



Upper Midwest Organic Whole Farm, 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.



Upper Midwest 2020
**ORGANIC
WHOLE FARM
OPERATOR
QUICK FACTS**
n = 97 certified organic farms in MN and WI

1.4
average number of operators per farm 

 **45**
average age of operator

19
average years of experience per operator 

 **279**
average farm size number of crop + pasture acres

\$84,799 
average net farm income

Profitability by Farm Size

In 2020 net farm income for certified organic farms averaged \$84,799 (n = 97). Farms between 215-500 acres had the highest mean and median net farm income, as well as the strongest rates of return of 9.4%, indicating higher profitability.

Farms between 101-250 acres reported the highest operating profit margin, retaining \$0.22 for every \$1 of gross sales generated. Additionally, farms between 101-250 acres had the strongest liquidity and solvency rates with a current ratio of 2.57 and a debt to asset ratio of 37%.

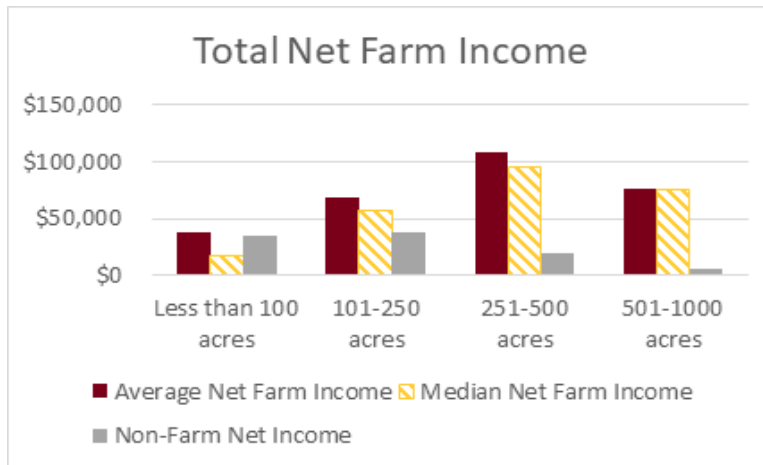


Figure 1. Total Net Organic Farm Income in 2020

Non-farm income was greatest for farms with 101-250 acres and lowest for the largest farm size of 500+ acres. This indicates that there could be less opportunity to diversify income outside the farm due to the time dedication needed for the organic operation.

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.

Upper Midwest 2020

ORGANIC WHOLE FARM HIRED LABOR QUICK FACTS

n = 97 certified organic farms in MN and WI

\$16.37
average amount paid per employee per hour

100%
organic farms reporting some level of hired labor

100%
organic farms reporting that hired labor increases as farm size increases

Scholarships Available for Financial Analysis!

Want to learn more about your farm finances? If you are certified organic or transitioning to organic, scholarships are available to help pay for up to 50% of Farm Business Management (FBM) tuition costs in MN, WI and ND. As an FBM student you will be partnered with an instructor who will work with you one-on-one to prepare whole farm and enterprise financial analyses that can be used to communicate with family, lenders and business partners. Contact Gigi DiGiacomo, gigid@umn.edu to learn more.

Acknowledgements

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