Risk Management Guide for Organic Producers

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CHAPTER 1

Introduction

ABOUT THIS PUBLICATION

rganic agriculture is an ecologically-based management system with the primary objective of optimizing the health of soil, animals, and people. The term "organic" is defined by federal law so that any crop or livestock labeled or sold as "organic" must be produced according to the national regulations in the National Organic Program (NOP) rules. Most states in the Upper Midwest have seen an increase in the number of organic farms from 2000 to 2008 (Table 1-1), evidence that organic agriculture in our region is still growing. Even with the poor economy, sales of organic food products have been increasing, although at a slower pace than earlier in this decade



Figure 1-1. Weeds are one of the biggest challenges for organic producers.

(Minnesota Department of Agriculture, 2010).

Why is it important to address risk management in organic

farming? We believe that organic agriculture intrinsically has greater risk than conventional agriculture because of the greater

Table 1-1. Number of certified farms in the Upper Midwest by state in 2000 and **2008.** Adapted from the USDA-ERS, 2010.

	NUMBER OF CERTIFIED FARMS		
	2000	2008	% CHANGE
Illinois	95	162	+ 71
Indiana	73	180	+ 147
lowa	332	677	+ 104
Michigan	143	256	+ 79
Minnesota	382	543	+ 42
North Dakota	170	152	- 11
South Dakota	91	103	+ 13
Wisconsin	432	1016	+ 135

An organic farmer from McLeod County says you can judge your overall level of risk in organic farming by gauging the following: 1) your management skill level, 2) your availability of labor resources, and 3) your equipment availability.

complexity in crop management issues such as fertility, weed control and pest control. Also, organic producers lack the many synthetic fertilizer and inputs for flexibility in management of risk. Consequently, there is a need for information directed to organic producers on managing risk. Risk is involved whenever producers make decisions where the outcome is uncertain. Decisions such as cropping sequence, variety selection, planting date, or planting rate are examples of decisions with elements of risk. Part of risk management is choosing to use resources to effectively achieve your objectives and to avoid loss, while still maximizing opportunities. There are many categories of risks affecting organic farmers. The types of risk include production, price, institutional, human, and financial. In this publication, we focus on production risks for crops that include cultural prac-

tices, variety selection, and management of pests and diseases.

A recent survey by the Minnesota Department of Agriculture identified the greatest production risks facing organic crop producers. Weed control is the leading concern, but numerous other factors including soil fertility contribute to the risks facing producers (Figure 1-2). As part of this project, we talked with organic

farmers about important production topics and their concerns matched up closely with those of the survey.

Farmers recognize that decision making relies not only on hard facts, but also on experiences. Thus, the knowledge and practices of current organic farmers are among the most important aspects we included in this project, alongside University-based re-

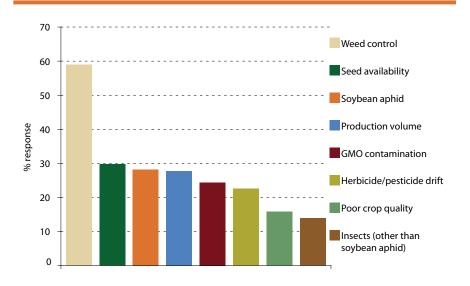


Figure 1-2. Production challenges for Minnesota organic producers. Adapted from the Minnesota Department of Agriculture, 2008.

HOW TO USE THIS PUBLICATION

This manual is intended as a guide for organic and transitioning producers in the Upper Midwest to lower risk in their operations. The fourteen chapters of this manual cover a wide range of production topics that are relevant to organic farmers. These include the importance of rotation, soil health and fertility, weeds, cover crops, and crop profiles. Each chapter can function as a stand-alone document if you are only interested in a certain topic, although the chapters were designed to be read consecutively.

At the end of each chapter are quizzes to gauge your risk in a given topic. Once you have answered all quiz questions and added up your score, your risk level in that area will be assessed with a "High", "Medium", or

"Low" risk rating. Please realize that risk assessment does not predict failure or success; it provides the likelihood of an outcome. If your quiz results indicate high risk, use these results to examine your operation. It may be that there are areas in which you can improve, while still maintaining yield and preserving the ideals of organic agriculture.

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