

USDA: Organic corn and soy more profitable than conventional crops despite higher costs

Organic corn and soybean production is far more profitable than conventional, according to a U.S. Department of Agriculture analysis.

The premiums organic farmers receive for growing those crops more than compensate for the higher cost of production, said Catherine Greene, senior agricultural economist with the USDA's Economic Research Service.

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Greene's conclusion is that there is "significant profit potential" in growing organic corn and soybeans versus conventional, she told delegates attending the Organic and Non-GMO Forum portion of the 2016 Oilseed & Grain Trade Summit.

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Organic prices are much higher than conventional because of the double-digit annual growth in demand for organic products. Greene sees no end in that pace of growth over the next five years.

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That overwhelming demand is why organic corn and soybean prices are double to triple conventional prices. Greene recalls they were three to four times conventional prices in the late 1990s.

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By comparison, the price premium for growing non-GM food grade soybeans was eight to nine percent over conventional in 2015, while non-GM feed grade soybeans fetched a 12 to 14 percent premium. [Greene] suspects those premiums will fall in 2016.

The GLP aggregated and excerpted this blog/article to reflect the diversity of news, opinion and analysis. Read full, original post: Profits soar in organic soybeans, corn: economist