A Survey of Organic Farmers in Wisconsin

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Introduction

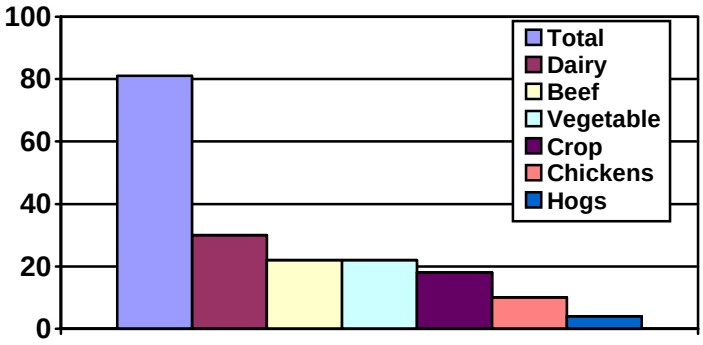
Establishment of a new organic agriculture program at the Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP) was one of the key recommendations of Governor Doyle's Organic Agriculture Task Force. To ensure that this program is responsive to the needs of Wisconsin's organic farmers, one of our first tasks was to conduct a needs assessment.

Using the Department's Organic Certification cost-share mailing list, we sent out a two-page survey to 427 farmers. We received back 84 completed forms for a response rate of 19.7% (mid-summer is not the best time to send a survey to farmers!). Because of our small sample size and large range for some responses, we will sometimes report both the average and the median to characterize the results. While the average is calculated by adding the values in a sequence and dividing by the number of values, the median is arrived at by arranging the values from lowest to highest and reporting the value that falls in the middle. It is a means of reducing the influence of a few extreme data points.

Character of farms

Farm numbers included 30 dairies, 22 beef farms, 22 vegetable farms, and 18 crop farms with no livestock. Ten of the farms raise chickens and four raise hogs. Other livestock classes listed included goats, draft horses, turkeys, and sheep. Other organic products reported included maple syrup, sunflowers, cut flowers, tree fruits, small fruits, wild rice, garlic, barley, and rye. Totals add up to more than 84 because farms were counted in all categories in which they were significantly engaged (Figure 1).

Figure 1: Character of Surveyed Farms

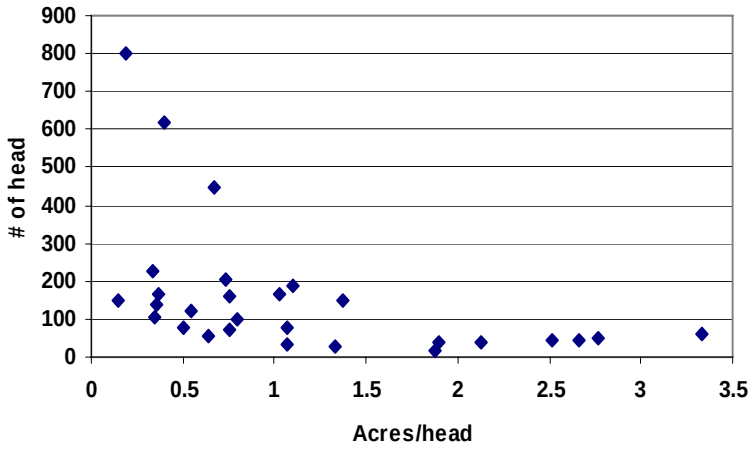


Dairy farms

Dairy herds averaged 91 cows and ranged from 400 to 16 cows (median was 56 cows). Two of the farms did not report herd sizes and two raised only replacement heifers. Four of the dairy farms also reported raising vegetables, three raised beef, three raised hogs, and four raised poultry in addition to dairy.

Average cropland acreage reported among dairy farms was 337. Among those farmers who raised crops, the most common rotation (nine farms) involved two crops and the most common combination was alfalfa and corn. Five farms reported rotations of four crops including alfalfa, corn, oats, soybeans and wheat. Three of the dairy farms reported no crops except pasture and two reported only hay and pasture.

Figure 2: Pasture use on organic dairy farms

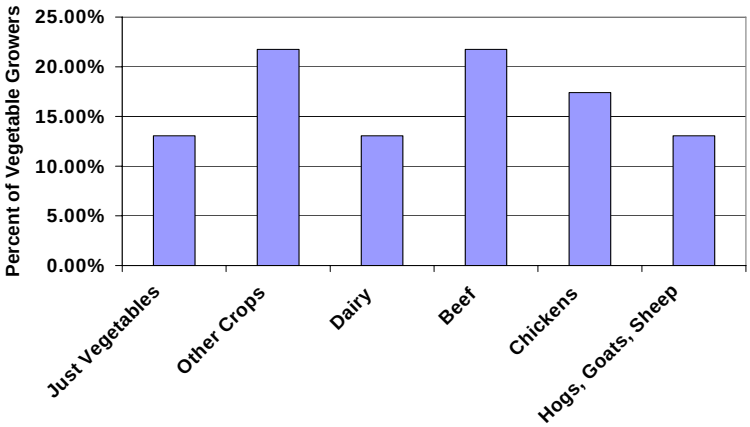


A pasture requirement is a major issue in organic dairy farming nationally. All of the farms in our survey reported substantial pasture acreage, with 13 of the 30 farms reporting more than one acre per cow. The 11 herds of less than 50 cows averaged 1.6 acres of pasture per cow. The 15 herds of more than 50 cows averaged around 0.6 acres per cow, suggesting that these larger farms were not relying nearly as heavily on pasture as a source of forage (Figure 2).

Vegetable farms

Among the 22 vegetable farms, three produce only vegetables and six produce vegetables and field crops but no livestock. The others reported producing chickens (5 farms), beef (5), dairy (4), and hogs (1). Figure 3 shows the proportions of vegetable farms engaging in other enterprises. Vegetable acreage ranged from 0.5 to 150 acres. Large acreages were the exception with 18 of the farms reporting less than 10 acres. Total farm acreage among farmers growing vegetables averaged 118 acres, although the median was 18 acres.

Figure 3: Vegetable farmers engaging in additional enterprises



Eighteen of the farms (81%) reported direct marketing their products. Four of these reported also doing some wholesale sales (four did not respond to this question).

Beef farms

Of the 22 beef farms in the survey, 16 were cow-calf (73%) and 6 (27%) reported raising stockers. Cow-calf herds varied from four to 900 cows. Without the 900 cow herd, the largest herd was 90 cows and the average herd was 37 cows. Three of the cow-calf herds also raised stockers and three raised only stockers. The average herd size in this group was 44 head. All but one of the beef producers reported pasture acreage at an average of 1.25 acres per head. Total farm acreage averaged 274 acres with a median of 150 acres. Twelve of the beef producers reported direct marketing their meat.

Crop farms

Crop farms (farms with no livestock) ranged from six to 757 acres with an average of 121 acres and a median of 44 acres (reflecting the influence of a few large farms). Of these 18 crop farms, 13 raised alfalfa or hay as part of their rotation. Eleven farms reported rotations of three or four crops, four reported growing two crops and five farms reported growing only one crop this year.

Issues of Importance to Organic Farmers

Respondents were asked an open-ended question on what they considered the three most important issues facing organic agriculture. We grouped similar responses into 16 categories (Appendix 1) and looked at them by farm type as well as in total. The integrity of the organic standard was by far the most important issue across all farm types; 62% of the respondents expressed this concern. The next most important issue was the commercialization of organic agriculture and influence of large corporations on the organic market at 38%. Table 1 shows the level of importance of these two issues among different types of farmers as well as which issues were next most important to these groups.

Table 1. Issues of importance by farm type.

Farm type	Integrity of Organic Standard	Influence of large farms & corporations	Other issues of importance
All	62%	38%	Fairness (17%), Certification, marketing, education (all at 16%)
Dairy	70%	30%	Pasture (27%), Certification (23%, Education (20%)
Beef	55%	27%	Marketing (27%, Fairness, Certification (both at 18%)
Vegetable	55%	36%	Consumer education (23%), Fairness, Certification, Marketing, Education, Costs, Research (all at 18%)
Crop	89%	50%	Marketing, GMOs (both at 22%)
Other (hogs, sheep, poultry)	44%	38%	Consumer education, Research (both at 25%)

The integrity issue was of most importance to 89% of crop farmers, with the commercialization issue second at 50%. Other issues of importance included marketing challenges at 22%, reflecting the shortage of organic feed mills in Wisconsin. The recent establishment of the Wisconsin Organic Marketing Alliance should help connect growers with buyers in the state. The other issue garnering 22% of crop farmer votes was GMO contamination, a serious, intractable problem especially in organic corn production.

Seventy percent of dairy farmers felt that integrity was the most important issue facing organic agriculture. The commercialization issue was second at 30%. Other issues of importance to dairy farmers included strengthening the National Organic Program's pasture standard (27%), certification issues (23%) and educational needs (20%).

Among beef farmers, 55% felt that the integrity issue was important and 27% expressed concern about corporate influence on the organic market. The other primary issue of concern to beef producers was the lack of markets for their products (27%). There is little market development in the meat area. According to Mintel data, organic meat sales are a minimal 2-3% of the total market, but are growing more rapidly than others (>100% growth per year for 2003 and 2004).

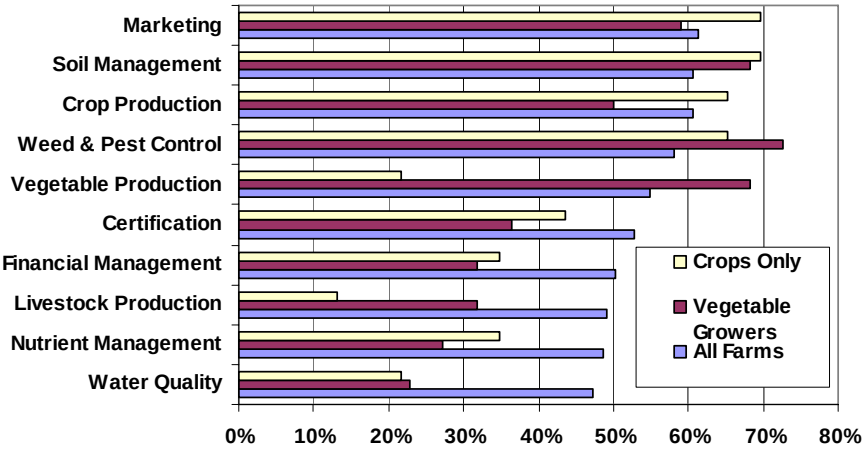
Vegetable growers had similar concerns to the other groups with 50% listing organic integrity as a primary issue and 36% listing corporate influence. The other issue of major importance to these farmers was consumer education, listed by 23% of respondents. Fruit and vegetable sales are the largest proportion of the organic food market (about 45%), but Wisconsin has no infrastructure to bring organic produce into the supermarkets where most consumers shop.

We grouped the rest of the farmers together. This group includes primarily hog, poultry, and sheep producers. This group had a broad array of issues of importance, although the integrity issue was first at 44% and the corporate influence issue was second at 38%. Other issues of importance to this group included consumer education and research needs, both at 25%.

Specific topics of interest to organic farmers

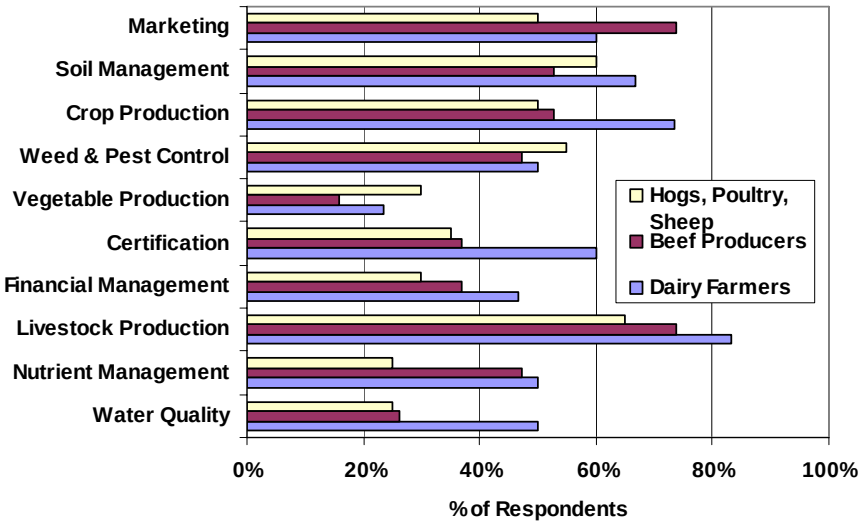
Among all respondents, farmers ranked soil management (64%) and marketing (63%) the highest as topics of interest (Figures 4a&b). Crop production and weed control both were selected by 58% of respondents with livestock production of

Figure 4a: Information needs of organic vegetable growers, crop farmers and average of all farms in survey



importance to 53% of respondents. Certification issues were marked by 42% of respondents.

Figure 4b: Information needs of dairy and livestock farmers

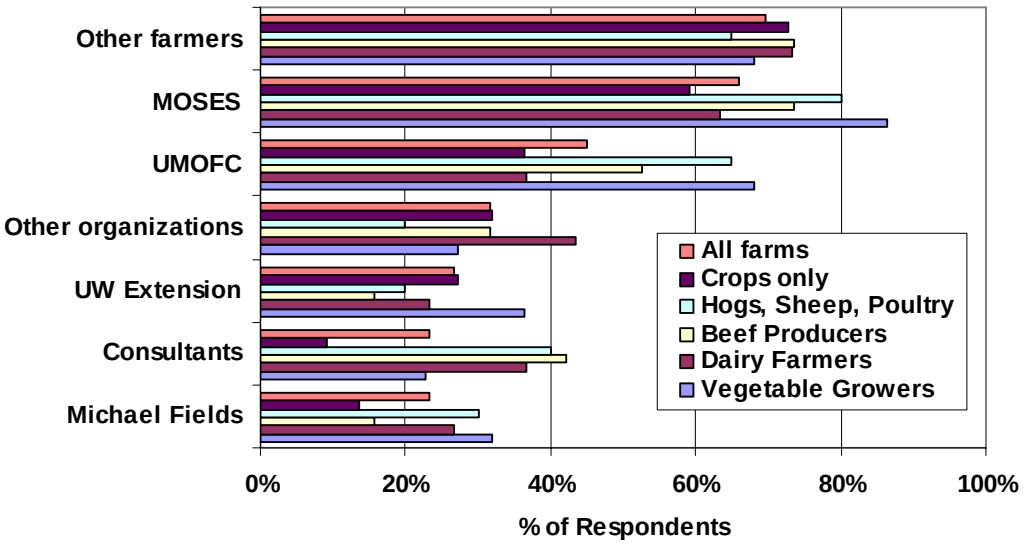


Crop production information was most important among dairy producers (73% and crop producers (65%). Marketing information needs were highest among beef producers (74%), crop producers (70%) and vegetable producers (68%); mirroring the responses we received on the issues questions. Weed management was key to vegetable producers (73%) and crop producers (65%). Nutrient management was an important issue for dairy (50%) and livestock (47%) producers.

Information sources

Like most farmers, organic farmers learn a lot from their peers. Seventy percent of our respondents listed other farmers as a source of information (Figure 5). The second most popular source of information was the Midwest Organic and Sustainable Education Service (MOSES) at 66%. Other sources included UW Extension (27%), Michael Fields Agricultural Institute and consultants, both at 23%. Thirty two percent of respondents marked 'other organizations'

Figure 5: Information Sources used by Organic Farmers



such as Acres USA, certification organizations (OCIA and MOSA primarily), ATTRA, and some of the organic input companies as sources of information.

Vegetable growers were more likely to seek information from MOSES (86%), Michael Fields Agricultural Institute (32%) and UW Extension (36%) than most other respondents. This may reflect the specific efforts that Michael Fields and the UW Center for Integrated Agricultural Systems have made in the area of vegetable production education.

Information formats

Survey respondents were asked how they prefer to receive information on their farming system. Among the information formats listed, newsletters ranked highest with 71% using this format for learning. Books and magazines at 63% and newspapers at 62% were next. Fifty six percent of respondents use field days to keep informed and 47% attend workshops. The Upper Midwest Organic Farming Conference (sponsored by MOSES) was cited by 45% as a primary source of information. Forty-three percent of respondents reported utilizing on-farm visits as a desired means of gaining information. The internet is used by 37% of survey respondents, with the highest proportion of users among beef producers at 53%.

Higher numbers of dairy and livestock producers reported using consultants (36% & 42%, respectively) and preferring on-farm visits (63% and 58%, respectively) as sources and formats for obtaining information.

How the Department of Agriculture can help

We also asked open-ended questions on how the Wisconsin Department of Agriculture, Trade, and Consumer Protection can support organic farmers and help grow organic agriculture in Wisconsin. We grouped these responses into four broad categories: information, regulatory, infrastructure, and financial issues. Because of the wide range of topics and ideas generated by this question, we did not attempt to count responses and report percentages and have instead summarized this question more informally.

Infrastructure topics accounted for the largest number of comments, with market development and research as the two most important areas where support is needed. Advocating for organic farming and products was another area where respondents felt that we could help. Other suggestions included providing a network to connect buyers and sellers of feed and inputs and supporting the development of infrastructure and processing capacity for small-scale farmers. Two respondents suggested that state agencies commit to organic or sustainable principles and serve organic foods in cafeterias, use recycled products, conserve energy, etc.

Within the information category, consumer education was the top suggestion. General training for farmers on organic agriculture and especially on certification requirements were listed by several people. Six respondents suggested working with UW Extension and the Technical Colleges to meet these needs. Four respondents suggested that a farmer mentoring program would be helpful.

Under regulatory topics, enforcement of the organic standard was the top issue. Several respondents felt that the state should do more to control runoff and/or drift from conventional farms to organic farms. The issue of conflicts of organic products with existing fertilizer and labeling laws was mentioned by several respondents. Three respondents suggested that a state-run certification program should be initiated. Reasoning behind this included the cost of certification (perhaps assuming that the state would charge less) and consistency in enforcement of rules.

Within the financial category, fifteen of the 19 responses involved the certification cost share program. This is not surprising; when asked specifically about the importance of the cost share program, 61% of survey respondents felt that the cost-share funds were important or very important. Only 10% felt that they were not needed. Other responses in this category included suggestions for grants or loans for organic farmers to get started, dealing with the challenges of processing and wholesale prices and healthcare costs.

Summary and Conclusions

This survey of organic farmers in Wisconsin provides some insights into the structure of the industry and of individual farms as well as highlighting some issues and opportunities for moving the industry forward.

With the exception of a few large operations, most organic farms, regardless of the type of enterprise, appear to be somewhat smaller than averages for conventional farms in Wisconsin. There may be a number of reasons for this. This may reflect that organic growers receive a greater or similar income from fewer acres as a result of organic premiums. It may also reflect the lack of development of large scale equipment and practices for organic production systems, making it more difficult for a farm family to manage larger acreages organically.

For the future of organic agriculture, it will be important to improve efficiency at whatever scale a producer chooses to farm. As organic production increases, premiums may decline and farmers will need to protect their profitability by keeping production costs as low as possible. We can help address these challenges by supporting research and education on effective, efficient size-appropriate technologies and management practices for organic systems.

If the respondents to this survey are representative of the community as a whole, maintaining the integrity of organic production standards is a strong, shared interest across the state. One potential means of addressing this issue could be establishment of a stronger standard for ‘Wisconsin Organic’ products. Establishing such a standard and brand could help protect the premiums Wisconsin organic products receive in the market place over the long term.

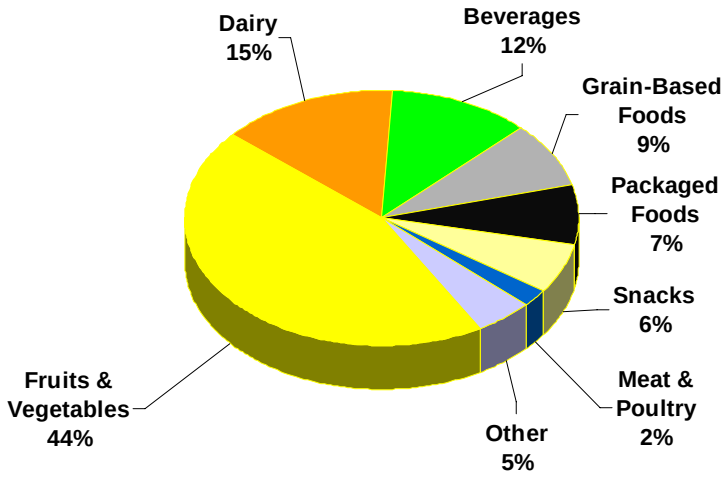
To grow the organic sector in Wisconsin, the big gap I see is in infrastructure and marketing. Within the dairy sector, we have a reasonably good number of processors

through which organic dairy producers can market their milk and capture the current premiums (Appendix 2). In the other sectors, there is little or no such infrastructure developed.

For meats, one or two cooperatives are available through which to market meats, but there is little or no infrastructure for getting those meats into consumers' hands. If producers have the capacity to direct market their meats, they are faced with a dearth of organically certified processors (Appendix 3).

Similar conditions exist for vegetable producers. Our survey results suggest that the majority of organic vegetable producers are direct marketing and do not have access to grocery, restaurant and institutional markets. Considering that produce is the biggest seller in the organic market (Figure 6) and that, as of 2000 about half of organic buyers were shopping in conventional grocery stores, Wisconsin growers are losing out on a potentially large market.

Figure 6: Organic food sales by category



One of our challenges is that there is no small scale capacity to allow even the minimal processing needed to bring Wisconsin grown produce into broader distribution. While major canning companies are exploring the potential of organic vegetable lines, there may be opportunities here to establish grower-owned companies to produce high quality, specialty processed products that allow the grower to capture more of the premium.

Organic field crops suffer from the same lack of market and infrastructure development, although the Wisconsin Organic Marketing Alliance and several newly certified feed mills around the state are helping to improve the capacity to connect producers of organic feedstuffs with buyers. While feed grade grains seem to be receiving most attention currently driven by the demand for organic dairy products, there should be potential to develop products and markets for food grade grains in Wisconsin as well.

In conclusion, to move organic agriculture forward in Wisconsin, we need to advance four objectives simultaneously. The first is scaling up production; with the possible

exception of dairy, a greater volume of product will be needed to meet market demands. The second is assisting organic farmers in organizing to pool and market their products to new customers or markets. The third need is investing in infrastructure, including processing, storage, and transportation capacity, especially for meats and produce. And the fourth is working on consumer education and perhaps a branding program to build a strong customer base for high quality Wisconsin organic products.

Appendix 1. Top issues reported by organic farmers. We asked what the top three issues facing organic agriculture were. Responses were grouped into 16 general categories. Examples of typical responses are given in the table.

Category	Response examples
Integrity	*Erosion of the federal law, keeping organic standards high, keeping organic 100% organic, credibility of rules, standards being compromised, watering down of standards, integrity, keeping the standards high, credibility, no one to enforce laws, USDA changing our organic standard*
Influence	*Large 'organic' dairies not following procedure, voice of production agriculture in making rules, industrial concepts taking over, minimum compliance of large producers diminish organic values, big business horning into the organic field, corporate farms switching to organic will squeeze out small farmers, big business and government changing rules to fit corporations, Wal-Mart controlling our prices, large mega-corporations driving the price*
Fairness	*Favors large producers, some growers may be cheating, bigger herds becoming organic and flooding the market, sharing the large profit potential with producers, rule bending interpretation to benefit large corporations, organic farmers not having a clear/strong voice in industry, marketing our product at a fair price*
Certification	*Unneeded paperwork, rogue certification where non-organic producers are allowed in, impossibility in understanding requirements to gain certification, certification process very costly, simplify organic inspection/certification process, agreeing on common sense guidelines and restrictions, consistency of organic requirements by and within certifying organizations*
Market	*Keeping a good, fair price for our products, keeping viable markets for small farmers, marketing, stable prices, lack of sophisticated markets, developing and maintaining markets, lack of ways to market product*
Education	*Information for new farmers, lack of access to educational information, lack of mentorship for transitioning dairies*
Imports	*Imports, imports of 'organic' food and feed grain, organic grain, difference in standards between Japan, Europe, and US, from other countries (are they organic?), integrity of 'organic' imports, international competition, imports from China and other countries, harmonization of US NOP with the rest of the world*
Consumer	*Positive benefits from buying and eating organic products, providing nutritional analyses of our food to prove superiority of product, consumer education, fake alternatives in the market (e.g. natural), gap between what consumers expect and what organic currently offers, public awareness*
Pasture	*Grazing—we all need to have so much pasture for cows, firm organic standards that require grazing as a major feed source, big dairies that don't turn cows on pasture*
Cost	*Cost of goods and services, total costs for farmers to consumers, high cost of freight, return on investment, affordable health insurance*
GMO	*Bio-pollution: cross pollination of organic corn with genetically modified corn, crop integrity, GMO expansion and contamination*
Research	*Increasing yields and quality, weeds and fertilizer, support for research and extension at UW, weed control in row crops, independent research on inputs and methods*
Feed	*Feed availability; marketing, storage, and transportation of organic grain and hay*
Inputs	*Seed sourcing/breeding (crop and specialty cover crops), finding organic nutrients to support crop production, fuel costs*
Processing	*Processing plants for meat, certified organic slaughter facilities, lack of processing capacity*
Contamination	*Drift from adjoining land*

Appendix 2 Certified organic dairy plants in Wisconsin.

Antigo Cheese Company	201 Morse St., P.O. Box 503	Antigo
Babler, Inc/Cascade Cheese Co	302 E Water St	Cascade
Baker Cheese Factory, Inc.	N. 5279 Cty. G.	St. Cloud
Brunkow Cheese	17975 Co F	Darlington
Cady Cheese Factory, Inc	126 St Hwy 128	Wilson
Capri Cheese	26965 Dieter Hollow Rd	Blue River
Cedar Grove Cheese, Inc.	E 5904 Mill Road	Plain
Chalet Cheese Co-Op	N 4858 County N	Monroe
Chaseburg Creamery	203 Main Street	Chaseburg
Crystal Lake Cheese	1858 Hwy 63	Comstock
Decatur Dairy Inc.	W. 1668 Hwy F	Brodhead
Eau Galle Cheese Factory	N 6765 State Hwy 25	Durand
Foremost Farms USA - Reedsburg	501 S. Pine Street	Reedsburg
Foremost Farms USA - Marshfield	1511 E 4th Street	Marshfield
Foremost Farms USA - Plover	2541 Foremost Road	Plover
Gibbsville Cheese Company	W2663 Co. Road	Sheboygan Falls
Graf Creamery	N 4051 Creamery Street	Zachow
Green Bay Cheese Co	P O Box 11766	Green Bay
K & K Cheese, LLC	S 510 County Hwy D	Cashton
Key-Know Dairy/Door Company Co-op	6265 Kiehnau Rd.	Egg Harbor
Kickapoo Valley Cheese	9285 Third St.	Milladore
Klondike Cheese Company	W7839 Hwy. 81	Monroe
Maple Leaf Cheese Co-op	N890 Twin Grove Rd.	Monroe
Marathon Cheese Corporation	304 East St.	Marathon
Meister Cheese Company	P.O. Box 68	Muscoda
Montchevre' Betin Inc.	336 Penn St PO Box 344	Belmont
Organic Creamery	119 S. Main Street	Mayville
Organic Farm Marketing	PO Box 99, 314 S. First St	Bonduel
Organic Valley / C.R.O.P.P. Cooperative	One Organic Way	LaFarge
Park Cheese	3018 Hwy 145/PO Box 282	Richfield
Ranovael Dairy	1244 County Line Rd.	DePere
Salemville Cheese Co-op	119 S Main St, PO Box 106	Mayville
Saputo Cheese USA, Inc.	N4085 County M	Waldo
Sargento Foods Inc.	One Persnickety Place	Plymouth
Schurman's Wisconsin Cheese Country	7786 County U East	Beetown
Sugar River Dairy LLC	N7346 County Hwy D	Albany
Swiss Valley Farms Company	W3959 City Hwy D	Mindoro
Torkelson's Natural Valley Cheese	PO Box 127	Hustler
Westby Co-op Creamery	401 South Main St	Westby

Appendix 3. Certified organic meat processors in Wisconsin.

CFS Poultry Group	199 Front St.	Cashton
Downsville Meat Processor	N2615 451st St	Downsville
Hormel Foods	3000 Kennedy Dr.	Beloit
JD's Country Meats	26549 Locust Ave.	Wilton
Pete’s Meat Service, LLC	1665 Main Street	Rudolph
Rueden's Blue Ribbon Meats, LLC	435 S. 8th Street	Hilbert
USAOrganics, LLC	5517 Comanche Way	Madison
Weber Processing	725 N. Jackson	Cuba City