

Title Cost price calculations for organic and conventionally grown vegetables in Sweden
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Abstract

Environmental considerations are important in Swedish agricultural policy and organic farming is being promoted for its positive contribution towards the environmental goals. To help growers evaluate the economics of organic production, a calculation project was initiated by the Swedish Board of Agriculture. Cost price calculations were made for four types of farms: 1) A small organic farm growing various vegetables on a total of 1 ha; 2) a slightly more mechanised and specialised organic farm with vegetables on 3 ha; 3) a highly specialised organic or conventional farm growing two vegetable crops on 40 ha; and 4) an organic or conventional agricultural farm growing vegetables on contract to the food industry. These calculations were primarily aimed as starting points for growers to use when calculating the outcomes of their own crops, but also provide a picture of the current production costs of vegetables. For the large, mechanised, type 3 farms, the production costs of organic vegetables are between 45% (carrot) and 85% (cabbage) higher than for conventionally produced due to higher yield and lower labour requirement in conventional production. The production costs for the small, diversified, type 1 grower are between 46% (cabbage) and 113% (onion) higher than for the large, type 3 grower. Much more manual labour is used on the small farm due to less mechanisation. For large-scale organic production to be viable, the cost price must be 50-100% higher than for conventional products. The small producers cannot compete on this market and they usually sell their products directly to consumers in their own farm shops or on the local markets.