## In FOCUS Indiana Ohio 183 181 7.411 8,907 Michigan Minnesota <sup>\*</sup> 2,539 6,744 Montana 9,933 Oregon Wisconsi South Dakota 15,743 Idaho 27,876 16 Wyoming 6,961 Nebraska 75 Illinois Nevada 4,049 Utah 1,155 3 Colorado 237 Missouri Kent 22 California 1,287 1,226 Tennessee 48,078 Oklahoma New Mexico Arizona Alabama Mississippi Texas 1,400 Louisiana Based on monthly USDA fluid milk sales reports, organic milk sales represent about 5.2 percent of total fluid milk product sales in Federal Milk Marketing Order areas and California. Source: AMS-USDA, Federal Milk Market Order statistics, www.ams.usda.gov

## Organic dairy growth offers premiums, challenges

Progressive Dairyman Editor Dave Natzke

The USDA's latest Certified Organic Survey showed signs of a growing organic dairy industry – but one facing challenges.

The 2015 USDA survey was the fourth organic production and practices survey (previous surveys were in 2001, 2008 and 2014) on a national level. Volume and value of certified organic milk sales were up slightly in 2015, but the number of organic U.S. dairy herds and cows declined.

Milk again represented the largest category of certified organic agricultural products sales in 2015. Sales volume was estimated at 3.41 billion pounds, up from 3.39 billion pounds the year before. At

\$1.17 billion, the gross value of 2015 organic milk sales was up 8.3

Part of the stagnation in 2015 may be attributed to the types of herds surveyed. The 2014 survey also included "exempt" herds, those meeting organic standards but with annual sales of less than \$5,000 and exempt from USDA certification fees. The 2015 survey did not include that designation.

Additionally, many organic dairy producers faced production and economic challenges in 2015. Driven by poor pasture quality and high feed prices, milk supply shortfalls - not a decline in demand - limited organic sales growth throughout the year.

## **Individual states**

Three states – Wisconsin, New York and Pennsylvania – were home to nearly one-half the certified organic dairy herds in the U.S. in 2015. However, California retained the crown for having the most cows producing certified organic milk.

## 2016 a different story

Organic certifiers from New York to Georgia and Texas to Idaho told Progressive Dairyman that interest in organic dairy and forage certification has grown substantially in 2016.

With conventional milk prices in a prolonged slump, year-long contracts provided organic producers a more stable price, yielding regional organic

premiums between \$16 and \$25 per hundredweight over conventional milk.

Better weather and processor efforts to increase the number of organic dairy producers and the amount of organic milk produced paid dividends. January-August 2016 total organic fluid milk products sales were up 5.5 percent from the year prior.

Increased supplies are creating regional challenges. Organic processors are now seeking a balance between supply and demand, and trying to fit new organic farms within existing milk routes and processing capacity. Producers outside efficient core transportation and processing areas may pay a price. 🗢

55 12 3,680 676 New Hampshire 800 Connecticut 390 Vermont 178 13,104 Delaware New 377 23,129 Maryland 1,600 Pennsylvania 15,467 West Virginia 734 Source: USDA National Ag Statistics Service Virginia †Data from 2015. 1,615 North Carolina 796 Top 20 states: Organic milk production Average annual Total organic Average cows per-cow organic State milk sold per farm production (million lbs) (lbs) California 511 15,544 747.3 63 13,298 370.7 Wisconsin 61 New York 12,024 278.1 Oregon 375 15,950 251.1 Pennsylvania 56 12,342 190.9 74 12,943 169.6 Vermont Minnesota 96 12,363 122.8 Idaho 435 16,434 114.4 49 98.3 Ohio 11,036 225 13,879 93.6 Washingtor Indiana 40 11,591 85.9 Maine 67 12,962 47.7 54 46.2 Iowa 11,410 Michigan 48 11,225 28.5 Maryland 123 12,750 20.4 Virginia 101 12,384 20.0 86 Missouri 12,587 16.2 72 13,333 15.4 Illinois 56 10,685 13.1 Kentucky 8.9 New Hampshire 44 11,125 U.S. total 107 3,406.4 \*Data withheld to prevent disclosure of information from single operations or businesses

Maine

Massachusetts

		Number of farms	Number of cows
95 - 450	Wisconsin	439	27,876
	New York	377	23,129
	Pennsylvania	275	15,467
	Indiana	183	7,411
	Ohio	181	8,907
	Vermont	178	13,104
25 - 94	Minnesota	103	9,933
	California	94	48,078
	lowa	75	4,049
	Maine	55	3,680
	Michigan	53	2,539
	Oregon	42	15,743
n - 24	Washington	30	6,744
	Kentucky	22	1,226
	New Hampshire	18	800
	Idaho	16	6,961
	Illinois	16	1,155
	Virginia	16	1,615
	Missouri	15	1,287
	Maryland	13	1,600
	Massachusetts	12	676
1-10	North Carolina	9	796
	Mississippi	5	1,400
	Texas	4	*
	Colorado	3	*
	Connecticut	3	390
	Utah	3	237
	West Virginia 	3	734
	Louisiana	2	*
	Nebraska	2	*
	Tennessee	2	*
	Alabama Arizona	1 1	*
	Delaware	1	*
	Montana	1	*
	Nevada	1	*
	New Mexico	1	*
	Oklahoma	1	*
	South Dakota	1	*
	Wyoming	1	*
	United States	2,258	241,112
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