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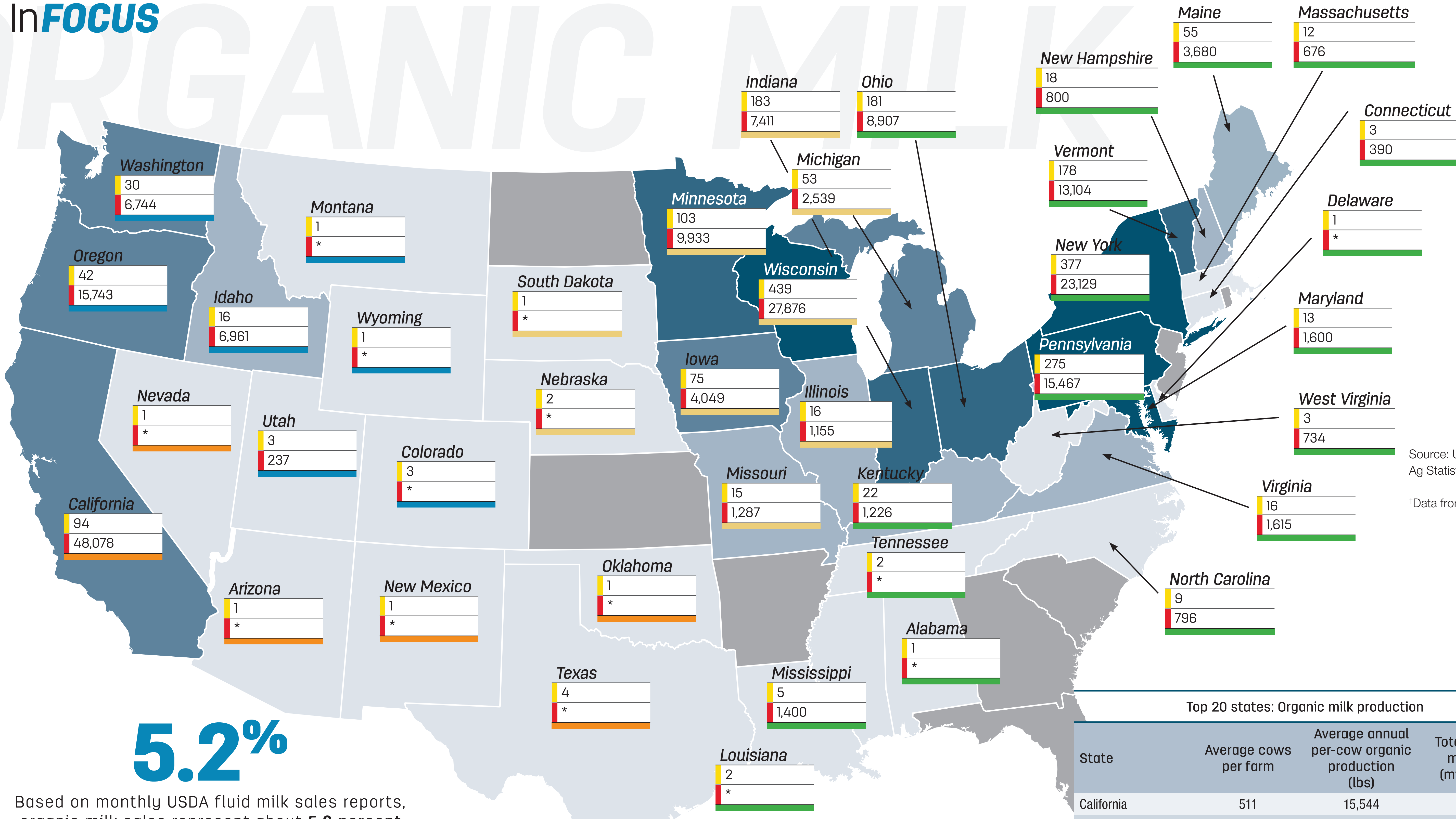


Source: USDA National Ag Statistics Service

†Data from 2015.

5.2%

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 percent.

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.

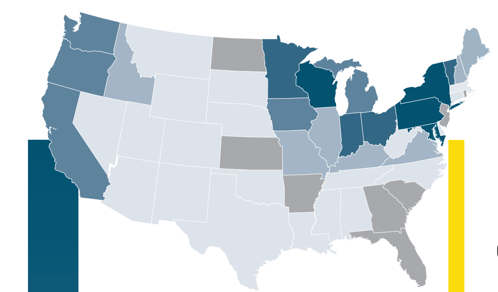
Better weather and processor efforts to increase the number of organic dairy producers and the amount of organic milk produced paid dividends. January-August 2016 total organic fluid milk products sales were up 5.5 percent from the year prior.

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.

Top 20 states: Organic milk production

State	Average cows per farm	Average annual per-cow organic production (lbs)	Total organic milk sold (million lbs)
California	511	15,544	747.3
Wisconsin	63	13,298	370.7
New York	61	12,024	278.1
Oregon	375	15,950	251.1
Pennsylvania	56	12,342	190.9
Vermont	74	12,943	169.6
Minnesota	96	12,363	122.8
Idaho	435	16,434	114.4
Ohio	49	11,036	98.3
Washington	225	13,879	93.6
Indiana	40	11,591	85.9
Maine	67	12,962	47.7
Iowa	54	11,410	46.2
Michigan	48	11,225	28.5
Maryland	123	12,750	20.4
Virginia	101	12,384	20.0
Missouri	86	12,587	16.2
Illinois	72	13,333	15.4
Kentucky	56	10,685	13.1
New Hampshire	44	11,125	8.9
U.S. total	**107**		**3,406.4**

*Data withheld to prevent disclosure of information from single operations or businesses.



	State	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
	Minnesota	103	9,933
25 - 94	California	94	48,078
	Iowa	75	4,049
	Maine	55	3,680
	Michigan	53	2,539
	Oregon	42	15,743
	Washington	30	6,744
11 - 24	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	1	*
	Arizona	1	*
	Delaware	1	*
	Montana	1	*
	Nevada	1	*
	New Mexico	1	*
	Oklahoma	1	*
	South Dakota	1	*
	Wyoming	1	*
	United States	**2,258**	**241,112**