Long Island organic food giant Hain Celestial gets into farming

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Hain Celestial Group Inc., one of the fastest growing public companies on Long Island, is making a bet on an industry that has been under pressure here: farming.

In less than six months Hain Celestial, of Lake Success, has turned an unused 12-acre patch of land in Bridgehampton into an organic vegetable farm that is producing its first harvest of kale, romaine lettuce, celery, beets and cucumbers.

The vegetables produced by the farm — dubbed simply “The Organic Farm” — will be used for Hain Celestial’s BluePrint brand juices. The cold-pressed concoction of organic fruits and vegetables appeals to health-conscious consumers willing to pay $10 or more a bottle.

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“The Hamptons is not just all about expensive homes and great beaches,” Irwin Simon, founder and CEO of Hain Celestial, said while inspecting his company’s first farm. “It is also about great farmland, which was originally what the Hamptons were all about . . . This is something that we would want to continue, and it is a cheap investment to be able to get the opportunity to grow a lot more products on Long Island.”

The company’s other brands include Celestial Seasonings tea, Earth’s Best baby food, Terra vegetable chips, Spectrum cooking oils and Dream nondairy milk. The company has a stock market value of more than $5 billion, and its shares are up 19 percent since Jan. 2.

Farming boon sought
The stakes of the experiment for Long Island’s farming culture are large. “Anytime we can maintain and expand production is very important to agriculture, because the trend over the years has been less and less farms and less and less farmers,” said Dale Moyer, agricultural program director at the Cornell Cooperative Extension of Suffolk, based in Riverhead.

Organic production on the Island has grown in the past 30 years, Moyer said, with more than 35 organic farms in Suffolk County. Organic farms make up about 15 percent of the vegetable farms and about 10 percent of the acreage in vegetable production. Overall, more than 600 farms in the county are valued at about $240 million a year in agriculture production.

The number of farms in Suffolk, however, has fluctuated in recent years, and total harvested cropland shrank by about 2,000 acres from 2002 to 2012, to a total of 19,805 acres, according to the U.S. Department of Agriculture’s National Agricultural Statistics Service.

Harvesting begins
Hain Celestial’s steps into developing its own organic farm, a roughly two-hour drive from its headquarters, mean the company, Whole Foods Market’s largest supplier, would have exclusive oversight over how the produce is grown. Harvesting of the five crops started Oct. 20 and will continue through this month and possibly into December. About 100,000 pounds of produce is expected to be harvested. About 6 pounds of produce go into a 16-ounce bottle of BluePrint Green juice; that flavor includes some types of produce that aren’t grown on the Long Island farm.

The journey toward growing pesticide-free vegetables that are not genetically modified began in June when Hain Celestial partnered with Advancing Eco Agriculture. The Middlefield, Ohio-based company specializes in regenerative farming practices to help plants become naturally resistant to pests and diseases. The soil preparation, irrigation and planting started in July.

The land, which hadn’t been used in more than a decade,
was covered in weeds, and the soil quality was very poor. “Since it had been so many years since this particular plot of land had anything grown on it, it is very hard to produce a healthy crop in the first year. It usually takes multiple seasons to do that,” said Philippe van den Bossche, chairman and owner of Advancing Eco Agriculture. “We had to do a lot of work to bring the quality of the soil up naturally, by adding micronutrients and other soil amendments actually to make the ground ready to even produce a crop.”

Organic farmer Marilee Foster from Sagaponack, whose family has farmed hundreds of acres of potatoes and grain crops in the area since the 1700s, was hired to work the land. She initially grew some of the vegetables in a greenhouse and transplanted them to the farm with the help of four others, she said. “One of the reasons that this project intrigued me from the start was that it is a locally sourced crop and processed locally,” said Foster, who can see the farm from her house. “Over the years, Long Island has lost a lot of its wholesale agriculture here. The trucks don’t like coming on and off the Island, so it’s really about keeping the industry that I love and care about alive.”

The farm obtained the organic certification in September through the Northeast Organic Farming Association of New York Certified Organic LLC, a Binghamton-based accredited certification agency of the USDA’s National Organic Program. There are three certified organic operations in Nassau County and 23 in Suffolk County, according to NOFA-NY.

Organic certification standards require annual and random inspections of farms for pesticide residues or environmental contaminants. Farmers are also required to submit a written plan for managing the farm, including how to handle soil fertility, water quality, weeds and pests.

“There is a myth that organic farming means chemical-free. That’s not true,” said Joe Gergela, executive director of the Long Island Farm Bureau. “They use organic-type chemicals when necessary and nonchemical means of protecting their crop. It depends on the soil, weather, and the bugs that are out there.”

Hain Celestial, which has been an aggressive acquirer of smaller organic food brands, purchased BluePrint from co-founders Zoe Sakoutis and Erica Huss for more than $26 million in a cash and stock deal in December 2012. The cleanse drink — which seeks to purge the body of toxins — also serves as a meal replacement. It is manufactured in a 10,000-square-foot factory in Long Island City and brings in more than $40 million in revenue a year with flavors including Green Juice, Pineapple Apple Mint, Spicy Lemonade, Carrot Apple Beet and Cashew Milk.

A California federal judge in July dismissed a proposed class-action suit alleging Hain Celestial mislabeled and falsely advertised BluePrint juices as “raw” and “organic.” The San Francisco-based judge ruled the plaintiffs’ complaint contradicted their assertion that pressurization — the process by which Hain Celestial treats its BluePrint brand juices to extend the shelf life — kills vitamins, nutrients and enzymes, as cooking does.

High hopes in Hamptons

Despite the hefty price tag for land in the Hamptons, Hain Celestial would make a significant impact on maintaining agriculture if it can expand its organic farm, Moyersaid.

“The South Fork is very expensive, and Long Island as a whole is very expensive compared to many of the areas in the Northeast,” said Moyers.

Preserved land in the South Fork can go for as much as $100,000 an acre, compared with $30,000 on the North Fork. “The demand for agricultural land in the South Fork is greater, and that has pushed the price up,” he said.

Local home builder Jeffrey Collé, who owns the property Hain Celestial is using for its farm, said his partnership with the company is not about money. “We are trying to promote organic farming and agriculture,” said Collé of East Hampton-based Estates by Collé. “I believe in keeping the land open and leaving it to be farmed. As long as it is organic.”