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# Economic Impact of Organic Farming in Maine

by Jed Beach

Organic farming is a dynamic and growing slice of the Maine agriculture pie. A new study put out by the Maine Organic Farmers and Gardeners Association (MOFGA) shows that these farms are contributing to Maine's economy and its communities in many positive ways. Organic farmers rely heavily on natural soil fertility, manual labor, and direct-to-consumer sales to be profitable. This translates into a proportionately greater economic impact than farms that purchase inputs and ship products out of state.

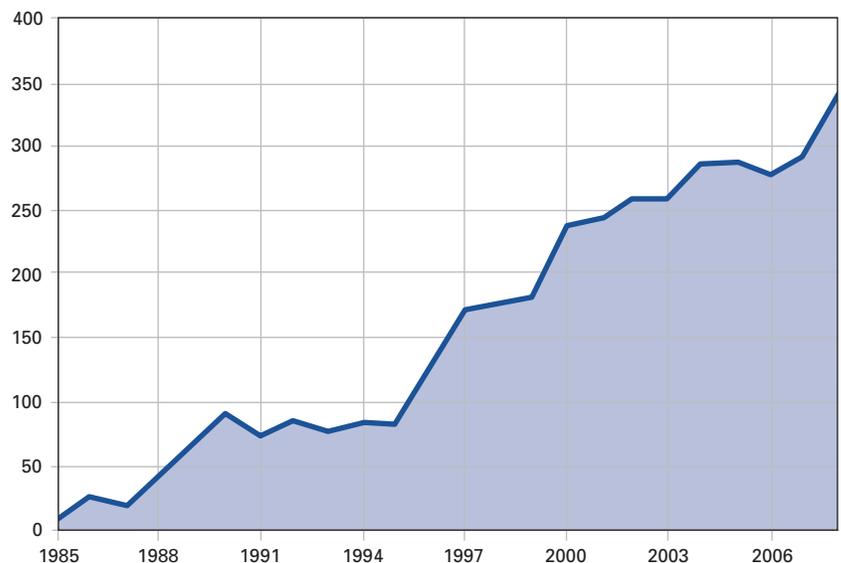
From 1988 to 2008, the number of certified organic farms rose from 41 to 339, a total growth of more than 800 percent (Figure 1). Some of these are new farms starting up; others are conventional farms that decided to become organically certified. In 2007, Maine had 294 certified organic farms. Farms with gross revenues of less than \$5,000 do not have to be certified, so the total of organic farms is actually

higher than this; the USDA's 2007 Census of Agriculture reports 582 organic farms in the state (USDA NASS 2009). According to the Organic Production Survey (2008) (USDA NASS 2010) Maine had the 12th highest number of organic farms in 2008—not bad for a state with relatively little clout on the national agricultural scene!

Maine's 582 organic farms in 2007 generated \$36.6 million in gross output, while keeping 94,446 acres of land in farming and supporting 1,596 jobs. Their total economic impact was estimated to be \$91.6 million, including direct, indirect and induced effects (Figure 2).

Organic farmers are also involving themselves deeply in their local communities. Maine's organic farms occupy a relatively small slice of the whole Maine farm scene in terms of acreage, assets, and gross revenue—about seven percent of each. But organic farms create more jobs (eight percent) and are more likely to sell locally than their conventional counterparts. Ten percent of all Maine's organic products in 2007 were sold direct to consumers, representing 20 percent of all such sales in the state, which is disproportionately large compared to the organic sector's 5.5 percent share of total revenues. Organic vegetable

FIGURE 1: **Growth in Maine Certified Organic Farms, 1988–2008**



farmers in particular sold 30 percent of their products directly. And, Maine's organic farmers are changing the demographic makeup of the farming community; organic farmers are more likely to be younger and female than their conventional counterparts.

In terms of products, in 2007, \$13.5 million, or 41 percent of all sales of Maine organic products, came from milk. When combined with the 18 percent of sales that came from organic hay (much of which probably went to feed Maine's organic dairy cows), Maine's organic dairy sector accounted for more than half the gross revenues of all organic products. Other big sellers included vegetables at \$5.8 million and fruit at \$3 million.

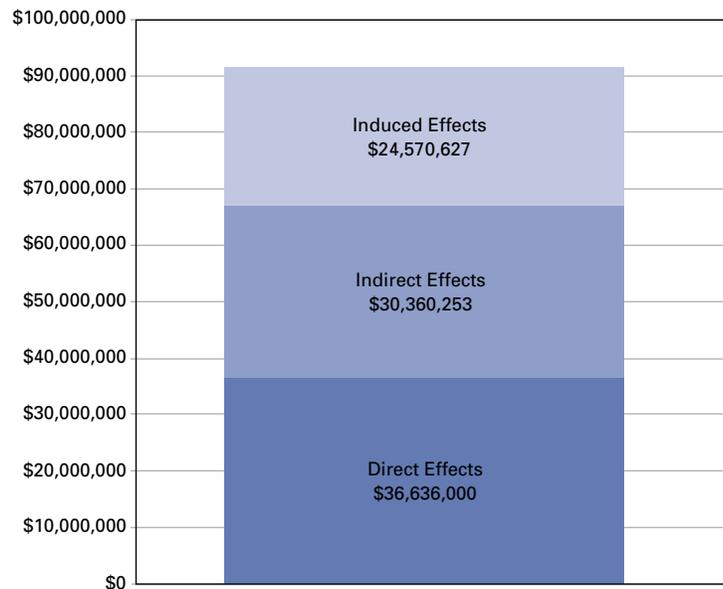
The National Organic Program (NOP) has changed the makeup of Maine's organic farms. Through the 1990s, the majority of organic farmers were diversified vegetable farmers, selling a range of products to mostly local markets. This began to change around 2002. Assured by the uniform standards of the NOP, larger grocery stores began to stock organic products and sell them to a wider audience. This opened up market potential for organic foods that Maine's farmers began to fill, but in a slightly different way. More specialized producers, focusing on the production of fewer types of products, began to become certified. These producers, especially dairy and maple syrup farmers, make up the majority of Maine's growth over the last 10 years, while the number of certified diversified vegetable producers—long the mainstay of the organic community—has leveled off.

As Maine's organic farms continue to grow, so too will their diverse contributions to Maine's economy and community life. 🐾

#### ENDNOTE

1. This article is derived from a recent report published by the Maine Organic Farmers and Gardeners Association.

FIGURE 2: **Economic Impact of Maine's Organic Sector**



#### REFERENCES

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