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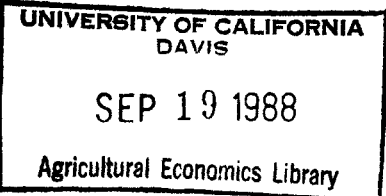
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MARKETING ORGANIC COMMODITIES IN CALIFORNIA:
STRUCTURE AND OBSTACLES TO EXPANSION



by
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ABSTRACT

Organic producers in California were surveyed by the author and the Organic Market News and Information Service (OMNIS) to determine: 1) the size of the industry, 2) the commodities grown, 3) acreage under organic cultivation and, 4) growers' perceptions of the production and marketing obstacles limiting expansion. The California organic industry has grown significantly in the 1980s and now is estimated to consist of approximately 900 growers with wholesale sales of about \$50 million dollars. Thirty six percent of the respondents farmed on a mixed acreage basis, and the average respondent farmed 38 acres organically with an average farm size of 58 acres. Total California organic area harvested is estimated to be 30,000 acres, with fruits representing about 61 percent of this, and vegetables and nuts each about 13 percent of the total, respectively. Just as for conventional growers, the most important marketing channel for organic producers is sales to wholesalers. However, sales directly to consumers represent twenty one percent of the total volume for organic producers relative to one percent for conventional growers. Organic producers perceive that demand side factors, such as lack of consumer awareness of the benefits of organic products, are the principal constraints to market expansion. In contrast, handlers view limited supply and lack of consistency in quality and pack as the key obstacles impeding expansion.

I. INTRODUCTION

Organically grown commodities represent a small but rapidly growing specialty market in California. Because of the limited size of this industry little published information is available to describe its current status. This paper sets forth some of what we do know about the size of the organic industry, current marketing channels utilized, and the obstacles to further expansion. Much of the data presented are the findings of a survey conducted by the author and the Organic Market News and Information Service (OMNIS).

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II. SURVEY PROCEDURE

A mail survey was sent to 738 organic farmers in the state of California during the winter of 1988. Since the total population of organic producers had never been determined a variety of methods were utilized to identify the survey population, including: 1) soliciting the names of growers supplying the organic distributors operating in California; 2) the complete list of the 284 growers affiliated with California Certified Organic Farmers (CCOF); 3) the organic producers listed in the 1987 California Farmer to Consumer Directories published for the northern and southern regions by the California Department of Food and Agriculture (CDFA); and 4) the attendee lists of conferences oriented toward organic producers.

There were 323 usable responses for a response rate of 44 percent. Of the 310 that provided data on their certification status, 170 were CCOF growers, and 140 were uncertified organic producers. Hence, CCOF growers had a higher proportional response rate than uncertified growers.

III. FARM SIZE AND INDUSTRY STRUCTURE

A. Number and Size of Organic Farms

Based on the extensive search conducted to identify organic growers, the total 1987 population of growers utilizing organic farming practices is estimated to be less than 900. This compares to a total of 82,463 farms, as reported in the 1982 Census of Agriculture for California (the most recent year data are available). Consequently, organic farmers account for about 1 percent of the total farm population. Nevertheless, this represents significant expansion relative to 1982 when the total number of organic producers in California was estimated to be 273 (Altieri, 1983).

Table 1 shows that the average farm size for the 310 respondents reporting total farm acreage is 58 acres compared to an average farm size of

390 acres reported in the 1982 Census of Agriculture. The average number of acres farmed organically is 37. Total California acreage farmed organically by the respondents is 11,578. Based on the survey responses, the total estimated number of producers and given the higher response rate of larger growers, total organic area is estimated to be approximately 30,000 acres. This compares to a total harvested cropland of 7,831,307 acres in California. Hence, while organic farming has grown [Altieri (1983) estimated total organic acreage to be 9033], the survey results indicate that it is still a very minor part of California agriculture.

B. Average Organic Farm Sales and Total Industry Sales

As shown in Table 2, farm sales (for organic production only) were reported by 151 of the respondents and totaled \$17,752,479 in 1987. This is consistent with estimates of total organic wholesale sales of approximately 50 million dollars (Franco, 1988). The highly concentrated nature of sales in the organic industry is apparent, since five percent of the respondents (those with annual sales of organic products over \$200,000) accounted for 80 percent of total reported farmgate sales. This indicates that the organic industry is more concentrated than the agricultural industry as a whole in California, where 12 percent of the farms with more than \$200,000 in annual sales accounted for 86 percent of total sales.

Average annual 1987 sales for the respondents were \$117,566, compared to \$151,479 average sales for all California growers in 1982. However, if the eight largest respondents (those with annual sales of organic products over \$200,000) are excluded the average farm sales declines substantially. For the bulk of the respondents (143 of the 151) annual sales averaged \$24,723. For the eight largest growers sales of organic products averaged \$1,777,144.

C. Commodities Farmed Organically in California

Several growers reported the commodities they grew but did not provide acreage of individual commodities. However, for the 255 that did, total acreage for these commodities is shown in Table 3 (note that this is not equivalent to total organic acreage). It is clear that fruits are the most common organically grown crop (5880 acres), representing sixty one percent of the total 9595 acres reported. Second in importance are vegetables with 1282 acres, followed by 1233 acres of nuts, 594 acres of grains, 534 acres of pasture land, and 70 acres of ornamentals. The predominance of organically grown fruits is consistent with the acreages listed by CCOF for their affiliated members. Indeed, the percent of total acreage accounted for by each crop type, is very similar for both the survey results and CCOF members, indicating that the survey respondents constitute a representative sample.

D. Sample Distribution by Geographic Region

The physical distribution of the survey respondents is shown in Table 4. The three predominant areas for organic production are the North Coast, the Central Coast and the Sacramento Valley, with 29, 19 and 17 percent of the respondents, respectively.

E. Certification Status by Farm Size

The percentage of farms producing entirely organically and on an uncertified basis was inversely correlated with farm size. As shown in Table 5, the larger the farm the lower the percentage of uncertified farmers producing organically on their entire acreage. Similarly, the percentage of producers growing entirely on a CCOF certified basis declines above 10 acres. Those farmers with mixed acreage (certified and uncertified or a combination of organic and conventional acreage) increase proportionally as farm size increases. Sixty one percent of the producers farming more than 50 acres

organically were farming on a mixed acreage basis, and thirty six percent of the total respondents farm on some kind of a mixed acreage basis. This might suggest that organic production methods require more intensive labor and management, thereby limiting the scale of operation.

IV. CHARACTERISTICS OF ORGANIC PRODUCERS

The growth in organic production in the 1980s is reflected in the survey results as shown in Table 6. Approximately 41 percent of the producers had been using organic production practices for five years or less. However, organic production is not new for the majority of organic producers, 45 percent had been producing organically for five to fifteen years and 14 percent for more than fifteen years. Interestingly, the percent of those growers initiating organic production in the past two to five years, increased with farm size. This supports anecdotal information indicating that the very recent interest in organic farming is no longer confined to smaller producers.

Many organic producers have remained small over time. Sixty one percent of the growers in the two acre or less category and 57 percent of the growers in the two to ten acre category, have farmed organically for more than five years. Hence many organic growers may simply be uninterested in expansion.

The overwhelming reason reported for producing organically was ecological or health concerns, 76 percent mentioned this as their primary motivation as opposed to 14 percent doing so for financial reasons (see Table 7). However, a clear relationship exists between farm size and motivations with the larger producers expressing financial reasons as a significant motivating force.

V. MARKETING CHANNELS USED BY ORGANIC GROWERS

Separate distribution channels have traditionally existed for

organically grown commodities. Currently, there are more than 77 wholesalers/brokers handling organics in California, over fifty of which are located in northern California (Stanley, 1988). Many of these wholesalers are serving out-of-state markets. At the retail level there are over 103 retailers of organic produce in California, 54 in the Bay area alone (Cook, 1986). The geographic distribution of wholesale and retail handlers indicates a more strongly developed consumer preference for organics in the northern part of the state.

However, the recent growth in consumer concern about food safety has caused conventional wholesalers and retailers to begin to market organics as well. In California, Safeway, Raley's and Irvine Ranch Farmer's Markets have begun to test market organics. However, this has only been on a very limited (as available) basis, due to the difficulty of obtaining the necessary volumes and stable and consistent supplies.

The relative importance of the marketing channels utilized by growers to sell organic commodities was explored in the survey and the results are shown in Table 8, by certification status. On average, 78 percent of the total sales of the 151 respondents providing sales data, went to organic marketing outlets. CCOF certification seemed to be of benefit in the marketplace since 82 percent of the sales of CCOF growers were sold as organic, as opposed to 72 percent for uncertified growers. Since 22 percent of organic produce is not sold in the organic market we can assume that oversupply exists for some organic commodities, or prices at any given point may be higher in conventional markets.

CCOF growers also sold the highest percentage of their output through wholesalers (distributors) or brokers, 33 percent compared to 12 percent for uncertified producers. For uncertified growers the most important outlet was

direct marketing to consumers via Certified Farmer's Markets (CFM) and roadside stands. For all growers combined, sales to wholesalers is the most important outlet, with direct sales to consumers and direct sales to restaurants the second and third most important outlets, respectively. The survey results indicate that direct sales to consumers are much more important for organic growers than for conventional growers, since they represent 21 percent of the total volume of the respondents, compared to one percent for conventional agricultural production.

For organically grown commodities not identified as such and sold in non-organic markets, direct sales to consumers is the most important marketing channel utilized, regardless of certification status.

It is also of interest to analyze marketing channels utilized by farm size (see Table 9). In this case the largest producers sell the lowest percentage of total volume to organic markets (71 percent). Indeed, volume sold to organic markets increases until the 50 acre plus category. This suggests that the very large growers are currently overproducing for the segments of the organic market they have targeted.

VI. OBSTACLES TO MARKETING ORGANIC PRODUCE

One of the purposes of this survey was to obtain an understanding of the factors constraining expansion of the market for organic commodities. To this end growers were asked to indicate both their perceptions of obstacles facing the organic market in general, and their specific marketing problems.

With regard to the former the primary factors as ranked by producers are shown in Table 10. The top three factors were: 1) lack of consumer awareness of the benefits of organic produce; 2) limited distribution and availability; and 3) consumer unwillingness to pay a premium for organics. Hence, demand side factors were considered more important than supply side

factors such as volume and quality. The grower's perception is not consistent with the perception of retail handlers who indicate that the inability of organic producers to meet minimum volume requirements and to provide consistent packs are major constraints to expansion of organic sales.

Growers were also asked about general marketing problems. Sixty nine percent of the producers reported they did experience problems marketing their produce (see Table 11). The two problems most often cited were seasonal gluts and inability to meet demand. Prices below costs and chronic excess supply were the third and fourth most important problems. This tends to indicate that although demand for organics has grown, producers have not entirely escaped from the traditional problems of overproduction confronting agriculture in general. Yet it seems inconsistent that inability to meet demand was also mentioned as a primary marketing problem. Interestingly, the highest percentage of growers indicating their primary problem was meeting demand were growers in the middle size range (\$15,000 to \$50,000 in sales). This suggests that as organic producers grow they begin to tap larger and expanding markets which they may have difficulty serving.

On the other hand, more large growers (greater than \$50,000 in sales) reported chronic excess supply as the primary marketing problem, and the most frequently mentioned problem was seasonal gluts. Hence, larger growers may be competing in a relatively saturated market. This points to the need for caution in assessing the growth potential of the organic market and supports the hypothesis that the organic market is highly segmented with well defined market niches.

Relative rankings among the marketing problems varied by certification status, with a higher percentage of uncertified growers reporting seasonal gluts as the most important problem. This may be because when product is

abundant buyers have the option of selecting certified organic products. And more uncertified growers found it difficult to sell directly to retailers than did CCOF growers, most likely reflecting a retailer preference for certified produce.

Fewer growers (fifty percent) report problems dealing with handlers than report general marketing problems (see Table 11). Delivery schedules, on-farm cooling and quality standards are the top problems mentioned. Cooling and quality standards are greater problems for uncertified than certified growers. This may partially be due to the smaller average size of uncertified producers and consequently more limited cooling facilities. Containers and packaging are of more concern to CCOF growers than to uncertified producers, possibly because CCOF growers sell a significantly higher portion of their total volume to wholesalers and brokers where standard packs are increasingly being required.

Sixty four percent of the respondents answered that they transported their own produce and 59 percent indicated that transportation was not a problem (see Table 12). The principal transportation problems were the reluctance of truckers to pick up small loads, the amount of time spent transporting, and distance to markets. These problems are consistent with those experienced by conventional growers of small to medium size. Larger producers sell on a f.o.b. basis and hence are not responsible for transportation.

VII. OBSTACLES TO PRODUCING ORGANICALLY

Growers were also asked to indicate whether they experienced problems producing organically, and if so, to prioritize the three most important problems (see Table 13). Seventy seven percent said that they did experience problems and the most important were: 1) labor requirements, 2) pest

problems; and 3) insufficient technical knowledge.

The emphasis on labor as the key production problem for organic producers appears consistent with the data presented earlier on certification status by farm size. Growers are able to farm larger acreages conventionally than they are capable of handling organically, especially on a certified basis. This might indicate that labor (such as for weeding, pest monitoring, etc.) acts as a substitute for chemical usage.

Indeed, one study showed that per acre production costs for organic tomatoes, cucumbers, snap beans and corn were actually higher than for conventional methods, due to relatively higher costs of labor, organic fertilizer and machinery (Dhillon and Palladino, 1981).

However, as more research is done to support organic farming methods, insufficient technical knowledge may become less of a problem, with new methods developed to use labor more efficiently. Hence, over time labor may be less of a constraint to the expansion of organic farming.

VIII. MARKETING STRATEGIES

The rapid expansion of organic production and the limited distribution channels currently in place suggest a need for demand expansion. The small size of the organic market and the entry of new farmers increases the likelihood of excess production. One strategy for increasing demand is through a formal marketing program financed by a per carton grower assessment.

A marketing order or marketing commission, calling for a grower assessment to support promotional activities, could contribute to a more effective program on both the consumer end and in the development of conventional marketing channels through trade promotions.

Clearly, these trade promotional and educational efforts would need to be strictly targeted to those wholesalers and retailers serving the

consumer segments with the most potential for increased consumption. Consumer research shows that convenience is a key factor in consumers' decisions on place of purchase of food. By introducing organics into supermarkets serving the appropriate segments, it becomes easier for consumers to buy organics.

Yet although the primary obstacle identified by the respondents as limiting expansion of the organic market was lack of consumer awareness of the benefits, nevertheless, the industry was almost evenly divided on the need for a marketing program. Table 14 shows that fifty four percent of the respondents expressed a willingness to support an organized promotional program, and predictably more CCOF growers supported the concept than did the uncertified respondents. Written comments on the surveys indicated equally strong opinions for those on both sides of the issue. This divisiveness over something as important as marketing strategies may prove to be an obstacle to expansion, by slowing industry efforts to develop any kind of marketing focus.

IX. CONCLUSIONS

The organic industry has grown rapidly in the 1980s, from an estimated 273 growers and 9033 acres in 1982 to an estimated 900 growers and 30,000 acres in 1987. While demand for organic commodities is also expanding, the limited distribution channels for organics are a barrier to expansion. Hence, in order to avoid oversupply in the future, the industry needs to consider strategies for introducing organically grown commodities into supermarket channels that can accomodate higher volumes. However, chain store buying requisites have served as barriers to market expansion for organic growers. Chain store buyers require large volumes, consistent quality, standard packs, and preferably reliable year round supply. Yet currently the labor- and management-intensive nature of organic production limits operating scale. As more research is done to improve organic farming practices some of these

constraints should be reduced, paving the way for a larger average farm size for organic producers. Of course, this is not to imply that all organic producers will grow, since the survey results show that many organic producers have remained small for some time.

Nevertheless, both the supply and demand side pressures for expansion of organic production are growing, particularly in California. The already concentrated structure of the California organic industry implies that as this growth takes place the industry will become even more bifurcated, with the larger producers getting larger through the use of market oriented strategies and sales through wholesale distribution channels, while other producers remain small, relying primarily on direct marketing strategies.

TABLE 1
TOTAL FARM ACREAGE AND ORGANIC ACREAGE
OF CALIFORNIA ORGANIC FARMERS, BY FARM SIZE

	<u>Nⁱ</u>	<u>Average Organicⁱⁱ Acres</u>	<u>Total Organic Acres</u>	<u>Average Farm Size</u>	<u>Total Farm Acres</u>
FARM SIZE					
Less than 500 acres	304	27.4	8,234	33.8	10,263
500 acres or more	6	668.8	3,344	1,292.0	7,753
ALL GROWERS	310 ⁱⁱⁱ	37.8	11,578	58.1	18,016

- ⁱ N = number of respondents
- ⁱⁱ Organic includes: CCOF certified land, CCOF pending or in transition land, and uncertified organic land.
- ⁱⁱⁱ Four growers have unsprayed land only, so N = 306 for organic acres.

Source: 1988 California Organic Farming Survey

TABLE 2
1987 AVERAGE AND TOTAL ORGANIC SALES
BY SALES VOLUME

	<u>Nⁱ</u>	<u>Average Sales</u>	<u>Total Sales</u>
SALES VOLUME			
Sales greater than \$200,000	8	\$1,777,144	\$14,217,150
Sales \$200,000 or less	143	\$24,723	\$3,535,329
ALL GROWERS	151	\$117,566	\$17,752,479

ⁱ N = Number of respondents

Source: 1988 California Organic Farming Survey

TABLE 3

NUMBER OF GROWERS, TOTAL ACREAGE, AND AVERAGE ACREAGE
BY COMMODITY

<u>Commodity</u>	<u>Number of Growers</u>	<u>Growers Listing Acreageⁱ</u>	<u>Total Acres</u>	<u>Average Acres</u>
FRUIT				
Berries	31	24	49.4	2.1
Citrus	27	23	1111.0	48.3
Grapes	52	44	2425.0	55.1
Melons	27	23	128.1	5.6
Pome fruits	78	58	914.0	15.8
Stone fruits	56	35	475.0	13.6
Subtropical fruit	12	6	86.5	14.4
Other fruit	57	41	691.0	16.9
Subtotal			5880.0	
VEGETABLES				
Cole crops	42	26	139.2	5.4
Curcubits	72	52	134.4	2.6
Herbs	37	29	23.6	0.8
Legumes	45	34	95.8	2.8
Leafy greens	62	48	263.5	5.5
Root vegetables	71	50	109.7	2.2
Solanaceae	68	48	44.8	0.9
Other vegetables	78	52	471.2	9.1
Subtotal			1282.2	
Nuts	38	34	1233.2	36.3
Grains	8	7	594.0	84.9
Pasture, hay	13	13	534.4	41.1
Ornamentals	17	12	70.3	5.9
TOTAL			9594.1	

ⁱ Not all growers who reported that they grew a particular commodity listed acreage. Second column contains the number of growers who listed acreage for their crops, from which the average was calculated.

Source: 1988 California Organic Farming Survey

TABLE 4

SAMPLE DISTRIBUTION OF CALIFORNIA ORGANIC PRODUCERS BY GEOGRAPHIC REGION

<u>Region</u>	<u>Number of Growers</u>	<u>Percent of Total Growers</u>
Northern Mountains	9	2.8%
North Coast	93	28.9%
Sacramento Valley	62	19.3%
Northern San Joaquin Valley	25	7.8%
Southern San Joaquin Valley	29	9.0%
Central Coast	53	16.5%
South Coast	40	12.4%
Southern Desert	11	3.4%

Source: 1988 California Organic Farming Survey

TABLE 5

CERTIFICATION STATUS BY FARM SIZE OF ORGANIC PRODUCERS

	<u>Farm Size (acres)</u>			
	<u>0-2</u>	<u>2-10</u>	<u>10-50</u>	<u>50+</u>
Number of growers	65	98	93	54
CERTIFICATION STATUS				
CCOF Certified only	30.8%	35.7%	30.1%	22.2%
Uncertified only	55.4	33.7	26.9	16.7
Mixed acreage	13.8	30.6	43.0	61.1

Source: 1988 California Organic Farming Survey

TABLE 6
LENGTH OF TIME PRODUCING ORGANICALLY,
BY FARM SIZE

	<u>Farm Size (acres)</u>				<u>Total</u>
	<u>0-2</u>	<u>2-10</u>	<u>10-50</u>	<u>50+</u>	
Number of growers	64	98	92	54	308
0-2 years	18.8%	13.3%	7.6%	5.6%	11.4%
2-5 years	20.3%	29.6%	32.6%	37.0%	29.9%
5-15 years	48.4%	39.8%	52.1%	37.0%	44.8%
15+ years	12.5%	17.3%	7.6%	20.4%	14.0%

Source: 1988 California Organic Farming Survey

TABLE 7

PRIMARY REASON FOR PRODUCING ORGANICALLY,
BY FARM SIZE

	<u>Farm Size (acres)</u>				
	<u>0-2</u>	<u>2-10</u>	<u>10-50</u>	<u>50+</u>	<u>Total</u>
Financial reason	1.6%	5.3%	20.7%	30.1%	13.6%
Ecological or health concern	91.9%	85.3%	68.5%	54.7%	76.2%
Other	6.5%	9.4%	10.8%	15.2%	10.2%

Source: 1988 California Organic Farming Survey

TABLE 8

AVERAGE PERCENT OF TOTAL ORGANIC SALES BY MARKET OUTLET,
BY GROWERS' CERTIFICATION STATUS

	<u>CCOF Certified</u> ⁱ	<u>Uncertified</u> ⁱⁱ	<u>All Growers</u> ⁱⁱⁱ
Number of growers	54	34	151
ORGANIC MARKET OUTLETS			
Direct to consumers	17.9%	31.6%	21.2%
Direct to restaurants	3.2	3.0	2.3
Direct to retailers	20.8	14.5	18.0
Wholesaler/broker	33.2	12.0	28.6
Processor	5.1	10.5	9.1
Other	2.0	0	0.7
All organic market outlets	82.2	71.5	77.8
NON-ORGANIC MARKET OUTLETS			
Direct to consumers	6.8%	10.1%	6.4%
Direct to restaurants	3.2	5.0	3.2
Direct to retailers	2.8	1.1	3.6
Wholesaler/broker	2.1	8.1	4.6
Processor	2.9	4.1	4.4
Other	0	0	0
All non-organic market outlets	17.8	28.5	22.2

ⁱ Includes only growers whose total farm acreage is CCOF certified.

ⁱⁱ Includes only growers whose total farm acreage is uncertified.

ⁱⁱⁱ Includes growers in the CCOF certified and uncertified categories, plus 63 growers with mixed acreage.

Source: 1988 California Organic Farming Survey

TABLE 9

AVERAGE PERCENT OF TOTAL ORGANIC SALES
BY MARKET OUTLET BY FARM SIZE

	<u>Farm Size (acres)</u>			
	<u>0-2</u>	<u>2-10</u>	<u>10-50</u>	<u>50+</u>
Number of growers	20	47	51	31
ORGANIC MARKET OUTLETS				
Direct to consumers	25.2%	28.8%	16.8%	12.2%
Direct to restaurants	0	3.6	2.9	1.0
Direct to retailers	24.5	19.8	18.1	12.0
Wholesaler/broker	14.1	22.6	33.8	27.2
Processor	6.0	2.8	10.9	18.3
Other	5.0	0	0.1	0
All organic outlets	74.7	77.6	82.6	70.6
NON-ORGANIC MARKET OUTLETS				
Direct to consumers	11.0%	12.1%	1.8%	2.9%
Direct to restaurants	12.8	0.4	1.6	4.1
Direct to retailers	1.4	5.0	2.2	5.3
Wholesaler/broker	0	4.7	3.3	9.7
Processor	0	0.3	8.5	7.2
Other	0	0	0	0.1
All non-organic outlets	25.3	22.4	17.4	29.4

Source: 1988 California Organic Farming Survey

TABLE 10

GROWERS' PERCEPTIONS OF OBSTACLES
TO ORGANIC MARKET EXPANSION

	<u>Number (%) of Growers</u> ⁱ	
	<u>Most Important Obstacle</u>	<u>One of Three most Important</u>
Consumers unaware of benefits	106 (37.2%)	192 (67.4%)
Limited distribution	52 (18.2%)	161 (56.5%)
Consumers unwilling to pay premium	49 (17.2%)	145 (50.9%)
Problems with volume and quality	40 (14.0%)	117 (41.0%)
Lack of verification system	19 (6.7%)	72 (25.3%)
Negative consumer attitude	10 (3.5%)	36 (12.6%)
Other	9 (3.2%)	23 (8.1%)

ⁱ Percentage of 285 growers responding. 38 growers (11.8% of total sample) did not respond to this question.

TABLE 11

MARKETING PROBLEMS BY CERTIFICATION STATUS

	<u>CCOF Certified</u>	<u>Uncertified</u>	<u>All Growers</u>
Number of growers	72	60	323
PRIMARY GENERAL MARKETING PROBLEM			
Chronic excess supply	4.2%	5.0%	7.1%
Seasonal gluts	15.3	20.0	14.9
Hard to find organic handlers	5.6	5.0	5.3
Unstable prices	2.8	0	1.5
Prices below costs	9.7	8.3	8.7
Slow payment from handlers	5.6	3.3	2.8
Can't meet demand	16.7	13.3	13.0
Transportation	4.2	1.7	3.1
Lack of market information	0	5.0	3.4
Stores won't buy from individual growers	1.4	6.7	4.0
Other	6.9	3.3	4.9
No problem mentioned	27.8	28.3	31.3
PRIMARY PROBLEM WITH HANDLERS			
Delivery	9.7%	8.3%	8.4%
Containers/packaging	6.9	1.7	5.9
Minimum volumes	5.6	6.7	7.7
On-farm cooling	6.9	13.3	8.0
Quality standards	6.9	13.3	7.7
Varieties	2.8	1.7	1.6
Grading	1.4	1.7	1.6
Sizing	2.8	1.7	0.9
Consistency	2.8	3.3	3.7
Other	4.2	1.7	5.0
No problem mentioned	50.0	46.7	49.5

Source: 1988 California Organic Farming Survey

TABLE 12

PRIMARY TRANSPORTATION PROBLEM OF ORGANIC PRODUCERS

	<u>% of all growers</u>
Reluctance of truckers to pick up small loads	8.0
Reluctance of truckers to deal with organic growers	0.9
Maintaining proper temperature	5.5
Too much time spent transporting	8.0
Local trucker not available	3.1
Distance to markets	7.7
Lack of information on truckers	0.9
Poor physical handling by truckers, causing damage	2.2
Covering the cost	4.0
Other	1.2
No problem mentioned	58.5

Source: 1988 California Organic Farming Survey

TABLE 13

PROBLEMS EXPERIENCED PRODUCING ORGANICALLY IN CALIFORNIA

	<u>Percent of all growers</u>
	<u>Most important problem</u>
Requires too much labor	25.4%
Insufficient technical knowledge and support	12.1
Pest problems	17.3
Requires too much management	0.9
Requires more acreage due to higher cull rate	0.0
Soil management problems	3.1
Pesticide contamination from neighboring fields	1.9
Untreated seed difficult to obtain	0.6
Cost of organic amendments too high	8.1
Other	7.4
No problem mentioned	23.2

TABLE 14

SUPPORT FOR AN ORGANIC MARKETING ORGANIZATION
BY FARM SIZE AND CERTIFICATION STATUS

	<u>Nⁱ</u>	<u>Would Support</u>	<u>Would not Support</u>
FARM SIZE			
0-2 acres	53	50.9%	49.1%
2-10 acres	95	51.6	48.4
10-50 acres	90	55.5	44.4
50+ acres	48	54.2	45.8
CERTIFICATION STATUS			
CCOF certified only	88	55.6%	44.3%
Uncertified only	95	50.5	49.5
Mixed acreage	114	56.1	43.9
All growers	297	54.2%	45.8%

ⁱ N = number of respondents

Source: 1988 California Organic Farming Survey

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