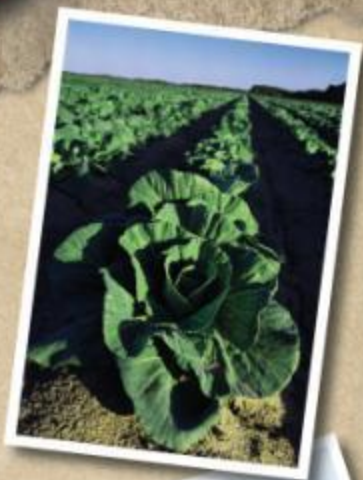


2008 Organic Production Survey

United States and Iowa Data Highlights



United States Department of Agriculture
National Agricultural Statistics Service

The 2008 Organic Production Survey released February 3, 2010 by the U.S. Department of Agriculture's National Agricultural Statistics Service. Iowa ranked ninth in the U.S. in number of organic farms.

“This was USDA’s first wide-scale survey of organic producers, and it was undertaken in direct response to the growing interest in organics among consumers, farmers, businesses, policymakers and others,” said Agriculture Deputy Secretary Kathleen Merrigan. “The information being released will be an important building block for future program and policy development.”

The survey counted 14,540 U.S. farms and ranches that were either USDA certified organic or were exempt from certification because their sales totaled less than \$5,000. These operations comprised 4.1 million acres of land, of which 1.6 million acres were harvested cropland and 1.8 million acres were pasture or rangeland. In Iowa, 518 farms were reported, comprising 94,568 total acres.

While there were organic farms or ranches in all 50 states, nearly 19 percent of the operations were in California. California also led the nation in organic sales, with \$1.15 billion – or 36 percent of all U.S. sales. In Iowa, 2008 organic sales totaled \$71.5 million, accounting for over 2 percent of U.S. sales and averaging \$138,118 per farm. Nationally, organic farms averaged \$217,675 in sales.

The nation’s certified and exempt organic farms had average production expenses that were higher than those of U.S. farms overall. Production expenditures averaged \$171,978 per organic farm, compared with the nationwide average of \$140,075 for all farms in 2008. Average per farm production expenses for organic farms in Iowa were \$107,667.

Most U.S. organic producers sold their products locally, with 44 percent of sales taking place less than 100 miles from the farm. Nearly 83 percent of organic sales were to wholesale channels, including processors, millers and packers. Just over 10 percent of sales were direct to retail operations, including supermarkets. Only 7 percent of sales were direct to consumers, via farm stands, farmers' markets, community supported agriculture and other arrangements. Iowa organic producers reported nearly 64 percent of sales taking place less than 100 miles from the farm, 92 percent of sales were to wholesale market channels, slightly less than 4 percent were direct-to-retail sales, and over 4 percent were consumer direct sales,

Survey respondents indicated that they face various challenges, including regulatory, production, management and marketing issues. Despite these challenges, more than 78 percent indicated that they plan to maintain or increase their organic production over the next five years.

The following pages provide a summary report of U.S. and Iowa survey results.

Complete results of the 2008 Organic Production Survey are available at http://www.agcensus.usda.gov/Publications/2007/Online_Highlights/Organics/

About the Survey

What?

- Follow-on to 2007 Census of Agriculture
- USDA's first-ever, wide-scale survey of U.S. organic producers
- Funding authorized in 2008 Farm Bill
- Data for 2008 calendar year
- Mandatory response

About the Survey

When?

- Mailed in May 2009, response requested by June, follow-up through August

Who?

- USDA-certified organic producers
- Producers exempt from USDA certification
- Producers transitioning to organic

Stakeholder Support

Questionnaire Development

- Input from stakeholders
- Close consultation with ERS and AMS
- Questionnaire testing

Marketing/Outreach

- Organic organizations
- Certifiers
- Media

Data Collection

Mailing list included:

- Those reporting organic/transitional acres or organic sales in 2007 Census
- USDA-certified organic producers (National Organic Program)
- Individuals identified by NASS Field Offices or self-identified via NASS Web site

Data Collection

U.S. Responses

- 87% response rate
 - 85% for 2007 Census of Ag
- 8% responded online
 - 3% for 2007 Census of Ag

Data Collection Iowa Responses

- 78% response rate
 - 86% for 2007 Census of Ag
- 3% responded online
 - 4% for 2007 Census of Ag

Data Highlights

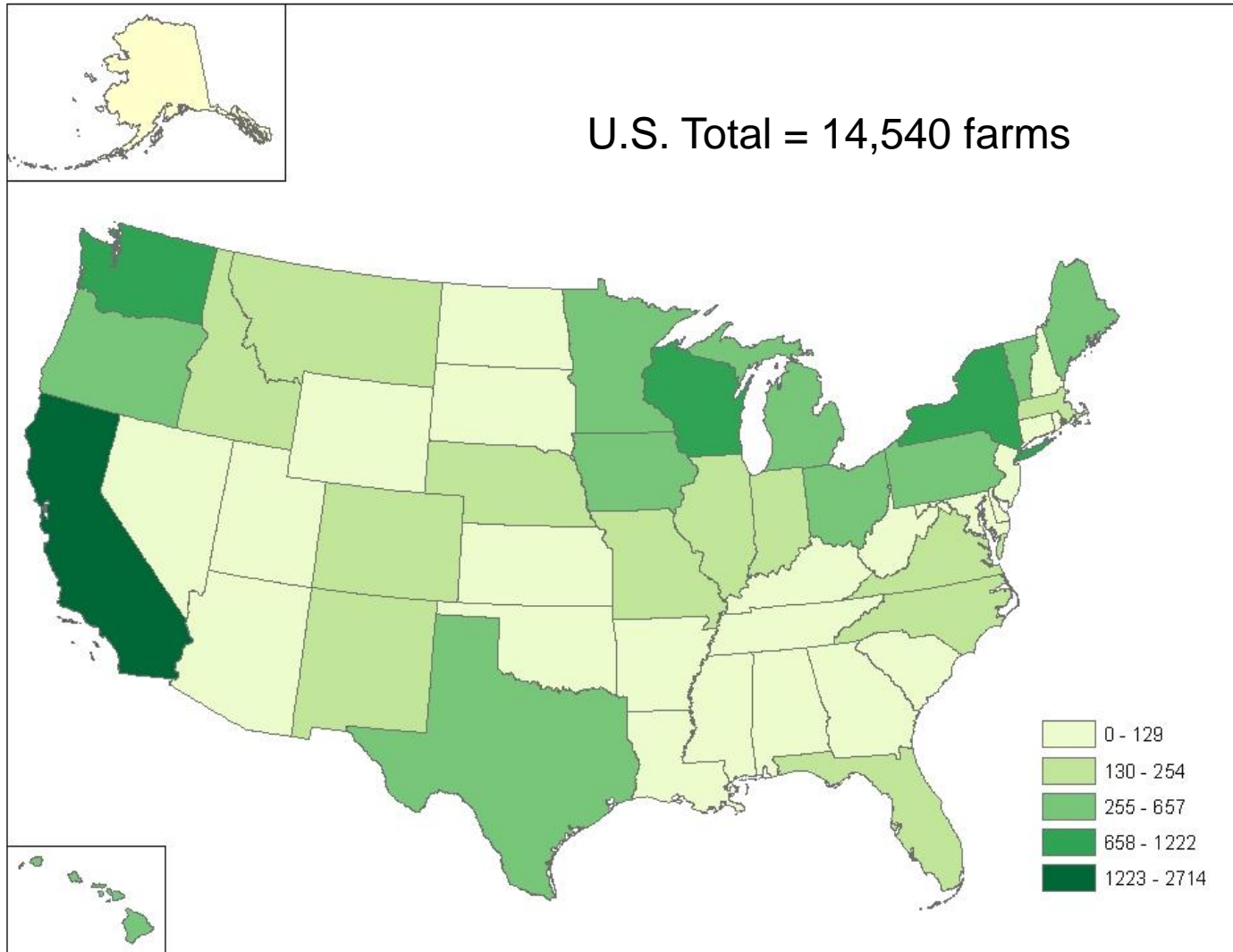
Organic Farms

- 2008 Organic Production Survey counted 14,540 USDA-certified & exempt organic farms in the U.S. and 518 farms in Iowa
- 2007 Census counted 20,437 U.S. farms that reported following NOP standards (not necessarily USDA certified), 566 were reported in Iowa

Organic Farms

- Of the 14,540 U.S. organic farms
 - 10,903 Certified
 - 3,637 Exempt
- Of the 518 Iowa organic farms
 - 476 Certified
 - 42 Exempt

Certified and Exempt Organic Farms, 2008



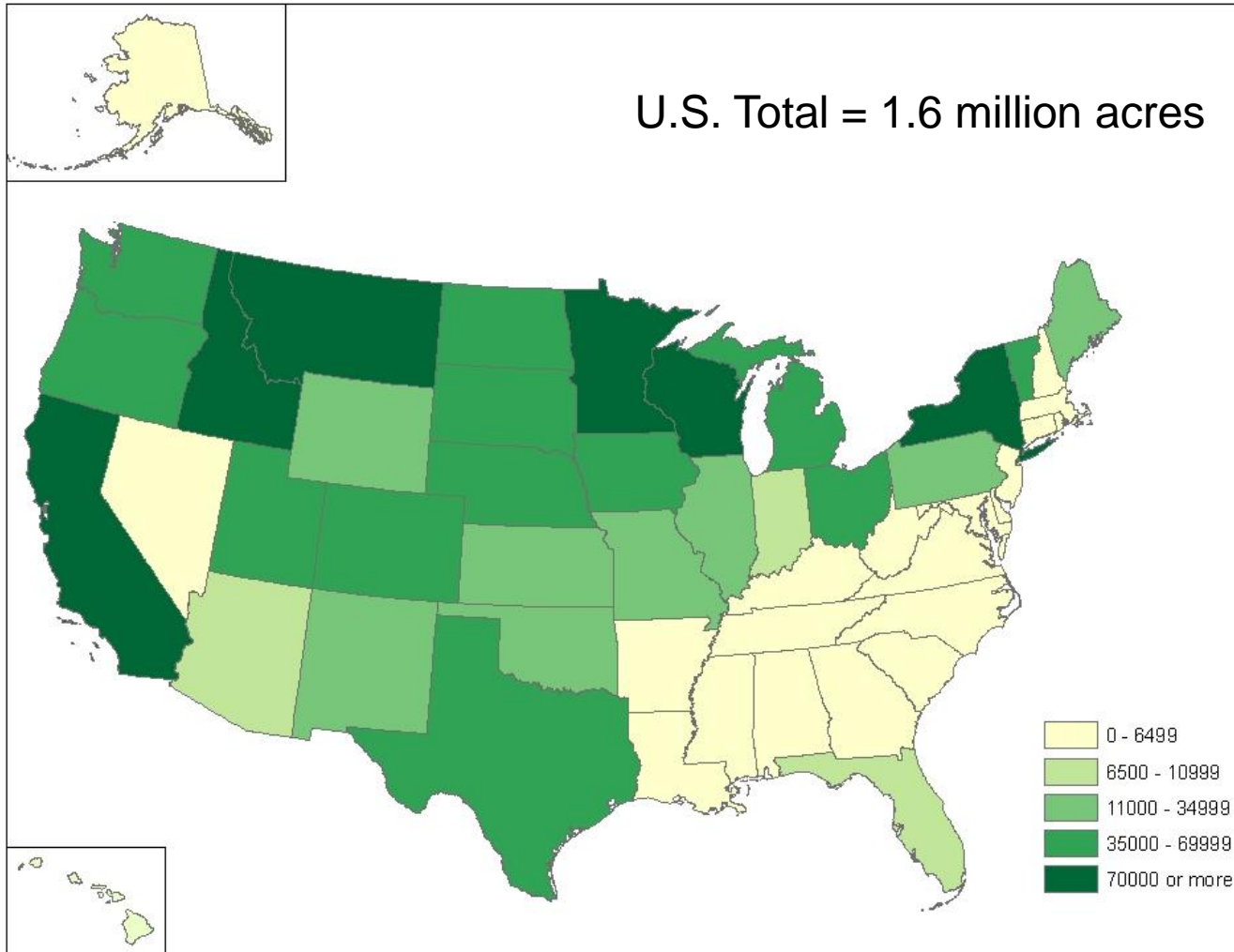
Organic Farms – Top States

	#
California	2,714
Wisconsin	1,222
Washington	887
New York	827
Oregon	657
Pennsylvania	586
Minnesota	550
Ohio	547
Iowa	518
Vermont	467

Organic Acreage

- **4.1 million organic acres in U.S.**
 - 1.6 million acres harvested cropland
 - 1.8 million acres pasture/rangeland
 - 195,000+ transitional acres
- **94,568 organic acres in Iowa**
 - 65,049 acres harvested cropland
 - 17,077 acres pasture/rangeland
 - 7,239 transitional acres

Organic Harvested Cropland Acres, 2008



U.S. Organic Sales

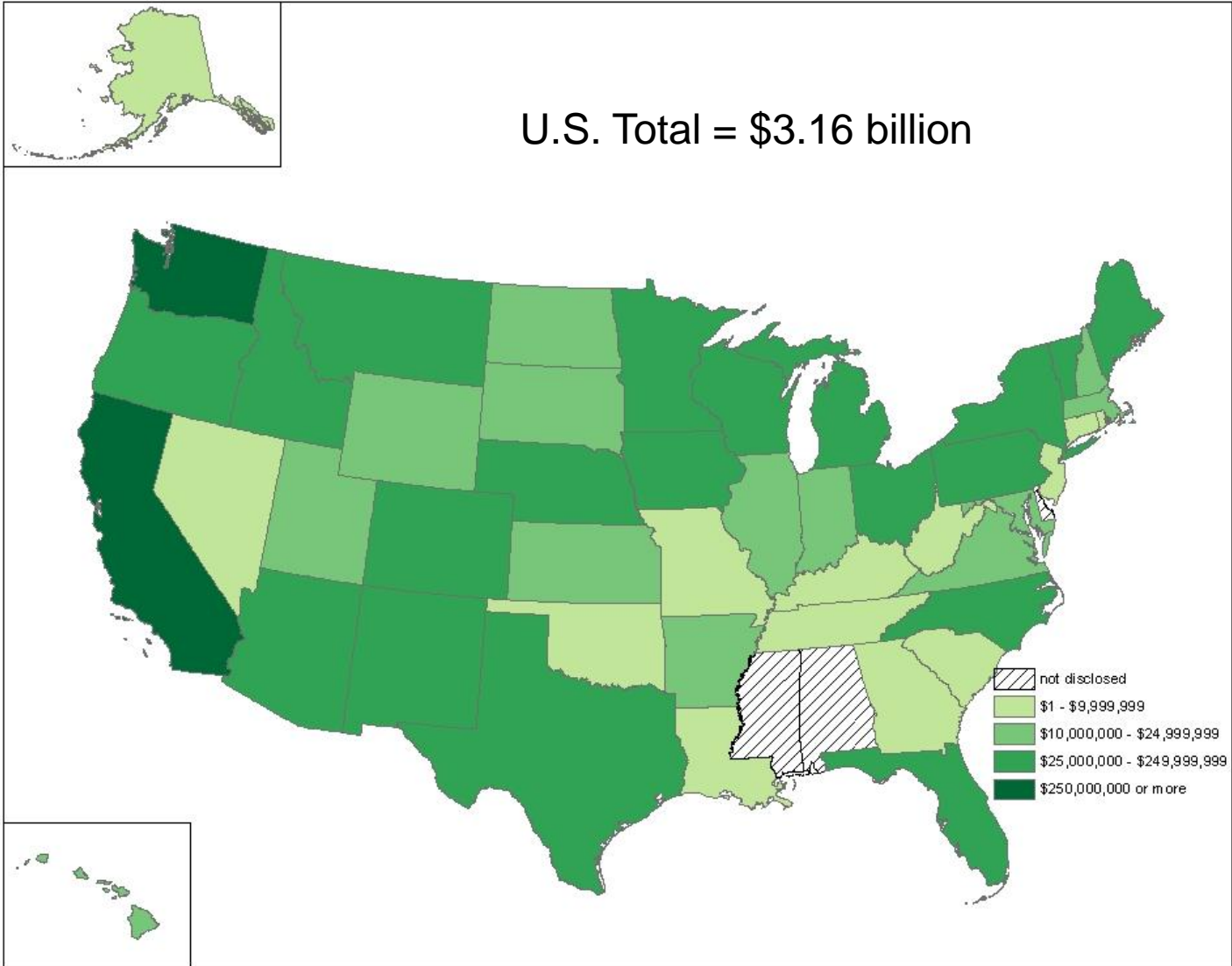
- 2008 Organic Sales = \$3.16 billion
 - \$1.94 billion = Crops
 - \$1.22 billion = Livestock & Poultry
- Average sales per farm = \$217,675
 - Compared with \$134,807 for all farms (2007 Census of Ag)



Iowa Organic Sales

- 2008 Organic Sales = \$71.5 million
 - \$36.3 million = Crops
 - \$35.2 million = Livestock & Poultry
- Average sales per farm = \$138,118
 - Compared with \$219,890 for all farms (2007 Census of Ag)

2008 Organic Sales



Organic Sales – Top States

	Amount	% of U.S. Organic Sales
California	\$1,148,650,000	36.3%
Washington	\$281,970,000	8.9%
Pennsylvania	\$212,739,000	6.7%
Oregon	\$155,613,000	4.9%
Texas	\$149,328,000	4.7%
Wisconsin	\$132,764,000	4.2%
New York	\$105,133,000	3.3%
Vermont	\$72,857,000	2.3%
Iowa	\$71,545,000	2.3%
Idaho	\$71,250,000	2.3%

Organic Sales By Category

	U.S. Amount	% of U.S. Organic Sales	Iowa Amount	% of Iowa Organic Sales
Livestock Products	\$906,207,000	28.7%	\$20,560,000	28.7%
Vegetables	\$689,992,000	21.9%	\$803,615	1.1%
Field Crops	\$526,780,000*	16.7%	\$34,741,216*	48.6%
Fruits and Tree Nuts	\$444,747,000	14.1%	\$110,085	0.2%
Livestock	\$316,470,000	10.0%	\$14,679,000	20.5%
Floriculture/Bedding	\$179,657,000	5.7%	\$192,678*	0.3%
Berries	\$83,233,000	2.6%	\$121,888	0.2%

* Sales may be higher than stated due to un-disclosed values.

U.S. Organic Production Expenses

- \$2.5 billion total in 2008
- \$171,978 average per farm
 - Compared with \$140,075 for all farms
- Top Expenses for organic farms
 - Hired Labor = \$569 million
 - Feed = \$480 million

Iowa Organic Production Expenses

- \$55.6 million total in 2008
- \$107,667 average per farm
 - Compared with \$241,577 for all farms
- Top Expenses for organic farms
 - Feed = \$15.6 million
 - Seed, plants, vines, trees = \$11.8 million

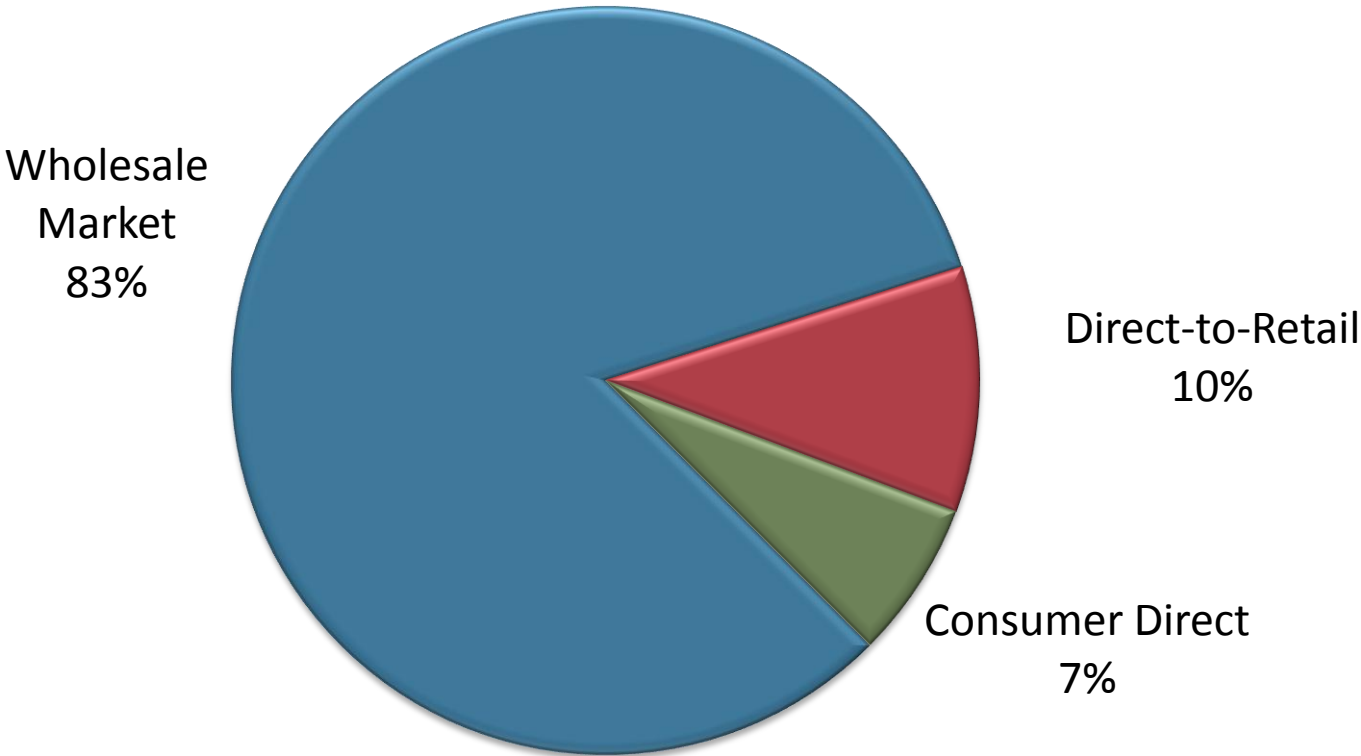
U.S. Production Practices

- More than half of farms reported using:
 - Green or animal manure (65%)
 - Buffer Strips (58%)
 - Organic Mulch or Compost (51%)
 - Water Management Practices (51%)

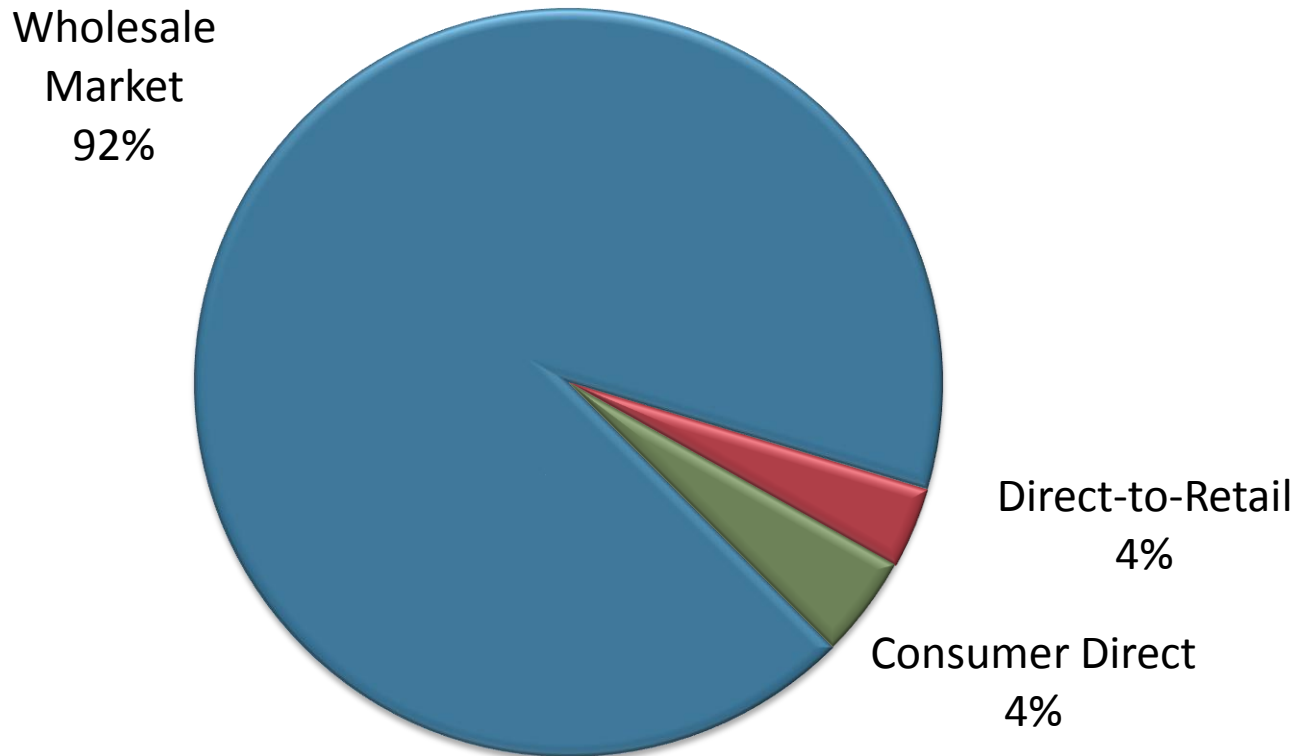
Iowa Production Practices

- Farms reported using:
 - Green or animal manure (83%)
 - Buffer Strips (83%)
 - Planned Plantings to avoid Cross-Contamination (45%)
 - Organic Mulch or Compost (34%)
 - Water Management Practices (34%)

U.S. Marketing Outlets



Iowa Marketing Outlets

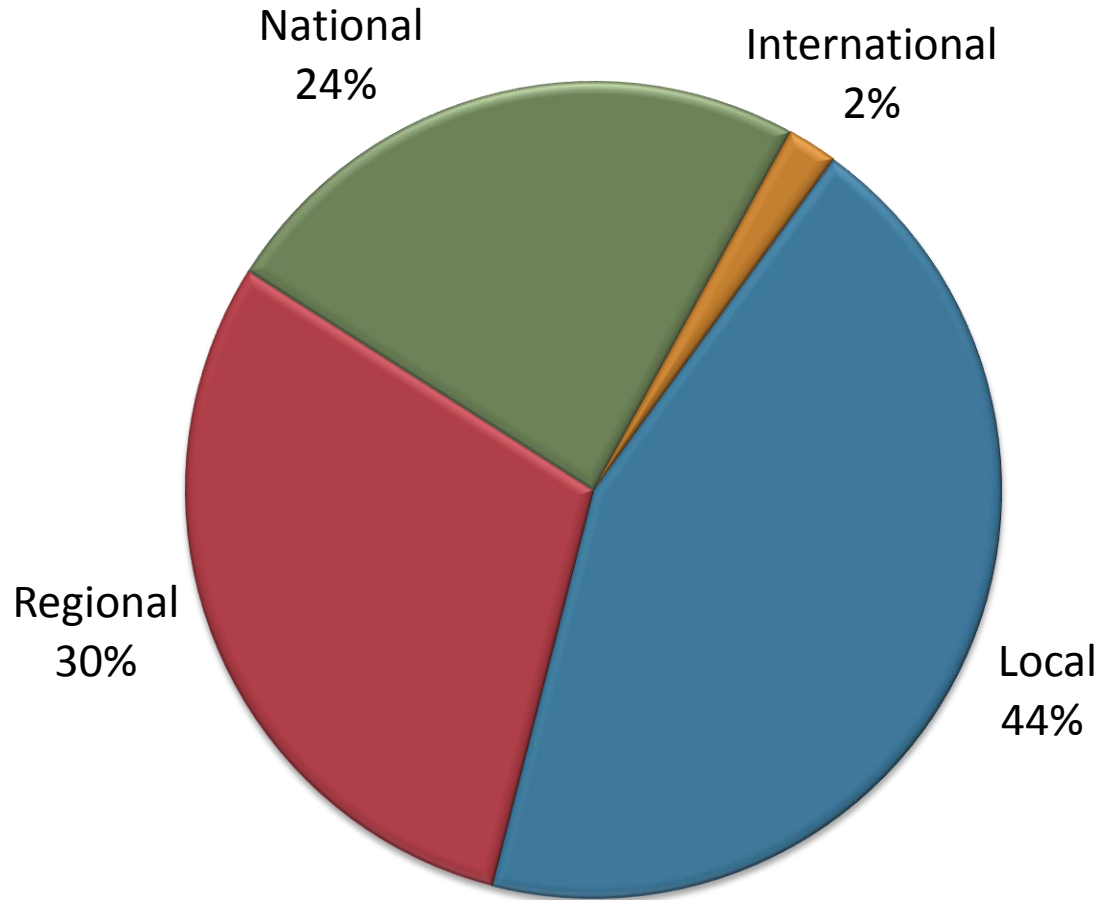


Marketing Outlets

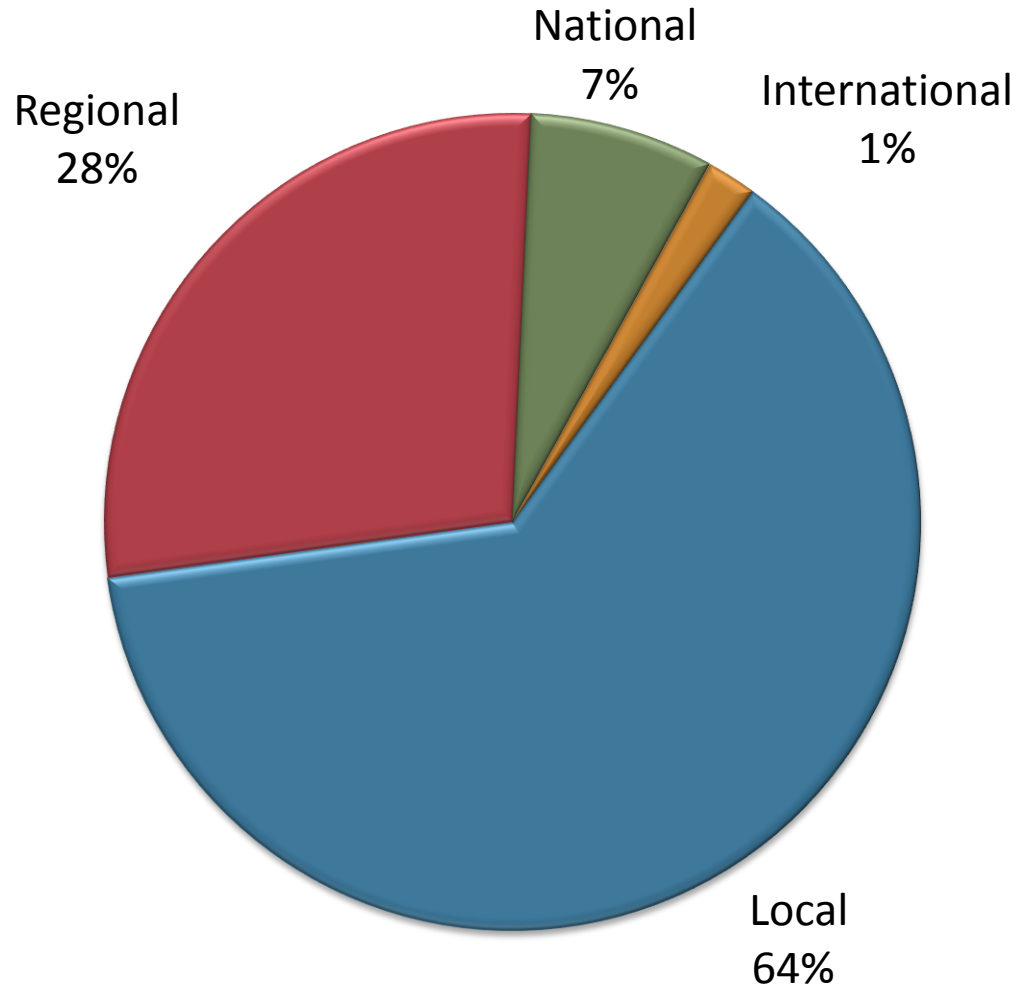
	U.S.	Iowa
Wholesale Market Sales	83%	92%
• Processor, Mill, Packer	29%	39%
• Distributor, Wholesaler, Broker, Re-packer	27%	23%
Direct-to-Retail Sales	10%	4%
• Conventional Supermarkets	5%	(D)
• Natural Food Stores	4%	2%
Consumer Direct Sales	7%	4%
• On-site (Farm stand, U-Pick)	2%	2%
• Farmers' Markets	2%	1%
• Community Supported Agriculture	1%	1%

(D)Withheld to avoid disclosing data from individual operations

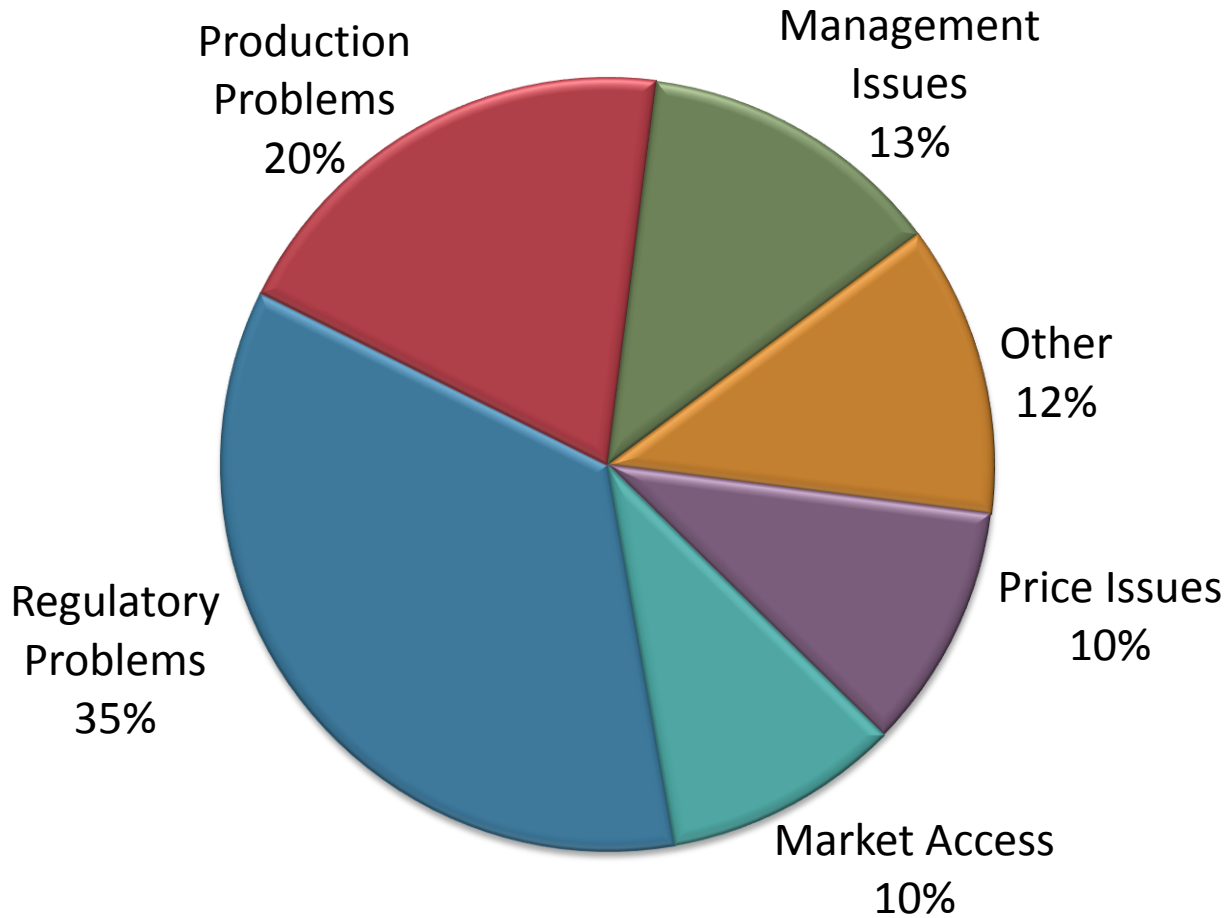
U.S. First Point of Sales



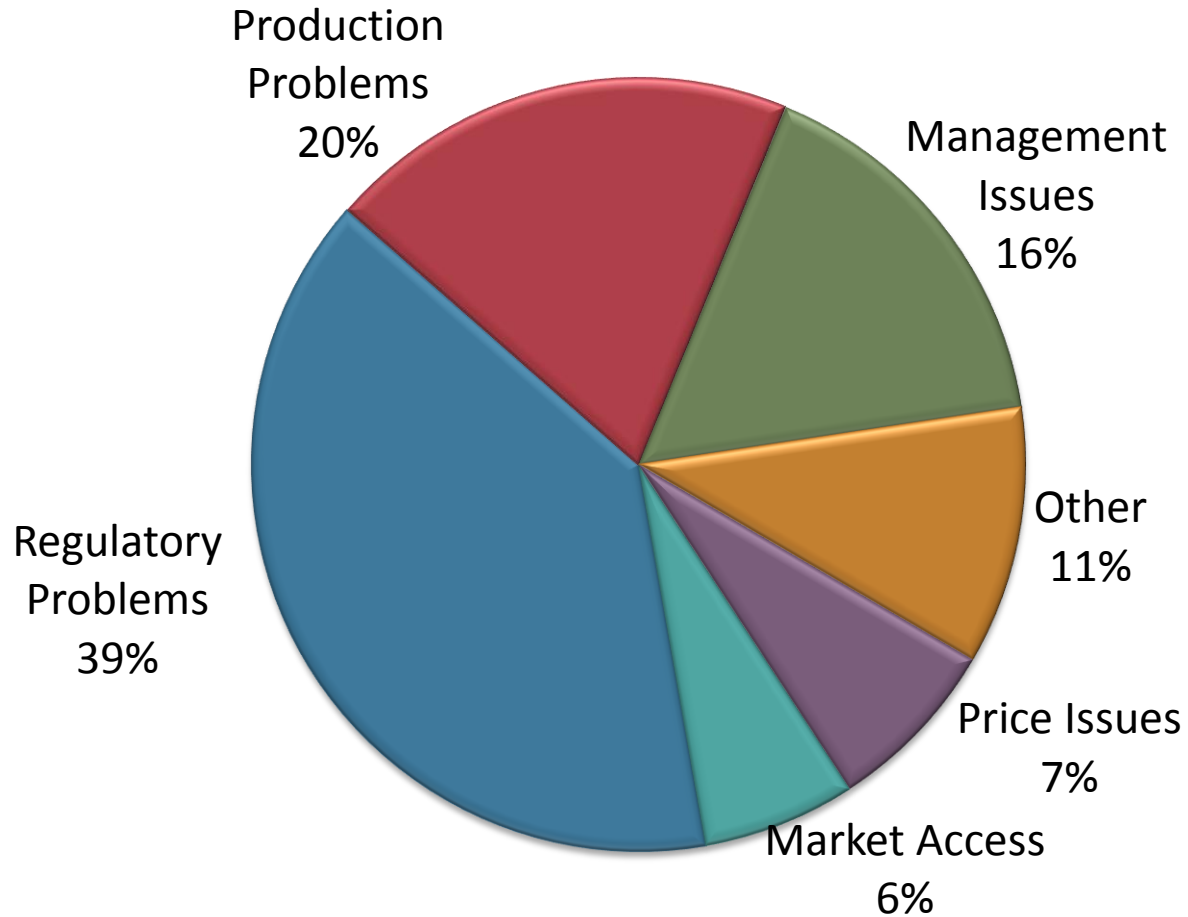
Iowa First Point of Sales



U.S. Primary Production Challenge



Iowa Primary Production Challenge



Other Information about Organic Farmers

	U.S.	Iowa
Found reliable buyers/markets	66%	65%
Had sufficient marketing options	58%	59%
Produced organic products under a production contract	10%	18%
Acquired sufficient organic seed	52%	69%
Had adequate organic inputs available	71%	80%

U.S. Producers' 5-Year Plans

	U.S.	Iowa
Increase Organic Production	37%	28%
Maintain Current Organic Production	41%	47%
Decrease Organic Production	4%	5%
Discontinue Organic Production	3%	2%
Discontinue All Production	1%	1%
Do Not Know	14%	17%

Data Available Online

[www.agcensus.usda.gov/Publications/2007/
Online_highlights/Organics/](http://www.agcensus.usda.gov/Publications/2007/Online_highlights/Organics/)