



# Organic Agriculture in Wisconsin: 2005 Summary

Wisconsin continues to be a national leader in organic food production, despite the fact that certified organic farms, acreage and production represent only a small fraction of agriculture in the state.

**Organic production.** Wisconsin is now second in the nation for the number of certified organic farms, behind only California (see Figure 1). According to the USDA, Wisconsin had 659 certified organic farms in 2003. A CIAS telephone survey of four organic certification agencies in Wisconsin in the summer of 2005 showed that the southwest corner of the state has the greatest concentration of organic farms (Figure 2). Vernon County, the home of Organic Valley, has the most with 113 certified organic farms.

In 2003, Wisconsin had over 91,000 acres of certified crop acreage and over 28,000 acres of certified pasture. Wisconsin leads the U.S. in certified organic livestock, with 33% of the nation's organic milk cows and 22% of the nation's organic layer hens. Wisconsin is also a leader in organic crop production, growing 18% of the organic corn and 16% of the organic oats produced in the U.S.

**Organic farm income.** In 2002, \$20,828,000 worth of organic products were sold by Wisconsin farms. Two PATS surveys found that the average 2004 net farm income for certified organic farmers in Wisconsin was 25% higher than the average net income reported for all Wisconsin farms. While organic dairy farms earned average revenues of \$150,000, other organic farms had much lower revenues.

**Demand for organic food.** Consumer demand for organic food is growing at a fast pace, and the U.S. organic market is projected to reach a value of \$30.7 billion by 2007. A 2004 study found that seven in ten Americans express at least moderate concern about the health risks of pesticides and

Figure 1. Number of certified organic farms by state, 2003

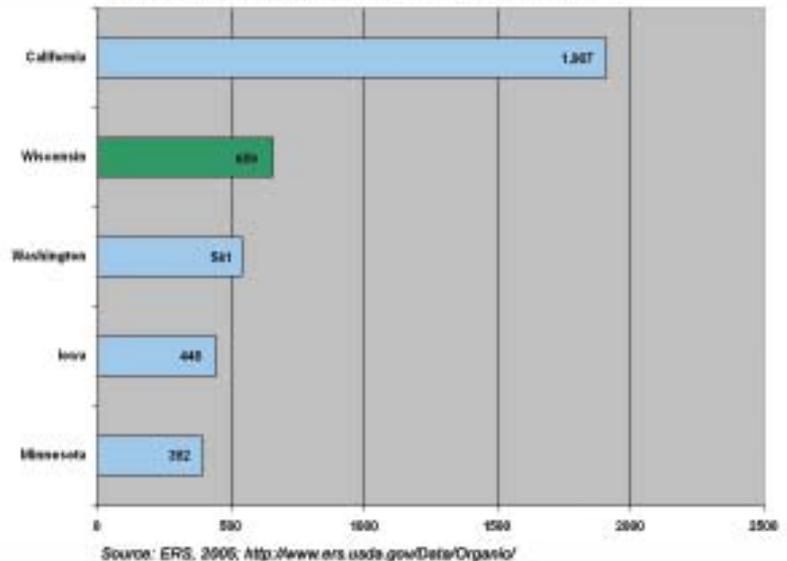
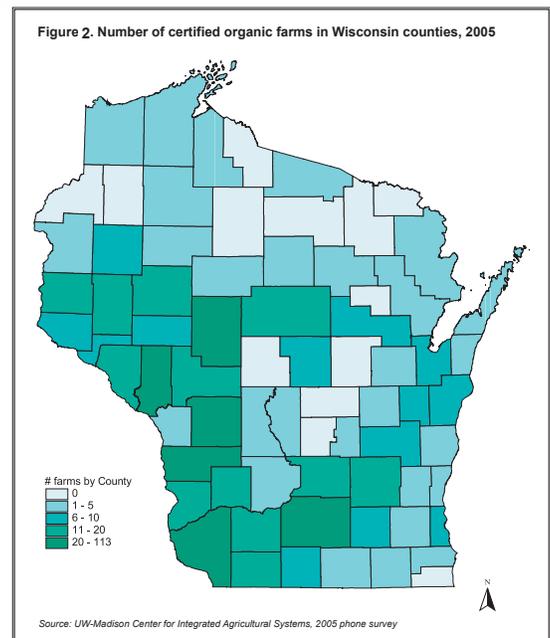


Figure 2. Number of certified organic farms in Wisconsin counties, 2005



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antibiotics in food production. International markets also present opportunities. As a result of this increased demand, there is an opportunity for more farmers to enter the organic market.

**Organic infrastructure.** Organic dairy production may be a particularly lucrative business direction, as premiums for milk are high and demand exceeds supply at this point in time. Ann Hansen reported that there are six organic milk buyers in Wisconsin in the September 21, 2005, issue of *The Country Today*. All are seeking more organic dairy producers. Base pay ranged from \$20 to \$23 per hundredweight of milk, as compared to Federal Milk Order Class III prices for 2005 (at 3.5% butterfat) averaging \$14.05 per hundredweight in 2005 (*Dairy Market News*, 2006).

While the infrastructure for organic dairy production, processing and marketing is in place, Wisconsin needs to develop this infrastructure for organic produce and other products.

**Organic standards.** National organic standards have helped cement consumer trust in the organic label and the production practices it guarantees. These standards have also caused some controversy about maintaining the long-term integrity of the organic label. At issue is a rider to the 2006 Agricultural Appropriations bill. Some key players in the organic industry supported this rider because it allows the use of carefully reviewed, non-organic substances like baking soda in organic food processing. Others, however, are concerned that it will lead to the approval of controversial substances without public input. Another standards issue concerns a loophole that allows dairy operations that confine their lactating cows to label their products as organic, without meeting the requirement that their animals have access to pasture.

**Opportunity for Wisconsin.** The demand for more organic food represents a tremendous opportunity for Wisconsin. Organic farms and businesses are already providing economic and environmental benefits to Wisconsin's rural communities, and enhanced support for organic agriculture will multiply these benefits. Wisconsin has a strategic advantage because our farms are often small and medium-sized, family owned and operated, pasture-based and committed to producing high-quality goods. This fits the ideal image of organic farms that consumers value. Increased support for organic agriculture in the state can capitalize on this advantage.

To support the growth of the organic sector, Wisconsin's governor appointed a Task Force on Organic Agriculture in 2004. This task force was charged with forming concrete recommendations for organic food production, processing and marketing in Wisconsin. State agencies have begun implementing its recommendations, including hiring a dedicated organic specialist at the Department of Agriculture, Trade and Consumer Protection; creating a permanent Wisconsin Organic Advisory Council to advise state agencies; and establishing an interagency implementation team to carry out the recommendations of the Advisory Council. The task force also recommended hiring an organic specialist for the University of Wisconsin System.

**Full report.** This summary is based on *Organic Agriculture in Wisconsin: 2005 Status Report*, which provides a snapshot of the current status of organic agriculture in Wisconsin, and summarizes some of the opportunities and challenges in the organic marketplace. This report includes summaries of work underway at various Wisconsin institutions, both public and private, and a summary of organic research at the University of Wisconsin System. Contact CIAS for the full report, or view it at [www.cias.wisc.edu](http://www.cias.wisc.edu).