Organic Trends
Where are we headed??
Dan Rossman – MSU Extension/Gratiot County
Growth of Organic Sales
(Billion $)

Source: Organic Trade Association's 2012 Organic Industry Survey

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Organic Food Market Share

4.2% in U.S.

Source: Organic Trade Association’s 2012 Organic Industry Survey

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Farm Value $
Crops in US (2011)

Source: USDA NASS Crop Value 2011 Summary, Feb 2012
Organic Growth Rates

- 2000  21.0%
- 2001  20.7%
- 2002  17.3%
- 2003  20.2%
- 2004  15.6%
- 2005  18.5%
- 2006  21.1%
- 2008  15.7%
- 2009  5.1%
- 2010  7.7%
- 2011  9.5%

Source: Organic Trade Association's 2012 Organic Industry Survey
Organic Consumers

- 78% of U.S. adults buy organic (at least occasionally)
- 4 in 10 are buying more organic than last year
- Health & Nutrition
- Concern about effects of pesticides, hormones & antibiotics on children
- Avoid highly processed
- Avoid artificial ingredients

Source: Organic Trade Association’s 2011 US Families’ Organic Attitudes and Beliefs Study
Organic Consumers continued…

• 3/4 of consumers purchase organic
• 1/3 of consumers purchase monthly

Source: The Hartman Group’s “Beyond Organic and Natural” report
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Organic Food
Place of Purchases (2009)

- 54% Mainstream Groceries
- 38% Natural Retail Stores
  (47% in 2006)
- 8% Others – a lot of buzz
  Farmer’s Markets
  CSA's
  Food Co-ops

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Organic Processor Trends

- 1995  81  Independent organic brands
- 2007  all but 15 were acquired by multinational food processors

Source: Organic Phil Howard, MSU Assistant Professor, website

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2012 Organic Field Crop Prices ($/bu)

- Corn $11.50 – 15
- Blue Corn $16
- Soybeans $23 - 28
- Oats $6
- White Wheat $12
- Hard Red Spring Wheat $14-20
- Spelt 23-27 cents / lb
- Dry Beans $65 - 70 / cwt

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Thank You
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Organic Processor Trends

• Changes since June 2009 include:
  • (1) Coca-Cola fully acquiring Honest Tea in March, 2011
  • (2) Nestle’s acquisitions of Cadbury (and Green & Black’s) in January, 2010, and Sweet Leaf Tea in May, 2011
  • (3) Sara Lee’s acquisition of Aidell’s Sausage for $87 million in May, 2011.

Source: Organic Phil Howard, MSU Assistant Professor, website
Organic Processor Trends

• Most remaining independent organic processors have resisted substantial buyout offers (typically 2 times annual sales).

Source: Organic Phil Howard, MSU Assistant Professor

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## Costs of Production 2009

<table>
<thead>
<tr>
<th></th>
<th><strong>Corn</strong></th>
<th></th>
<th><strong>Soybeans</strong></th>
<th></th>
<th><strong>Winter Wheat</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yield</strong></td>
<td>90</td>
<td>150</td>
<td>25</td>
<td>45</td>
<td>50</td>
<td>80</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>$8</td>
<td>$3.20</td>
<td>$22.5</td>
<td>$9.10</td>
<td>$6.50</td>
<td>$4.00</td>
</tr>
<tr>
<td><strong>Gross</strong></td>
<td>$720</td>
<td>$480</td>
<td>$562</td>
<td>$410</td>
<td>$325</td>
<td>$320</td>
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<tr>
<td><strong>Expense</strong></td>
<td>$338</td>
<td>$352</td>
<td>$217</td>
<td>$173</td>
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<td>$193</td>
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<tr>
<td><strong>Land</strong></td>
<td>$125</td>
<td>$125</td>
<td>$125</td>
<td>$125</td>
<td>$125</td>
<td>$125</td>
</tr>
</tbody>
</table>
| **Net**       | $257     | $3            | $220         | $112          | $20              | $2            

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Organic Processor Trends

• Most acquisitions of organic processors occurred between December, 1997 when the draft USDA standard was released, and its full implementation in October, 2002. Few companies identify these ownership ties on product labels.

Source: Organic Phil Howard, MSU Assistant Professor, website D. Rossman, 2013 Organic Reporting Session
## Costs of Production 2010

<table>
<thead>
<tr>
<th></th>
<th>Corn</th>
<th>Soybeans</th>
<th>Winter Wheat</th>
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</thead>
<tbody>
<tr>
<td>Yield</td>
<td>100</td>
<td>150</td>
<td>25</td>
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<tr>
<td>Price</td>
<td>$6.25</td>
<td>$5</td>
<td>$21.5</td>
</tr>
<tr>
<td>Gross</td>
<td>$625</td>
<td>$750</td>
<td>$538</td>
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<tr>
<td>Expense</td>
<td>$338</td>
<td>$352</td>
<td>$217</td>
</tr>
<tr>
<td>Land</td>
<td>$150</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>Net</td>
<td>$137</td>
<td>$248</td>
<td>$171</td>
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</table>

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## Costs of Production 2011

<table>
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<tr>
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<th>Corn</th>
<th></th>
<th>Soybeans</th>
<th></th>
<th>Winter Wheat</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield</td>
<td>110</td>
<td>165</td>
<td>35</td>
<td>50</td>
<td>65</td>
<td>85</td>
</tr>
<tr>
<td>Price</td>
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<td>$5.55</td>
<td>$21</td>
<td>$10.71</td>
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<td>Gross</td>
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<td>$908</td>
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<tr>
<td>Expense</td>
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<td>Land</td>
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</tr>
<tr>
<td>Net</td>
<td>$497</td>
<td>$249</td>
<td>$336</td>
<td>$77</td>
<td>$53</td>
<td>$79</td>
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Living Soil Benefits

- Decomposer / nutrient recycling
- Release bound up minerals
- Enhance water infiltration & holding capacity
- Enhance root penetration
- Secrete plant growth stimulants
- Casts have high soluble nutrient content
- Fix nitrogen
- Improve soil structure / glue
- Fight soil diseases
- Detoxify soils
- Increase water and nutrient uptake

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Lime Materials

- Calcitic limestone ........ Approved
- Dolomitic limestone ........ Approved
- Gypsum ..................... Approved
- Sugar Beet lime .............. Prohibited
- Water treatment lime ....... Prohibited
Conventional Fertilizers

- Anhydrous Ammonia ............Prohibited
- 28% Nitrogen ..................Prohibited
- Urea..........................Prohibited
- Ammonium Sulfate.............Prohibited
- 10-34-0........................Prohibited
- MAP / DAP ....................Prohibited
- Potash 0-0-60 ..................Prohibited
Nutrient Costs
Dried Poultry Manure

- Cost per Ton: $75 - $85
- Transportation Costs: 15 cents/mile
- Spreading Costs per Ton: $6 - $8
- Nutrients per Ton:
  - N: 87 lbs
  - P: 69 lbs
  - K: 48 lbs

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## Organic Fertilizer Materials

<table>
<thead>
<tr>
<th>Material</th>
<th>N %</th>
<th>P$_2$O$_5$%</th>
<th>K$_2$O%</th>
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</thead>
<tbody>
<tr>
<td>Potassium sulfate</td>
<td>0</td>
<td>0</td>
<td>51</td>
</tr>
<tr>
<td>Processed fish residues</td>
<td>11</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Soft rock phosphate</td>
<td>0</td>
<td>15-30</td>
<td>0</td>
</tr>
<tr>
<td>Bone meal</td>
<td>2</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>Soybean meal</td>
<td>7</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Kelp</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Alfalfa meal</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Feather meal</td>
<td>12</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pelleted chicken manure</td>
<td>2-4</td>
<td>1.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>
# Additional Organic Fertilizer Materials

<table>
<thead>
<tr>
<th>Material</th>
<th>N %</th>
<th>P$_2$O$_5$%</th>
<th>K$_2$O%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earth Juice Grow</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Feed-N-Gro</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Garden Club Select</td>
<td>10</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>McGeary GP Fertilizer</td>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Meta Naturals</td>
<td>1</td>
<td>5</td>
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</tr>
<tr>
<td>Nature Safe Starter</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Organic BioLink</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Soilvigor</td>
<td>10</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Spurt</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
Thank You

Michigan State University
Extension