

Is Organic Crop Production for You?

Introduction

It is a common misconception that organic production is merely a method of growing crops without synthetic pesticides. In fact, the use of natural pest management methods is only one aspect of organic production. Some other principles that characterize organic production include biodiversity, sustainability, soil conservation, and ecological production.

In spite of its many benefits, organic crop production is not for every farmer. This profile discusses the characteristics that many successful organic growers have in common¹, as well as some economic issues that should be considered. It is one in a series of introductory information sheets concerning organic crop production in Kentucky.

Grower Characteristics

Are you committed to organic methods?

Successful organic growers are generally highly motivated and committed to the use of organic methods. These growers commonly share the view that organic production is better for the environment and that organic products are healthier for the consumer. Growers who are merely interested in organic production for the financial gain are often doomed to failure. The same is true for those with the mindset that organic production just means replacing synthetic inputs with organic ones. Organic production involves a complete



philosophical shift and a total rethinking of crop production methods.

Do you have good observation skills?

Pest management in organic fields emphasizes prevention through good production and cultural methods. Maintaining a balance between pests and predators is also important. Monitoring these pests and predators through frequent crop inspections and accurate identification is essential in keeping ahead of potential problems.

Do you have the necessary marketing skills?

Marketing organic products can require more effort than marketing conventional products. Organic growers may have to develop new marketing strategies for their produce. This requires good marketing skills and the willingness to spend time seeking out potential markets. The grower needs to have a reliable market lined up prior to planting.

Are you good at record keeping?

Extensive record keeping is required for certified organic farms. Records of everything from field maps and histories to



a complete disclosure of all production, harvest, handling and storage methods must be kept as a means of documenting compliance to National Organic Program (NOP) standards. The USDA requires that growers maintain an “audit trail” that allows each product to be traced from market to field. Up-to-date, well-organized, and complete records need to be available for inspection whenever requested by the certifying agency.

Economic Considerations

Are you willing to make a long-term investment?

Converting from conventional agriculture to organic production is a long-term choice and one that should be undertaken only after serious consideration. A sizeable investment of both time and money will be required to make the transition successful. The transition period alone can take from 3 to 5 years, depending on the crop and the approach. When choosing a gradual approach, it can take several more years to convert the whole farm to organic production.

Are you willing and able to take an economic risk?

Organic crop production involves risk. Many growers experience increases in pest problems and declining yields during the conversion to organic production. In addition, products cannot be marketed as organic during the transition period, so growers can not receive the premium price organic produce might bring. While there are ways to minimize losses, it is advisable to enter the transition period with a financial reserve that can help cover whatever drop in income may occur.

Some growers try to lessen the impact of economic loss by initially setting aside only certain portions of the farm for organic crops, while maintaining other portions for conventional production. This gradual approach allows the income from conventional portions to carry the farm through the transition. Producers choosing this type of split operation must be able to avoid commingling of organic product with conventional during all phases of production, harvest and processing.

The price premiums that can be obtained with

organic produce can be attractive. According to the USDA Economic Research Service, organic crops can receive price premiums anywhere from 10 to 200 percent (or more) over conventionally grown products. Organic production, however, does not necessarily guarantee higher prices. A 2004 Organic Research Foundation survey of organic farmers² found that only 41 percent of the respondents received a price premium for all of their organic products. Another 86 percent reported receiving a price premium on some portion of their organically grown products. Price competition with conventional products and limited local demand (e.g. in rural areas) are some of the reasons mentioned for failure to receive price premiums. Price premiums are generally obtained at markets in or near major urban centers.

Have you conducted an economic analysis?

As is the case of any new enterprise or crop, an economic analysis can help determine whether the new venture is economically feasible. It is wise to talk to others “in the business” who have first-hand knowledge of production, costs and returns, and market outlook. The grower should identify potential markets and gather several years of price data for the products to be sold in those markets. Developing a detailed budget that takes into consideration expected price premiums, yield reductions and increased labor costs is imperative. The budget ought to include the cost of any specialized equipment and facilities that may be needed. The funds required, sources of funding, and management of cash flow should all be considered.

Do you have the additional time that is needed?

Organic systems are more labor intensive than conventional systems. This higher labor requirement is most often attributed to the additional time needed to monitor and manage pests. However, the demands of learning a new production system, plus developing and implementing new marketing strategies, should not be underestimated. In addition, overall farm management, planning and record keeping can be time consuming.

How will organic production impact your family?
Along with the financial impact, growers need to evaluate all the ways switching to organic production will affect the farm family. Do family members support the decision to convert to organic production? Will the increased labor needs of organic production be met by the family or by hired labor? The additional management time required to run the farm, plus the difficulty of learning a new production system, can also impact the family. On the other hand, many organic growers feel a sense of pride and accomplishment in “taking the road less traveled.”

Ways to Learn More

Do you have the necessary knowledge?

Organic producers need to have an understanding of organic production practices and ecological systems. A thorough knowledge of the crops they are producing is essential. This includes, but is not limited to, disease, insect and weed life cycles; soil fertility; and plant nutrition. It is also helpful to be well-versed on NOP guidelines. A willingness to learn by exchanging information with other organic growers, seeking out crop specialists, attending meetings and reading extensively is imperative.

Do you know where to obtain information on organic crop production in Kentucky?

Knowing where to go for the information needed to enter organic production is important. Potential resources include other experienced growers, county Extension agents, university and state specialists, and the Internet. Libraries, especially those associated with agricultural colleges, can also provide valuable resources.

LOCATING OTHER ORGANIC GROWERS IN KY

- Kentucky Proud Country Store: Organic Produce markets (KDA)
<http://www.kyagr.com/buyky/cats.aspx?group=1&category=3>
- Kentucky Roadside Markets (Kentucky Farm Bureau Federation)
<http://www.kyfb.com/federation/Member%20Benefits/roadside.asp>

- CSA Locator (Robyn Van En Center)
<http://www.wilson.edu/wilson/asp/content.asp?id=804>
- Local Harvest (*National directory of small farms and farmers markets*)
<http://www.localharvest.org/>
- NewFarm Farm Locator (Rodale Institute)
<http://newfarm.org/farmlocator/index.php>
- Southern Organic Resource Guide - Certified Organic Operations in Kentucky (ATTRA, 2005)
<http://attra.ncat.org/sorg/ky/certified.html>

UNIVERSITY, EXTENSION AND STATE PERSONNEL

- University of Kentucky College of Agriculture Cooperative Extension Service
<http://ces.ca.uky.edu/ces/>
- Berea College Department of Agriculture and Natural Resources (*CSA project*)
<http://www.berea.edu/anr/>
- Kentucky Department of Agriculture Division of Value-added Plant Production: Organic Program (KDA)
<http://www.kyagr.com/marketing/plantmktg/organic/index.htm>
- Kentucky State University Organic Agriculture Working Group
<http://organic.kysu.edu/#Welcome>
- Southern Organic Resource Guide - Kentucky Organics: Statistics and State Resources (ATTRA, 2005)
<http://attra.ncat.org/sorg/ky/>

INTERNET RESOURCES

- Alternative Farming Systems Information Center (USDA)
www.nal.usda.gov/afsic
- Appropriate Technology Transfer for Rural Areas (ATTRA)
<http://www.attra.org>
- Ask a Sustainable Agriculture Expert (ATTRA)
<http://www.attra.ncat.org/ask.php>
- National Organic Program (USDA)
<http://www.ams.usda.gov/nop>
- Organic Farming: Is It For Me? (North Dakota State University, 1999)
<http://www.ext.nodak.edu/extpubs/plantsci/crops/a1181w.htm>

- National Center for Appropriate Technology (NCAT)
<http://www.ncat.org/agri.html>
- Organic Crop Production Overview (ATTRA, 2004)
<http://www.attra.org/attra-pub/organiccrop.html>
- Organic Crops Workbook (NCAT, 2004)
http://attra.ncat.org/new_pubs/attra-pub/PDF/cropsworkbook.pdf
- Transition to Organic Farming (Ontario Ministry of Agriculture, Food and Rural Affairs, Canada, 2005)
<http://www.omafra.gov.on.ca/english/crops/organic/transition.htm>

- Transitioning to Organic Production (Sustainable Agriculture Network)
<http://www.sare.org/publications/organic.htm>

¹ Adapted from information contained in “Transitioning to Organic Production” (Sustainable Agriculture Network, 2003), “Transition to Organic Farming” by Hugh Martin (Ontario Ministry of Agriculture, Food and Rural Affairs, 2005) and “Organic Farming: Is It for Me?” by Brad Brummond (North Dakota State University, 1999).

² “Fourth National Organic Farming Survey” by the Organic Farming Research Foundation, 2004.
<http://ofrf.org/publications/survey.html>