



Upper Midwest Organic Soybean, 2020-22

Organic Farm Financial Benchmarking in the Upper Midwest is an integrated regional grant project, led by University of Minnesota Extension. The project is a multi-year farm business management benchmark analysis of organic farm finances and production in Minnesota and Wisconsin. Benchmarking provides a summary of production and financial performance measures, allowing producers to evaluate their individual performance and compare it to a cohort with similar farm characteristics. The newest report uses 2020-2022 three-year averages for Minnesota and Wisconsin farms in the Center for Farm Financial Management's FINBIN database (finbin.umn.edu). The report includes financial analyses of organic and organic transition whole farm performance, organic crop enterprises, and organic livestock enterprises. Access the full report at z.umn.edu/Organic2022.



Organic Soybeans At-a-Glance

Minnesota and Wisconsin producers growing certified organic soybeans for food and feed markets (n = 86) managed 117 soybean acres per farm with an average yield of 34.44 bushels/acre from 2020-2022.

Organic soybean yields were steady across the three-year period, while organic soybean prices, averaging \$28.74/bushel, increased year-over-year during the three-year period from \$20.29/bu in 2020 to \$32.20/bu in 2022.

Thanks to steady yields and strong prices, gross returns for organic soybean enterprises grew 53% from \$759.08/acre in 2020 to \$1,159.33/acre in 2022. Gross returns for organic soybeans averaged \$1,028.07/acre across the three-year period.



2020-2022 Organic Farm Performance in the Upper Midwest

ORGANIC SOYBEANS QUICK FACTS

n = 86 certified organic farms in MN and WI

\$443.24

total direct expense per acre



\$100.03

total overhead expense per acre

\$5.27

government payments per acre



\$426.30

net return over labor and management per acre

Expenses

The average total cost of production including labor and management for organic soybeans in MN-WI was \$607.03/acre. Direct expenses accounted for the majority of costs (73%). A large percent of direct expenses was allocated towards land rent (36%) with farmers spending an average of \$161.35/acre on rent during 2020-2022. Fertilizer expenses averaged \$35.83/acre, which represented 8% of total direct expenses, and increased by 74% from \$28.89/acre in 2020 to \$50.39/acre in 2022.

Overhead expenses totaled \$100.03/acre. The single largest overhead expense for organic soybean producers was machinery and building depreciation which averaged \$32.24/acre and represented 32% of total overhead costs. Overall, including costs of labor and management, direct and overhead production costs for MN-WI organic soybean enterprises increased by 31% from \$524.87/acre in 2020 to \$685.31/acre in 2022.

Government Payments

Government payments for organic soybeans declined significantly (99.5%) - from an average of \$19.66/acre in 2020 to \$0.09/acre in 2022. The 2020 government payments that farmers received due to weather events and the COVID-19 pandemic were no longer distributed in 2022.

The Bottom Line

Net returns for organic soybean enterprises in 2020-2022 averaged \$426.30/acre after factoring in government payments and labor and management expenses.

Net returns by operation size (acreage) present no clear trend. Farms managing <50 acres of soybeans reported a greater average net return, \$447.48 per acre, than those in the mid-size category (101-250 acres) with \$412.75 net return/acre. The largest soybean producers, those managing 251-500 acres, profited the most with average returns over the time period of \$635.70/acre for MN-WI producers.

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