

progress

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"Managing risk drives success!"



**EXTENSION
RISK MANAGEMENT
EDUCATION**



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The Extension Risk Management Education program provides training to help farmers & ranchers learn new strategies to manage complex and growing risks. The program's mission is – **Educating America's farmers and ranchers to manage the unique risks of producing food for the world's table.**

Extension Risk Management Education accomplishes this goal by encouraging and funding innovative programs across the country, and helping programs focus on accomplishing tangible results. Nearly 1,000 projects have been funded, and projects have been delivered in all 50 states. The following pages describe why risk management education is important and how it is helping producers survive in a high risk environment.





Mid-Atlantic Farmwomen's Network

Project Summary

The University of Maryland Extension conducted the Mid-Atlantic Farmwomen's Network in 2012. This program delivered risk and farm management training to women through a variety of learning environments including: 1) eight-week sessions of the national program, "Annie's Project"; 2) a six-week second level Annie's Project course; 3) a multi-state Regional Women in Ag conference; and 4) quarterly newsletters and farm tours/events. Through these combined educational opportunities, women in the Mid-Atlantic region have received support and training to manage the financial, legal, price, production and human risks associated with their agribusinesses. Portions of this programming were conducted in collaboration with University of Delaware Extension, Delaware State University Extension, and Rutgers University Extension.

Project Results

Of the 33 participants who completed a survey following the 2012 Annie's Project, all 33 indicated they would: write a business and marketing plan, use computers to increase their farm efficiency, check their credit reports, prepare financial statements, and use Personality IQ to increase communication; 31 said they would update or create an estate plan; 30 planned to change their insurance policy, and 20 intended to review their property titles and lease agreements. Of 158 women who attended the 2013 Regional Women in Ag Conference, 156 rated the educational value as good or excellent and 134 indicated they felt more prepared to make informed decisions on the farm. In addition, 118 reported they had made changes to their agricultural business as a result of attending past Regional WIA Conferences.

Producer Comments

"Annie's Project has made me focus on my business more as a business - not a hobby. I have been able to dissect my business with a plan to help me make sense of what I was doing. It saved me at least a year of wrong choices that could have had adverse effects on my business. Annie's taught me to take it slow, but make better choices. Bottom line: Annie's has taught me to dream, dream big, dream bold! And with the right tools the world is full of possibilities!"



Agritourism Intensive: Managing the Risks of Agritourism As An Income Diversification Strategy In California

Project Summary

In 2012, UC Davis, Department of Ag and Resource Economics, in partnership with producer organizations and the National Ag Law Center, delivered strategies for understanding, evaluating and managing risks of Agritourism enterprises on small-scale farms and ranches. Training was delivered through a series of three separate workshops, including a business planning session – bringing in local partners from each region to introduce participants to potential partners. One key to success for participants was the development of a support network which included experienced agritourism operators, tourism professionals, county staff, small business planning professionals and fellow class participants. Whether they were new and beginning farmers or experienced farmers looking to expand their agritourism operations, participants learned that communication among—

family members and/or business partners or farm owners was a critical link to their operation's success.

Project Results

As a result of this program, 97 small-scale producers increased their understanding of potential Agritourism enterprises, regulations and risk management and assessed the risks, costs and benefits of current or planned Agritourism businesses; 77 participants began drafting business plans, discussed their assessments of their own farms and ranches for Agritourism potential with each other, and learned about the hospitality business, and 68 participants learned about effective marketing and began drafting their marketing strategies. Within three months following the workshops, 3 producers completed business plans, 13 began implementing business plans and 15 implemented new marketing strategies, 7 made changes to reduce legal risk and 11 established ongoing consultation relationships with experienced Agritourism operators or fellow class participants.

Producer Comments

A produce participant had this to say after completing the program, “After the class, we applied for and received a USDA grant to develop a feasibility study for an on-site local creamery at our dairy operation. We have hired students from the university business department and a woman who ran the recent dairy show to do the marketing survey. I have also developed release of liability paperwork for our dairy tours.”



Mineral Rights Leases: Understanding Farmer Risks and Rewards

Project Summary

This 2011 project, led by Rural Advancement Foundation International – USA, provided outreach, education and information on hydraulic fracturing and mineral rights leases to 9,000 farmers on a combined total of 1,000,000 acres of farmland in 14 North Carolina counties. These farmers were targeted by energy companies seeking mineral rights to underlying shale deposits holding methane gas. Program curriculum, farmer-friendly handouts, expert presenters and a list of qualified attorneys to contact prior to signing any legal contract, gave participants concrete strategies and steps to avoid or reduce risks. In addition, an interactive North Carolina Network of participants kept all stakeholders apprised of new information and shale drilling developments. Several follow-up meetings were held in the 3 counties most targeted by gas companies making it easy for farmers to access program information and receive new resources as they came available.

Project Results

Throughout the 14 workshops, 1,575 farmers were educated on the implications and potential legal, financial and environmental risk factors associated with hydraulic fracturing and predatory mineral rights leases. Results from follow-up phone interviews indicated 1,420 producers implemented and accessed information on contracts, water quantity and quality and mineral rights leases.

Producer Comments

“This was thorough and very informative. We need more.”

“Very informative. RAFI spokespeople are always very responsive to my questions via email as well. A valuable resource for our community.”

“Many thanks for your map and PowerPoint presentation. They are nice resources to have on hand. You are doing a good job trying to inform the public.”

“Thanks for all the informational emails on everything going on down there. It really helps those of us that own land in Lee County but do not make our homes there.”



Opening the Communication Lines with Farm Employees

Project Summary

In 2012, Michigan State University Extension worked with dairy producers to help improve communication skills with employees and in-turn increase workers engagement on the job, production output and reduce turnover of employees. This project focused on providing dairy farm owners and managers with information of how their employees viewed and perceived their jobs. One bilingual interviewer conducted 145 interviews of dairy employees from 10 farms. Project directors then met with the owners and managers to discuss common themes from employees and made recommendations with specific communication techniques for improved employee management within their operation. Dairy producers then developed and implemented a customized plan to improve opportunities for both family and non-family employees to provide input to the farm operation decisions, and feel safe in providing that input in a climate of trust. This study provided unique information about employee perspectives.

Through each farm's participation in the project, employees learned that the owners are indeed interested in what they say and think and are willing to improve their management and working conditions with their input.

Project Results

All 10 producers volunteering for this project encouraged their employees to contact the interviewer to give an anonymous interview and even facilitated it by providing phone access, privacy and paid work time for interviews. A total of 145 employee interviews were conducted, resulting in all 10 producers developing and implementing a new communications plan for their farm to reduce their labor risk and long-term turnover of employees.

Producer Comments

One dairy producer comments, "The Employee Engagement Survey through Michigan State helped us gain a better understanding of our strengths and opportunities as an employer. Our ownership team of five has different management styles that were yielding different results. This report allowed us to target areas to work on. It also gives us the opportunity to measure progress moving forward if we can repeat the survey annually."



Managing Risk in the Environmental Horticulture Industry

Project Summary

In 2011 Texas A&M University conducted a multi-phase project focusing on development and implementation of innovative producer-oriented projects targeting nursery, greenhouse, and landscape operators. The first phase of the project consisted of formulating a series of educational materials that addressed timely green industry-related risk management issues. The second phase involved integrating these materials into targeted face-to-face educational programs at several key industry events. The third phase involved developing online webinars. Lastly, the leading green industry blog entitled “Making Cents of Green Industry Economics,” was used as an important outreach corollary to the online educational programs, as were e-newsletters distributed by green industry trade organizations serving as project collaborators.

Project Results

Results indicated that out of 13,328 webinar participants, 457 implemented the risk management tools to increase profits and 515 extension agents utilized the risk management tools and educational programs in their producer trainings. Results of the 3,180 evaluations from all program webinars indicated a total economic profit for all participants combined of \$1,437,207.

Producer Comments

Many participants reported that they were motivated to plan and/or adopt practices that they learned from participating in the program. Some of their comments included:

“Eye Opening.”

“Much Needed.”

“We will re-think present procedures.”

“Learned about new technologies.”

“Importance of sustainability in the green industry.”

“Very good updates concerning the industry.”



Improving Land Leasing Skills in Kansas

Project Summary

In 2012, Kansas State University presented 9 workshops held at different locations in Kansas focusing on various possible rental arrangements including cash rent, share rent, flex-rent, and the ethics of leasing. Nearly 300 participants, managing more than 900,000 acres of cropland, took part in the workshop series, acquiring skills needed to implement improved decision making regarding their own rental agreements. Hands-on computer training using Excel spreadsheets was provided to help producers who lacked specific spreadsheet skills, enabling them to use the tools presented for determining appropriate lease arrangements. A useful decision-making tool, KSU-Lease, was used, with participants having the opportunity to sharpen their newly acquired skills via hands-on computer sessions to enter their situation-specific numbers and analyze scenarios relevant to their operation.

Project Results

Results of a post-workshop survey revealed the following: Out of 167 participants who responded, 155 reported that they had evaluated one or more of their farm leases and/or had negotiated a change in lease terms; 130 reported that they use Excel more than they did prior to the workshops; and 112 have used KSU-Lease to determine and negotiate an appropriate and equitable lease for their operation. Results from the post-workshop evaluation four months following the on-site workshops indicated that knowledge and skill levels were positively affected for each of the skills included in the workshop.

Producer Comments

Comments from workshop participants include:

"There is the possibility for me to offer variable term leases to my landowners versus my competitors' fixed rate offers. I now have the opportunity to expand my family's operation for today and future generations."

"I now know that ethics is the number one consideration when negotiating a lease. The rest will fall into place."

"As an absentee landowner's trustee, this gives me the information I need to accumulate before we talk about leases. We will be keeping more detail about flex cash price leasing."

"We will also be sharing more information with our cash lease landlords."



Farm Management and Decision Making to Help Farmers Explore Business Decisions and Associated Risk

Project Summary

In 2012, Community Involved in Sustaining Agriculture, Inc., (CISA) delivered training to 59 value-added, small or transitioning producers from three counties in western Massachusetts. The program focused on financial management tools to support business decision-making, and implementation of the tools to evaluate new market opportunities and major investment decisions. The producers participated in workshops, working groups, and one-on-one sessions to reduce the risk of major farm decisions. Topics included financial record-keeping, enterprise analysis, and investment assessment using partial budgeting. One highlight of this program was 5 of the 7 workshops offered in the series featured farmer presenters in addition to professional educators, and the written materials include financial decision-making stories from 7 farms.

These farmers provided concrete examples of how financial decision-making occurred on their farms, helping participants grasp the concepts and identify ideas for implementation on their own farms. The information and tools were adapted and made available online to reach additional farmers.

Project Results

Upon completion, farmers learned how to assess risks and opportunities of major business decisions, gained tools to evaluate specific opportunities, and implemented new record-keeping or decision-making strategies. Results of a pre-workshop test revealed 38 participants did not have a “working system for making financial decisions”. Of the 37 producers who completed the post-test, 35 developed a working system for making financial decisions and 29 indicated they would adopt some of the concepts they learned.

Producer Comments

Participants praised the project’s effort to provide real-time skills, with one farmer noting, “The focus on the practical application of business and marketing principles to farming operations set this workshop series apart.” Other participants indicated that the opportunities to meet one-on-one were “incredibly helpful” and “one of the most beneficial aspects of the series”. Another farmer shared, “Equally as valuable as the material taught by the instructors was the opportunity to talk with my classmates, some of whom were struggling through the start-up phase...and others who had been in business for years.”



Financial Analysis and Benchmarking Education; Tools for Risk Management for South Central Utah Beginning Farmers and Ranchers

Project Summary

In 2011, Snow College, partnered with the Utah Department of Ag and Food, Utah State University Extension, and the Utah State University Department of Animal and Veterinary Science, to introduce livestock producers to benchmarking and how to utilize it as a farm management tool. Workshops focused on identifying benchmarks and learning to use FINBIN® as a source for acquiring current industry high producer benchmarks. Through individual instruction producers learned to interpret benchmarks, identify variances, and develop management strategies to improve the financial success of their businesses, as well as, reduce financial risks through diversification, resource risk reduction, and debt reduction strategies. One key to success for participants was the one-on-one site instruction.

Producers felt more at ease sharing their own personal and financial production data with a single instructor rather than in a group of other farmers and ranchers.

Project Results

Results demonstrated that within 30 days following this program, 22 of the 24 participants who completed their FINAN® report, identified areas to improve in their businesses and developed a management strategy to improve their benchmarks. In addition, 32 producers were able to identify and understand how to calculate the key benchmarks for their business success; 24 developed and implemented a business and management plan to improve their business's benchmarks, reduce risk, and increase business success; 24 created their year-end analysis reports and 22 identified variances between their benchmark scores and those of the top producers from the FINBIN® database.

Producer Comments

A cattle producer shares, "My feed costs were way over the average of all other ranchers. With a dollar goal to work towards and some grazing and crop planning, I was able to graze my cows throughout the winter. I didn't start my tractor all winter, and it only took 20 minutes every other day to limit feed the cows with an electric fence. The management plan to reduce feed costs was a 'HOME RUN.' I am planning to expand next year and already have interested neighbors wanting to feed their cows the same way."



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"Educating America's farmers and ranchers to manage the unique risks of producing food for the world's table"

Extension Risk Management Education is delivered through four regional centers that provide grant funding and leadership within their regions.

Projects are producerfocused, results-based and encourage public-private partnerships. Funded projects must identify targeted results that will help producers manage risk and then describe how the project will measure those results.

Extension Risk Management Education has funded innovative programs that have generated tangible results for producers in every state. Commitment to funding results, providing transparent accountability, and encouraging collaboration allow you to view the accomplishments of all funded projects on our website.

Extension Risk Management Education Regional Centers

Southern Center

University of Arkansas
(501) 671-2165

Northeast Center

University of Delaware
(302) 831-6540

Western Center

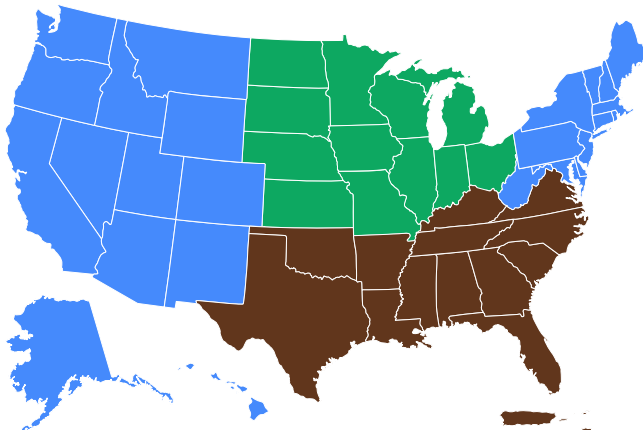
Washington State University
(509) 477-2176

North Central Center

University of Nebraska
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University of Minnesota
(612) 625-1964



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