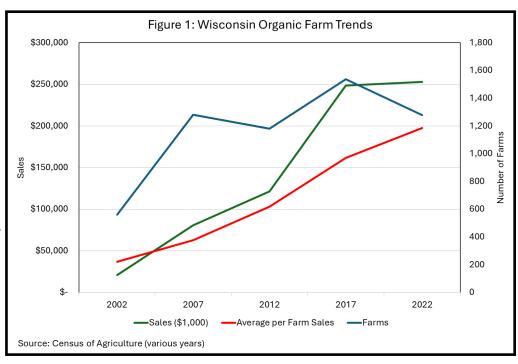
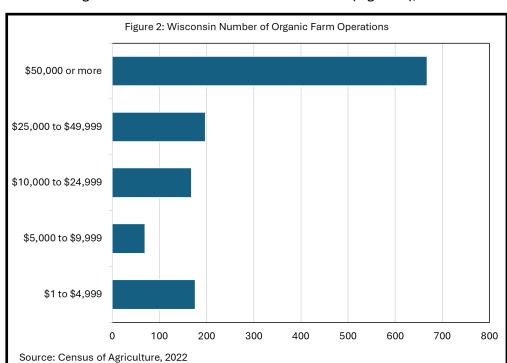
Organic Agriculture



USDA Organic Certification can provide market premiums for producers. These practices, however, are often costly and may result in yield losses, and premiums must be weighed against these potential costs. Wisconsin agriculture is a hub for Organic products in the Midwest, stemming from consumer demand for organic dairy, fruits, and vegetables and Wiscon-



sin's regional advantage at producing those products. After strong growth in 2000s, the number of certified organic farms in Wisconsin has been stable (Figure 1), but sales have steadily increase and



the average sales per farm increased from \$37,127 in 2002 to \$197,697 in 2022. Indeed, because most organic farms in Wisconsin have sales greater than \$50,000 in annual revenue, coupled with average annual sales of almost \$200,000, this indicates that most organic farms can be considered commercial operations.





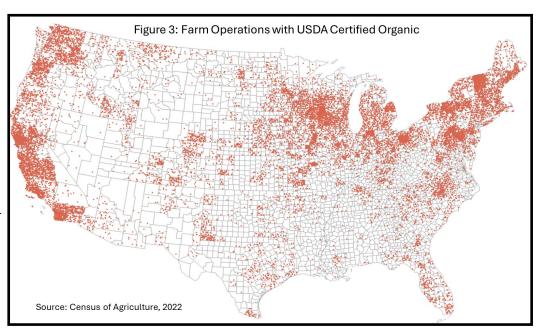


Organic Agriculture



The locations of certified organic agricultural operations in the United States are mapped in Figure 3, where each dot represents an organic farm operation. Much of organic agriculture is concentrated along the West Coast, the Northeast, and in the Great Lakes Region. Relative to neighboring states, Wisconsin has a strong organic agricultural sector.

Organic farm operations in Wisconsin generates eco-



nomic activity both directly by they own operations about also via the multiplier effect of the spending associated with the farms. In total, organic farming supports 2,118 jobs, \$92.3 million in labor income (wages, salaries and proprietor income), \$201.0 million in total income (labor income plus all other sources of income) and \$424.2 million in industrial sales or revenue (Table 1). This economic activity also generates tax revenues flowing to all levels of government (Table 2).

Though the

market share of organic products remains small, consumer interest in certified organic and Table 1: Contribution of Organic Farming to Wisconsin Economy

	Employment	Labor Income (MM\$)	Total Income (MM\$)	Industry Sales (MM\$)
Contribution to Wisconsin Economy	2,118	\$92.3	\$201.0	\$424.4
Economic Multiplier	1.577	1.945	1.813	1.677

Table 2: Contribution of Organic Farming to Government Revenue

terest in		Local Govt.	State Govt.	Federal Govt.	Total Govt,
certified		(MM\$)	(MM\$)	(MM\$)	Rev. (MM\$)
organic and other value	Contribution to Government Revenues	\$4.6	\$9.2	\$22.6	\$36.4
other value	<u> </u>				

-added labels continues to grow. This creates opportunities for farmers to abide by standards and leverage these marketing channels to capture additional value from the market. For more information on organic agriculture in Wisconsin, visit: https://cias.wisc.edu/our-work/farming-systems/organics/

Steven Deller and Jeffrey Hadachek are in the Department of Agricultural and Applied Economics, University of Wisconsin—Madison. Support for this work was provided by Dairy Farmers of Wisconsin, Wisconsin Cranberry Growers Association, the Wisconsin Department of Agriculture and Consumer Protection, and the University of Wisconsin-Madison, Division of Extension, Economic Development Administration University Center under Grant/Award Number: ED21CHI3O30029