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Organic Vegetable Production in the Southeast

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Organic food represents one of the fastest growing sectors of the American agriculture economy. Sales of organic foods have grown from \$6 billion in 2000 to nearly \$27 billion in 2010, an increase rate of 450 percent (Organic Trade Association, 2011 Industry Survey). This growth rate exceeds the growth rate for total food sales which grew at 135 percent. Most of these sales are for fruits and vegetables, with meat and dairy product sales second. Reasons for the growth are concerns that many consumers have over the use of hormones and chemicals, the desire for nutritious food sources for their families and care for the environment. Organic consumers believe that the absence of chemicals mean less residue in the food supply and therefore is better for consumption. Consumers generally are willing to pay extra for organic foods.

Farmers have responded by increasing production of organic foods. However, many in the organic industry believe that supply limitations have hindered the growth of the sector. The major organic producers are located primarily in the Western and Northern states. The southern states have relatively few organic producers – none are in the top ten certified and non-certified organic farms. Within the southern region only North Carolina, Virginia, Florida and Texas have more than 75 certified organic farmers (2011 Certified Organic Production Survey, NASS, USDA). Although the number of certified organic producers in the Southeast has declined, the production of organic vegetables in the Southeast increased by 67 percent from 2008 to 2011 (2008 and 2011 Certified Organic Production Survey, NASS, USDA).

The prices for organic vegetables are much higher than for conventional vegetables, at least 40 to 80 percent higher. In addition, as much as 65 percent of the organic vegetables in the US are imported. There appears to be a large potential for organic farmers to increase production and profits. The conversion to organic production takes three years, and undergoes a certification process. The expense and regulation may limit the desire of some farmers to convert even at the higher prices and potentially greater profits.

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