



Organic Farming

Results from the 2014 Organic Survey

ACH12-29/September 2015

Top States in ...

... Organic Farms

| | (number) |
|--------------|----------|
| California | 2,805 |
| Wisconsin | 1,228 |
| New York | 917 |
| Washington | 716 |
| Pennsylvania | 679 |
| Iowa | 612 |
| Vermont | 542 |
| Ohio | 541 |
| Oregon | 525 |
| Maine | 517 |

Top States in ...

... Organic Acres

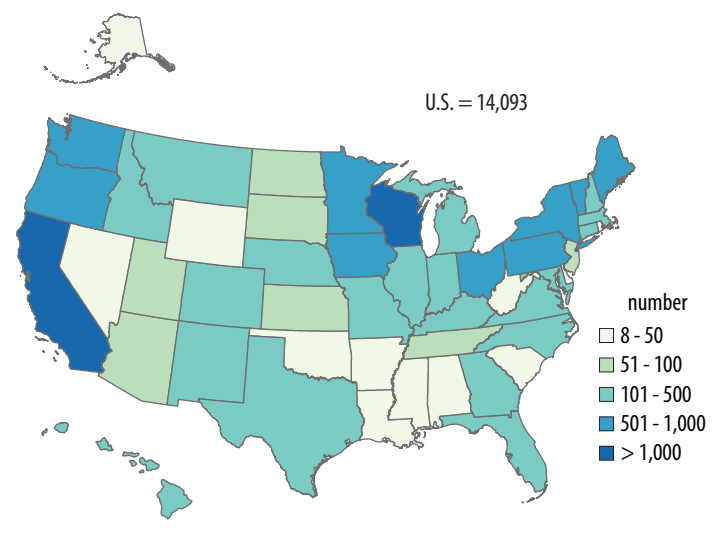
| | (thousands) |
|--------------|-------------|
| California | 687 |
| Montana | 318 |
| Wisconsin | 229 |
| New York | 213 |
| Oregon | 204 |
| North Dakota | 135 |
| Minnesota | 133 |
| Wyoming | 129 |
| Texas | 127 |
| Idaho | 125 |

In 2014, the United States had 14,093 organic farms producing \$5.5 billion in organic products. The number of organic farms varies across the country. California and Wisconsin are the only states with more than a thousand organic farms. Large numbers of organic farms are also found in northwestern, north

central, and northeastern states. Southeastern states have relatively fewer organic farms. (Fig. 1)

These are among the many findings from the organic survey that USDA's National Agricultural Statistics Service conducted in 2014 as part of the Census of Agriculture program.

Fig. 1
Number of Organic Farms (certified and exempt), by State, 2014



Source: USDA NASS, 2014 Organic Survey

Organic Farms

Of the organic farms identified in the 2014 Organic Survey, 12,634 were certified organic farms and 1,459 were exempt from certification because they gross less than \$5,000 annually from organic sales. The total number of organic farms was

fewer than in 2008, when a similar survey identified 14,540 such farms. (Table 1) The number of certified organic farms increased by

Table 1
Number of Organic Farms, 2008 and 2014

| | 2008 | 2014 |
|---------------------------|---------------|---------------|
| Certified organic | 10,903 | 12,634 |
| Exempt from certification | 3,637 | 1,459 |
| Total | 14,540 | 14,093 |

Note: 2008 data include farms that produced but may not have sold organic products. 2014 data are for farms that produced and sold organic products.

Source: USDA NASS, 2014 Organic Survey. 2008 data from the 2008 Organic Production Survey.

1,731 farms during that time, while the number of exempt farms dropped.

Certified and exempt farms together accounted for 3.7 million acres of organic production in 2014, down from 4.1 million acres in the 2008 survey. Of the the 3.7 million acres of organic production, certified farms accounted for 3.6 million acres. Organic operations own approximately three fifths of the land they farm organically and rent from others the rest of the land they use for organic production.

Organic Sales

Organic sales are more concentrated geographically than the number of farms. Ten states accounted for 78 percent of sales. California alone accounted for 41 percent of all organic sales in 2014.

Of the \$5.5 billion in 2014 organic sales, \$3.3 billion or 60 percent came from the sale of crops, 28 percent came from livestock and poultry product sales (primarily milk and eggs), and 12 percent came from sales of organic livestock and poultry. In each group, organic sales are up substantially from 2008. (Table 2)

Table 2
Organic Sales by Product Type, 2008 and 2014
(\$ billions)

| | 2008 | 2014 | % change 2008 - 2014 |
|--------------------------------|------------|------------|-------------------------|
| Crops | 1.9 | 3.3 | 69 |
| Livestock and poultry products | 0.9 | 1.5 | 66 |
| Livestock and poultry | 0.3 | 0.7 | 108 |
| Total | 3.2 | 5.5 | 72 |

Source: USDA NASS, 2014 Organic Survey. 2008 data from 2008 Organic Production Survey.

| Organic Sales (\$ millions) | | | |
|-----------------------------|-------|----------------------------|-------|
| Top States | | Top Commodities | |
| California | 2,231 | Milk | 1,082 |
| Washington | 515 | Eggs | 420 |
| Pennsylvania | 313 | Broiler chickens | 372 |
| Oregon | 237 | Lettuce | 264 |
| Wisconsin | 201 | Apples | 250 |
| Texas | 199 | Cattle (milk, beef, other) | 216 |
| New York | 164 | Grapes | 195 |
| Colorado | 147 | Corn for grain | 155 |
| Michigan | 125 | Hay | 139 |
| Iowa | 103 | Spinach | 117 |

Source: USDA NASS, 2014 Organic Survey.

Organic production also concentrates in a few sectors. The top organic sector in 2014 sales was livestock and poultry products, primarily milk and eggs, followed by vegetables grown in the open and fruits, tree nuts, and berries. (Table 3) These two vegetable and fruit sectors together accounted for 42 percent of organic sales. In comparison, these two sectors accounted for 11 percent of all agriculture sales in the 2012 Census of Agriculture.

Lettuce, apples, and grapes were the top-selling organic crop commodities, with \$264 million, \$250 million, and \$195 million in 2014 sales, respectively.

Table 3
Organic Sales by Sector and Top Commodities, 2014
(\$ millions)

| Sector (top commodities in sector) | Sector Total | Commodity Sales |
|---------------------------------------|-----------------|--------------------|
| Livestock and poultry products | 1,504 | |
| <i>Milk</i> | | 1,082 |
| <i>Eggs</i> | | 420 |
| Vegetables in the open | 1,250 | |
| <i>Lettuce</i> | | 264 |
| <i>Spinach</i> | | 117 |
| <i>Broccoli</i> | | 79 |
| <i>Carrots</i> | | 69 |
| <i>Sweet potatoes</i> | | 68 |
| Fruits, tree nuts, and berries | 1,032 | |
| <i>Apples</i> | | 250 |
| <i>Grapes</i> | | 195 |
| <i>Strawberries</i> | | 89 |
| <i>Blueberries</i> | | 61 |
| <i>Almonds</i> | | 32 |
| Field crops | 718 | |
| <i>Corn for grain</i> | | 155 |
| <i>Hay</i> | | 139 |
| <i>Wheat</i> | | 102 |
| <i>Soybeans</i> | | 72 |
| <i>Rice</i> | | 35 |
| Livestock and poultry | 660 | |
| <i>Broiler chickens</i> | | 372 |
| <i>Other cattle</i> | | 131 |
| <i>Milk cows</i> | | 69 |
| <i>Turkeys</i> | | 50 |
| <i>Beef cows</i> | | 16 |
| Mushrooms | 109 | |
| Vegetables under protection | 76 | |
| Other | 106 | |
| U.S. Total | 5,455 | |

Source: USDA NASS, 2014 Organic Survey.

Marketing Organic Products

Nationally 78 percent of all organic sales in 2014 were to wholesale markets; more than six out of ten organic farms (63 percent) sold at least some of their products to wholesale markets. In the country as a whole, 8 percent of organic sales were made directly to consumers, but 45 percent of organic farms sold some or all of their products this way. (Table 4)

States varied widely in how organic producers market and sell their goods. The share of farms selling directly to consumers was highest in southeastern and northeastern states, and lowest in central states. In Alaska and Alabama, all organic farms sold directly to consumers, while in North Dakota, only 16 percent of organic farms did so. (Fig. 2)

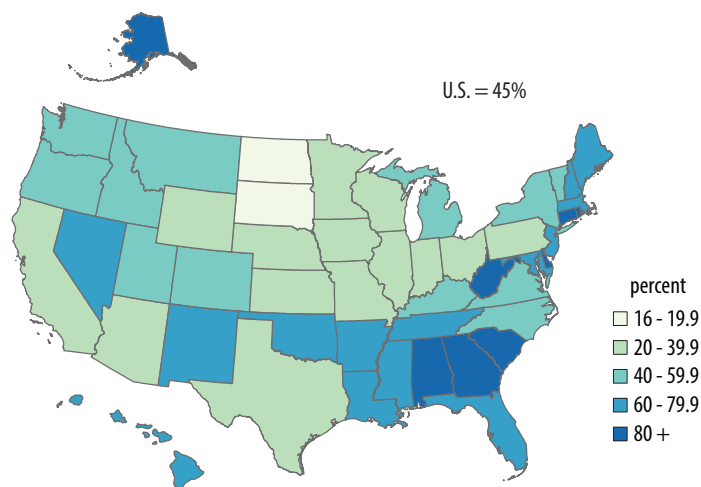
Table 4
Organic Sales by Type of Sale, 2014

| | % of total organic sales | % of organic farms with this type of sales |
|---|--------------------------|--|
| Wholesale markets | 78 | 63 |
| Direct to retail markets and institutions | 14 | 25 |
| Direct to consumers | 8 | 45 |
| Total | 100 | |

Source: USDA NASS, 2014 Organic Survey.

In terms of first point of sale (the first point at which money is exchanged), 46 percent of organic sales were within 100 miles of the farm. Another 34 percent of sales were less than 500 miles away. (Table 5)

Fig. 2
Share of Organic Farms with Direct Sales to Consumers, by State, 2014



Source: USDA NASS, 2014 Organic Survey.

Who buys from organic farms?

Organic farms sell to three kinds of markets:

Wholesale markets (78 percent of organic sales in 2014)
Includes buyers for supermarkets and natural food stores; processors, distributors, wholesalers, brokers, and packers; cooperatives; and other farm operations.

Direct to retail markets and institutions (14 percent of sales)
Includes supermarkets, natural food stores, restaurants, caterers, hospitals, schools, and other institutions.

Direct to consumers (8 percent of sales)
Includes sales at farm stands, pick-your-own operations, and farmers' markets, as well as through community supported agriculture (CSA) arrangements and mail and Internet orders.

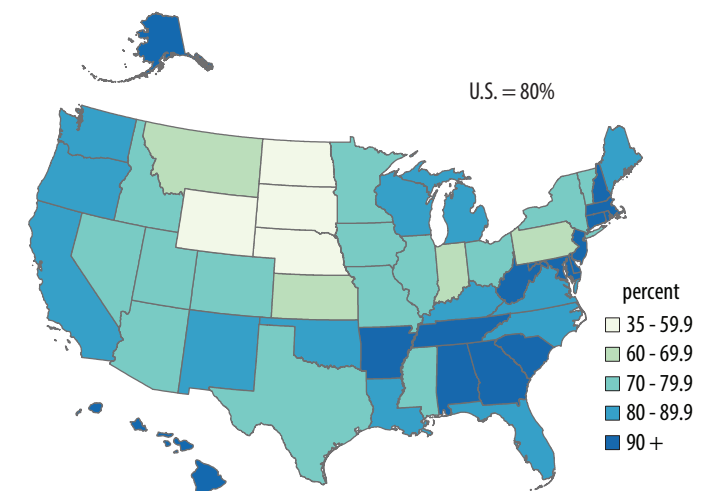
Eighty percent of organic farms sold some or all of their organic products within a 100-mile radius of the farm, with many eastern and southern states, along with Alaska and Hawaii, having the highest shares of such farms. (Fig. 3)

Table 5
Organic Sales by First Point of Sale, 2014

| | % of total organic sales | % of organic farms with this type of sales |
|-----------------------------|--------------------------|--|
| Within 100 miles | 46 | 80 |
| 101 to 499 miles from farm | 34 | 33 |
| 500 or more miles from farm | 18 | 13 |
| Internationally | 2 | 3 |
| Total | 100 | |

Source: USDA NASS, 2014 Organic Survey.

Fig. 3
Share of Organic Farms Selling Within 100 Miles, by State, 2014



Source: USDA NASS, 2014 Organic Survey.

Production Expenses

Organic farms spent \$4.0 billion in production expenses in 2014, including \$19 million for organic certification. By far the two largest expenses for organic production were for feed and hired labor, which together were 46 percent of production expenses. (Table 6) In comparison, for all U.S. farms, these two categories accounted for 33 percent of production expenses, according to the 2012 Census of Agriculture.

Table 6
Top Production Expenses, Organic Farms, 2014
(\$ millions and percent)

| | \$ millions | % |
|----------------------------|--------------|------------|
| Feed | 927 | 23 |
| Hired labor | 917 | 23 |
| Supplies and repairs | 258 | 7 |
| Cash rent and lease | 219 | 6 |
| Fertilizer | 204 | 5 |
| Custom work | 200 | 5 |
| Gasoline, fuels and oils | 176 | 4 |
| Seeds | 164 | 4 |
| Utilities | 156 | 4 |
| Interest | 112 | 3 |
| Animals | 108 | 3 |
| Chemicals | 78 | 2 |
| Taxes | 67 | 2 |
| Organic certification fees | 19 | <1 |
| All other | 351 | 9 |
| Total | 3,956 | 100 |

Source: USDA NASS, 2014 Organic Survey.

Production Practices

Organic farms use a variety of production practices to increase the efficiency of their operation or to maintain organic integrity. Sixty-seven percent of all organic farms reported using green or animal manures. Similar numbers

reported maintaining buffer strips or border rows to isolate organic products from non-organic land. Just over half reported using water management practices such as irrigation scheduling and controlled drainage. (Table 7)

Table 7
Production Practices Used by Organic Farms

| | number of farms | percent of farms |
|---|-----------------|------------------|
| Green or animal manures | 9,409 | 67 |
| Buffer strip or rows to isolate organic products | 9,259 | 66 |
| Water management practices | 7,506 | 53 |
| Organic mulch/compost | 7,082 | 50 |
| No-till or minimum till cropping | 5,724 | 41 |
| Planting location planned to avoid pests | 5,405 | 38 |
| Crop or plant variety chosen for pest resistance | 5,035 | 36 |
| Beneficial habitat maintained for insects or vertebrates to manage pests or disease | 4,840 | 34 |
| Biological pest management | 4,779 | 34 |

Source: USDA NASS, 2014 Organic Survey.

Plans for Future Organic Production

The 2014 survey asked organic farmers about their intentions for organic production in the future. More than five thousand organic farms (39 percent) intend to increase organic production over the next five years, while 5 percent intend to decrease or discontinue organic production.

The survey also asked both current and future organic farms about how many acres they had in transition to organic production. Before a farm may market products as organic, the land used for organic production must go through a three-year transition period in which no organic-prohibited products are applied. In 2014, there were 1,365 certified and exempt farms transitioning an additional 122,175 acres into organic production. Another 688 farms not currently producing organic products were transitioning 50,688 acres into organic production.

About the 2014 Organic Survey

The 2014 Organic Survey is a complete inventory of all known organic producers in the United States that are certified, exempt from certification (those grossing less than \$5,000 annually from organic sales), or transitioning to organic production. The survey is part of the Census of Agriculture program; it was conducted by USDA's National Agricultural Statistics Service in conjunction with USDA's Risk Management Agency (RMA).

This Ag Census Highlights summarizes the results of the 2014 Organic Survey. You can find detailed national, regional, and state data in a published report available as a PDF on NASS' website and in NASS' online database Quick Stats. For more information on the Organic Survey and the Census of Agriculture, go to:

www.agcensus.usda.gov