



A comparison between organic prices and conventional food prices

Carmen CODREANU - "Petre Andrei" University of Iași

Organic prices are rising for many of the same reasons affecting conventional food prices: higher fuel costs, rising demand and a tight supply of the grains needed for animal feed and bakery items. In fact, demand for organic wheat, soybeans and corn is so great that farmers are receiving unheard of prices. The price of organic animal feed is so high that some dairy farmers have abandoned organic farming methods and others are pushing retailers to raise prices more aggressively. Organic food is typically 20 percent to 100 percent more expensive than a conventional counterpart. The methodology used is economic/financial evaluation, which considers the value of money over time (NCV- IRR analysis), regardless of an initial approximation of its viability through an estimate of growing costs.