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The economic aspects of organic farms selling their products to organic or conventional market

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Abstract: Organic farming is a topic often discussed in the scientific community and public space. The current European policy strongly supports the enhancement of organic farming concerning the environment, sustainability, and social aspects. It is generally assumed that a lower intensity of production, yields, livestock utility, fertilisation, and total costs should be compensated by premium prices, subsidies, or higher economic performance. Research revealed that achieving premium prices for organic products on the market is not obvious for organic farmers as some organic commodities have been sold on the conventional market. Our study focused on the price difference reached by the sample of farms on the organic and conventional markets for two organic commodities (winter wheat and milk) and the farm's economic results. We combined and compared data from two unique databases on organic farming in the Czech Republic. We used the statistical methods of ANOVA and regression for analysis. We found the difference between evaluated market prices. Price variability is wide in both types of organic and conventional markets but the influence of the prices on farm performance was not significant.

Keywords: milk; net value added; output; prices; winter wheat

Organic farming means following a range of strict rules with respect for nature and natural cycles, an emphasis on the use of manure while limiting the use of industrial mineral fertilisers, the elimination of synthetic plant protection, the strong attention to animal welfare, and the efforts to improve and maintain soil quality (Wheeler and Marning 2019). In the EU, organic production is a firmly anchored legal system with strictly set and controlled rules (EC 2018). The constraints lead to more extensive farming, lower yields (Seufert et al. 2012), and lower animal performance (Rodriguez-Bermudez et al. 2017) compared to conventional farms. Farmers' motivations to pursue a system that competes with high-intensity agriculture have often been discussed. Although some authors have examined individual motivations in detail, scholars often argue that the choice of organic agriculture is an effect of a combination of factors. Following the idea that organic farming is a multi-dimensional concept encompassing economic, environmental, and social aspects (Mani et al. 2016), it is appropriate to ask whether economic reasons can also be the

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motivation, not just an accepted effect. Stojanova et al. (2018) found that personal motivation, farmers' lifestyle, family tradition, and owning a farm, clustered as a producer's persuasion, were classified by Czech farmers as the most important, though EU and national subsidies reached almost the same ranking. Gaining funds as part of economic motivations and the target profit have also been indicated by other authors (Žáková-Kroupová and Malý 2010).

Besides environmental public goods, organic farms provide products of premium quality, which should be recognised by consumers (Shafie and Rennie 2012). In terms of finances, organic price premiums together with subsidies have been found to be powerful motivations to adopt organic farming system (Serra et al. 2008). Higher consumer prices often represent an obstacle to sales (Rödiger et al. 2016). Some organic farms are thus unable to sell their certified organic products at organic prices and are looking for alternative solutions, including marketing their products on conventional markets marked equally to conventional products (Meemken and Qaim 2018). This may affect the farms' economic performance.

The economic performance of organic farms attracts the high attention of scholars. The extensive literature deals with the comparison of organic to conventional farms, but it turns out that it is not possible to prove unequivocally which of the systems per se shows better economic results. Bux et al. (2022) found that conventionally farmed durum wheat in southern Italy revealed more than half higher gross income compared to organic production while Butinelli et al. (2021), having used the Italian Farm Accountancy Data Network FADN sample showed that financial sustainability was greater for organic than conventional farms. The higher profitability of organic farms is described more often and was confirmed by Offermann and Nieberg (2000); Acs et al. (2007); Nemes (2009); Shennan et. al (2017); Fess and Benito (2018); Meemken and Qaim (2018); and other authors.

Numerous studies were also conducted within organic farms based on a range of variables, such as the farm size (Hampl 2020), animal breed (Rodríguez-Bermúdez et al. 2017), yield (Ponti et al. 2012), cost level (Urfi et al. 2011; Langemeier and Fang 2020), subsidies' volume (Žáková-Kroupová and Malý 2010) and others. Concerning output prices, Urfi et al. (2011) found that in most of the compared cases, organic farming is more profitable than conventional farming, but the extra organic price that contributes to this is not sufficient to achieve higher profits in each year. There is a consensus that the price premium for organic output products should, together with government subsidies, contribute to compensate for lower yields, while some scholars (Kim 2003) underline it as essential for the economic viability of organic farming. The difference between conventional and organic farm prices should thus help to balance the handicap of organic farms against conventional ones.

The existing literature dealing with organic product marketing is significantly biased towards retail actors and consumers, while the supply-side research focused on farm marketing is underdeveloped (Mérel et al. 2023). We follow farm economics in the context of the idea that some organic farmers face the challenge of finding an outlet for their organic products in the organic value chain (Zagata 2007; Meemken and Qaim 2018; Ristanović et al. 2022). The literature shows that organic farms economics related to marketing channels is greatly underdeveloped in research. There are many studies devoted to organic and conventional prices at the consumer level, as well as analyses comparing the prices of organic and conventional farms. However, we lack studies analysing the economics of organic farms that do not find a market in the organic value chain so that their products are sold through the conventional value chain.

Our research aimed to reveal the economics of organic farms operating in the Czech Republic that sold their organic products to conventional chains compared to organic farms with sales to organic value chains. For this purpose, we use unique access to the Czech Farm Accountancy Data Network (FADN) and a comprehensive Survey of organic production in the Czech Republic. Through data from these two databases, we can use relevant farm information about prices, market sales, and farm economics for our research. The commodities of winter wheat and milk were chosen for the examination. The strength of this study lies in the comparison of unique and precise data from two independent regular surveys.

The paper is organised as follows: in the next section, the data and methods are introduced. The results show the analysis of organic farms from different points of view split into groups according to the sold commodity (winter wheat, milk) including the farm market, sale prices, output, and farm net value added (FNVA). Our results are compared to published literature in the following section of discussion. The final chapter provides the conclusions and suggestions for further research.

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MATERIAL AND METHOD

In the Czech Republic, two unique databases of organic farming are run by the Institute of Agriculture Economics and Information (IAEI). The first database, the Statistical Survey in Organic Farming in the Czech Republic (IAEI 2020), summarises almost all organic farms in the country and involves farms of all types of farming and economic sizes. The survey collects data about the farm production, market, and use of the products but does not involve price information. The form of the questionnaire follows the requirements of this targeted statistical survey. Results are used for the statistics on organic farming as well as the rural policy decisions in the Czech Republic.

The second database, the FADN, runs a regular survey according to a European standard methodology and collects economic and production data of farms (EC 2015). Economic efficiency is expressed in FNVA which is calculated from output, costs, taxes, depreciation, and subsidies. The FNVA is the most significant indicator of the farm's economic result (EC 2022). The FADN survey is focused on market-orientated holdings. A selected sample of farms participating in the Czech FADN survey involves holdings of organic farms. The sample follows the proportion of organic farms in the country. The survey includes information on farm production, sales, and prices, but not on market uptake.

Both databases collect data from organic farms in the Czech Republic. Considering that the Statistical Survey in Organic Farming includes almost all organic farms in the country, the farms participating in the FADN survey are also part of the Statistical Survey in Organic Farming set. However, each of these surveys focuses on a different segment of the farm economy. Also, information on the sale of commodities is collected from a different point of view in each survey. Nevertheless, this is information from the same farms. Therefore, connecting data from these two surveys created a unique dataset, which provides information both about the sale and price of organic products and market applications.

The majority of plant production in organic farms is used in the farm as fodder because one of the organic principles prefers a closed cycle of material and organic product. Only organic fodder can be used for the organic animals. Organic manure is the preferred fertiliser in organic crop production. Therefore, it was a challenge to find a commodity in the production that was sold in sufficient numbers for statistics in the selected sample. Winter wheat sale was selected from crop production. Livestock production is represented by milk sales.

The evaluated organic farms' samples involve results from the 2018–2020 period. The effect of the year had to be suppressed in the calculation and evaluation because of the low number of repetitions in some clusters. The selection sample involves farms concerning the holding type: family farms (farms with simple accounting) or legal entities (holdings with double-entry bookkeeping). Data on winter wheat sales originated from farms of 4 types of farming – cattle breeding, milk production, mixed production, and crop production (56 sales in total). Data on milk sales involve only 2 types of farming – cattle breeding and milk production (48 sales in total). Although no data is given, information on milk processing on a farm was collected as well.

All farms involved in the selected sample were fully organic. The sale on the market was distinguished into organic sales and conventional sales.

The prices of the evaluated commodities were originally in Czech crowns (CZK) and were converted to euros (EUR) at the exchange rate valid in individual years. The prices of analysed commodities in farms are the average prices reached in markets.

The statistical analysis was calculated in IBM SPSS Statistics (PS Imago Pro v. 8.0.). The evaluated categories were compared by a *t*-test and ANOVA analysis with *P*-values at 0.05 significance. Prices were calculated per amount of sold commodity (tons for wheat, 100 kg for milk), and output was calculated per hectare for better comparability. The farm net value added was expressed per hectare. The regression and correlation analyses among selected parameters were calculated as well. These data were compared in value per farm.

RESULTS

Two groups of the specific sample of organic farms in the Czech Republic were evaluated in the analysis. The first group involved farms with winter wheat sales, and the second group was created according to the milk sales. Therefore, some economic indicators could differ among the evaluated groups.

Sale of winter wheat

The evaluated selected sample involved only fully organic farms. Almost 79% of winter wheat sales were to the organic market during the three years. Legal entities realised more than 57% of sales and almost 43% were by family farms. According to the FADN methodology, the evaluated sample involved only market-oriented farms and not the small ones,

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Table 1. Wheat price (EUR/t) by clusters of farm characteristics

Classes	Category	Mean	SD	Min.	Max.	Median	*F*	Significance	Farm ratio in classes (%)
Sale	organic	221.2	59.0	113.8	347.1	217.5	2.474	0.122	78.6
	conventional	192.7	39.0	143.7	264.5	184.7			21.4
Holding	family farms	219.7	55.8	147.5	347.1	226.9	0.285	0.596	42.9
	legal companies	211.6	57.2	113.8	323.4	201.6			57.1
Type of farming	cattle	203.0	59.2	113.8	323.4	185.5	0.891	0.452	39.3
	milk	236.1	46.1	157.2	303.9	235.8			17.9
	mixed	214.5	56.8	143.7	347.1	201.0			33.9
	crop	228.4	60.5	147.5	277.6	264.5			8.9
Total	–	215.1	56.2	113.8	347.1	203.0	–	–	100.0

SD – standard deviation
Source: FADN unbalanced data, 56 sales, own calculation

which are dominantly family farms. The highest share of sales was from cattle breeding orientated farms, followed by farms with mixed production. Almost one-fifth of sales were from farms focused on milk production and the fewest farms specialised in crop production (Table 1). The average prices were not significantly different among the evaluated types of farming (Figure 1).

The average price of winter wheat sold on the organic market was EUR/t 221, which is about 15% higher than wheat sold on the conventional market (Table 2). In our research, we did not analyse the reasons for sales on organic or conventional markets. According to the results of the Statistical Survey on Organic Farming in the Czech Republic, about 20% of the winter wheat production is used as fodder in organic farming. Therefore, sales on the conventional market with lower prices means lower profit. Due to the high variability of the data, the ascertained difference is not statistically significant.

The farm economy was evaluated by economic indicators: crop output, total output, and farm net value added (FNVA) calculated per ha. Crop output involves not only winter wheat production, but the output (production, sale, fodder use, processing, seeds, and supplies) of all crops. This indicator showed better economic results in a group of farms that sold winter wheat in conventional markets

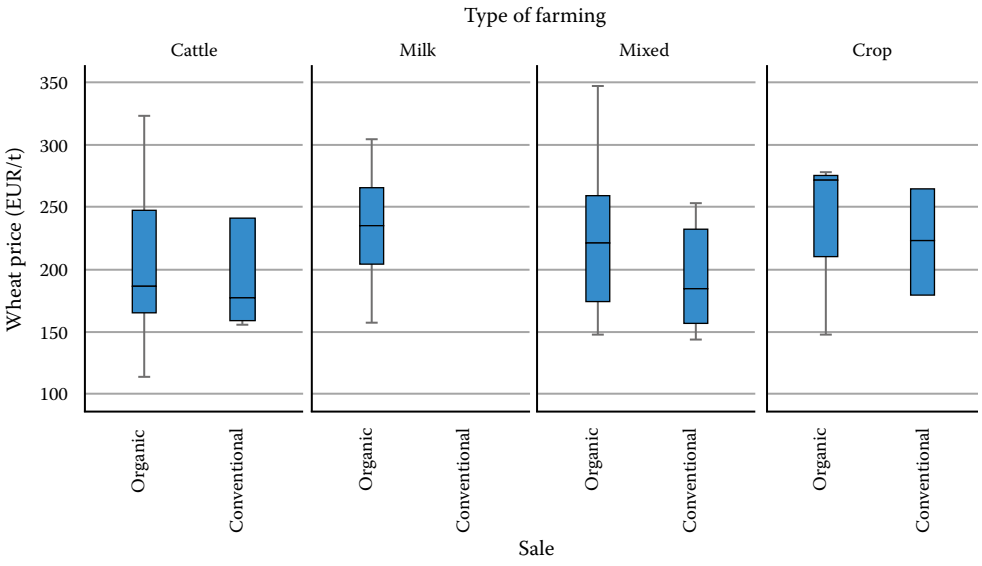

Figure 1. Winter wheat prices (EUR/t) according to the sale (organic; conventional) and type of farming (cattle breeding; milk production; mixed production; crop production)

Source: FADN 2021, unbalanced data, own calculation

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Table 2. Economic indicators of farms with winter wheat sales

Economic factor	Sale	Mean	SD	Min.	Max.	Median	*F*	Significance
Crop output (EUR/ha)	organic	329.2	178.3	108.3	988.6	307.7	0.555	0.459
	conventional	379.1	284.7	139.6	925.6	272.0		
	total	340.1	204.1	108.3	988.6	276.2		
Total output (EUR/ha)	organic	579.1	210.1	229.2	921.9	597.9	0.838	0.366
	conventional	505.2	220.4	262.2	921.7	459.3		
	total	562.1	211.9	229.2	921.9	523.6		
FNVA (EUR/ha)	organic	497.7	193.3	114.1	865.3	473.0	0.356	0.554
	conventional	456.5	210.2	188.8	791.6	432.3		
	total	489.7	195.2	114.1	865.3	454.0		

SD – standard deviation; FNVA – farm net value added
Source: FADN unbalanced data, 56 sales, own calculation

(about 13%). It was the only indicator with this result. The reason could be in the dominant type of farming. Two-thirds of farms selling on conventional markets were mixed and crop production, while this group represents only one-third of organic markets. We can assume farms with this specialisation sold a higher share of the crop production than farms focused on livestock production. The total output and FNVA showed higher values in farms with sales to organic markets (about 15% and 9%, respectively). Unfortunately, there was a high variability of results in farms with organic sales as well as in farms with conventional sales; therefore, the differences were not statistically significant (Table 2).

Correlation among economic indicators showed a significant relationship between FNVA, crop output, and total output (Table 3). According to our calculation, the price of sold winter wheat does not directly influence farm economic results. We can assume that the total volume of sold commodities is more important than the price in this case. Furthermore, the majority of total crop production is used as fodder directly on farms and only a small part is sold. It may be why the effect of winter wheat sale prices was so small.

Sale of milk

The selected sample of fully organic farms with milk sales involved almost 82% of sales to the organic market in the evaluated period (Table 4). The majority of sales were realised in farms specialised in milk production (82%), and only one-fifth of sales came from farms focused on cattle breeding and rearing. No other type of farming was involved. Farms specialised in milk production reached slightly higher prices than farms focused on cattle breeding, but this difference was not statistically significant.

Two-thirds of sales were on family farms and only one-third on legal entities. The sale to the conventional market was registered only on family farms orientated on milk production. The analysed sample of farms with milk sales involved about 27% of farms with milk processing (data not shown). None of the farms that sold milk to the conventional market realised their on-farm milk processing.

Table 3. Correlations of economic indicators of farms with winter wheat sales – values per farm

Pearson correlation	FNVA (EUR/farm)	Wheat price (EUR/t)	Crop output (EUR/farm)	Total output (EUR/farm)	*t*	Significance
FNVA (EUR/farm)	1.000	0.042	0.842**	0.828**	–2.639	0.011
Wheat price (EUR/t)	0.042	1.000	–0.133	–0.149	2.725	0.009
Crop output (EUR/farm)	0.842**	–0.133	1.000	0.824	4.486	<0.001
Total output (EUR/farm)	0.828**	–0.149	0.824	1.000	3.908	<0.001

**significance at 0.01 level; FNVA – farm net value data
Source: FADN unbalanced data, own calculation

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Table 4. Milk price (EUR/100 kg) by clusters of farm characteristics

Classes	Category	Mean	SD	Min.	Max.	Median	*F*	Significance	Farm ratio in classes (%)
Sale	organic	38.1	3.8	30.6	45.9	38.7	8.346	0.006	81.6
	conventional	33.9	4.6	29.5	42.5	32.6			18.4
Type of farming	cattle	36.4	4.0	31.2	43.3	38.7	0.501	0.483	18.4
	milk	37.5	4.3	29.5	45.9	32.6			81.6
Holding	family farms	36.3	4.4	29.0	43.0	36.1	5.831	0.020	63.3
	legal companies	39.2	3.4	32.0	46.0	38.9			36.7
Total	–	37.4	37.3	29.5	45.9	38.5	–	100.0	–

SD – standard deviation

Source: FADN unbalanced data, 48 sales, own calculation

The price of milk sold to the organic market was about 12% higher than the price of sales to the conventional market (Table 4, Figure 2). Family farms reached about 7% lower prices on the market than the legal entities. These differences were the only statistically significant occurrences in our evaluation. A wide range of variations occurred in most of the evaluated parameters, therefore, statistical significance was usually low (Table 4 and 5). In the case of milk sales, the type of market (organic or conventional) proved to be an important factor.

The crop output of farms with milk sales to conventional markets (Table 5) was similar to farms with sales to organic markets (only 6% higher). Farms with conventional sales were only the milk production type of farming. We suppose a lower share of pastures and, therefore, a higher ratio of arable soil with crops for sale than on farms specialised in cattle breeding.

It should be recalled that the evaluated group of farms involves only cattle breeding and milk production holdings. The higher price of milk sold to the organic market (about 12%) helped to reach higher livestock output (about 13%) compared to farms with the sales to the conventional market and, consequently, a higher total output (about 14%). The importance of the price is apparent from the comparison of the milk yield, which was almost the same in both groups of farms (about 17 L from milking cow a day).

The farm net value added per hectare was comparable for both groups of farms concerning the market type (only 4% higher in the farms with conventional sales). This non-significant difference was influenced by the dominant type of farming of the groups, as described above (conventional sales only on farms with milk production).

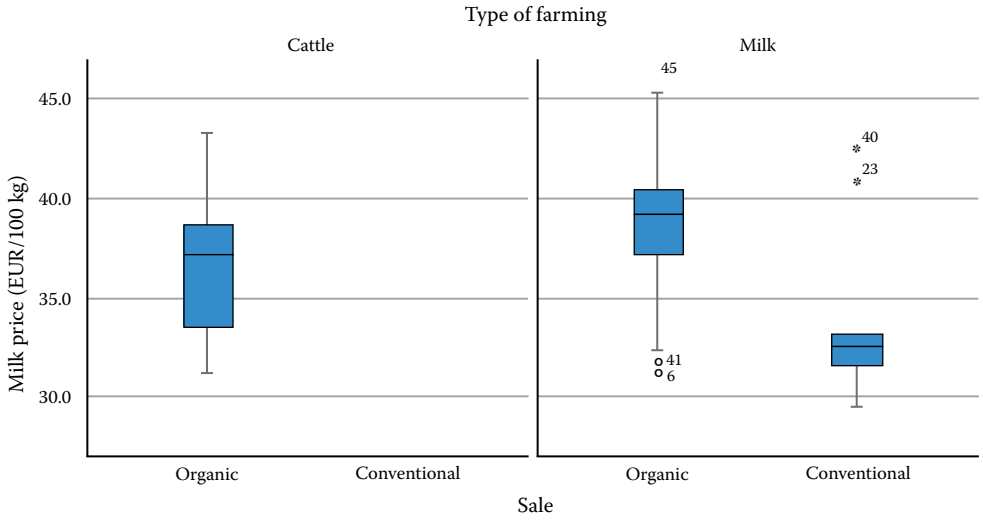

Figure 2. Milk prices (EUR/100 kg) according to the sale (organic; conventional) and type of farming (Cattle breeding; Milk production)

Source: FADN 2021, unbalanced data, own calculation

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Table 5. Economic indicators of farms with milk sales

Economic factor	Sale	Mean	SD	Min.	Max.	Median	*F*	Significance
Crop output (EUR/ha)	organic	253.9	78.6	96.0	446.5	241.7	0.231	0.633
	conventional	267.6	71.8	150.7	416.7	254.1		
	total	256.4	76.9	96.0	446.5	245.1		
Livestock output (EUR/ha)	organic	1 165.3	1 027.0	260.6	3 733.4	733.2	0.140	0.710
	conventional	1 035.0	309.9	601.8	1 444.6	962.5		
	total	1 141.3	935.7	260.6	3 733.4	828.4		
Total output (EUR/ha)	organic	1 509.1	1 032.2	383.6	4 071.8	1 158.0	0.283	0.597
	conventional	1 322.9	290.5	837.6	1 683.9	1 292.7		
	total	1 474.9	940.8	383.6	4 071.8	1 168.9		
FNVA (EUR/ha)	organic	847.3	495.0	198.5	2 076.2	757.4	0.035	0.852
	conventional	879.1	193.9	520.8	1 171.7	835.4		
	total	853.5	450.4	198.5	2 076.2	817.9		
Milk yield (L/day)	organic	17.2	4.3	9.7	25.6	16.03	0.034	0.854
	conventional	16.9	3.1	13.7	22.9	16.00		
	total	17.2	4.1	9.7	25.6	16.03		

SD – standard deviation; FNVA – farm net value
Source: FADN unbalanced data, 48 sales, own calculation

Table 6. Correlations of economic indicators of farms with milk sales values per farm

Pearson correlation	FNVA (EUR/farm)	Milk price (EUR/100 kg)	Milk yield (L/day)	Crop output (EUR/farm)	Livestock output (EUR/farm)	Total output (EUR/farm)
FNVA (EUR/farm)	1.000	0.259	–0.304*	0.915	0.865**	0.963**
Milk price (EUR/100 kg)	0.259	1.000	–0.322	0.268	0.369*	0.291
Milk yield (L/day)	–0.304*	–0.322	1.000	–0.391*	–0.224	–0.279
Crop output (EUR/farm)	0.915**	0.268	–0.391*	1.000	0.892**	0.939**
Livestock output (EUR/farm)	0.865**	0.369*	–0.224	0.892**	1.000	0.947**
Total output (EUR/farm)	0.963**	0.291	–0.279	0.939**	0.947**	1.000

*, **significance at 0.05; 0.01 level, respectively; FNVA – farm net value added
Source: FADN unbalanced data, own calculation

Despite the assumption that the milk price significantly affects the economic results of the farm, the correlation does not prove it. There was a significant relation among FNVA, crop output, livestock output, and total output. The influence of the milk price or milk yield was only very low (Table 6).

DISCUSSION

The average price of winter wheat sold on the organic market was about 15% higher than wheat sold on the conventional market. The price of milk sold to the organic market was about 12% higher than the price

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of sales to the conventional market. Langemeier and Fang (2020) found approximately double the average price of winter wheat sold as organic compared to conventional using FINBIN data for the period from 2014 to 2018. FADN data on dairy farms from selected EU countries show a premium on the producer price for organic milk of more than 20% (EC 2023). Fess and Benedito (2018) showed the price of organic products is generally 30% higher than those of their non-organic counterparts. Due to the pressure of the market on the producers and manufacturers of organic food, the prices of organic products are gradually decreasing, and thus the difference in the prices of organic and conventional production increases, as well (EC 2023).

Each commodity group has a slightly different dominant distribution channel. The quality and the price of agricultural products are the dominant criteria for the market (Ristanović et al. 2022). The opportunity to receive higher farm gate prices is an important aspect of the profitability of organic farms (Offermann and Nieberg 2000). Prices can fluctuate considerably over the years due to organic market conditions and could lead to uncertainty about premium price marketing (Acs et al. 2007). The higher prices for organic products represent 40–73% of the profits for arable farms, while the respective share for dairy farms is about 10–48% (Offermann and Nieberg 2000).

The overwhelming majority of cases in the literature show that organic farms are more economically profitable, despite frequent yield decreases. The higher outcomes generated by organic agriculture are dominantly due to premium prices and predominantly lower production costs (Offermann and Nieberg 2000; Acs et al. 2007; Nemes 2009; Urfi et al. 2011; Shennan et al. 2017; Fess and Benedito 2018; Langemeier and Fang 2020; EC 2023). The yields, prices, and production costs in organic farming are highly context-specific (Meemken and Qaim 2018). The labour costs are significantly higher by about 7–13% in organic farming compared to conventional (Crowder and Reganold 2015). The total costs were comparable in our sample because all the farms were organic. The differences were dependent on the type of farming or the holding type (family farm or legal entity) and were unrelated to the market.

Urfi et al. (2011) stated that differences in gross profits may be explained by different yields and selling prices. The yield of winter wheat was similar in all farms in our selected sample due to the organic practices required. The main difference in the economic calculation came from the market price. Nemes (2009) confirms that the profitability of organic farms could only increase with premium prices, increased governmental support, and higher yields. Stojanová et al. (2018) found that 89% of respondents financed their organic farming through their own profit and 70% used national or EU subsidy programmes. Only 4% of respondents used other source of funding as profits from another business, loans or off-farm income. A total of 75% of respondents found their business profitable even if they used funds or loans. Organic farming is 22–35% more profitable than conventional agriculture on average (Crowder and Reganold 2015). Receiving premiums for various commodities makes organic agriculture more profitable, but the size of the premium varies among crops and countries. Not all products may be sold at premium prices due to quality requirements (e.g. colour, size specifications, etc.) or lack of market demand. Thus, these would be sold as conventional (Offermann and Nieberg 2000). If farmers cannot sell their products as organic for higher prices, their income and economic performance will drop considerably (Acs et al. 2007; Fess and Benedito 2018). The net value of organic farms is 23–27% lower than the net value of conventional farms without premium prices. To match the economic performance of conventional systems, premium prices need to only be 5–7% greater than the price of the conventional product (Crowder and Reganold 2015). Winter wheat sold on the organic market overlaps conventional prices by about 15% and economic results measured by FNVA/ha exceeded about 9% in our research. Contrary to this, the price of milk sold as organic was about 12% higher than conventional, but the final FNVA/ha was about 13% lower.

In our research, evaluated groups of farms were created based on sales (winter wheat sales, milk sales). The results are group-specific and, therefore, could differ from another type of sampling. The value of FNVA per ha of the farms with the winter wheat sales to the organic market was EUR/ha 490. The value of farms with milk sales was EUR/ha 854 in the same market. For comparison, the value of the FNVA of organic farms in the FADN survey (without sorting by farm specialisation or market) was on average EUR/ha 449 in the same period (FADN 2021; survey, unpublished data). Conventional farms reached an FNVA of EUR/ha 686 (FADN 2021, unpublished data). It is evident that the high ratio of economically efficient milk farms in the sample significantly influences the profitability more than the type of market. The dominant organic farm specialisation is cattle breeding with lower profitability in our country.

Our research analysed the impact of the sale of only one commodity (winter wheat or milk) on the farm's

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total economic performance. However, the sale of one product represents only a part of the total profits. Higher (premium) prices of all organic products, together with subsidies and other farm income (such as other gainful activities and others), can significantly affect the final economic result.

CONCLUSION

Unique data on organic farming markets were analysed in our research. We compared the prices of organic winter wheat and milk sold to organic or conventional markets and their influence on the farm economy. We proved higher prices reached on the organic market for both commodities. Due to the preferred closed sources cycle in organic farming, most of the production is utilised within the farm. The share of sold commodities was relatively low in the framework of total farm production (output) and, therefore, the influence of the prices on farm performance was not significant. The volume of the sold commodity seems to be more significant for the farm's performance than the price of the individual commodity sold.

The results revealed that farmers are motivated by organic production, but they do not have sufficient motivation to bring all organic products to the organic market. A satisfactory economic result of the farm and a friendly approach to landscape management may be sufficient factors for farmers to choose organic farming. Political discourse should be focused on issues of whether such an outcome is satisfactory enough in terms of the goal of government support and the desired effects. A detailed analysis of what factors contribute to the economic viability of organic farms should be part of the decision-making process on the setting of subsidies and the incentives to encourage farms to join the organic scheme. Without such an insight, the effects of policy may be only partial.

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