

NEWS RELEASE

FOR IMMEDIATE RELEASE:
Tuesday, August 31, 2010

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Organic farmers not immune to economic slump

Report shows 2009 organic farming profitability down; organic dairies faring better

ST. PAUL, Minn. – A new economic report on organic farming finds Minnesota organic farmers, like conventional farmers, saw their profitability drop sharply in 2009. The Minnesota Department of Agriculture (MDA) report, *Organic Farm Performance in Minnesota*, shows net farm income and operating profit margins for organic farms both fell compared to 2007 and 2008 levels.

“We’ve analyzed the data with our project partners and conclude that a number of factors, including lower organic crop prices, poor yields that resulted from bad weather, and higher input costs all contributed to the weaker performance of crop operations,” said MDA Organic and Diversification Specialist Meg Moynihan.

The report also shows that organic dairies experienced better profit margins than organic crop farmers last year, in part, to contracted organic milk prices that averaged \$25.77 per hundredweight for the year. Net returns for organic dairies averaged \$5.37 per hundredweight of milk produced and \$651.63 per cow.

The most profitable organic crops in terms of net return per acre were corn grown on rented land (\$240.60) and corn silage grown on owned land (\$262.10). The least profitable was spring wheat grown on owned land (\$5.46). Barley and oats grown on owned land did better, with net returns of \$77.68 per acre and \$38.12 per acre respectively.

The 44-page *Organic Farm Performance in Minnesota* contains whole farm financial summaries as well as individual crop and dairy enterprise analyses. The report is available online at www.mda.state.mn.us/fbm.

This project is led by the MDA with major funding provided by the United States Department of Agriculture Risk Management Agency. The data in the report was provided by 70 certified organic farmers enrolled in Minnesota State Colleges and Universities (MnSCU) farm business management education programs. It was compiled and analyzed by the Center for Farm Financial Management (CFFM) at the University of Minnesota. The identities and locations of the participating farmers are confidential.

-30-

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