

Organic Crops Price Survey

Prepared for:

Saskatchewan Crop Insurance Corporation,
Agriculture and Agri-Food Canada, and
Organic Agriculture Centre of Canada

by

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Development Engineering

Alternative Energy &
Manufacturing Division

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1 INTRODUCTION

Throughout the past decade, the Saskatchewan Research Council (SRC) has been involved in obtaining, analyzing, and benchmarking the commodity prices for major organic crops grown in Western Canada. The Organic Products Information Service (OPIS) program originated at SRC and operated for just over six years in the 1990s. After its completion, SRC has partnered with the Saskatchewan Crop Insurance Corporation (SCIC) to provide similar data collection services and basic analysis of organic commodity prices for the major organic crops sold within Saskatchewan. Over the past three years, the partnership has expanded to include Agriculture and Agri-Food Canada and Organic Agriculture Centre of Canada (OACC).

The producers surveyed were comprised of both customers and non-customers of Saskatchewan Crop Insurance Corporation and were growers certified by organizations including the Canadian Organic Certification Co-operative (COCC), Organic Crop Improvement Association (OCIA-SK, OCIA-AB), Saskatchewan Organic Certification Association Inc. (SOCA), Pro-Cert, and Organic Producers Association Manitoba (OPAM).

2 BACKGROUND

OPIS was established in 1995 as a forum for the views of producers, traders and others in the organic sector. SRC performed bi-monthly surveys of certified organic growers in Western Canada (70% in Saskatchewan) to determine the pricing and availability of organic crops. For each survey, SRC typically collected sales information from an average of 115 growers. The information collected was stored in an electronic data base, analyzed, and a summary was published in the OPIS Market Bulletin available to all that purchased memberships in OPIS.

OPIS's mandate was to link producers and buyers of organic commodities. As these relationships formed, the need for OPIS declined as buyers developed their own grower databases and growers dealt directly with the buyers that had served them. As a result, OPIS ceased to operate. A consequence of the end of OPIS is that organizations like SCIC, who need a source of pricing information for other reasons, no longer have a current comprehensive and reliable source of price and other market information for the organic market.

Growers were willing to provide pricing and other crop information to OPIS as they received both benchmark information and access to buyers through OPIS. The level of willingness to participate on the part of growers has remained positive throughout the past five years even though the results include only price benchmarking information.

The data collection and analysis services were provided to SCIC throughout the past five years and the University of Saskatchewan and OACC throughout the past three years.

3 OBJECTIVE

The objective of this project was to provide Saskatchewan Crop Insurance, Agriculture and Agri-Food Canada, and Organic Agriculture Centre of Canada with commodity price information for major organic crops sold between **August 1, 2006 and July 31, 2007**. In addition, **August 1, 2007 to current date** data was collected. The information will be used by all three clients for research, price confirmation, and to evaluate current and future organic markets.

4 METHODOLOGY

SRC carried out the following steps in conducting this project:

1. SRC acquired updated membership/customer lists from a number of certifying body sources for the two provinces and updated the old lists according to current data. This process included merging lists from AGR, OCIA and SRC.
2. SRC revised the survey questionnaire and information package and sent it to **over 1,100 organic growers**. The package contained an explanatory letter, a survey form, and a business reply envelope. The goal of the survey was to get information from **at least 225 growers** (175 from Saskatchewan, and 50 from Manitoba).
3. A Web site was created for on-line survey participation. The above-described letter also assigned a unique ID to each recipient that could be used to log in to the Web site and fill out the survey.
4. SRC phoned selected growers who did not participate via letter mail-out or on-line survey in order to determine their willingness to participate in the study. Individual grower information will be kept in confidence from all three clients and other participants.
5. The results of the survey are summarized in Appendix A. SRC recorded any problems or concerns that arose from performing the study.
6. Once the results have been approved by all three partners, SRC will distribute the survey results to the participating producers in return for their participation.

5 RESULTS

The results of the survey are summarized in the tables in Appendix A. These tables outline the calculated average price for each crop based on the number of sales and the calculated average price based on the volume sold. The tables also identify the total bushels sold into the organic market, into the conventional market, and the total bushels consumed for on-farm use.

The following table indicates a breakdown of the organic growers contacted to participate in the survey:

Saskatchewan:

SRC made contact with **1083** growers (including the growers who had disconnected numbers). The following table outlines the breakdown of the contacted growers:

	Current Period Report Data
Sales Data Collected	521
Provided Information	125
Reason Provided for Not Participating	140
No Response to Survey	818
Totals Surveys Sent Out	1083

Manitoba:

SRC made contact with **131** growers (including the growers who had disconnected numbers). The following table outlines the breakdown of the contacted growers:

	Current Period Report Data
Sales Data Collected	38
Provided Information	13
Reason Provided for Not Participating	22
No Response to Survey	96
Totals Surveys Sent Out	131

Details of Tables:

“Sales Data Collected” – This data represents sales information collected from organic farmers. Respondents were able to provide sales information based on a multitude crops sold.

“Provided Information” – This data represents successful contact with a respondent who subsequently shared information relating specifically to the crop survey.

“Reason Provided for Not Participating” – This data represents reasons provided to SRC staff that would not lead to a follow-up call. Such reasons given include retired, wrong or disconnected number, fax number, no longer farming, not willing to participate, etc.

“No Response to Survey” – This data represents unsuccessful attempts by an SRC employee to contact via telephone an individual within the database collected. Common attempts include answering machine or no-answer.

6 ISSUES AND CONCERNS

SRC approached contacting organic farmers first by a survey mail-out to all individuals in the database. Following the mail-out and the provision of sufficient time for farmers to take advantage of the online survey system, SRC began to perform a detailed follow-up with producers who had not responded to the survey request. This approach involved a SRC employee contacting, by telephone, every individual in the database who had not responded to survey efforts. Due to seasonality and time of year that calls were placed, the response rate was relatively low. On subsequent attempts, follow-ups were made to individuals who had still not responded. However, not all growers who were subsequently contacted were willing to report yield information as required field records were not available nor were potential respondents willing to gather such information. Furthermore, some sales information that was received in the mail arrived incomplete. The incomplete sales data originated from confusion between the information that the survey sought and that which was ultimately provided. The Organic Crops Price Survey required crop data from as far back 2006, however, organic farmers mistakenly gave 2007 sales data as this information was most pertinent to them at the time of the inquiry.

There was a notable increase this year in the number of growers who were willing to provide multitude of sales information less actual pricing. An incentive (e.g. prize draw) was used, however, the response rate in spite of increased efforts to expand the response rate proved unsuccessful. Having a high mail-in response rate is desirable because it improves the sample size and the data received is usually better.

Many of the growers indicated the value in receiving a summarized table outlining average sale prices for the major crops. They expressed the usefulness of this information for marketing purposes and determining whether they are selling their crops at too low a price. Many of the transitional growers, or just out of transition, indicated

that there was a need for this type of information. The growers in the transitional stage are inexperienced within the organic marketplace and unfamiliar with typical crop prices.

New this year was the use of a prize incentive based on a draw for those who participated either online or by mail by a certain date. This resulted in an increase of responses through the website (130%) and mail (30%) compared to the previous survey. In a time when one is constantly requested for information, future surveys should continue this practice and perhaps consider some other methods to help increase participation. These may include follow up reminders by mail, offers for cash incentives, advertising, or participation in organic/farm trade shows.

7 CONCLUSIONS

As indicated throughout this report, there exists a great deal of appreciation by the growers for receiving valuable and accurate organic crop price information. The participation rate, however, was noticeably down from last year. This can be attributed to primarily the time of year that the Organic Crops Price Survey took place. Having conducted the farm survey throughout the months of April through July 2008, SRC found that many farmers were extremely busy with farming, on holidays, or were generally unwilling to participate due to preoccupation with other summer duties.

Those who did participate in the survey were usually willing to provide as much information as they had available. As a result, SRC collected an increased amount of information based on sales data in spite of having an overall lower response rate as compared to previous surveys.

APPENDIX A

Summary of Organic Crop Price Survey Results

2006 Crop Year – MANITOBA

Summary Table of Manitoba Purchase Prices for Organic Crops 2006

Aug 1, 2006 - Jul 31, 2007

Crop	Price in \$/bushel			Volume Weighted Average Price	Number of Sales Entrees	Average Bushels/Acre	Crop Dispositions in the last 12 months (Bushels)			Total Bushels Reported
	Low	Ave	High				Sold Organic	Sold Conven	On Farm Use	
Cereal Grains										
Barley Feed	4.31	4.77	5.00	4.07	4	19.3	5,768			5,768
Oats	2.95	3.52	4.20	3.17	4	51.0	8,581			8,581
Wheat - CPS White	8.50	8.50	8.50	8.50	1	30.0	5,000			5,000
Wheat - Red Spring No. 1 (13.0 - 13.9)	4.50	5.38	6.26	6.09	2	20.0	1,205			1,205
Oilseeds										
Flax	25.00	41.04	57.07	33.40	2	32.5	271			271
Special Crops										
Hemp	37.00	37.00	37.00	37.00	1	11.8	353			353

2006 Crop Year – SASKATCHEWAN

Summary Table of Saskatchewan Purchase Prices for Organic Crops 2006

Aug 1, 2006 - Jul 31, 2007

Crop	Price in \$/bushel			Volume Weighted Average Price	Number of Sales Entrees	Average Bushels/Acre	Crop Dispositions in the last 12 months (Bushels)			Total Bushels Reported
	Low	Ave	High				Sold Organic	Sold Conven	On Farm Use	
Cereal Grains										
Barley Feed	5.50	5.50	5.50	5.50	1	20.4	1,400			1,400
Barley Malt Special Select	2.25	5.08	10.00	5.13	16	66.0	67,609			67,609
Buckwheat	7.00	7.00	7.00	7.00	1	-	300			300
Durum Feed	8.00	10.13	15.00	9.12	6	20.3	31,500			31,500
Oats	3.15	4.05	6.25	4.12	47	40.1	312,759	4,458	6,500	323,717
Red Fife	5.00	5.00	5.00	5.00	1	20.0	1,000			1,000
Wheat - CPS White	8.25	11.02	20.00	10.03	5	25.0	15,226			
Wheat - CWRS	5.95	7.73	9.50	9.18	2	17.8	3,568			
Wheat - Red Spring No. 1 (10.0 - 11.9)	5.20	7.20	9.25	7.36	5	9.9	7,406			
Wheat - Red Spring No. 1 (12.0 - 12.9)	6.51	8.28	14.50	8.39	10	17.9	21,777			21,777
Wheat - Red Spring No. 1 (13.0 - 13.9)	2.83	8.84	25.00	9.42	13	18.5	38,437			38,437
Wheat - Red Spring No. 1 (14.0 - 14.9)	3.50	8.58	18.50	9.62	6	14.9	20,314			20,314
Wheat - Red Spring No. 1 (15.0 - 16.3)	8.57	12.86	20.00	10.51	3	19.5	4,845			4,845
Wheat - Red Spring No. 1 (unspecified and other)	5.08	9.07	14.72	7.89	8	20.3	18,317			18,317
Wheat - Red Spring No. 2	5.00	6.55	8.50	7.99	3	27.0	8,092			8,092
Wheat - Red Spring No. 3	3.55	10.48	29.00	11.72	7	15.1	11,704			11,704
Hays & Grasses										
Sweet Clover (pounds)	1.00	1.00	1.00	1.00	2		3,600			3,600
Oilseeds										
Flax	2.50	18.85	30.00	18.69	30	10.6	32,901			32,901
Mustard	15.00	18.75	22.50	18.71	2	11.7	3,231			3,231
Old World Grains										
Kamut	8.00	10.73	12.00	9.46	7	15.9	23,798			23,798
Spelt	30.00	30.00	30.00	30.00	1	10.0	1,000			1,000
Quinoa										
Pulse Crops										
Field Pea - Field	6.75	6.75	6.75	6.75	1	18.0	1,700			1,700
Field Pea - Food Green	5.00	7.75	9.00	8.50	6	15.3	11,200			11,200
Field Pea - Food Yellow	6.25	7.69	9.00	6.82	4	19.5	550			550
Lentils	0.30	15.41	30.71	15.38	10	11.9	8,100			8,100
Special Crops										
Hemp	37.40	37.40	37.40	37.40	1	3.0	330		300	630

Organic Crops Price Survey

2007 Crop Year – MANITOBA

Summary Table of Manitoba Purchase Prices for Organic Crops 2007

Aug 1, 2007 - Jul 31, 2008

Crop	Price in \$/bushel			Volume Weighted Average Price	Number of Sales Entrees	Average Bushels/Acre	Crop Dispositions in the last 12 months (Bushels)			Total Bushels Reported
	Low	Ave	High				Sold Organic	Sold Conven	On Farm Use	
Cereal Grains										
Wheat - CPS White	10.00	10.00	10.00	10.00	1	20.0	1,500			1,500
Wheat - CWES										0
Wheat - Red Spring No. 1 (10.0 - 11.9)	7.00	7.00	7.00	7.00	1	n/a	1,000			1,000
Wheat - Red Spring No. 1 (12.0 - 12.9)	14.00	14.75	15.50	14.75	2	10.0	2,227			2,227
Wheat - Red Spring No. 1 (13.0 - 13.9)	15.00	17.50	20.00	0.25	2	25.0	2,179			2,179
Oilseeds										
Flax	12.50	19.94	38.00	17.82	4	121.7	5,877			5,877

2007 Crop Year – SASKATCHEWAN

Summary Table of Saskatchewan Purchase Prices for Organic Crops 2007

Aug 1, 2007 - Jul 31, 2008

Crop	Price in \$/bushel			Volume Weighted Average Price	Number of Sales Entrees	Average Bushels/Acre	Crop Dispositions in the last 12 months (Bushels)			Total Bushels Reported
	Low	Ave	High				Sold Organic	Sold Conven	On Farm Use	
Cereal Grains										
Barley Feed	3.50	5.10	5.90	5.29	3	60.0	5,136			5,136
Barley Malt	5.47	5.47	5.47	5.47	1	11.0	1,043			1,043
Barley	4.00	7.04	11.00	8.10	16	34.1	54,691			54,691
Durum Feed	10.75	10.75	10.75	37.94	6	14.5	1,729			1,729
Oats	2.00	4.18	6.75	4.21	15	44.8	82,918		900	83,818
Rye - Fall	2.38	3.94	5.50	4.58	2	38.0	5,009			5,009
Rye - Spring	4.00	5.67	7.00	5.06	3	29.3	6,925			6,925
Wheat - CPS White	10.00	14.26	22.00	13.63	0	3.0	26,404			26,404
Wheat - Red Spring No. 1 (10.0 - 11.9)	7.00	10.75	14.50	10.00	2	70.0	4,000			4,000
Wheat - Red Spring No. 1 (12.0 - 12.9)	7.00	7.33	8.00	7.88	3	32.5	17,912			17,912
Wheat - Red Spring No. 1 (13.0 - 13.9)	4.06	13.24	25.00	14.74	7	24.4	17,343			17,343
Wheat - Red Spring No. 1 (14.0 - 14.9)	16.50	18.25	20.01	18.26	2	13.0	3,204			3,204
Wheat - Red Spring No. 1 (15.0 - 16.3)	7.54	14.84	28.75	16.51	6	14.0	7,485			7,485
Wheat - Red Spring No. 1 (unspecified and other)	3.15	10.79	25.00	6.39	4	16.0	4,322			4,322
Wheat - Red Spring No. 2	7.00	12.73	17.00	12.19	8	19.0	11,813			11,813
Wheat - Red Spring No. 3	16.31	19.66	23.00	19.43	2	25.0	1,500			1,500
Wheat - Red Winter	25.00	25.00	25.00	25.00	1	38.0	2,000			2,000
Oilseeds										
Flax	16.00	21.62	32.80	20.89	18	14.0	17,741			17,741
Pulse Crops										
Field Pea - Food Yellow	9.65	9.65	9.65	9.65	1	18.0	2,576			2,576
Lentils	8.00	18.51	23.77	4.31	3	13.1	2,040			2,040