

Summary

U.S. farmland managed under organic farming systems expanded rapidly throughout the 1990s and has sustained that momentum, as farmers strive to meet consumer demand in both local and national markets. The U.S. Department of Agriculture (USDA) implemented national organic standards on organic production and processing in October 2002, following more than a decade of development. The new uniform standards are expected to facilitate further growth in the organic farm sector. USDA's organic standards incorporate an ecological approach to farming—cultural, biological, and mechanical practices that foster cycling of resources, ecological balance, and protection of biodiversity. An increasing number of U.S. farmers are adopting these systems in order to lower input costs, conserve nonrenewable resources, capture high-value markets, and boost farm income.

This study updates USDA estimates of land farmed with organic practices during 1997 with estimates for 2000 and 2001, and provides new estimates on the number of certified organic operations in each State. Procedures are similar to those used in earlier studies of certified acreage: data from State and private certifiers were collected and analyzed, uncertified production was excluded, and double-certified acreage was excluded whenever possible. Fifty-three organic certification organizations—14 State and 39 private—conducted third-party certification of organic production during 2000 and 2001.

U.S. farmers and ranchers have added another million acres of certified organic cropland and pasture since 1997, bringing the 48-State total to 2.34 million acres in 2001. Certified organic livestock grew even faster during this period. Most crop/livestock sectors and most States also showed strong growth between 2000 and 2001. Overall, certified organic cropland and pasture accounted for 0.3 percent of U.S. cropland and pasture in 2001, although the share is much higher in some crops, such as vegetables at over 2 percent.

California was the leading State in certified organic cropland in 2001, with nearly 150,000 acres, mostly used for fruit and vegetable production. North Dakota followed closely with nearly 145,000 acres, mostly for wheat, soybeans, and other field crops. Minnesota, Wisconsin, Iowa, and Montana were other top States.

Certified organic pasture and rangeland more than doubled between 1997 and 2001, and was up 28 percent from 2000 to 2001, mirroring the rapid expansion in organic livestock and poultry. Over 40 States had certified pasture and rangeland in 2001, most with under 20,000 acres, although several States had over 100,000 acres and Colorado had over half a million acres. The number of certified organic beef cows, milk cows, hogs, pigs, sheep, and lambs was up nearly four-fold since 1997, and up 27 percent from 2000 to 2001. Dairy has been one of the fastest growing segments of the organic foods industry during this period, and milk cows accounted for over half of certified livestock animals. Poultry animals raised under certified organic management—including layer hens, broilers, and turkeys—showed even higher rates of growth during this period.

California had more certified operations than any other State, with just over 1,000 operations in 2001, up 12 percent from the previous year. Washington, Wisconsin, Minnesota, Iowa, Pennsylvania, Ohio, New York, Vermont, and Maine rounded out the top 10. Many of these States are characterized by a high proportion of small farms that

grow fruits and vegetables for direct marketing to consumers. For example, the Northeastern States have relatively little cropland but a large concentration of market gardeners. Only 3 of the top 10 States in certified operations—California, Minnesota, and Iowa—are also among the top 10 for certified acreage.

Nine States, over half in the Southeast (Georgia, Louisiana, South Carolina, Tennessee and West Virginia), showed an overall decline in certified organic farmland from 1997 to 2001. The Southeast has had less certified organic farmland than other regions in general, and most of the certification in these States has been by small, local nonprofit certifiers. A number of these certifiers chose to drop their certification programs when national rules were implemented, to focus instead on community outreach for sustainable agriculture, and this transition has likely caused some dislocation among certified growers in the region. However, several certifiers—existing organizations that are expanding their range of service, and new certifiers that have recently emerged in that region—are filling in for services that were lost during the transition.

While government intervention in the United States has focused primarily on market facilitation, several States—Minnesota and Iowa in particular—have begun subsidizing conversion to organic farming systems as a way to capture the environmental benefits of these systems. Potential benefits from organic farming systems include improved soil tilth and productivity, lower energy use, and reduced use of pesticides. Most European countries have been providing direct financial support for conversion since the late 1980s, with conversion levels much higher than in the United States.

Obstacles to adoption include high managerial costs and risks of shifting to a new way of farming, limited awareness of organic farming systems, and a lack of marketing and technical infrastructure. State and private certifier fees for inspections, pesticide residue testing, and other services represent an added expense for organic producers. Since the late 1990s, at least nine USDA agencies have started or expanded programs and pilot projects to help organic producers with production and marketing problems and risks, and the 2002 Farm Act for the first time included several small initiatives to assist organic farmers. These initiatives include expanded producer coverage for certification cost-share assistance and new funding for organic farming and marketing systems research.