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## **Report sheds light on fruit and vegetable farm finances**

**AMES, Iowa** — Just as no two vegetable farms grow the same exact same produce, no two vegetable farmers have the same financial constraints and strategies. All farmers, however, should understand their farm's financial health and be tracking progress toward their financial goals.

For corn and soybean crops, costs and profitability metrics are numerous, and most banks or financial advisors can help determine if farmers are on the right track. But for a diverse vegetable operation – where farmers are often growing 20 or 30 different crops and selling through multiple markets– the situation gets a little trickier.

A new resource from Practical Farmers of Iowa can help vegetable farmers – new or experienced – think about farm profitability. Practical Farmers has been working on a multi-year whole-farm financial project with diversified fruit and vegetable growers to provide annual reports of whole-farm finances.

A total of 16 farmers have submitted their financial information for the project. These numbers were analyzed and various metrics of financial health – such as liquidity, solvency, profitability and efficiency – are reported. The report is available at [practicalfarmers.org/whole-farm-financial-project-year-2](http://practicalfarmers.org/whole-farm-financial-project-year-2).

### **A reality check for aspiring farmers**

"I think this report is really good to have, on multiple levels," says Kate Edwards, who operates Wild Woods Farm, a community supported agriculture (CSA) farm that sells fruits and vegetables near Iowa City. "Transparency within the veggie farming community is really helpful. You often hear two sides of the story – that fruit and vegetable farmers can gross lots of money on just a few acres, and on the other hand that there's no money in farming."

The reality is much more nuanced, Kate says, and notes that Practical Farmers' Whole-Farm Financial Report gives real-life examples of how different types and sizes of farmers are making it work. "These are the costs associated with real-life farms, and how different-sized farms have navigated the waters at different scales."

Kate says that vegetable farming is financially risky and will probably not be "a lucrative career, financially" but that with good growing practices and planning – knowing basic things like how to organize your expenses for tax purposes – it is possible to succeed.

She says the PFI report is particularly important for vegetable farmers because of how different they are from one another. While Kate says the report is big and "could be a little overwhelming at first glance," she says it begins the important process of teasing out some of those differences between farmers.

### **A snapshot of Iowa vegetable farming**

Kate has her own business and financial situation: She is in her seventh year of farming, and rents ground due to the current high cost of farmland. Comparing her situation to others in the report gives her an idea of where her peers are in terms of finances and experience.

The report lets her do that by organizing data by net worth and by size in acres. Because of the different market values of the many types of horticultural crops, net income can be high on a very small farm (or small on a bigger farm). Kate says it's important to note these numbers aren't from perfect farms, and do not necessarily represent what farmers should be striving for. "It's a picture of the state of farming for fruit and vegetable growers."

The glimpse into the books of farmers also gives consumers a chance to see all the hard work – and expense – that goes into producing fresh vegetables in Iowa.

For more information and resources on growing fruits and vegetables in Iowa, visit [practicalfarmers.org/horticulture](http://practicalfarmers.org/horticulture) or contact Liz Kolbe, [liz@practicalfarmers.org](mailto:liz@practicalfarmers.org), horticulture coordinator for Practical Farmers of Iowa.

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