

U.S. Organic Scorecard

First Census of Organic Agriculture in United States

The USDA,NASS has just issued the first ever census of organic agriculture for the U.S. for the year 2008. The value of farm sales of organic products in 2008 was \$3.165 billion, 61.4 percent in crop products and 38.4 percent in livestock and livestock products. For the first time, the Census helps us to quantify the place of organic agriculture in total U.S. agriculture.

Placing Organic Agriculture in Perspective

The table below shows organic acreage and dollar sales in 2008 as a share of all U.S. agriculture. For comparison, for all U.S. agriculture we used reported acreage and sales for the 2008 crop year, since calendar year data were not available.

United States: Organic Agriculture as Share of All Agriculture (dollar sales, acreage and percent of total)

Commodity	Total Sales	Organic Sales	Organic Sales Share	Total acreage	Organic acreage	Organic acreage share
	(\$million)	(\$million)	(%)	(1,000)	(1,000)	(%)
All Commodities	324,200	3,165	1.0	n.a.	n.a.	n.a.
Crops	183,100	1,942	1.1	317,000	4,077	1.3
Livestock	141,100	1,223	0.9	n.a.	n.a.	n.a.
All Fruit	11,215	414	3.7	1,728.0	78.4	4.5
Apples	2,206	137	6.2	350.6	20.1	5.7
Sweet cherries	575	16	2.7	82.6	2.1	2.5
Grapes	3,359	122	3.6	936.0	91.6	9.8
Peaches	546	14	2.6	124.0	1.8	1.5
Pears	396	16	4.1	58.6	2.1	3.7

In 2008, organic agriculture still accounted for only about one percent of all agricultural sales at the farm level. Organics accounted for about 1.3 percent of crop acreage and 1.1 percent of crop sales. A small number of products, such as milk, eggs, lettuce, apples, grapes, corn, wheat and hay, continue to dominate organic sales.

Fruit Outperforms in Organic

The fruit sector outperformed much of U.S. agriculture in organic acreage and sales. Organics accounted for about 4.5 percent of total fruit acreage and 3.7 percent of the value of sales of all fruit farms. However, the performance of individual fruits varied widely. Apples had almost 6 percent of acreage organic, compared to peaches with only 1.5 percent. Pears, grapes and sweet cherries had shares between these extremes.

Flourishing in the Desert

Over 95 percent of all organic apple production in 2008 took place in just three states, Washington, California and Arizona. Washington State alone provided over 87 percent. Organic fruit is most feasible in irrigated desert conditions.

While the national average organic apple acreage per farm was 17.4 acres, the average size of organic apple plantings in Washington State was 43.2 acres and in Arizona 102.3 acres. In general, the percentage of apple acreage devoted to organic was much higher in states with desert growing regions. Minor producing states such as

Arizona and Colorado have found a sizeable niche in organic apples. Maine was the rare maritime state with organic acreage exceeding 10 percent of total apple acreage.

United States: Organic Apple Acreage, Production and Sales, 2008
(selected criteria)

State	Farms	Acreage	Acreage share	Production	Value of Sales	Average Price
	(#)	(acres)	(%)	(Tons)	(\$million)	(\$/ton)
Arizona	10	1,023	85.3	8,592	4,184	487
California	257	3,192	16.4	11,234	6,522	581
Colorado	30	426	30.4	2,795	1,539	551
Maine	31	361	11.6	1,854	1,247	673
Michigan	37	358	1.0	1,544	1,019	660
New York	36	465	1.1	2,167	1,221	563
Oregon	83	239	5.7	1,294	729	563
Pennsylvania	27	130	0.6	427	332	778
Washington	301	13,005	8.5	212,637	118,886	559
All Other	340	900	1.3	1,937	1,120	578
United States	1,152	20,099	5.7	244,097	136,799	560

The average value of organic apple sales in 2008 was \$560 per short ton, 20.7 percent above the level for all apples. The average yield per acre was 12.1 short tons, 12 percent below the average for all apple orchards. Thus, the average value of sales per acre was \$6,806 for the organic acreage, 8.2 percent above the value of sales per acre for all apple orchards.

Comparable data on costs were not available. However, it is generally assumed that the higher average production costs on organic apple acreage would offset the benefits of higher sales values.

Organic Growers' Expansion Plans

In responding to the Census inquiries in 2008, while 43.7 percent of certified organic fruit growers planned to maintain their present organic acreage, the proportion planning to expand (35.2 percent) far outweighed the proportion planning to decrease (7.2 percent) or discontinue organic production. The responses were not available for apple producers. The response might be different under current market conditions.

Market Growth Rate Slowing Dramatically

Recent reports on the organic food market suggest that the era of rapid growth is ending and that organic packaged foods are settling into a narrow niche. Both food manufacturers and food retailers expanded their offerings of organic foods in the last few years in anticipation of growth that has failed to emerge. While some of the slowdown may have been due to the Great Recession, organic foods are meeting increasing competition in the healthy food space. As a result, manufacturers and retailers have been trimming their organic food offerings.

While there may be better potential for expansion of demand for organic fresh fruit than for organic packaged foods, that rate of expansion has clearly slowed. The delicate balancing act for apple growers and marketers will be how to limit organic production to the point where sales continue to provide adequate rewards for the extra costs involved in organic production.

First published in the World Apple Report, May 2010, page 7.