

Recent Trends in Organic Food Production

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Crystal Gateway Marriott Hotel

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U.S. Organic Production Systems



A production system that is managed in accordance with the Organic Foods Production Act and regulations to respond to site-specific conditions by integrating cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity.

USDA National Organic Program





- **Purple Haze Farm**
 - **Washington 's Dungeness Valley**
 - **7.5 acres**
 - **50 varieties of certified organic lavender**
- ***– Photo by Rosemary Gray***



- **Lydia and Dennis Poulsen**
- **Snowville, Utah**
- **3,800 acres of organic pasture and small grains**

- **– *Photo by Jerry DeWitt***



- **Butterworks Farm**
- **Westfield, Vermont**
- **95 Jersey cows (45 milkers and 50 heifers and dry cows)**
- **375 acres of organic grains, hay and pasture**
- **Produces yogurt that is distributed in Vermont and other eastern states**

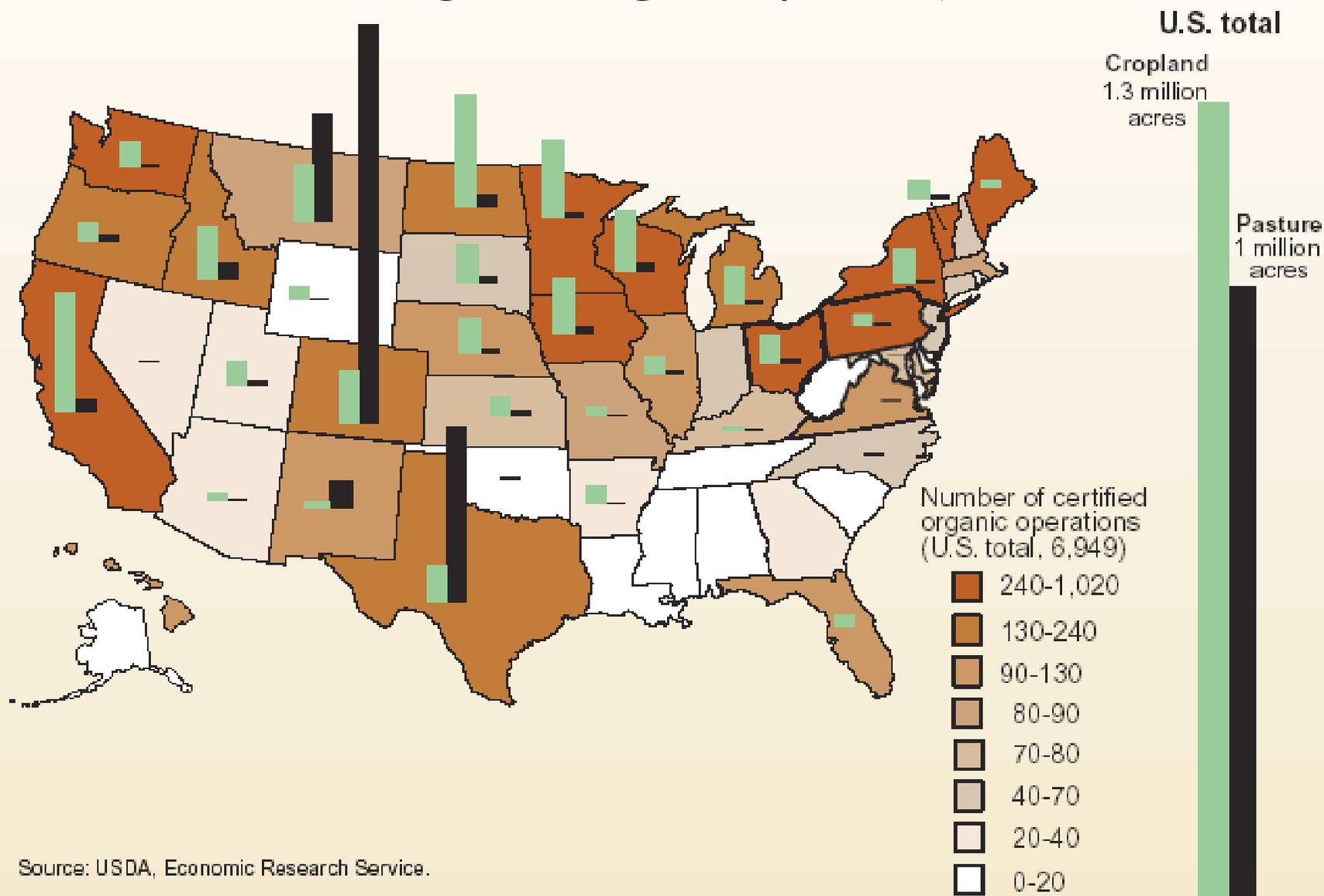


- **Joe Rude and Wende Elliott**
- **Colo, Iowa**
- **120 acres**
- **Organic alfalfa, oats, corn, pastured poultry, ducks, turkey and lamb**
 - ***– Photo courtesy of Wende Elliott***

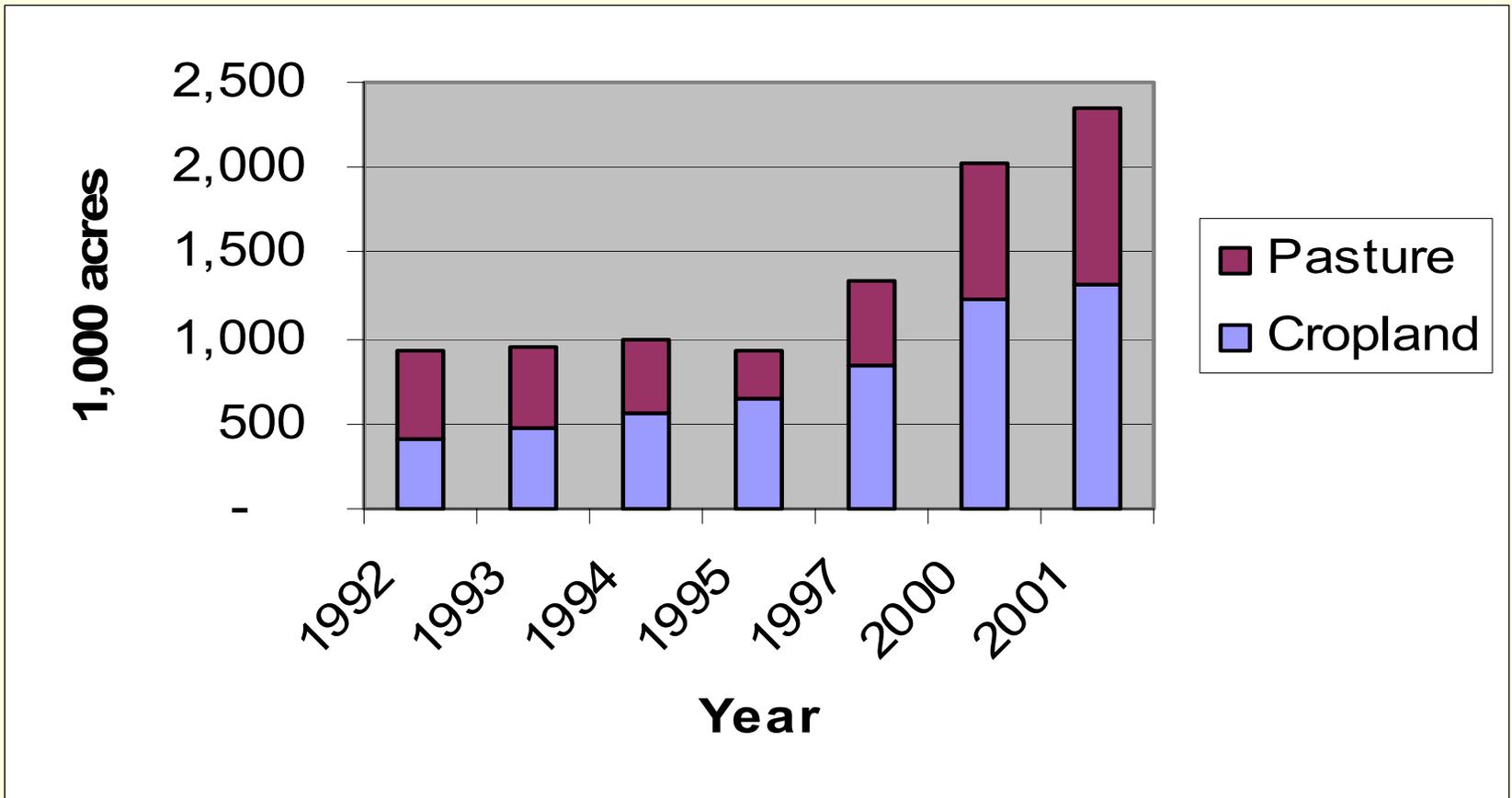


- **Klaas and Mary-Howell Martens**
- **Penn Yan, New York**
- **1,300 acres**
- **Organic grain and processing vegetables**
- **Founded organic feed and seed business**

Certified organic acreage and operations, 2001



U.S. Certified Organic Cropland and Pasture, 1992 - 2001



Sources: 1992-94 ,Agr. Marketing Service Economic Research Service,USDA; 1995 (including revisions of 1992-94 farmland), Agrisystems International; 1997,2000-01, Economic Research Service, USDA.



2001 Adoption Rate Varies by Crop

Certified organic crop acreage accounts for:

Specialty Crops

1.0% U.S. tomato acreage

1.5% U.S. grape acreage

3.0% U.S. apple acreage

4.0% U.S. carrot acreage

5.0% U.S. lettuce acreage

Field Crops

0.1% U.S. corn acreage

0.2% U.S. soybean acreage

0.3% U.S. wheat acreage

0.8% U.S. oat acreage

1.0% U.S. rice acreage

Source: USDA Economic Research Service

World Markets for Organic Food and Beverages, 2003

Market	Retail Sales 2003 (mil. US\$/€)	% of Total Food Sales	ITC forecast - Annual growth % 2003-05
■ U.S.	\$11.0-13.0B	2-2.5%	15-20%
■ Europe	\$10.0-13.0B	-	-
■ Canada	\$0.85-1.0B	1.5-2%	15-20%
■ Japan	\$0.35-0.45B	<0.5%	-

■ Source: *International Trade Center UNCTAD/WTO*

OECD Workshop on Organic Agriculture

23-26 September 2002, Washington D.C., USA

- Hosted by USDA's Economic Research Service (ERS), Agricultural Research Service (ARS), and Agricultural Marketing Service (AMS).
- Examined how organic farming systems differ from conventional systems in terms of structure, characteristics and environmental effects.
- Representatives from 21 OECD countries and one non-OECD country participated.



OECD Workshop: General Conclusions

- Organic Agriculture:
 - is a relatively small share of production & consumption
 - is expanding in all OECD countries to meet consumer demand
 - has extended into the mainstream of the agri-food chain
 - is generally less stressful on the environment
 - may require more land and labor
 - most OECD countries have standards, certification and labeling
 - market forces are the principal driver in organic sector
 - publicly-financed agricultural research includes some work on organic systems
- Source: Workshop proceedings (OECD, 2003, "Organic Agriculture: Sustainability, Markets and Policies," CABI Publishing, see <http://www1.oecd.org/publications/e-book/5103071E.PDF>)



Are Price Premiums Key for Organic Farming System Profitability?

- **Conclusions from recent U.S. studies:**
- **Yes - Klonsky and Livingston, 1994; Batte, 1993;**
- **Assadian, 1999**
- **Maybe - Welsh, 1999**
- **No – Swezey et al, 1994; Reganold, 2001**
- Source: ERS, 2003. “U.S. Organic Farming in 2000-2001: Adoption of Certified Systems.”



USDA Agencies with Research, Program, and Regulatory Activities on Organic Agriculture

- Agricultural Marketing Service (AMS)
- Alternative Farming Systems Information Center (National Agricultural Library)
- Agricultural Research Service (ARS)
- Cooperative State Research, Education, and Extension Service (CSREE)
- Economic Research Service (ERS)
- Foreign Agricultural Service (FAS)
- National Agricultural Statistics Service (NASS)
- Natural Resources Conservation Service (NRCS)
- Risk Management Agency (RMA)

Source: USDA Economic Research Service



ERS-USDA Contacts on Organic Agriculture:

ERS Organic Briefing Room Website:

WWW.ERS.USDA.GOV/Briefing/Organic/

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