

# Organic Crops Price Survey

Prepared for:

Saskatchewan Crop Insurance Corporation,  
Organic Agriculture Center of Canada, and  
University of Saskatchewan, Department of Ag. Economics

by

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Saskatchewan Research Council  
Development Engineering

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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. Organic Products Information Service (OPIS) originated at SRC and operated for just over six years in the 1990's. After it's the 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 the Organic Agriculture Center of Canada (OACC), and the University of Saskatchewan, Department of Ag. Economics and the project now includes all three Prairie Provinces (Alberta, Saskatchewan, and Manitoba).

The producers surveyed 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 fallout 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 U of S and OACC throughout the past three years. The studies were successful in providing average commodity price and volume information for major organic crops sold/used on the farm between October 1, 2000 - 2001, September 30, 2001 – 2002, October 1, 2002 to October 31, 2003, and November 1, 2003 to November 1, 2004.

### 3 OBJECTIVE

The objective of this project was to provide Saskatchewan Crop Insurance, The Organic Agriculture Center of Canada, and The University of Saskatchewan, Department of Ag. Economics with commodity price information for major organic crops sold between **August 1, 2005** and **July 31, 2006**. 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 websites for all three provinces and updated the old lists according with current data.
2. SRC contacted and surveyed both members and non members of SCIC until information had been collected from **at least 225 growers** (175 from Saskatchewan, 25 from Alberta, and 25 from Manitoba).
3. SRC revised the survey questionnaire and information package and sent it to **over 1,000 organic growers**. The package contained an explanatory letter, a survey form, and a business reply envelope.
4. A website was created for online survey participation. The above described letter also assigned a unique ID to each recipient that could be used to log in to the website and fill out the survey. This is the first year a website was used - only 6 farmers participated online.
5. SRC phoned over 750 selected growers in order to determine their willingness to participate in the study. SRC collected organic commodity sales information from **262 growers**. Individual grower information will be kept in confidence from all three clients and other participants.
6. The results of the survey are summarized in Appendix A. SRC recorded any problems or concerns that arose from performing the study.

7. 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 were summarized into the table in Appendix A. This table outlines the calculated average price for each crop based on the number of sales and the calculated average price based on the volume sold. The table also identifies 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 **381** growers (including the growers who had disconnected numbers). The following table outlines the breakdown of the contacted growers:

	<b>Number</b>	<b>Percentage</b>
Provided information	231	60%
No longer farming/ No longer organic	52	14%
In transition to organic	0	0%
Had no sales to report	64	17%
Not willing to participate	7	2%
Old number/ Number disconnected	27	7%
<b>Total Contacts Attempted</b>	<b>381</b>	<b>100%</b>

### **Alberta:**

SRC made contact with **67** growers. The following table outlines the breakdown of the contacted growers:

	<b>Number</b>	<b>Percentage</b>
Provided information	21	31%
No longer farming/ No longer organic	12	18%
In transition to organic	1	1.5%
Had no sales to report	24	36%
Not willing to participate	1	1.5%
Old number/ Number disconnected	8	12%
<b>Total Contacted</b>	<b>67</b>	<b>100%</b>

### **Manitoba:**

SRC made contact with **95** growers (including the growers who had disconnected numbers). The following table outlines the breakdown of the contacted growers:

	<b>Number</b>	<b>Percentage</b>
Provided information	20	21%
No longer farming/ No longer organic	18	19%
In transition to organic	0	0%
Had no sales to report	38	40%
Not willing to participate	3	3%
Old number/ Number disconnected	16	17%
<b>Total Contacted</b>	<b>95</b>	<b>100%</b>

The **272** growers that provided information were categorized as follows:

- a) 231 (85%) in Saskatchewan
- b) 21 (8%) in Alberta
- c) 20 (7%) in Manitoba

As shown in Appendix A, sales data for some of the crops could not be obtained while other prices were based on only one or two sales. Crops with extensive sales data included oats, red spring wheat, and flax.

Not all growers reported yield because it required field records from another set of books for that growing year which they were unwilling to gather at the time of



the phone call. A number of the sales information mail in did not include yield information.

Sales of the three Canadian Wheat Board (CWB) grains (wheat, durum, and barley) required calculations to be performed in order to obtain the final price. During this year's survey, the caller obtained the sale date of the grain in order to calculate the price. Relevant interim and final payments were calculated into the reported prices. The prices provided in this report take into account all relevant CWB interim and final payments less expenses (trucking, cleaning, bagging, and rail transport to port). SRC's caller, while talking to the grower, ascertained, for every price provided, the expenses that were included and how many interim payments had been received in order to perform the calculation correctly.

All of the phone calls were made between mid-November, 2006 and mid-December, 2006. Some of the growers were able to readily provide sales data for the past twelve months while others required call-backs once they had organized their records.

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.

## **6 ISSUES AND CONCERNS**

There was a notable increase this year in the number of growers who were willing to provide sales information less actual pricing. Such respondents were still considered as participants, but were not figured into the final tables of Appendix A due to pricing being unavailable.

There were approximately 250 contacts removed from the database for reasons such as invalid address, invalid phone number, by request, no longer farming, or no longer organic with no intentions of returning to organic farming. There is concern that the database is shrinking, as each year, the growers list has decreased. It is recommended that the database be replenished for the next survey period. This may require accessing other databases and grower's lists as permitted.

The response via mail-in was much better than in previous years. The main change was an updated form which was clearer and easier to fill out. Minor improvements can still be made to the response form. Adding an incentive (e.g. draw for a gift) was considered but this approach would have to be discussed further. Having a high mail-in

response rate is desirable because it improves the sample size and the data received is usually better.

## **7 CONCLUSIONS**

As indicated throughout this report, there exists a great deal of gratitude by the growers for receiving valuable and accurate organic crop price information. The participation rate was up slightly from last year. The number of growers who indicated that they were not willing to participate was 40 or 13% of those contacted and those who could not be reached even after four attempts was 114 or 21% of the total growers tried. Those who did participate were usually willing to provide as much information as they had available.

Abnormal responses that were extremely far from the norm were excluded from the results. There were also some crops (e.g. strawberries) that were not included because the amount sold were very small (e.g. a few baskets).

It should be noted that growers in both Alberta and Manitoba has significantly higher “No sales to report” figures (about 2:1 compared to Saskatchewan). Many respondents in Manitoba attribute this to severe weather conditions such as drought and flooding.

With accumulated data over the last several years, it may be of interest to show trends over these years. This should be discussed at the next survey period.

## **APPENDIX A**

### **Summary of Organic Crop Price Survey Results**

**Summary Table of Saskatchewan Purchase Prices for Organic Crops**

Crop	Price \$/bushel			Volume Weighted Average Price	Number of Sales Entries	Average Bushels / Acre	Crop Dispositions in the last 12 months (Bushels)			Total Bushels Reported
	Low	Ave	High				Sold Organic	Sold Conven	On Farm Use	
<b>Cereal Grains</b>										
Barley Feed	2.25	3.24	3.75	3.24	17	31	13945		7600	21545
Barley Malt Select	4.50	5.70	7.00	5.18	14	31	95609			95609
Barley Malt Special Select	6.50	7.25	8.00	6.74	2	48	17456			17456
Buckwheat	13.00	13.00	13.00	13.00	1	15	3000			3000
Durum No. 1 CWAD (14.0 - 15.5)	8.00	8.00	8.00	8.00	2	21	3300			3300
Durum No. 1 CWAD (12.5 - 13.9)	3.50	8.17	11.00	8.36	3	22	10400			10400
Durum No. 1 CWAD (11.0 - 12.4)	5.83	7.42	11.00	8.80	10	20	35926			35926
Durum Feed	3.00	4.84	7.30	4.62	5	24	15670			15670
Oats	0.10	3.68	16.00	3.43	61	49	290942	6150	280	297372
Rye - Fall	1.94	4.16	6.50	3.99	13	27	17364			17364
Wheat - CPS White	7.00	8.13	11.00	7.88	7	19	8214			8214
Wheat - CWES	1.99	4.27	5.25	3.82	6	26	412			412
Wheat - Red Spring No. 1 (10.0 - 12.0)	2.05	4.36	7.50	3.77	10	17	23336	872		24208
Wheat - Red Spring No. 1 (12.0 - 13.0)	2.20	4.78	7.50	4.33	17	21	64324			64324
Wheat - Red Spring No. 1 (13.0 - 14.0)	6.15	7.80	16.05	7.72	16	25	48514			48514
Wheat - Red Spring No. 1 (14.0 - 15.0)	6.85	7.57	14.00	7.62	8	25	11191			11191
Wheat - Red Spring No. 1 (15.0 - 16.0)	6.50	9.44	14.00	7.48	5	20	10308			10308
Wheat - Red Spring No. 1 (unspecified)	7.25	7.38	7.50	7.35	14	20	14100		150	14250
Wheat - Red Spring No. 2	2.68	4.64	8.00	6.09	8	22	18600	3258		21858
Wheat - Red Spring No. 3	1.56	6.87	14.75	7.14	9	19	16632	415		17047
Wheat - Red Spring Feed	2.30	4.40	13.85	4.08	19	21	33326	11300		44626
Triticale	2.80	2.80	2.80	2.80	1	35	1200			1200
<b>Hays &amp; Grasses</b>										
Alfalfa seed	1.09	1.40	1.70		2	100	4000		73484	77484
Red Clover	96.60	96.60	96.60	96.60	1	100	7			7
Sweet Clover	21.00	21.00	21.00		3	700	2500			2500
<b>Herbs &amp; Spices</b>										
Fenugreek	25.00	25.00	25.00	25.00	1	10				0
Borage	5.50	5.50	5.50	5.50	1	1	53			53
St. John's Wart (pounds)	7.00	7.00	7.00	7.00	1		2000			2000
<b>Oilseeds</b>										
Flax	5.88	22.01	46.00	18.58	70	12	81699	57	200	81956
Mustard - Brown	9.00	9.00	9.00	9.00	4	13				0
Mustard - Yellow	9.00	9.00	9.00	9.00	2	10				0
Mustard - Other/Unspecified	17.00	20.65	24.30	20.65	2	17	1600			1600
<b>Old World Grains</b>										
Spelt	18.00	23.60	25.00	24.85	6	8.5	633			633
<b>Pulse Crops</b>										
Field Pea - Feed	5.41	6.93	9.00	6.36	14	19	25949			25949
Field Pea - Food Green	6.25	6.25	6.25	6.25	6	12	1200			1200

**Summary Table of Saskatchewan Purchase Prices for Organic Crops**

Crop	Price \$/bushel			Volume Weighted Average Price	Number of Sales Entries	Average Bushels / Acre	Crop Dispositions in the last 12 months (Bushels)			Total Bushels Reported
	Low	Ave	High				Sold Organic	Sold Conven	On Farm Use	
Field Pea - Food Yellow	5.94	6.79	7.50	7.14	7	17	15370			15370
Lentils - Black	12.40	20.05	31.80	17.23	4	14	676			676
Lentils - Green	19.00	21.07	23.56	21.22	8	9	8783			8783
Lentils - Red	26.04	26.04	26.04	26.04	1	11	735			735
Lentils - Other/Unspecified	18.60	18.60	18.60	18.60	5	9.5	3700			3700
Dandelion Leafs (pounds)	7.00	7.00	7.00	7.00	1		400			400
Dandelion Roots (pounds)	5.00	5.00	5.00	5.00	1		1000			1000
Milk Thistle Seed (pounds)	5.00	5.00	5.00	5.00	1		2000			2000
<b>Special Crops</b>										
Hemp	32.00	37.38	41.80	38.50	5	7	5336			5336

**Summary Table of Manitoba Purchase Prices for Organic Crops**

Crop	Price \$/bushel			Volume Weighted Average Price	Number of Sales Entries	Average Bushels / Acre	Crop Dispositions in the last 12 months (Bushels)			Total Bushels Reported
	Low	Ave	High				Sold Organic	Sold Conven	On Farm Use	
<b>Cereal Grains</b>										
Barley Feed	1.64	3.04	4.25	2.93	6	31	8100	600		8700
Barley Malt Select	5.50	5.50	5.50	5.50	1	40	8000			8000
Oats	0.96	3.27	4.82	3.88	9	43	31461			31461
Rye - Fall	4.82	5.99	7.16	5.61	3	34	3095			3095
Rye - Spring										0
Wheat - CPS White										0
Wheat - CWES										0
Wheat - Red Spring No. 1 (10.0 - 11.9)					1	5				0
Wheat - Red Spring No. 1 (12.0 - 12.9)	6.00	6.00	6.00	6.00	1	27	8000			8000
Wheat - Red Spring No. 1 (13.0 - 13.9)										0
Wheat - Red Spring No. 1 (14.0 - 14.9)	8.00	8.00	8.00	8.00	4	30	4630			4630
Wheat - Red Spring No. 1 (15.0 - 16.3)										0
Wheat - Red Spring No. 1 (unspecified)					2	15				0
<b>Hays &amp; Grasses</b>										
Sweet Clover	90.00	90.00	90.00	90.00	1		2700			2700
<b>Oilseeds</b>										
Flax	18.00	22.40	26.80	22.35	3	10	3268			3268

**Summary Table of Alberta Purchase Prices for Organic Crops**

Crop	Price \$/bushel			Volume Weighted Average Price	Number of Sales Entries	Average Bushels / Acre	Crop Dispositions in the last 12 months (Bushels)			Total Bushels Reported
	Low	Ave	High				Sold Organic	Sold Conven	On Farm Use	
<b>Cereal Grains</b>										
Barley Feed	0.97	2.87	4.25	2.84	2	38	2843	390		3233
Oats	1.00	2.92	3.75	3.31	11	75	62320	3694		66014
Rye - Fall	4.25	4.25	4.25	4.25	1	45	10000			10000
Wheat - CPS White	1.63	2.22	2.80	2.47	2	35		1503		1503
Wheat - Red Spring No. 1 (10.0 - 11.9)										0
Wheat - Red Spring No. 1 (12.0 - 12.9)	7.25	7.25	7.25	7.25	1	29	10000			10000
Wheat - Red Spring No. 1 (13.0 - 13.9)										0
Wheat - Red Spring No. 1 (14.0 - 14.9)	9.30	9.30	9.30	9.30	1	28	10000			10000
Wheat - Red Spring No. 1 (15.0 - 16.3)										0
Wheat - Red Spring No. 1 (unspecified/other)	7.00	7.00	7.00	7.00	2	5				0
Wheat - Red Winter	6.00	6.00	6.00	6.00	1	55	12000			12000
<b>Hays &amp; Grasses</b>										
Hay - Alfalfa (tonnes)	46.32	64.08	70.00	56.79	4			273		273
<b>Oilseeds</b>										
Canola	16.00	16.00	16.00	16.00	1	10	800			800
Flax	24.00	24.00	24.00	24.00	1	30	1000			1000
Mustard - Oriental	18.50	18.50	18.50	18.50	1	30	3000			3000
<b>Pulse Crops</b>										
Field Pea - Feed	7.50	7.75	8.00	8.00	5	38	8980			8980
<b>Special Crops</b>										
Hemp	37.40	37.40	37.40	37.40	1	23	700			700