

Certified Organic Livestock and Pasture

The certified organic livestock and poultry sectors have expanded greatly since 1997, with the lifting of USDA organic meat labeling restrictions, and the number of organic certifiers offering services to this sector has expanded. Over half of the active certifying agencies—6 State agencies and 20 private organizations—provided certification services for livestock production in 2001, compared with only 16 certifiers in 1997. Organic meat and poultry markets lagged behind those for crops during most of the 1990s because of USDA restrictions on organic meat and poultry labeling. Meat and poultry could not be labeled as organic until February 1999, when a provisional label was approved by USDA, and permanent standards went into effect in October 2002.

Organically raised beef cows, dairy cows, sheep, hogs and pigs, laying hens, and broilers all exhibited strong growth between 1997 and 2001. Markets for dairy products and eggs, which did not face the previous USDA labeling restriction, continued the strong expansion that began in the early 1990s.

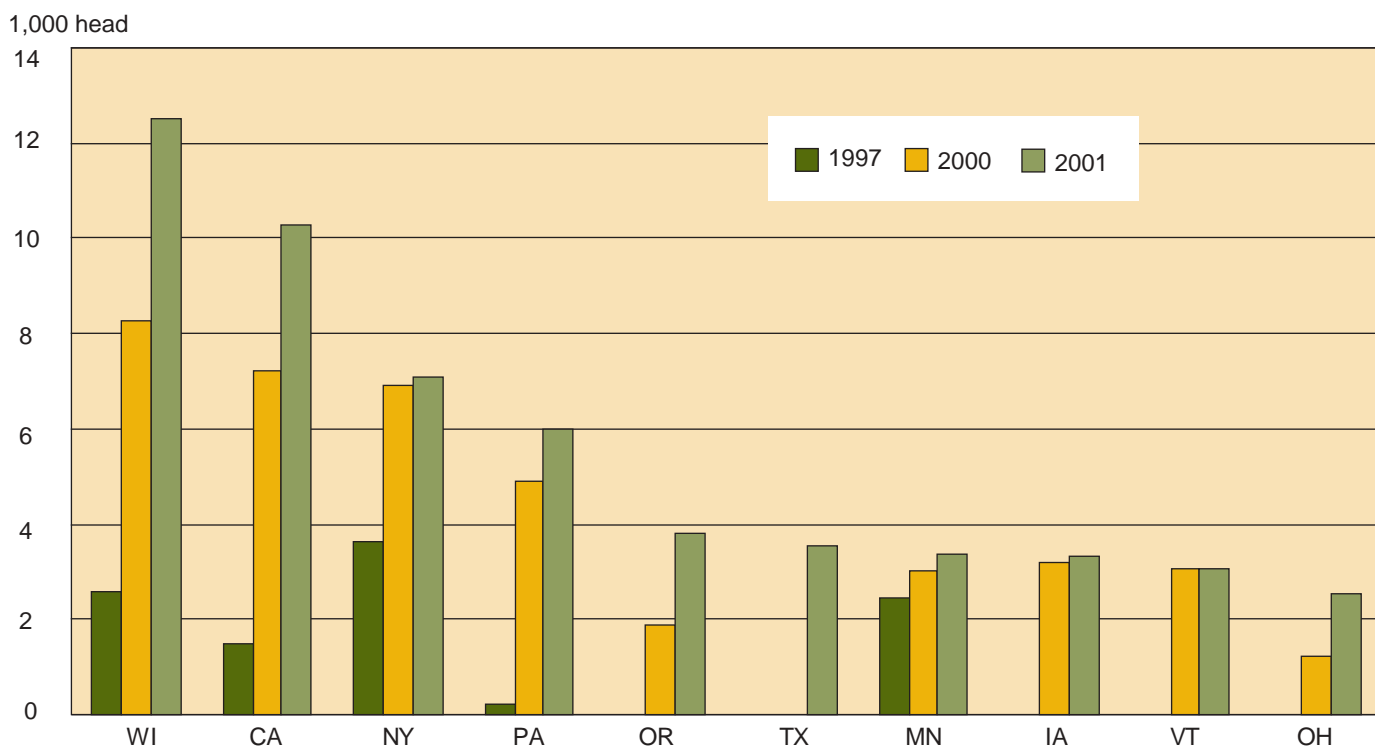
Cows, pigs, and sheep. Farmers and ranchers raised over 72,200 certified organic cows, pigs, and sheep in 28 States in 2001, up 28 percent from the previous year (app. tables 18-19). Dairy cows led, with 48,677 animals

certified organic in 2001. Wisconsin was the top producer (10,803 dairy cows), followed by California (9,251 dairy cows) and New York (6,704 dairy cows). Pennsylvania, Minnesota, Oregon, and Vermont had over 2,000 dairy cows each, and Maine, Iowa, Colorado, Washington, and Ohio had over 1,000 dairy cows each. Over 3,100 certified organic pigs were raised in 2001, up from 482 in 1997. Nearly 40 percent of these pigs were raised in Iowa, followed by Oregon (17 percent) and Montana (15 percent). Over 4,000 sheep and lambs were raised organically in 2001, up from 705 in 1997.

The number of certified organic milk cows jumped 27 percent from 2000 to 2001, and nearly quadrupled between 1997 to 2001. Organic dairy sales in mainstream supermarkets are increasing 36 percent annually, and dairy sales accounted for 11 percent of all organic retail sales in 2000. Organic dairy products have widely penetrated conventional supermarkets as well as natural foods stores.

Two national marketing companies—Horizon Organic Dairy, based in Colorado, and Organic Valley Family of Farms, a farmer-owned cooperative based in Wisconsin—process the majority of organic milk produced in the United States. A few independent creameries also process organic milk. To meet growing demand for

Figure 10--Certified organic livestock, top 10 States



Source: Economic Research Service, USDA.

Organic Dairies Established Across the U.S.

In 2001, about 0.8 percent of U.S. dairy cows and 1.2 percent of dairy farms in top organic dairy States were certified organic. Organic dairy sales accounted for approximately 1 percent of U.S. dairy sales in 2001. Maine had the highest conversion rate to organic dairies, with nearly 5 percent of dairy cows and 6.7 percent of dairy farms under organic management.

State	Certified organic dairy cows	Total dairy cows	Certified organic/total (%)	Certified organic dairy farms	Total dairy farms	Certified organic/total (%)
Wisconsin	10,803	1,344,000	0.8	223	19,100	1.2
California	9,251	1,523,000	0.6	9	2,500	0.4
New York	6,704	686,000	1.0	65	7,200	0.9
Pennsylvania	5,456	617,000	0.9	82	10,300	0.8
Vermont	3,025	159,000	1.9	55	1,600	3.4
Oregon	2,424	90,000	2.7	18	820	2.2
Minnesota	2,238	534,000	0.4	...	7,800	...
Maine	1,950	40,000	4.9	40	600	6.7
Total	41,851	4,993,000	0.8	492	42,120	1.2

Source: ERS-USDA and Agricultural Statistics, 2002, NASS-USDA.

organic dairy products, organic dairy companies have been recruiting additional farmers to join their grower groups, encouraging their experienced organic producers to mentor others. Organic dairy production costs—including feed, labor, herd replacement and transition, and operating costs—vary by farm and by region and may be higher or lower than in conventional systems (Butler, 2002; McCrory, 2001). However, organic milk prices fluctuate less and are consistently several dollars higher than conventional prices. Such premiums are often particularly attractive to dairy producers with smaller herds (Dobbs, 1998).

Twenty-seven States contained almost 15,200 certified organic beef cows in 2001, up 243 percent since 1997, and nearly a quarter were in Texas. Over 4,200 sheep and lambs were certified organic in 2001, a nearly 500-percent increase from 1997. Top States with sheep and lambs were Montana (643), Oregon (557), New Mexico (500), Idaho (442), and Maine (425).

Over 3,100 hogs and pigs were certified organic in 2001 versus USDA's 1997 estimate of 482 animals, with Iowa claiming nearly 40 percent of the total.

Technical information on organic livestock production is starting to become available from universities and other educational organizations. For example, the Leopold Center at Iowa State University has been sponsoring workshops on sustainable and organic pork production, and the Appropriate Technology Transfer for Rural Areas (ATTRA) Center has published production guidelines and other educational materials on this topic (see

www.attra.org/attra-pub/alt pork.html). Also, Iowa has had a certified organic pork slaughter and processing plant in the western part of the State for several years, which has facilitated organic marketing for these products.

Industry experts expect the number of beef cattle and other livestock to continue rising, and several additional certifying agencies began to certify livestock in 2002. One challenge is that a strong market niche for “natural meat” products has developed that competes strongly with organic meat products. Natural meat products are widely available in natural foods supermarkets at premium prices. Although many consumers may think of natural meat as similar to organic meat, products with this type of label do not need to meet USDA's rigorous requirements for organic production and processing. USDA's policy for labeling meat and poultry products states that the term “natural may be applied only to products that contain no artificial ingredients, coloring ingredients, or chemical preservatives; and the product and its ingredients are not more than minimally processed.” Consumers may become more aware of organic meat products as “USDA Organic” labels begin appearing on certified products.

A number of producer cooperatives—including the Organic Valley Cooperative, which has 460 organic farms in 17 States—are encouraging farmers across the United States to increase organic production. Iowa State University and other universities and nonprofits, particularly ATTRA, are beginning to develop guidelines for organic livestock production that may also help encourage farmers to explore this market.

Poultry. Every category of certified organic poultry showed a surge in growth between 1997 and 2001. The United States had 1.6 million certified organic laying hens in 2001, up from 537,826 birds in 1997. Certified organic broilers totaled 3.29 million birds in 2001, up from 38,285 in 1997. The number of certified organic turkeys was 98,653 in 2001, up from 750 turkeys in 1997. Growth from 2000 to 2001 was substantial for all of these poultry categories (app. tables 18-19).

California was the leader in organic poultry production, with 1,706,233 certified organic birds, followed by Pennsylvania (1,255,166) and North Carolina (1,096,472) (fig. 11). Universities and other organizations are researching the efficacy of organic poultry production in various parts of the United States. For example, Iowa State University's Allee Demonstration Farm has been tracking the growth rate and feed efficiency of organic farm-raised broiler chicken systems since 2000 (Rossiter, 2001; Olsen and Rossiter, 2000).

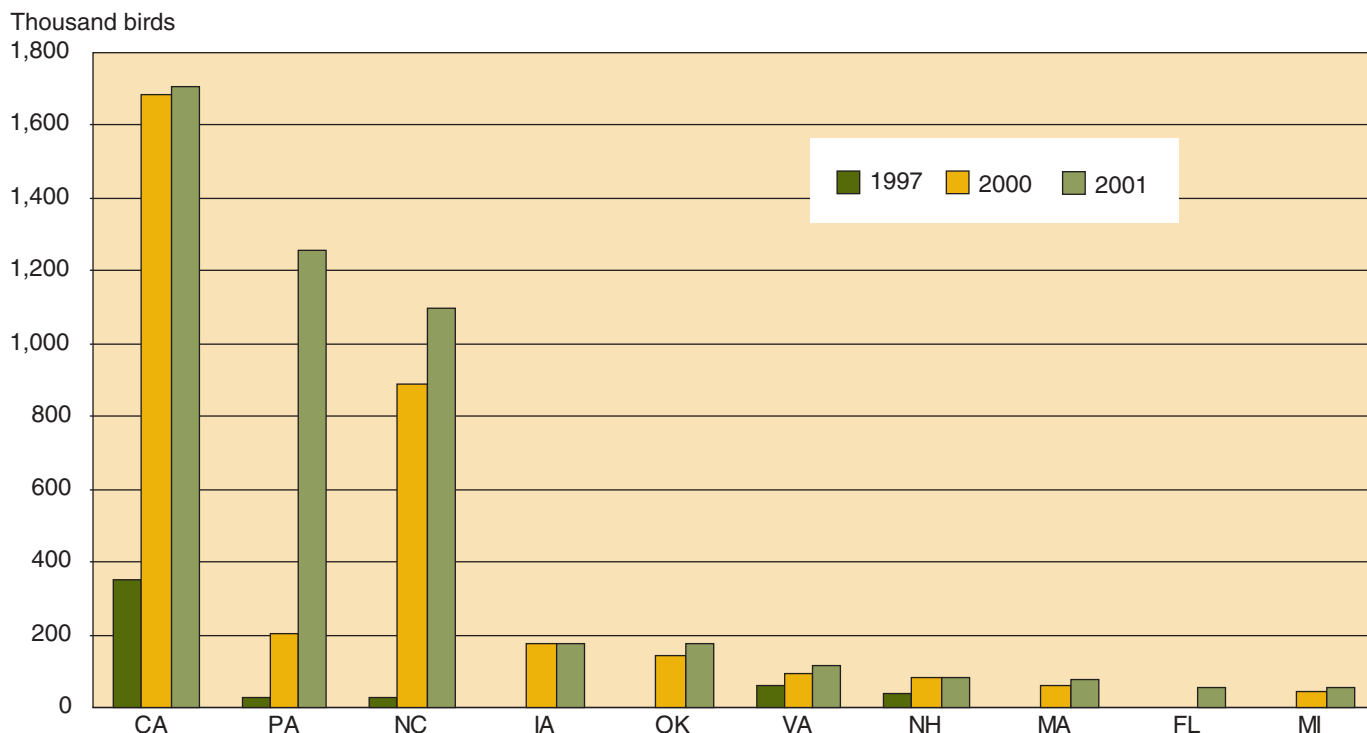
Pasture. The amount of certified organic pasture (including ranchland) has grown along with the organic livestock industry. U.S. farmers and ranchers had over a million acres of certified organic pasture in 2001, up 28 percent from the previous year (app. tables 20-21). Most of the acreage for certified organic pasture was concentrated

in three Western States—Texas, Colorado, and Montana—where a higher percentage of farmland is typically used for pasture, although 40 other States had some certified pasture.

The new USDA livestock standards include requirements for pasture and access to the outdoors suitable to the natural nutritional and behavioral needs of the particular species. Beef cows, dairy cows, and other ruminants, for example, are required to have access to pasture. Organic beef production has three phases: cow-calf (from birth to weaning), backgrounding (weaning to 900 pounds), and finishing (3 months prior to slaughter). Organic farmers must maintain organic pasture for the cattle to graze on throughout all three production phases. Some organic farmers maintain grass-fed-only operations. Organically raised dairy cows must also have access to pasture suitable to their stage of production, the climate, and the environment.

All 28 States that had certified organic beef cows, dairy cows, and other livestock production had some certified organic pasture, and a number of other States had certified pasture but no certified livestock or poultry in 2001. These farmers and ranchers have other organic operations, and may be considering the addition of certified organic livestock operations.

Figure 11--Certified organic poultry, top 10 States



Source: Economic Research Service, USDA.