



## INSTITUTE NEWS

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ventional rotations, according to a new report by the Henry A. Wallace Institute for Alternative Agriculture entitled *The Economics of Organic Grain and Soybean Production in the Midwestern United States*.

To help farmers understand the profitability of organic agriculture, the Wallace Institute report, by policy analyst Rick Welsh, analyzes studies comparing organic and conventional grain cropping systems. The report also reviews past and current research on the conditions under which growing organic crops is profitable, and provides a summary and assessment of the "best science" available on the topic.

There has been dramatic worldwide growth in the production of, and demand for, organically produced agricultural products. In addition, consumers have consistently been willing to pay premium prices for organic products, which has often caused processors to pay premiums to farmers for organic grains. However, the study found that premiums are not always necessary for organic systems to outperform conventional systems.

When the organic systems were more profitable, it was due to one or more factors, including the organic system having lower production costs; the net returns for the types of crops in the organic rotation were higher than the net returns for the types of crops in the conventional rotation; and organic systems are drought hardy and can outperform conventional systems in drier areas or during drier periods.

In addition to the economic benefits of organic grain and soybean production in the midwestern United States, there are potential health benefits to farm-level workers and the natural environment from organic production. "Given the potential economic, health, and environmental benefits of organic production, a greater pub-

lic policy commitment in research, investment, and education is needed," according to the report, which makes policy recommendations for state and federal agencies, and private sector firms.

*The Economics of Organic Grain and Soybean Production in the Midwestern United States* is available electronically on the Wallace Institute's Web site at <http://www.hawiaa.org>, or in hard copy for \$15 from the Wallace Institute, 9200 Edmonston Road, #117, Greenbelt, MD 20770; (301) 441-8777; e-mail [hawiaa@access.digex.net](mailto:hawiaa@access.digex.net)

### **Retaining Farms and Farmland Tops Project's Initial List of Goals**

Local working groups participating in the Wallace Institute's Agriculture Policy Project have listed their top agricultural concerns as the loss of farms and farmland, and the need for increased marketing opportunities. The Agriculture Policy Project is a grassroots effort to develop innovative, on-the-ground food and agriculture policies that will benefit American farmers and the constituencies they serve.

The first phase of the project, now in progress, consists of local farm policy roundtables in 12 communities around the country. Their goal is to bring together farmers, local officials, business leaders, and others to identify critical food and agriculture-related challenges in their communities, and to develop and implement workable solutions. Eight of the 12 roundtables have completed their first round of workshops.

The needs for policy change from all 12 local roundtables, several regional meetings, and a national meeting will be the starting point for the development of new local and national policy recommen-

dations. These will be presented to the Administration and Congress. At the same time, the Agriculture Policy Project will fund local projects to implement the recommendations of the roundtables.

The local roundtables represent many of the country's major cropping and production systems, as well as the other components of the food system: for example, corn and soybean growing in Indiana; beef production in Nebraska, Texas, and Colorado; and fruit and vegetable growing in California and southeastern Massachusetts.

In addition to farmland preservation and marketing opportunities, other policy issues under discussion include effects of agriculture on air quality, reconnecting farming to communities, agricultural diversification, new farmers, inner city food access, and watershed impacts.

### **Merrigan To Head USDA's Agricultural Marketing Service**

Kathleen Merrigan, the Wallace Institute's senior policy analyst for the past five years, has left the Institute to become the new administrator of the USDA's Agricultural Marketing Service. The AMS has a staff of 3,500. Merrigan was formerly an aide to Sen. Patrick Leahy (D-VT) when he served as chairman of the Senate Agriculture Committee. She has been a member of the National Organic Standards Board since 1993.

"Same agenda, different location," said Merrigan. "This is a great opportunity to go back inside government and work with an agency responsible for many of the issues at the forefront of sustainable agriculture, notably the new organic standards, farmers' markets, farmers' cooperatives, mandatory price reporting, and pesticide data collection."