



# Upper Midwest Organic Alfalfa Hay, 2020

Organic Farm Financial Benchmarking in the Upper Midwest is an integrated regional grant project, led by University of Minnesota Extension. The project focuses on a multi-year farm business management benchmark analysis of organic farms in Minnesota, Wisconsin, and North Dakota. Benchmarking provides a summary of production and financial performance measures, allowing producers to evaluate their individual performance to a cohort with similar farm characteristics.



## Alfalfa Hay Production

Certified organic producers (n = 30) harvested 124 acres of established alfalfa hay per farm on average in 2020. With a yield of 3.53 tons per acre and a reported average value of \$194.30 per ton, organic producers grossed \$687.10 per acre on average for alfalfa hay.

## Government Payments

Government payments in 2020 increased as a function of weather events and the COVID-19 pandemic. Total payments to organic farmers averaged \$12.29 per acre.

Upper Midwest 2020

## ORGANIC ALFALFA HAY EXPENSES PER ACRE

n = 30 certified organic farms in MN and WI

**\$250.96**

total direct expense per acre



**\$116.17**

total overhead expense per acre

**\$12.29**

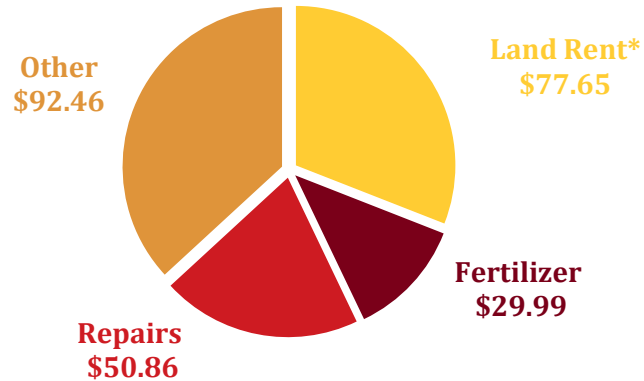
government payments per acre



**\$252.58**

net return over labor and management per acre

## Direct Expenses Per Acre



### Direct Expenses

The cost of production for established organic alfalfa hay was \$119.86 per ton, including a labor and management charge. Direct expenses for organic farms in 2020 averaged \$250.96 per acre with more than half going to land rent, repairs and organic fertilizer.

\*All land tenure types included: rented, owned, share rented, and rented out.

### The Bottom Line

Net returns for organic alfalfa hay enterprises averaged \$252.58 per acre after factoring in all direct, overhead and management expenses as well as contributions from government payments. A full financial analysis of organic farms, including benchmarking indicators for profitability, cash flow, net worth and solvency can be found at: [z.umn.edu/OrganicReport](http://z.umn.edu/OrganicReport).

### Scholarships Available for Financial Analysis!

Want to learn more about your farm finances? Scholarships are available to help pay for up to 50% of Farm Business Management tuition costs for certified organic or transitioning to organic producers. Contact Gigi DiGiacomo, [gigid@umn.edu](mailto:gigid@umn.edu) to learn more.

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