US Farmers Shy Away From Organic Crops

By Ruth Kava — November 13, 2015

Although many consumers believe organic food is better than the conventionally-produced varieties and are willing to pay a premium for it apparently farmers aren't drinking this particular KoolAid. At least, they're not rushing to grow organic crops. A new government study examines why this is the case.

USDA researchers William McBride and Catherine Greene examined the department's survey data on crops grown by American farmers. They noted that while the total organic crop acreage increased substantially since the National Organic Program was initiated in 2002 from 1.3 million to over 3 million acres by 2011 growth for some major field crops was modest. In particular, they examined data for three major crops: corn, wheat, and soybeans.

One reason that farmers might avoid growing organic crops is that the yield (bushels per acre) is lower than for conventional crops, as shown in the graph below.
The report states that, "in USDA organic surveys, producers reported that achieving yields was one of the most difficult aspects of organic production. The yield differences revealed by survey data may be due to the unique problems encountered by organic systems outside of the experimental setting, such as effective weed control." Undoubtedly this is due to the lack of effective pesticides permitted under organic production rules, as well as lack of use of genetically modified seeds, which can improve resistance to pests.

In addition, it costs more per bushel to produce organic varieties of these major crops as shown below for corn even though farmers can get higher prices for them. While conventional farmers pay more for land, fertilizer, seed and chemicals, apparently these are offset by higher costs for labor, capital and fuel for organic farmers.
However, the returns for their organic corn and soybeans are higher than for the conventional varieties as much as $66 per acre for corn and $41 for soybeans while organic wheat might bring in $9 less per acre than the conventional variety. Such data explain the premiums consumers must pay if they want to eat organic products.

In spite of the potential for greater earnings for organic crops, the report finds that U.S. producers aren’t rushing into the organic market. Some reasons include the greater availability of conventional seeds and chemicals, and ease of selling their products at local sites. In contrast, organic farmers find it harder to source seeds, must learn new methods of pest control and fertility management, and find other ways to bring their products to market. The report states, “organic farming requires more on-farm management.”

What does all this mean for the future of organic farming in the U.S.? Undoubtedly it will continue, and continue to cost consumers more than conventional farming. And it does not look like the chances that organic farming will become the standard are very promising even though many advocates want the country to switch.

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