

## For Immediate Release

### USDA and University of Minnesota Launch Organic Commodity Price Reporting Service

St. Paul, Minnesota, June 21, 2007 – Amid calls for more dedicated organic research dollars in the 2007 Farm Bill, staff at the University of Minnesota and USDA's Agricultural Market News Service (AMS) have taken immediate, concrete steps to provide producers, lenders and researchers with a much needed organic price reporting service.

The new service, developed in collaboration by AMS and the University of Minnesota's Endowed Chair in Agricultural Systems Program, consists of a searchable database and a bi-weekly price report called the *Upper Midwest Organic Grain and Feedstuffs Report*. The report was launched in February 2007 to make public timely prices for certified organic grain, bean, oilseed, and hay crops. It is available as a download from the AMS website: [http://www.ams.usda.gov/mnreports/nw\\_gr113.txt](http://www.ams.usda.gov/mnreports/nw_gr113.txt).

AMS price reporting services will help farmers with production and marketing decisions by creating transparency in the marketplace – giving all farmers access to the same timely information whether selling oilseeds on contract to a processor or hay to neighboring dairy producer. “We believe in transparency in markets,” says Tedd Heilmann, General Manager of Organic Prairie – a subsidiary of the largest farmer-owned organic cooperative in North America, CROPP Cooperative. “Information like this gives our farm members confidence to plan for their future.”

The ability to plan is critical for beginning farmers and those transitioning to organic management. “Farmers who do not have their own organic price histories need this type of information when approaching lenders for credit,” explains David Stougaard, AgStar Financial Services Executive in Mankato, MN. “They need recognized organic price data when preparing cash flows, developing transition plans, and evaluating new enterprises.”

Price data for the new service comes from market transactions voluntarily submitted by certified organic buyers (handlers, brokers, processors and manufacturers) and producers in Minnesota, Iowa, North Dakota, South Dakota and Nebraska. Gigi DiGiacomo, Senior Fellow with the University of Minnesota's Endowed Chair in Agriculture Program, says the involvement of producers in the reporting service is critical, explaining that “AMS reporters in Des Moines are in regular contact with farmers to verify prices reported from buyers; to ensure that the reported prices are an accurate reflection of market transactions.” Farmers were invited to participate in the price reporting service through press releases published in newsletters, farm journals and local newspapers; agricultural websites; and post cards distributed at winter farming conferences in 2006-2007.

“I think it's important to participate in the price reporting service,” says Olivia, MN farmer Leon Greenslit. “Without this information, I don't know whether broker or

some other buyer is quoting me a fair price. I have all the information I need for conventional crops. But, until now, I haven't had an objective source of price information for organic hay and grains." Greenslit has been farming since 1968 and converted a portion of his cropland to organic management beginning in 2003.

Greenslit is not alone in his call for more organic market information. More than 40 percent of certified organic grain, livestock and dairy producers surveyed by the Minnesota Department of Agriculture (MDA) in 2007 said organic price reporting services are needed.

In addition to creating immediate price transparency, AMS reporting will be important in establishing on-going, baseline organic price histories for what is currently a rapidly growing and, what farm groups call, an "underserved" market sector. "Organic farmers are seriously disadvantaged by disaster payments, insurance programs and financial credit systems, because the actual value of their production is not officially recognized or validated," explains Mark Lipson Policy Program Director with the Organic Farming Research Foundation. "Agencies, insurance underwriters and many farm lenders are forced to rely on conventional data when they determine payouts or calculate farm income as collateral. These structural obstacles are directly detrimental to individual organic farmers who need these payouts or credit, and they serve more broadly to discourage organic transition."

Thomas Dobbs, a professor with the Department of Economics at the University of South Dakota, says he is "Extremely pleased that AMS is now collecting organic price data on a regular basis for crops that are important in the Upper Midwest and Northern Great Plains." Dobbs is well known in the organic community for past research comparing organic and conventional commodity price trends using data from private businesses and organizations. "Having followed organic grain and soybean prices for about 10 years -- using summaries of organic-to-conventional price ratios -- I know how valuable it is to have a consistent and reliable source of organic price information."

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