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U.S. Organic Farmers Feeling the Squeeze at Both Ends

By Alana Herro

Even as organic food sales continue to rise [1] in the United States, organic farmers nationwide face a potential decline in profits. Recent reports [2] have brought public attention to the meager wages and poor living conditions of workers on many organic farms, leading to calls for farmers to improve salaries and benefits [3]. At the same time, large-scale organics sellers like Whole Foods and Wal-Mart are competing [4] to offer the lowest pricing, so farmers are under greater pressure to reduce costs. This may lead organic growers in the U.S. to even narrower profit margins than in the past.



Organic farmers are being pressured to raise operational costs and simultaneously lower retail prices.

The U.S. Department of Agriculture's organic [5] food label guarantees that certified food is grown without the use of petroleum-based fertilizer or genetic modification. But it does not ensure fair labor practices. Richard Mandelbaum [6], policy analyst at the Farmworker Support Committee, has called U.S. farmworking conditions "a human rights crisis." "In terms of wages and labor rights, there's really no difference between organic and conventional," he says.

There are some exceptions. In 1998, Jim Cochran's California-based operation, Swanton Berry Farm, signed the first-ever contract between an organic farm and the United Farm Workers [7], a union that organizes agricultural workers. Swanton Berry claims the farm offers the "best pay scale in the industry," as well as additional benefits [8] like a medical plan, retirement plan, and subsidized housing, among others. These unconventional perks require Swanton Berry's costs to be 15 percent higher than most organic farmers'.

With the market pressuring organic producers to lower costs, however, farms like Cochran's may become even scarcer. Once comprised of small-scale farmers selling directly to a diverse consumer base at farmers' markets and the like, the organics field is narrowing to a few major retailers who have the ability to demand lower prices, says organic foods grower Tom Philpott [9]. Wal-Mart, for example, plans [10] to offer organic products for 10–20 percent less than elsewhere. While the giant retailer claims the price difference will reflect Wal-Mart's unique capacity to use high-volume purchasing and efficient distribution, Philpott and other organic supporters have their doubts. Ronnie Cummins, director of the Organic Consumers Association, says that Wal-Mart does not care about the principles [11] behind organic farming and that "their business model is going to wreck organic the way it's wrecking retail stores, driving out all competitors."

Though aware of the pressure on organic farmers to simultaneously spend more on their workers and lower costs, Cummins appears optimistic about the development [12] of the organics industry. "It's time to dovetail the health, sustainability, and justice movements. The potential is incredible. But it's going to take some real, hard organizing," he says.

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