

Supplemental Material to Section 3.1

Summary Statistics for Costs by Category
(Measured in \$/acre)

Variable	Entire Sample		Conventional		Organic	
	Mean	Std Deviation				
Seed	48.70	58.29	47.67	54.58	124.18	168.01
Fertilizer	108.23	125.48	106.32	118.93	247.49	336.15
Labor	90.72	454.42	80.94	416.79	804.87	1443.65
Fuel	39.67	64.22	38.31	60.24	139.05	174.00
Custom Work	13.71	43.04	13.27	40.83	46.14	119.62
Maintenance	42.37	78.60	41.00	74.90	142.01	193.93
Utilities	18.82	56.76	17.70	52.73	101.11	169.10
Other Variable Cost	34.97	142.15	31.73	128.95	271.96	473.93
Taxes	15.04	38.35	14.67	36.82	41.79	95.50
Insurance	22.28	35.81	21.77	33.77	59.43	101.07
Depreciation	59.53	118.93	57.91	113.44	178.23	304.90
N		37535		36484		1051

Supplemental material to section 5, Results

Regression results for specifications similar to those reported in Table (3)

Dependent variable is farmer-estimated land value.

Equation:	(2)	(3)	(4)	(5)	(6)
Organic Status	0.460***	-0.105	-0.117	-0.128	-0.157*
Soil Productivity			0.828***	0.821***	0.733***
Organic Farms in County			0.001*	0.001*	0.001
County Percent Irrigated			0.457***	0.437***	0.316***
County Household Income			0.836***	0.798***	0.767***
Crop Diversity Gini				0.342	0.365*
Fixed Costs				0.071***	0.041***
Subsidy Receipts				0.009*	0.003
Off-farm Income				0.020***	0.021***
Debt-to-Asset Ratio				0.000	0.000
Operator Age				0.000	0.000
Conservation Payments				-0.032***	0.017***
Production Revenue					0.119***
Variable Costs					0.048***
Crop Insurance Indemnities					0.001
R-squared	0.002	0.470	0.481	0.490	0.499
N=66599					

Fixed effect estimates are suppressed.

***p<.01, **p<0.05, *p<0.1

See Table 3 notes in paper for additional detail.

Supplemental material to section 5, Results

Regression results for specifications similar to equation (5).

Observations are re-weighted by the proportion of rented to total operated acres.

Dependent variable is the land rental rate

	Coefficient Estimate	Robust Standard Error
Organic Status	0.387***	0.090
Soil Productivity	0.887***	0.104
Organic Farms in County	0.001	0.001
County Percent Irrigated	0.411***	0.068
County Household Income	0.200***	0.074
Crop Diversity Gini	1.096***	0.235
Fixed Costs	-0.005	0.010
Subsidy Receipts	0.025***	0.005
Off-farm Income	-0.025***	0.003
Debt-to-Asset Ratio	0.004***	0.001
Operator Age	-0.003***	0.001
Conservation Payments	-0.026***	0.007
Production Revenue	0.298***	0.018
Variable Costs	0.127***	0.019
Crop Insurance Indemnities	0.015***	0.004

R-squared 0.87
N=37535

Fixed effect estimates are suppressed.

***p<.01, **p<0.05, *p<0.1

See Table 3 notes and footnote 10 in paper for additional detail.

Supplemental material to section 5.2, Parameter Heterogeneity

Estimated semielasticity for change in rental rates given change in organic status for given subsamples

	Farm Type						
	Grain and Oilseed	Tobacco	Cotton	Vegetable	Fruit and Nut	Hay and Other	
Coefficient Estimate	0.224	0.113	0.111	0.418	-0.045	0.719	
Standard Error	0.063	0.246	0.138	0.196	0.159	0.221	
P-value	0.000	0.645	0.422	0.034	0.778	0.001	
N	26995	1482	2511	2119	2099	2329	

	Farm Size	
	<640 acres	>640 acres
Coefficient Estimate	0.338	0.042
Standard Error	0.086	0.127
P-value	0.000	0.743
N	14093	23442

	Value of Production	
	Rev/VC <\$5000	Rev/VC >\$5000
Coefficient Estimate	0.222	0.283
Standard Error	0.077	0.214
P-value	0.004	0.187
N	36445	1090

	ERS Farm Resource Region									
	Heartland	Northern Crescent	Northern Great Pla	Prairie Gateway	Eastern Uplands	Southern Seaboard	Fruitful Rim	Basin and Range	Mississippi Portal	
Coefficient Estimate	0.249	0.714	0.352	-0.036	-0.201	0.223	0.033	0.199	-0.792	
Standard Error	0.055	0.181	0.203	0.336	0.572	0.183	0.136	0.463	0.769	
P-value	0.000	0.000	0.082	0.915	0.726	0.224	0.806	0.667	0.303	
N	14115	3561	2640	4341	171	4416	5733	826	1732	

Supplemental material to section 5.3, Are organic farms more profitable?

Regression results for specifications similar to equation (6)

Dependent variable:	Revenue		Variable Cost		Return over Variable Cost	
	Coefficient Estimate	Robust Std Error	Coefficient Estimate	Robust Std Error	Coefficient Estimate	Robust Std Error
Organic Status	0.154	0.118	0.23**	0.113	-1.147	0.785
Soil Productivity	0.658***	0.084	0.362***	0.093	2.028***	0.618
County Percent Irrigated	0.681***	0.061	0.552***	0.061	1.162***	0.368
Organic Farms in County	0.001	0.001	0.001	0.001	-0.016*	0.009
Crop Diversity Gini	0.616***	0.223	-0.347	0.243	1.820	1.564
Debt-to-Asset Ratio	0.003***	0.001	0.005***	0.001	0.000	0.009
Operator Age	-0.004***	0.001	-0.002***	0.001	-0.020***	0.004
Subsidy Receipts	0.023***	0.006	0.045***	0.005	0.008	0.039
Fixed Costs	0.104***	0.008	0.209***	0.011	-0.360***	0.049
Conservation Payments	-0.074***	0.006	-0.044***	0.007	-0.231***	0.047
Off-farm Income	-0.008***	0.003	0.006**	0.003	-0.113***	0.020
County Household Income	0.122**	0.057	0.278***	0.069	-0.517	0.397
R-squared	0.626		0.636		0.151	
N = 37535						

Fixed effect estimates are suppressed.

***p<.01, **p<0.05, *p<0.1

See table 5 notes for additional detail.

Supplemental material to section 5.3, Are organic farms more profitable?

Regression results for estimates of equation (6) by subsample, dependent variable is return over variable cost (ROVC)

	Farm Type					
	Grain and Oilseed	Tobacco	Cotton	Vegetable	Fruit and Nut	Hay and Other
Organic Status	-2.86***	-9.36***	-3.15	1.39	-2.70**	1.33
Soil Productivity	1.87***	-3.57*	0.31	-6.13***	14.68***	0.84
County Percent Irrigated	0.60*	4.79	0.63	-0.98	3.84*	5.80***
Organic Farms in County	-0.01	0.01	0.00	-0.03	-0.04**	0.05**
County Household Income	-0.60	-2.17	-2.64*	-3.00	3.66	-1.21
Crop Diversity Gini	3.70**	4.39	-1.21	10.81**	0.69	-7.40
Debt-to-Asset Ratio	0.01	-5.98***	0.00	-0.06	-0.01	0.02
Operator Age	-0.01***	-0.09***	-0.04***	-0.07***	-0.03*	-0.01
Subsidy Receipts	0.03	-0.19	0.07	-0.22	0.17	-0.04
Fixed Costs	-0.35***	-0.17	-0.53***	0.13	-0.68***	-0.63***
Conservation Payments	-0.22***	-0.20	-0.22	-0.32	-0.41	-0.56***
Off-farm Income	-0.15***	-0.10	-0.06	-0.01	0.02	-0.08
r ²	0.18	0.36	0.21	0.46	0.21	0.41
N	26995	1482	2511	2119	2099	2329

	Farm Size	
	<640 acres	>640 acres
Organic Status	-1.07	-1.07*
Soil Productivity	1.51*	2.67***
County Percent Irrigated	0.90	0.91***
Organic Farms in County	-0.02*	-0.01
County Household Income	-1.31**	0.46
Crop Diversity Gini	5.02**	1.69
Debt-to-Asset Ratio	0.00	-0.01
Operator Age	-0.02***	-0.01***
Subsidy Receipts	-0.01	-0.02
Fixed Costs	-0.42***	-0.20***
Conservation Payments	-0.20***	-0.28***
Off-farm Income	-0.07**	-0.03
r ²	0.16	0.19
N	14093	23442

	ERS Farm Resource Region								
	Heartland	Northern Crescent	Northern Great Plains	Prairie Gateway	Eastern Uplands	Southern Seaboard	Fruitful Rim	Basin and Range	Mississippi Portal
Organic Status	-3.43***	2.17**	-4.27**	1.11	12.69**	-1.85	-2.69**	-0.81	4.12**
Soil Productivity	0.32	0.32	1.78	0.93	-18.11*	7.20**	4.65*	10.02**	2.87
County Percent Irrigated	0.03	-2.33*	2.51*	3.10***	20.31	3.26*	1.48	3.42	0.17
Organic Farms in County	0.00	0.00	-0.05	-0.10	-0.08	-0.06	-0.02*	-0.29***	0.10
County Household Income	-0.29	-1.03	-1.43	-0.26	-24.54***	0.72	1.87	-4.58	-3.47
Crop Diversity Gini	4.40*	6.87*	4.90	-4.10	23.28	-0.84	-2.9	9.66	-22.50***
Debt-to-Asset Ratio	-0.05	0.54*	-0.15	0.01	-0.99	0.00	-0.01	1.51	-0.06
Operator Age	-0.01**	-0.03**	-0.03***	-0.02**	-0.06	-0.02	-0.04***	0.00	-0.01
Subsidy Receipts	0.11***	-0.10	-0.12	0.00	-0.03	-0.18*	-0.02	0.00	0.22
Fixed Costs	-0.33***	-0.37*	-0.23	-0.51***	0.16	-0.21	-0.49***	-0.24	-0.24
Conservation Payments	-0.12**	-0.15	-0.51***	-0.40**	-0.47	-0.62***	-0.25	-0.29	0.17
Off-farm Income	-0.11***	-0.21***	-0.06	-0.14**	-0.31	-0.05	-0.05	-0.32**	-0.09
R-squared	0.11	0.20	0.21	0.21	0.39	0.17	0.1	0.37	0.19
N	14115	3561	2640	4341	171	4416	5733	826	1732