Organic: The Indiana Perspective

Corinne Alexander
Purdue University
March 30th, 2005

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

2002 No. of Organic Farms*

Indiana Compared to Neighbors?

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

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%

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 (OBFN) Fax Bulletin
  - Farmgate prices for gains 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