North American organic livestock sector is in a jam

US livestock industry relies too heavily on imported feed and there are concerns of organic fraud



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Torth America's organic livestock industry needs an overhaul, according to an economist who spoke at the Beechwood Agri-Services grower meeting on April 11.

While feeding regulatory requirements for organic standards are largely being trail but there's still a risk of met in his opinion, the reliance on soybeans as a protein source, has led to a dysfunctional supply-chain when agronomic sustainability is considered, Ryan Koory said.

Koory, who works for Maryland-based company Mercaris, points to the large companies who've entered the organic industry in recent years as being part of the problem. They've been driving the demand for soybean meal, much of which is being imported.

"These are monoculture companies working with a successful part of organic monoculture philosophy," Koory said.

"We've been importing more and more organic soyorganic livestock industry. We're not meeting the need for soybean meal (with North American production) and I don't think we can ... We need 240 per cent more organic soybean acres in the US and 26 per cent more corn acres."

organic soybeans were har- rotation. vested, Koory said. However, were imported.

The latest numbers put rotation." organic soybeans usage in the US at nearly 32.9 million bushels of which just over eight million bushels are produced domestically, Koory said. That leaves a huge shortfall that needs to be imported, increasingly in the form of meal, from Canada and such places as Turkey, India, East-



Ryan Koory is the senior economist with Mercaris, a market information firm specializing in organic and non-GMO commodities

Turkey.

The imports have a paper commodities being sold as organic, Koory said. Governcould be better, not just inter- like soy-milk. nationally but domestically in the US.

increasing because of the representative another strong feed demand. The import of whole beans, however, has been dropping because profit beef numbers are still relamargins for organic soybean tively low in the US but oil are slim, Koory said.

"We've been crushing fewer beans because we don't want the oil in North America."

While soybeans can be a rotations, they contribute little in the way of organic matter to the soil and are not a crop that should be grown bean meal; the reason is the every other year or even every third year for long-term agronomic success under organic practices.

demand equation needs to cent in 2018/19 from the prechange as does the approach vious year. of the big companies raising

the equivalent of 113,000 is change what we feed our acres of corn and more than livestock ... I think sunflow-600,000 acres of soybeans ers are a big opportunity ... they work great in an organic

> organic livestock producers to feed sunflowers along with other feed alternatives like barley and rye rather than the tion is also increasing in the favoured ration of corn and soybeans. Another challenge is to build the necessary depended on imports from crushing capacity.

million in organic sunflower oil imports to the US in 2017/18 and 38.8 million pounds of seed. Together, that represents close to 200,000 acres of production.

The protein content of sunflower meal is from 25 to 30 per cent compared to 45 to 48 per cent for soybeans.

Overall, Canada had close to three million acres under organic production in 2017/18. In the US, there are now about 6.3 million acres.

The US organic dairy industry represents the greatest demand for organic feed, with close to 440,000 cows and heifers. However, Koory the market for organic milk ern Europe and Russia via has matured with annual growth pegged at a modest one per cent and smaller premiums as compared to conventional milk. In addition, ment monitoring of the trade from competing beverages

Growth numbers for poultry are much stronger, espesource of demand for organic feed. Overall organic hog and much still depends on how growth is strong, especially

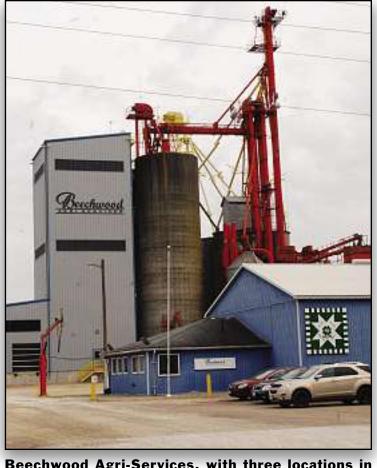
"I think sunflowers are a big opportunity (as livestock feed)... they work great in an organic rotation."

— Ryan Koory

organic livestock. In essence, ORGANIC CORN production Between Canada and the what's being fed in North has steady been increasing in lower, roughly 60 to 70 per 450,000 acres of organic corn reflect what can be grown in of 130 bushels per acre and production. "Maybe what we need to do may hold but sees some downward potential.

> North American corn production competes with Consumers Association, an imports, including cracked corn which is often imported Minnesota farmer Ronnie The challenge is to convince from Turkey but may originate from Ukraine, Russia or Eastern Europe.

> > Organic soybean produc-US, through its livestock industry remains highly many of the same countries



Beechwood Agri-Services, with three locations in there's been stiff competition Southwestern Ontario, has grown to be an important player in the organic trade in the province

potential.

the crop looks coming out of winter. That said, corn tends to set the floor for wheat prices and, again, he sees a and soybeans.

has a difficult time tracking Canadian organic commodity prices.

Carolyn Young, executive director of the Organic Council of Ontaro forwarded some numbers to Ontario Farmer. According to a survey of buyers, organic corn, soybean, Koory said this top-down with organic hogs, up 40 per food-grade soybeans and winter wheat prices average \$11, \$13, \$24 and \$13 per bushel in 2018.

Yields, however, were

dards in the US but didn't go into much detail.

According to the Organic organization founded by Cummins, there are serious concerns that the standards themselves or the intent of the standards are not being met.

The consumers' organization points to documented cases of import fraud relating grains and oilseeds entering the United States. There's Koory said there were \$31.7 as corn. Koory said the price also concern that the big play-

outlook is similar to corn, ers have failed to provide adeprices either staying about the quate outdoor access for Meal imports have been cially with turkeys, and same with some downside animals and, in the case of dairy animals, enough pas-With wheat, Koory said ture and forage in the diet. The production of vegetable produce hydroponically in indoor facilities has also been criticized.

> According to an article cosimilar situation as with corn written by Cummins, "There are about 25,000 honest local Koory said he looked but and regional producers, versus a handful of big brands, mostly national, who flout the rules."

> > Koory is the senior economist with Mercaris. Mercaris provides market information for organic and non-GMO commodities and operates a commodity auction system. The business was founded by Kellee James who was appointed as a White House Fellow by Barack Obama in

Beechwood Agri-Services US in 2017/18, close to America needs to better the US. Using an average yield cent that of conventional handles organic and conventional commodities. Founded and about 250,000 acres of a sustainable organic taking into account weather Koory talked briefly about in 1997 by its general manimpacts, Koory feels prices the erosion of organic stan- ager Paul Kremer and brothers John and Fred O'Neil, the company works with farmers from across Ontario and operates locations at Parkhill, Nairn and Arkona in Southwestern Ontario.

> The Organic Consumers Association is based in Minnesota and has international connections through its sister organization in Mexico, Via Organica, and through members of its policy board including food activists Vandana Shiva of India and Mika Iba of Japan.