



## Making the transition from conventional to organic

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Farming organically allows producers to incur many economic and social advantages compared to farming conventionally (Chase et al., 2008). Understanding and planning the economic returns of the transition process can aid the producer in planning and becoming organically certified.

In Iowa, higher organic prices and lower production costs more than compensate for lower yields. The size of the economic advantage will differ by the crops within the rotation, the time period of the study, and geographic location of the farm. However, there has been enough consistency among the research comparing conventional and organic production systems to permit some degree of confidence. The exact numbers for return to management and acres needed vary by assumptions, but the comparison has remained fairly constant over the last 10 years. This economic advantage would allow the organic producer to achieve a designated economic goal with fewer acres.

The need for fewer acres would allow the producer to enter into farming with lower capital requirements. Fewer acres also translate into a smaller machinery investment. Machinery for organic producers tends to be smaller, less expensive equipment compared to conventional producers. The much lower machinery and land investment for the organic producer would allow farmers with limited resources to attain economic goals with minimum debt. Therefore organic rotations offer beginning farmers an opportunity to gain access to farming without a debt load and risks that can be overwhelming. Programs and funding that are available for beginning farmers can be stretched farther in organic production than conventional.

### Organic certification and the transition process

Transitioning from conventional to organic production is a regulated process. Organic certification requires that crops do not receive any synthetic chemicals including fertilizers or pesticides for three years prior to the harvest of the crops (see Delate, 2003 for a full explanation of the certification process).

Split farming operations that simultaneously grow crops organically and conventionally are allowed in Iowa but require special conditions (Delate, 2003). The ability to split farm operations allows producers to transition from conventional to organic production on a field-by-field basis rather than on a whole-farm basis. Current organic producers indicate a field-by-field transition is easier to manage due to extensive differences in nutrient and pest management between the two production systems.

Organic producers must use a longer crop rotation than conventional counterparts. Additionally, the same row crop cannot be produced in consecutive years on the same field. The usual organic rotation includes a legume (alfalfa, clover, or vetch) and small grain (oat, wheat, or barley) in addition to corn and soybeans. Legumes supply nitrogen while the small grains supply nutrients, particularly carbon, and aid in weed management. Organic corn and soybean are normally grown in the rotation in Iowa due to higher organic price premiums and profitability. The common organic rotation in Iowa is from four to six years.

Land coming out of CRP needs to meet the 3-year requirement of no prohibitive substances, but it is possible to harvest an organic crop the first year coming out of CRP if synthetic chemicals have not been applied during that period.

### Transition production plan

As stated previously, organic transitions in Iowa can occur on a field-by-field or whole farm basis. Prior to determining which transition plan makes sense for an individual farming operation, a review of the plan should take place. The transition plan should start with the development of a production plan followed by the development of budgets and determination of projected profitability.

### Enterprise budgets and the transition decision

An Information File and Decision Tool are available on the Ag Decision Maker website to help analyze the transition process. The spreadsheet allows the user to choose which crops to transition first and develop a whole-farm summary to see how returns are affected each year of the transition process. The spreadsheet uses a five year transition process. Conventional budgets are available for corn, soybean, and oat. Organic budgets are provided for corn, soybean, oat, and alfalfa. A blank budget is available to enable the user to insert a crop that is not listed (e.g., barley, wheat, clover, etc.).

Accurate records are a key component to becoming certified organic. The style of recordkeeping varies somewhat between certification agencies, but all require detailed logs of non-GMO seed selection and organic-compliant inputs. Therefore, it is important to identify an organic certification agency prior to beginning the transitioning process to make sure the production practices being followed and the records being kept will lead to a successful transition.

*This article is an excerpt from AgDM File A1-26, Making the Transition from Conventional to Organic. See the Information File for the full text and references.*