The Business End of Organic—Farm Financial Performance and Education in Minnesota

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In a Nutshell

• Research Partnership – USDA Risk Management Agency
• Improves participating organic farmer enterprise mgmt. skills
• Collects and publishes real-world data about financial performance of 70+ Minnesota organic farms
• Only collection of its kind
“Ms. Moynihan, how many hours does it take to produce an acre of organic soybeans compared to an acre of conventional soybeans?”
Welcome to FINBIN, one of the largest and most accessible sources of farm financial and production benchmark information in the world. FINBIN provides detailed reports on whole farm, crop, and livestock financials at your fingertips.

Within just a few clicks of the mouse, you can view reports such as:
- Cost and returns from corn and soybean
- Dairy cost and returns by size of location of herd
- Farm financial standards measures by type or size of farm

The possibilities are endless. Select Whole Farm Reports, Crop Reports, or Livestock Reports to create your own custom report.

2008 ORGANIC FARM PERFORMANCE IN MINNESOTA

This report summarizes individual farm financial results for participants in the Minnesota Organic Farm Business Management Project for 2008 and provides comparisons to previous years. The report includes whole-farm information as well as costs and returns for individual enterprises. The year-end analysis of the individual farms was completed by Minnesota Farm Business Management instructors or by Minnesota Farm Management Associations. A total of 74 farms participated in the program.
### Crop Enterprise Analysis (Farms Sorted By Years)

#### Soybeans

<table>
<thead>
<tr>
<th></th>
<th>Avg. Of All Farms</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of fields</td>
<td>3604</td>
<td>3604</td>
</tr>
<tr>
<td>Number of farms</td>
<td>1609</td>
<td>1609</td>
</tr>
</tbody>
</table>

(1.94 hr)

### Crop Enterprise Analysis (Farms Sorted By Years)

#### Soybeans, Organic

<table>
<thead>
<tr>
<th></th>
<th>Avg. Of All Farms</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of fields</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Number of farms</td>
<td>7</td>
<td>7</td>
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</tbody>
</table>

(3.61 hr)
How

• 105 instructors
• Work 1:1 with farmer
  – Tailored to enterprise, personal goals
  – Maintain/use quality records (FINPACK)
• End of year analysis
• Privacy paramount
Organic FBM Project

- Scholarships
  - Full cost ~$130/credit ➔ $1,300/yr ➔
- Modified FINPACK/FINBIN
- Professional development for instructors
  - Organic farming
  - New FINPACK/FINBIN features
- Clean, aggregate, analyze data
- Publish online and in reports
Evaluation

- Outside Evaluator
- Written questionnaires
- Farmer response 53.6%
- Instructor response 75%
Farmer Experiences

• 80% had “above average” or “excellent” overall experience
• 49% rated instructor “excellent,” 33% “above average”
• Met w/ instructor ave. x5.3/yr
• 86% still in program
• 66% would enroll w/o scholarship (@$600/yr)
• **Liked best:** business analysis, help on recordkeeping/taxes, getting outside view and advice about business, information packaged for lenders, FSA

• **Liked least:** cost, not enough time w/ instructor, time commitment and paperwork, lack of flexibility or didn’t fit “model”

• **How to improve:** database (quantity of data), simplify analysis, more instructor familiarity w/ nontraditional/diversified farming,
Barriers and Impediments

- Farmer reluctance/privacy
- $$$
  - Scholarships, administrative costs
- Instructor inexperience with organic practices
- Software insufficiencies, inadequacies
Data

• Customized reports www.finbin.umn.edu

2008 organic soybean data: 26 farms