTA finalized organic fiber processing standards that apply to the processing of organic fibers such as cotton. Certifiers will soon be able to certify to those standards.

While cotton is the dominant fiber in the growing organic industry, it’s not alone.

Wool can be certified as organic if it is produced in accordance with federal standards for organic livestock production.

Third-party certification organizations, such as Vermont Organics, verify that organic producers use only methods and materials allowed in organic production. The OTA also is in the process of developing standards that will apply to the processing of organic wool.

OTA statistics show that 28,510 pounds of organic wool were grown in the United States and Canada in 2001.

Organic wool can be used in any application that conventional wool is used. Organic wool products most widely available today include blankets, socks and sweaters. In addition, the bedding industry is starting to use organic wool as a flame retardant fabric on its organic cotton-filled mattresses, and the furniture industry uses organic wool as stuffing for chairs and other furniture. As the market for organic wool products grows, so, too are applications expanding for its use.

Tamara Stenn, owner and founder of Kusikuy, produces handmade socks and other apparel primarily from alpaca, a llama-family animal native to Bolivia.

Stenn describes the alpaca fiber as luxurious – stronger than mohair, finer than cashmere and softer than cotton.

Stenn’s interest in alpaca fiber began as a Peace Corp volunteer in Bolivia in the 1990s.

Her company is growing and recently added pima cotton and silk to its line of handmade products.

Eileen Hallman, owner of New World Textiles in Asheville, has been working with organic cotton fibers for almost 12 years.

She has seen the industry grow from almost nonexistence to what it is today. She believes there is vast opportunity for growth still.

“Education is a big part of it,” says Hallman, who also serves a consultant for companies looking to tap into the organics market. “As consumers become better educated about the chemicals and pesticides, I believe they will continue to look for different options and they’ll be willing to pay slightly higher prices.”

While the organic industry may be more market driven than demand, that brings into focus several problems with the supply chain – a lack of organic cotton being grown is perhaps the most formidable.

For some in the industry, a theoretical advantage against imports and company lines that tout environmental friendliness sound great but they aren’t producing large orders. And American farmers aren’t producing large amounts of organic cotton.

“It’s the chicken and the egg situation,” says Nike’s Eraina Duffy. “Some manufacturers obviously believe everyone buys their clothes at Wal-Mart. That’s unfortunate. There’s a vast number of consumers who want organic products and that is why this is an area that should be rocketing.”

Those in the industry believe it ultimately will be the consumer that resolves that supply chain issues. As more consumers demonstrate their choice and a willingness to buy organics, manufacturers will be called upon to fill those orders – which will put more acreage in organic cotton and perhaps even a few U.S.-based alpaca farms.

While no one expects the organic fiber market to approach the traditional fiber industry in the near future (for example, 20,000 bales of organic cotton are grown in the U.S. compared to 20 million from traditional farming), those within the industry say the organic fiber industry has no where to go but up.



*Nancy Rule, a Nordstrom buyer, at an Organic Exchange meeting in July.*