




Upper Midwest Organic Whole Farm Performance, 2020-22

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 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 organic benchmarking report uses three-year averages for production years 2020-2022 for Minnesota and Wisconsin. The full 2020-2022 report includes financial analyses at the whole farm and enterprise levels for farms that are certified organic and those transitioning to organic. Access the full report at z.umn.edu/Organic2022.

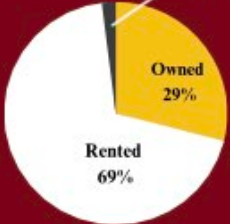
Upper Midwest 2020-22

ORGANIC WHOLE FARM OPERATOR QUICK FACTS


n = 294 certified organic and transitioning farms in Minnesota and Wisconsin




234.7
average number of crop acres per farm



Share rented 2%
Owned 29%
Rented 69%



1.4
average number of operators per farm




44
avg. age of farm operator

17.5
avg. number of years farming

\$121,635
average net farm income

\$70,229
median net farm income

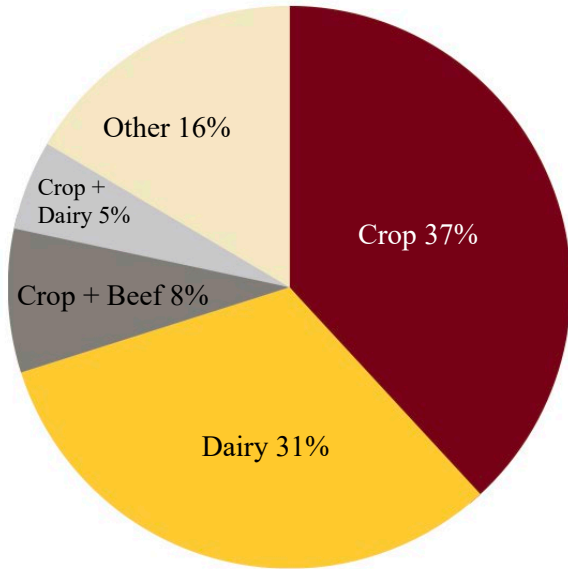



Organic Whole Farm Profitability

Gross cash farm income for organic farms in MN-WI averaged \$451,044 in 2020-2022. After subtracting direct and overhead expenses, net farm income across all organic and transitioning organic farms (including row crops, specialty crops, and dairy) averaged \$121,635 for 2020-2022. Despite the majority of organic farms being classified as small- to mid-sized (USDA, Economic Research Service), organic farms have performed well in terms of profitability.

The operating profit margin for organic farms averaged 23%, meaning that for every dollar of gross sales produced, \$0.23 was retained as profit. The smallest group of farmers (< 100 acres) registered the strongest performance in terms of profitability; \$0.33 was retained for every dollar generated in gross sales.

MN-WI Organic Farms by Type



The majority of organic farms in Minnesota and Wisconsin are classified as crop (37%) and dairy (31%). A farm is classified by type when 70% or more of its sales revenue comes from a single category. The remaining organic farms were classified as crop & beef (8%), crop & dairy (5%) and other (16%).

Crop farmers were the youngest of all farm types (41.4 years), had the least experience (13.4 years) and had the largest median income (\$125,268) on average during 2020-2022. Improved organic grain and oilseed prices in 2021 and 2022 benefited crop farms and contributed to their strong results across all profitability indicators.

Dairy farms, by comparison, reported a median net farm income of \$77,542 on average over the three-year period and also were managed by producers aged 46.8 years. Dairy farms used three times as much labor as organic crop farmers on average (6,321 hours). Half of all labor hours on dairy farms were hired labor, and the average wage for hired labor was \$17.10 per hour while net farm income/unpaid (operator) labor was \$33.28/hour.

Upper Midwest 2020-2022 ORGANIC WHOLE FARM HIRED LABOR QUICK FACTS

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\$18.05

average paid per hour for hired labor



100%

organic farms reported some level of hired labor (except crop + beef farms)

100%

organic farms reported that hired labor increased as farm size increased



\$116.34

value of farm production per hour

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