

Organic: The Indiana Perspective

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Outline

- Supply
- Demand
- Opportunities

Certified Organic Acreage

- Survey by ERS of certifiers—different data from census
- Indiana certified organic acreage:
 - 1997: 1,994
 - 2000: 5,617
 - 2001: 4,175
- 8 active certifiers in 2001

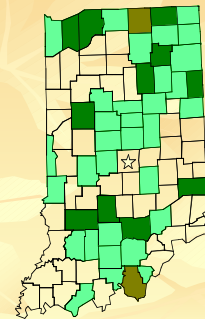
Drop in certified organic acreage between 2000 and 2001 most likely due to land take out of CRP.

2002 No. of Organic Farms*

Organic Farms:
132

Acres:
1,419

Sales:
\$851,000



Number of Farms
1-3
4-6
7+

*New in '02

Source: Indiana Agricultural Statistics

NASS 2002 Census of Agriculture

Indiana Compared to Neighbors?

State	Organic Acreage	Organic Market Value
Indiana	1,419	\$851,000
Illinois	8,184	\$1,778,000
Michigan	25,386	\$7,019,000
Ohio	24,652	\$5,616,000
Kentucky	640	\$2,987,000
Iowa	46,557	\$13,333,000
Wisconsin	47,307	\$20,828,000

Source: NASS, 2002 Census of Ag

2001: What are Indiana's Organic Crops?

- Indiana total 4,175 acres (US—2,343,924)
 - Field crops and hay: 82% (41%)
 - Fruits, vegetables, and herbs: 3% (6%)
 - Other crops, unclassified: 10% (8%)
 - Pasture: 4% (44%)
- Field crops, hay and pasture require a lot of acreage compared to fruits and vegetables.

Source: Greene and Kremen, USDA-ERS, AIB No. 780

2001: More on IN Organic Crops

- Certified organic field crop acreage
 - Soybeans 1,166
 - Corn 940
 - Wheat 822
 - Other hay 224
 - Alfalfa hay 100
 - Oats 55
 - Buckwheat 49
 - Spelt 32
 - Rye 29

Source: Greene and Kremen, USDA-ERS, AIB No. 780

2001: More on IN Organic Crops

- Green manure cover crops 83
- Fallow 84
- Other 258
- Horticultural crops 156

Source: Greene and Kremen, USDA-ERS, AIB No. 780

2001: IN Organic Livestock

- Layer hens (Eggs): 52,600
- No beef cows, milk cows, hogs, or sheep/lamb

Source: Greene and Kremen, USDA-ERS, AIB No. 780

2005: Lots Has Changed!

- Certifiers say all categories of organic operations are increasing
 - There are organic dairy and livestock operations
 - Many transitional dairy operations, some poultry

Opportunities in Organic

- Demand greater than supply
 - Organic dairy demand is growing at 21% in 2002
 - Organic meat and poultry grew at 27% in 2002
 - Organic fruit and vegetable operations grew at 10 to 20% in 2002, but small supply in IN means lots of room for growth

Typical Organic Price Premiums

- Wide variation in organic price premiums
- Tend to be higher for vegetables and dairy than grains
 - Fruits, Vegetables, ex. romaine lettuce, cherry tomatoes: 100%
 - Milk: 60%
 - Corn, soybeans, wheat, oats: 50%

Source: www.ers.usda.gov/Briefing/Organic/Questions/orgq6.htm 3/15/05

Resources: What Price for Organic?

- USDA Ag Marketing Service (AMS) Market News Reports
 - Organic vegetable prices for Boston and San Francisco
- Rodale Institute organic price index
 - Anecdotal industry comments indicates some of the prices are optimistic—that said, don't price too low!!
- Organic Food Business News (OFBN) Fax Bulletin
 - Farmgate prices for grains and produce
 - Available for a fee

What Next?

- Look for places to sell organic products
 - Farmers markets, your own farm market, stores
 - Buyers if it's grain
 - Think beyond state lines
 - Chicago, Cincinnati, Louisville ...
- Start talking to certifiers
 - Learn more about the regulations
 - Make sure you can afford the three-year transition