

Starting an Organic Farm

INTRODUCTION

Organic farming involves more than just farming without synthetic chemicals. Transitioning to organic farming requires changing many parts of the crop and livestock production system, including adopting enhanced use of integrated pest, weed and nutrient management techniques such as:

- crop rotation
- cover crops
- strategic genetics
- optimum populations
- stress management
- sanitation

These practices are essential to improving plant and herd health since many chemical tools conventionally used for pest and disease control are not used in organic production. Organic farmers choose not to use synthetic pesticides, fertilizers or antibiotics.

The transition to organic farming requires careful consideration and takes years. Making the transition too quickly can create financial hardship. During the first years of the transition, yields will be decreased, and transitional organic products do not typically sell for more than conventionally farmed products. Over time and with good management, profit levels should increase. Profits in organic agriculture will depend in part on the availability of market premiums.

Evaluate your reasons and goals for making changes. How long it takes to transition to organic depends on the commodity and on the approach taken. The requirements for organic certification must be considered throughout the process of transition.

Further information on what certified organic means, requirements for certification, transition timelines, and weed and pest management can be found in the OMAFRA factsheet [Introduction to Organic Farming in Ontario](#) and on the Canadian Food Inspection Agency webpage for the [Canadian Organic Standards](#).

EVALUATE YOUR ASSETS FOR ORGANIC FARMING

Many assets are required to be a successful organic farmer. Evaluate the availability of each of the following assets, according to your farm situation, before making the transition to organic production:

- ownership or tenancy of land
- characteristics and limitations of the soil
- climate limitations
- financial resources available for enterprise changes
- personal knowledge base for management of the farm
- experience growing and marketing crops and/or livestock
- time management and time availability
- equipment and building assets
- business plan
- contacts and support network

Ownership or Tenancy of Land

Establishing an organic farm is a long-term undertaking and one that does not easily transfer to another location. Consider the following questions when making your decisions:

- What are your financial obligations on the property?
- What is your ownership status?
- How many acres do you have management control over?
- If you do not own this land, what is the long-term status for tenancy?

If you decide to rent or lease land and are planning on transitioning it to organic, you should have a conversation with the landlord about a longer-term lease or rental agreement. Any rental or lease agreement should be written and signed by both parties to clearly spell out what each person is responsible for and what each person can and cannot do during the lifetime of the agreement.

The financial viability of an organic farm depends on the producer having control of sufficient assets to produce an economically viable quantity and quality of product. A small farm may not be adequate for producing field crops such as grains or soybeans due to the economies of scale required for profitability such as when using equipment or marketing. Livestock operators need the appropriate area of land as required by a [nutrient management plan](#). Financial stability during the transition period will protect the ownership of land and other farm assets from the risk of adverse cash flow.

Characteristics and Limitations of the Soil on Your Farm

Soil texture (e.g., sand, loam or clay), stoniness, slope, drainage class, presence of subsurface drainage and fertility level all influence what type of crops can be grown on the property. Some vegetable crops are well suited to sandy or high organic matter soils but less suited to heavier clay soils. Some sandy soils are prone to summer drought and not well suited to certain field crops. Field stone or bedrock near the surface can limit the usefulness of some tillage and planting equipment.

The Canada Land Inventory (CLI) describes the suitability of land for agriculture and details limitations.

Examples of limitations include climate, stoniness, topography and moisture deficiency. Stony soils are not suitable for many crops but may still be appropriate for pasture. Slopes greater than 2% (2 m of vertical fall per 100 m across the field) make the soil more prone to erosion, meaning some conservation management strategies will be needed. Slopes greater than 6% will make the fields challenging for good crop production. Note the variability within the field. In some cases, most of the field may be unsuitable for certain crops, but parts of the field, such as the lower areas, can be utilized for small-acreage, high-value crops.

Ontario soils information, including CLI ratings, can be accessed via OMAFRA's interactive online application, [AgMaps](#).

Strategies to Improve Soil

- Improve poor soil drainage by installing subsurface drainage. This can cost \$3,700–\$4,900 per hectare (\$1,500–\$2,000 per acre), assuming that a suitable and legal outlet is available on the property for the drainage water.
- Correct low pH soils with agricultural lime.
- Build up low organic matter soils with improved cropping practices, such as inclusion of perennials and small grains in rotation, application of organic amendments and retention of crop residues.
- Plant legume crops and cover crops to fix atmospheric nitrogen.
- Manage other nutrients by taking regular soil tests and maintaining adequate levels of nutrients with low soil mobility such as phosphorus (P) and potassium (K). Soils with low levels of P and K may require an upfront investment in building fertility.
- Use suitable livestock manures to maintain nutrient levels. Manure management will change on most farms to include on-farm composting.

Building healthy soils using farming practices that enhance the soil flora and fauna is essential on organic farms. Crop rotations should include both grass and broadleaf crops, especially legumes, such as red clover and alfalfa, to build up soil nitrogen. When planning the crop sequence, think through how the residues of one crop will affect the seedbed and nutrient requirement of the next. Consider pest and nutrient management issues when planning the crop rotation. Use cover crops to reduce soil erosion. Cover crops also build soil organic matter

and a diversity of soil bacteria, fungi, earthworms and other soil flora and fauna essential for recycling nutrients and building good soil structure.

Climate Limitations for Your Location

In general, the warmest areas of Ontario are the counties in southwestern Ontario — those adjacent to Lake Erie, as well as Prince Edward County. The climate is generally cooler in areas away from the lower Great Lakes. In these areas, fewer crop heat units are available, and suitable varieties of some warm-season crops, such as tomatoes and tender fruit, may not be available. Cool-season crops, such as spring grains and crucifer crops, grow better in the cooler parts of southern Ontario.

Cold winter temperatures influence the survival of perennial fruit crops as well as winter cereal and forage crops. The summer frost-free period is determined by the timing of spring and fall frosts, which are mainly influenced by location within the province, although local soil type, slopes and some crop management practices can provide microclimates. See the OMAFRA website at www.ontario.ca/crops for information on Ontario climate.

Financial Resources Available for Enterprise Changes

Available capital is important for start-up and business growth. Money is needed for land and equipment, and handling and storage facilities. This is especially true if developing new or expanded crop or livestock production systems. Current assets can be used as security for loans.

On smaller operations, it is often more economical to hire custom operators and equipment for fieldwork. Trading or bartering with a neighbour for services may also be a viable option. It is important to know whether your prospective custom operator cleans their equipment after doing any work on conventional farm. Cleaning the equipment will reduce the risk of cross-contamination from crops grown using conventional practices.

Carefully manage cash flow during the transition, when crop yields usually decline. Product quality may also decline, especially for fresh fruits and vegetables, where the percentage of unmarketable produce may

increase. Some of the lower quality products can be used in other value-added markets such as processed products, but these markets may need development.

During the transition to fully organic operation, it is unlikely organic premiums will be available — products produced during the transitional phase do not typically sell for more than conventionally farmed products. The reduction in yield, combined with the lack of premiums, can result in gross revenue reductions of up to 50%.

Consider a staged transition to organic production. This involves moving part of the farm into organic production and maintaining some commodities or enterprises as non-organic. It can complicate certification and recordkeeping but may be the most economically viable option.

Knowledge and Experience

Knowledge and experience are key to understanding the growth of plants, animals and pests on the farm. Marketing skills are essential, particularly when markets need to be developed. Farmers must be extremely knowledgeable about each of the crops and livestock species being produced to be able to recognize problems. They should also know how to find the needed information to solve the challenges of production.

Transitioning to organic production involves a change in attitude and mindset. The ability to anticipate and solve production problems proactively will save both time and money later on.

Tour organic farms and talk to other organic farmers about their operations. Learning from other producers and having someone to ask questions of, can help you choose what is right for you and increase your chance of success.

Research various crop and livestock species to determine their organic production requirements. Reading books, searching the Internet, going to meetings and listening to others are key to building knowledge. Managing pests and nutrients on organic farms requires considerable understanding to replace chemicals. See the OMAFRA website for information on various aspects of production and marketing.

Having the confidence to know what action to take and when to take it comes with experience. Keen observation and a solid knowledge base are essential to successfully raising animals, and to recognizing disease and insect problems and identifying weeds early.

Since disease prevention is the cornerstone of a successful livestock operation, expertise in animal husbandry is very important. Growing new crops or raising new livestock species requires new techniques. Experience with one group of crops may help with others but each species has its own challenges.

The art of operating and adjusting farm equipment to achieve optimum performance is acquired through experience and learning from machinery dealers and experienced farmers.

The biggest challenge in transitioning to organic production may be developing a market for the products. Marketing organic products takes considerably more effort than marketing conventional ones, since in many cases the market is less developed. There may be less support from marketing agencies and commodity organizations. Learning the requirements and nuances of the market can be challenging, especially for growers who have no prior marketing experience. The sale of fresh produce, animals and products of animal origin such as meat, milk or eggs are regulated in various ways. It is important to investigate and understand the marketing structure and regulations specific to each commodity.

Successful marketing requires market research. It is important to understand how markets will respond. Products already in the marketplace will be difficult to displace.

Conduct market research before:

- starting a new business
- expanding or moving to another location
- introducing a new product or service
- making adjustments to market plans

Do a self-assessment. Ask these basic questions:

- Where is your product in its life cycle? New product in the market, one of many similar products or a complementary product?

- Who will be, or is, buying and using your products or services?
- Who are your competitors and what products are competing with yours?
- What benefits are you selling to the customer?
- What is the customer prepared to pay?
- What does the customer like?
- Where does the customer come from?
- How much product does the customer need?
- How can you build market share?

Time Management and Time Availability

Review the labour and management time requirements for each part of the farm and what personnel is available. Each crop and livestock enterprise has different timelines for each component of the production and marketing cycle.

Choose complementary crops and livestock species for your farm enterprise. Too many activities scheduled for the same day or week will mean something will be delayed.

Weather must also be factored in, since rain and inclement temperatures will make some days unsuitable for some activities. This can result in more delays that can compromise yield and/or quality and, therefore, income.

Part- or full-time work commitments away from the farm reduce the time and energy available for farming. Choose crops or livestock that are less time sensitive and are complementary to off-farm and personal schedules. When including partners or paid labourers, determine the collective ability to manage and schedule the labour requirements for the farm.

Equipment and Buildings Available

Review the performance and capacity of the equipment and buildings available for the proposed crops and livestock. Determine what new purchases, repairs or expansion of assets are required.

Identify your personal skills or strengths. Farmers are often considered to be “jacks of all trades.” The ability to make minor repairs and appropriate adjustments to machinery without delay is a key factor to success. Take the time to become familiar with the operation of newly acquired equipment. On-going preventive maintenance is crucial to the effective performance of farm equipment.

Business Planning

Those with little or no farm experience will find the transition to organic production difficult. Many factors must be considered to ensure the success of the organic venture.

A strong business plan is essential. A business plan is a written document that describes who you are, what you plan to achieve, what you are going to produce and how, when you expect to get started, and how you will overcome the risks involved and provide the returns anticipated.

Basic Components of a Business Plan

Executive Summary or Business Description — describes the product or service you plan to develop and market.

Marketing Plan — identifies the marketplace through market research, showing your competitive advantage, price and positioning to gain market share.

Management and Operational/Production Plan — identifies who will manage the new business venture, day-to-day production and delivery activities.

Human Resource Plan — describes staff requirements including recruitment, training and employment standards.

Financial Plan — includes cash flow budgets, expenses, revenue, pricing and future projections.

Risk Management Strategy — describes strategies for each component of the business plan outlined above in the event things do not go as planned. Examples of some risks that may be encountered include:

- a product or service has little marketplace/ consumer uptake or sales
- expenses are far greater than you anticipated
- a key employee leaves for another job
- a competitor overtakes market share
- a regulatory requirement was not met. Products must be recalled and/or production must cease until requirements are met.

More information on organic farming can be found at www.ontario.ca/organic.

ADDITIONAL RESOURCES

[Canadian Organic Growers \(COG\)](#)

56 Sparks Street, Suite 600
Ottawa, ON K1P 5B1

Tel: 613-216-0741

Toll-free: 1-888-375-7383

E-mail: office@cog.ca

[Ecological Farmers Association of Ontario \(EFAO\)](#)

5420 Highway 6 North
Guelph, ON N1H 6J2

Tel: 519-760-5606

E-mail: info@efao.ca

[Organic Agriculture Centre of Canada \(OACC\)](#)

Dalhousie University Faculty of Agriculture
Department of Plant, Food, and Environmental
Sciences

P.O. Box 550

Truro, NS B2N 5E3

Tel: 902-893-7256

E-mail: oacc@dal.ca

[Guelph Organic Conference](#)

c/o Organic Council of Ontario (OCO)

Orchard Park Business Centre

5420 Highway 6 North

Guelph, ON N1H 6J2

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