

Evaluating the Risk Management Needs of Farmers and Ranchers in the Fifteen Under-served States

RMA Roundtable Discussion
September 23, 2002

SJH & Company, Inc.

11 Cherry Street, Danvers, MA 01923
Tel: 978-774-8660 Fax: 978-750-9880
www.sjhandco.com sjh@sjhandco.com

Agenda

- **Overview of risk management education project**
- **Risk management education and training programs**
- **Producer focus group findings**
- **Professional stakeholder interview findings**
- **Assessment of risk management education and training needs**
- **Recommendations for improving program effectiveness**
- **Measuring levels of success in risk management programs**
- **Question & Answer session**

Risk Management Education Project Overview

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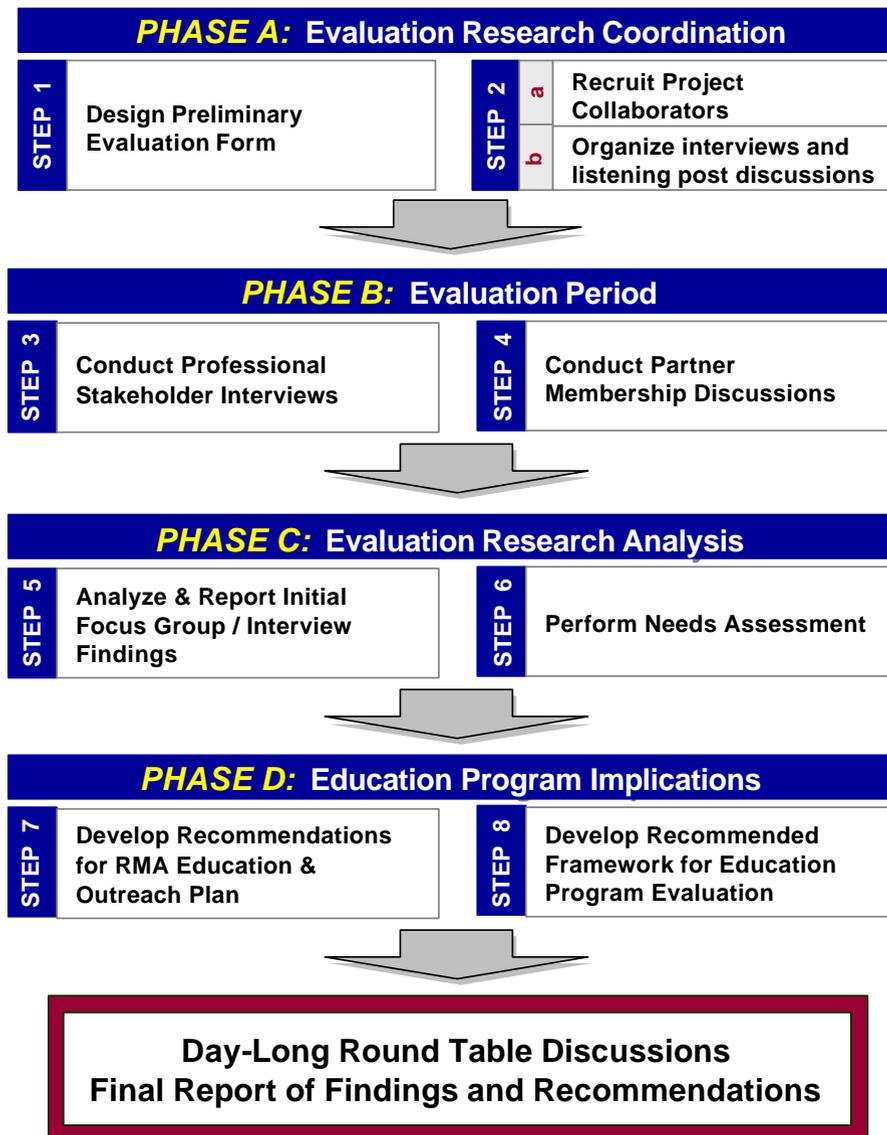
Risk Management Education Project Overview

Primary Objectives

- **Assess the risk management education and training needs of producers in the fifteen under-served states.**
- **Develop recommendations for improved delivery and coordination of risk management education and information programs.**
- **Create an evaluative framework for measuring levels of improvement and / or success in risk management education and training programs.**

Risk Management Education Project Overview

Approach/Methodology



Risk Management Education Project Overview

Activity Report

		TIMING
PHASE A: Evaluation Research Coordination	Step 1: Design preliminary program evaluation forms	Mid-January
	Step 2: Recruit project collaborators	End of January
PHASE B: Evaluation Period	Step 3: Conduct professional stakeholder interviews	January - July
	Step 4: Conduct producer discussion groups	March 20 - April 25
PHASE C: Evaluation Research Analysis	Step 5: Analyze and report focus group findings	Mid-May
	Step 6: Perform needs assessment	Mid-July
PHASE D: Education Program Implications	Step 7: Develop recommendations for RMA education & outreach plan	Mid-July
	Step 8: Develop evaluative framework	Mid-July
DRAFT REPORT		Mid-July
Roundtable Discussions with RMA/RME Stakeholders		Early August
FINAL REPORT		Sep 30 th

Risk Management Education and Training Programs

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Risk Management Education and Training Programs

Overall State Cooperative Agreement Activities

- **The under-served states are allocating state cooperative agreement funds to:**
 - ▶ **Outreach:**
 - Workshops.
 - Mailings (newsletters, bulletins).
 - Media (video broadcasts).
 - Booths at trade shows and growers meetings.
 - ▶ **Train-the-trainer sessions.**
 - ▶ **Train-the producer sessions.**
 - ▶ **Hiring staff to oversee programs.**

Risk Management Education and Training Programs

Overall Programs

- **Some State Departments of Agriculture have worked in partnership with Cooperative Extension on risk management education and training for years, others began their efforts this year with the state cooperative agreements.**
- **Cooperative Extensions offer a wide variety of risk management programs:**
 - ▶ Environmental/regulatory compliance.
 - ▶ Business/financial planning.
 - ▶ Marketing and diversification strategies.
 - ▶ Land development/preservation laws.
 - ▶ Public education.
- **Some Farm Bureaus leverage their relationships with producers to support other organizations' risk management education and training efforts, others have risk management programs of their own.**
- **Some commodity organizations have played an active role in risk management (developing new policies), others provide referrals.**
- **Some Farm Credits provide a full range of financial and business planning consulting services on their own, others cooperate with State Departments of Agriculture and Farm Bureaus.**

Risk Management Education and Training Programs

Coordination Among Service Providers

▶ Coordination among service providers intra-state:

- In almost all the states with cooperative agreements, the State Department of Agriculture and Cooperative Extension partnered to organize and conduct train-the-trainer and train-the-producer sessions.
- Other examples:
 - Connecticut Farm Bureau supports UCONN Cooperative Extension in its crop insurance and risk management education and training efforts by promoting its programs in newsletters and at county board meetings.
 - The Maine State FSA Office coordinates risk management education and training efforts with specific commodity organizations, including the Blueberry Association, Potato Board, Dairy and Ag Council.
 - The Pennsylvania Department of Agriculture works with producers on business/financial planning and marketing strategies through Farmlink (linking transitional producers) and by coordinating with Farm Bureau and agricultural lenders.

▶ Coordination among service providers across state lines:

- ▶ Little evidence of regional coordination.

Risk Management Education and Training Programs

State Cooperative Agreement Activities

Connecticut

▶ Outreach

- Workshops:
 - 3 business/financial planning workshops.
 - First Pioneer Farm Credit representative present to discuss loans.
- Mailings (newsletters, bulletins):
 - Workshops advertised in agricultural commodity periodicals and market bulletins and via direct mailing using a mailing list of farms with sales tax exemptions.
- Media (video broadcasts):
 - A video teaser of the crop insurance presentations was produced by public access television.

▶ **6 train-the-trainer sessions and 15 train-the producer sessions:**

- Sessions by commodity (dairy, AGR, corn, tobacco, field crops, greenhouse).
- Lawyers and crop insurance agents present.
- UCONN Cooperative Extension developed the curriculum and hired the presenters.

Risk Management Education and Training Programs

State Programs

Connecticut

- ▶ **The Connecticut Department of Agriculture was not involved in risk management education and training prior to the state cooperative agreement.**
- ▶ **The Connecticut State FSA Office does little with risk management education, but it does assist producers with business plans through its farm loan officers.**
- ▶ **UCONN Cooperative Extension programs:**
 - Conducting workshops on food safety, pesticide use, animal waste management.
 - Assisting producers with business planning, budgets, marketing strategies.
 - Supporting Farmland Preservation Program and Working Lands Alliance.
 - Publishing materials to increase public awareness of agriculture in the state.
- ▶ **The Connecticut Farm Bureau's main role is informational:**
 - Promoting Cooperative Extension programs in newsletters and at meetings.
 - Fielding producer calls (on regulatory compliance, labor issues).
 - Developing marketing website.
 - Ag educator on staff.
- ▶ **Connecticut Green Industries educates producers by running stand-alone educational seminars and “piggybacking” on annual commodity meetings, providing experts on request (labor lawyers) and disseminating information on good business practices.**
- ▶ **First Pioneer Farm Credit services include financial services (tax preparation, accounting) and one-on-one visits (business plans, marketing and diversification strategies).**

Risk Management Education and Training Programs

State Cooperative Agreement Activities

Delaware

▶ Outreach:

- General outreach to suppliers through retailers.
- Contract with Farmers First Services to provide outreach services in one-on-one or group settings.
- Mailings (newsletters, bulletins):
 - Direct mailings offering free services.

▶ 1 train-the-trainer session and 5 train-the producer sessions:

- Sessions on multi-peril crop insurance, crop revenue insurance, AGR, basic provisions and pesticide training.

Risk Management Education and Training Programs

State Programs

Delaware

- ▶ **The Delaware Department of Agriculture and the University of Delaware Cooperative Extension have cooperated to support risk management education and training for years:**
 - Crop insurance subsidies in 1989.
 - First risk management conference in 1998.
 - AGR pilot program training in 2000.
- ▶ **Cooperative Extension programs:**
 - Developing new vegetable policies and educational programs for the policies.
 - One-on-one Finpack consultations.
 - Marketing specialists on staff:
 - Grain marketing strategy sessions and guidebooks.
 - Futures training mini-workshops.
 - Internet discussion groups.
 - Delaware State University Small Farmer Technical Assistance and Outreach Program:
 - One-on-one visits and relationship building.
 - Four part course called “Farming: Innovation and Entrepreneurship.”
 - Cooperating with the Small Business Development Center.

Risk Management Education and Training Programs

State Cooperative Agreement Activities

Maine

▶ Outreach:

- Workshops.
- Booths at trade shows and growers meetings:
 - Attended booths at agricultural trade shows in January 2002.

▶ **6 train-the-trainer sessions and 10 train-the producer sessions plus refresher sessions**

- Developed a curriculum to be used in instruction manuals.
- Ran a planning session to identify risks and to explore vehicles for information delivery in December 2001.

Risk Management Education and Training Programs

State Programs

Maine

- ▶ **The Maine Department of Agriculture's role is primarily educational:**
 - Classes incorporating NXT level and Fast Track curriculum.
 - Farms for the Future Program.
 - School visits and television interviews to increase public awareness of ag issues.
- ▶ **The Maine State FSA Office's role is primarily "watchdog":**
 - Assisting producers with regulatory compliance.
 - Monitoring use of the crop insurance program.
- ▶ **University of Maine Cooperative Extension focus:**
 - Emphasis on production risks and marketing strategies.
 - Producer education (WAgN, labor management, bio-security).
 - Public education (Farms of the Future, Ag in the Classroom, Farmlink).
- ▶ **The Maine Organic Farmers Association conducts workshops (farm management, marketing strategies, business planning) and undertakes public outreach efforts.**

Risk Management Education and Training Programs

State Cooperative Agreement Activities

Maryland

▶ Outreach

- Workshops:
 - Focus of state cooperative agreement activities on producer workshops.
- Mailings (newsletters, bulletins):
 - Mailings for the 8 train-the-producer workshops, as well as for 3 ½ hour mini-workshops, were sent to approximately 6,700 farms.
- Media (video broadcasts):
 - Enticed producers to workshops through direct mail, press releases and radio.

▶ **6 train-the-trainer sessions and 15 train-the producer sessions**

- Contracted with Maryland Cooperative Extension to carry out the bulk of the education and training.

Risk Management Education and Training Programs

State Programs

Maryland

- ▶ **The Maryland Department of Agriculture and the University of Maryland Extension Program have historically worked together in support of risk management education and training:**
 - Putting out press releases on crop insurance deadlines.
 - Expanding pilot programs.
- ▶ **Maryland Cooperative Extension workshops:**
 - Regulatory compliance (co-permitting, income tax law).
 - Financial planning.
 - Production management skills.
 - General farm and child labor regulations.
 - Land development and marketing specialists on staff.
- ▶ **Mid-Atlantic Farm Credit activities:**
 - One-on-one consultations:
 - Financial analysis (trend spreadsheets, projections).
 - Diversification and marketing strategies (attending marketing club meetings).
 - Sitting on panels and offering testimony about land development/preservation laws.
 - Publishing risk management articles in a magazine with a circulation of 12,000.

Risk Management Education and Training Programs

State Programs

Massachusetts

- ▶ **The Massachusetts Department of Agriculture and UMASS Cooperative Extension have historically cooperated in support of risk management:**
 - Agribusiness training courses (NXT level).
 - Special Projects Division (wetlands, land preservation, local government).
 - Community agriculture program (educating public about value of agriculture).
- ▶ **The Massachusetts State FSA Office's roles are primarily oversight and educational:**
 - Regulatory compliance (wetlands, CAFOs, AFOs).
 - Business/financial planning assistance.
 - Sharing marketing and diversification success stories.
 - Supporting state land preservation programs (conservation easements).
 - Promoting crop insurance.
- ▶ **The main role the Massachusetts Farm Bureau plays in risk management is facilitating the regulatory process and educating producers through publications.**
- ▶ **The CCCGA focuses primarily on environmental issues, but it also has a farm viability program, in which producers receive funding to develop business plans in exchange for a conservation restriction.**
- ▶ **State Cooperative Agreement Activities: Massachusetts is 1 of the 3 under-served states without a state cooperative agreement.**

Risk Management Education and Training Programs

State Programs

Nevada

- ▶ **The Nevada Department of Agriculture has historically done very little with risk management, typically referring inquiries to the USDA RMA or FSA.**
- ▶ **The Nevada State FSA Office focuses its efforts on business/financial planning seminars and public education.**
- ▶ **State Cooperative Agreement Activities: Nevada is 1 of the 3 under-served states without a state cooperative agreement.**

Risk Management Education and Training Programs

State Cooperative Agreement Activities

New Hampshire

▶ Outreach:

- Workshops.
- Mailings (newsletters, bulletins):
 - Sent out a mass mailing on crop insurance to 3,200 producers and included information on crop insurance in the *Weekly Market Bulletin*.

▶ **4 train-the-trainer sessions and 10 train-the producer sessions**

- Contracted \$120,000 to the University of New Hampshire Cooperative Extension to provide training for trainers and producers.
- Workshops were conducted for specific commodities, including 1 workshop on specialty crops.

Risk Management Education and Training Programs

State Programs

New Hampshire

- ▶ **Historically, the USDA FSA and the University of New Hampshire Cooperative Extension, not the New Hampshire Department of Agriculture, handled risk management activities.**
- ▶ **The UNH Extension focus is on business/financial planning and marketing strategies:**
 - Business and financial management specialist on staff since 1980:
 - General business planning.
 - Business organization.
 - Economic analysis.
 - Estate planning.
 - Assisting producers with marketing strategies:
 - Visiting retail operations to conduct surveys of product mixes and merchandising practices.
 - Conducting consumer surveys on whether consumers buy from farm stands or pick-your-own.

Risk Management Education and Training Programs

State Cooperative Agreement Activities

New Jersey

▶ Outreach:

- Workshops:
 - Rutgers Cooperative Extension Reengineering Initiative (funded separately) provides financial analysis and risk assessments.
- Mailings (newsletters, bulletins):
 - *The Risk Management and Crop Insurance Program* newsletter is sent out every other month to 8,000 producers and agribusinesses.
 - Binders containing fact sheets and lists of insurance agents are made available to producers at meetings.

▶ 6 train-the-trainer sessions and 15 train-the producer sessions:

- Contracted with Rutgers Cooperative Extension to administer the Risk Protection Initiative Program in North Jersey and South Jersey.

▶ Hiring staff to oversee programs:

- Employed 2 temporary employees in the field offices to answer producer questions and coordinate *The Risk Management and Crop Insurance Program* newsletter mailings.

Risk Management Education and Training Programs

State Programs

New Jersey

- ▶ **The New Jersey Department of Agriculture had no risk management programs before the state cooperative agreement.**
- ▶ **Rutgers Cooperative Extension role in risk management education and training:**
 - Informing producers about new programs and providing referrals.
 - Running a business planning program.
 - Conducting a three-day Finpack program in the winter.
 - Land preservation specialist on staff.
 - Inviting representatives from the Department of Labor to speak on labor issues at legal seminars.
 - Educating the public through newsletters.

Risk Management Education and Training Programs

State Cooperative Agreement Activities

New York

▶ Outreach:

- Workshops:
 - Marketing clubs.

▶ 15 train-the-trainer and train-the producer sessions:

- Contracted with Cornell University to run the training sessions.
- Developed long-term plan to disseminate materials and run meetings by commodity.

Risk Management Education and Training Programs

State Programs

New York

- ▶ **Support of risk management education and training prior to the state cooperative agreement was provided by Farm Credit, Cornell University and crop insurance agents.**
- ▶ **There is a movement within Cornell Cooperative Extension to place new emphasis on business/financial planning, and to continue current strategic marketing efforts:**
 - Conducting “Strategic Marketing Management for Horticulture Farms.”
 - Teaching the five major areas of risk in producer and staff training sessions.
- ▶ **The main focus of Farm Credit’s work is business/financial planning:**
 - Estate planning.
 - Budgeting.
 - Record-keeping.
 - Tax preparation.

Risk Management Education and Training Programs

State Cooperative Agreement Activities

Pennsylvania

▶ **Outreach:**

- Workshops:
 - “Piggybacked” on Penn State pesticide credits meetings with 30-60 minute presentations on risk management.
 - Saw a 25-50% increase in coverage post-workshops.
- Mailings (newsletters, bulletins):
 - Penn State targeted growers through direct mailings.
- Media (video broadcasts):
 - Penn State also targeted growers through promotional advertisements in newspapers, targeted radio campaigns and the Internet.

▶ **Train-the-trainer and train-the producer sessions**

- Partnered with Penn State to organize and run the producer workshops.
- Reached 4,000 growers through 70 meetings in 67 counties.
- Penn State and RMA developed the curriculum materials jointly.

Risk Management Education and Training Programs

State Programs

Pennsylvania

- ▶ **Pennsylvania Department of Agriculture programs:**
 - The Pennsylvania Crop Insurance Assistance Program (supplements federal programs by covering fees and premiums).
 - The Pennsylvania Crop Insurance Education & Participation Program (covers a statewide educational campaign).
 - Contracting with a risk management consultant, who develops curriculum and makes presentations about risk management and crop insurance.
 - Educating the public about agricultural issues through articles and advertisements in farm publications and public service announcements.

- ▶ **The Pennsylvania Vegetable Growers Association refers growers to the risk management education and training programs conducted by Penn State Cooperative Extension, and offers a session at its annual convention on recent changes in crop insurance policies.**

Risk Management Education and Training Programs

State Cooperative Agreement Activities

Rhode Island

▶ **Outreach:**

- Workshops:
 - 30 one-on-one business management training sessions with individual Rhode Island producers to assist them in developing or improving farm management and farm business plans.
- Mailings (newsletters, bulletins):
 - Mailings promoted and advertised the 13 training sessions and the 30 individual business plan consultations.
- Media (video broadcasts)
 - Radio spots promoted and advertised the 13 training sessions and the 30 individual business plan consultations.

▶ **3 train-the-trainer sessions and 10 train-the producer sessions:**

- Hired the RISBDC to run the training sessions in each of the five counties of Rhode Island, with training to be completed by late April 2002.

▶ **Hiring staff to oversee programs.**

Risk Management Education and Training Programs

State Programs

Rhode Island

- ▶ **The Rhode Island Division of Agriculture's support of risk management programs began this year with the signing of the state cooperative agreement.**
- ▶ **Contracting with the Rhode Island Small Business Development Center (RISBDC) to conduct risk management and crop insurance seminars:**
 - Helping producers prepare business plans and loan applications.
 - Assisting producers with marketing and diversification strategies:
 - Marketing plans.
 - Market identification.
 - Pricing.
 - Selling retail and wholesale.
 - Explaining regulations to producers on using immigrant labor.
 - Organizing seminars to educate the public about agricultural issues.

Risk Management Education and Training Programs

State Cooperative Agreement Activities

Utah

▶ Outreach:

- Workshops.
- Media (video broadcasts):
 - Video broadcast with Dale Miller, RME Regional Office Coordinator, covering the basics of risk management and crop insurance in February 2002.

▶ 6 train-the-trainer sessions and 10 train-the producer sessions:

- The Utah Farm Bureau, in cooperation with the RME Regional Office, has conducted train-the-trainer and train-the-producer sessions in thirteen locations throughout the state every year since 1998.

▶ Hiring staff to oversee programs:

- Partnered with Drake University in Des Moines, Iowa to develop a food policy program, focusing on food production and value-added.

Risk Management Education and Training Programs

State Programs

Utah

- ▶ **The Utah Department of Agriculture and Utah State University have a long partnership in support of risk management education and training.**

- ▶ **Utah State University Extension focus:**
 - Working with producers on environmental regulations.
 - Working with producers on feasibility studies and business plans as part of economic development efforts.
 - Conducting marketing strategies workshops.
 - Developing web-based educational materials.
 - Increasing public awareness of agricultural issues.

Risk Management Education and Training Programs

State Cooperative Agreement Activities

Vermont

▶ Outreach:

- Workshops:

- Sponsored educational programs on business management and crop insurance through agro-tourism and extension services.

▶ **3 train-the-trainer sessions and 15 train-the producer sessions.**

▶ **Hiring staff to oversee programs.**

Risk Management Education and Training Programs

State Programs

Vermont

- ▶ **The Vermont Department of Agriculture has historically done a great deal to help producers manage risks:**
 - Marketing (legislation requiring processors to pay producers when prices fall below certain levels, dairy compact).
 - Production (milk quality initiatives, emergency livestock feed situations).
 - Food safety (foot-and-mouth disease).

- ▶ **The University of Vermont Extension focuses on farm business management:**
 - Specialist on staff runs the DOPP training and teaches agriculture business management courses:
 - Farm finance.
 - Cash flows.
 - Budgeting.
 - Environmental/price risk.
 - Farm transfer/estate planning.

- ▶ **Yankee Farm Credit focuses its efforts on helping farmers become better financial managers, conducting on-farm visits and sessions on record-keeping.**

Risk Management Education and Training Programs

State Cooperative Agreement Activities

West Virginia

▶ Outreach:

- Workshops.
- Mailings (newsletters, bulletins):
 - *The Market Bulletin* and *West Virginia Farm Bureau News* carried articles on risk management, reaching 85,000 readers.

▶ 10 train-the-trainer sessions and 15 train-the producer sessions:

- Contracted \$129,000 with the West Virginia University Extension, which concentrated its efforts on conducting meetings with producers and agribusiness people (accountants, insurance agents).
- 3,453 West Virginia producers attended 45 risk management training sessions and events.

Risk Management Education and Training Programs

State Programs

West Virginia

- ▶ **The West Virginia Department of Agriculture did not do much in support of risk management education and training prior to the state cooperative agreement:**
 - One problem is lack of crop insurance agents.
 - Another problem is a lack of crop insurance products for sale.

- ▶ **The West Virginia Department of Agriculture now focuses efforts primarily on business/financial planning and, to some extent, on regulatory compliance and marketing:**
 - Tax preparation.
 - Cost analysis.
 - Record-keeping.
 - Value-added workshops.
 - Marketing written materials.

Risk Management Education and Training Programs

State Programs

Wyoming

- ▶ **The Wyoming State FSA Office handles most of risk management education and training in the state, although producers tend to go directly to crop insurance agents.**
- ▶ **State Cooperative Agreement Activities: Wyoming is 1 of the 3 under-served states without a state cooperative agreement.**

Producer Focus Groups

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Producer Focus Groups

Purpose

■ Objectives:

- ▶ Identify level of producer awareness of risk management tools.
- ▶ Identify level of producer skill in using risk management tools.

■ Guidelines:

- ▶ Target 35 focus groups:
 - 26 focus groups in the East.
 - 9 focus groups in the West.
- ▶ Target maximum of 10-12 participants per focus group.
- ▶ Use of interactive teleconferencing.
- ▶ Not to exceed one hour in duration.
- ▶ Mix of polling and open-ended discussion questions.

Producer Focus Groups

Definition

■ Define commodities:

- ▶ Cattle and calves.
- ▶ Fruit, nuts and berries.
- ▶ Nursery and greenhouse, etc.

■ Define farm size:

- ▶ Under \$100,000 in gross revenue.
- ▶ \$100,000-\$250,000 in gross revenue.
- ▶ Over \$250,000 in gross revenue.

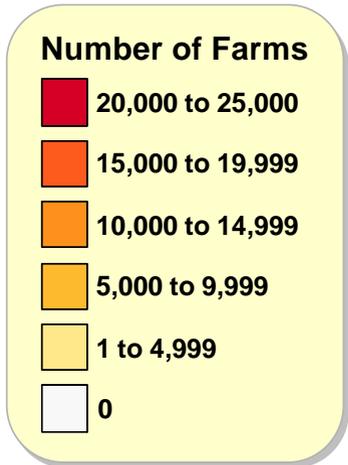
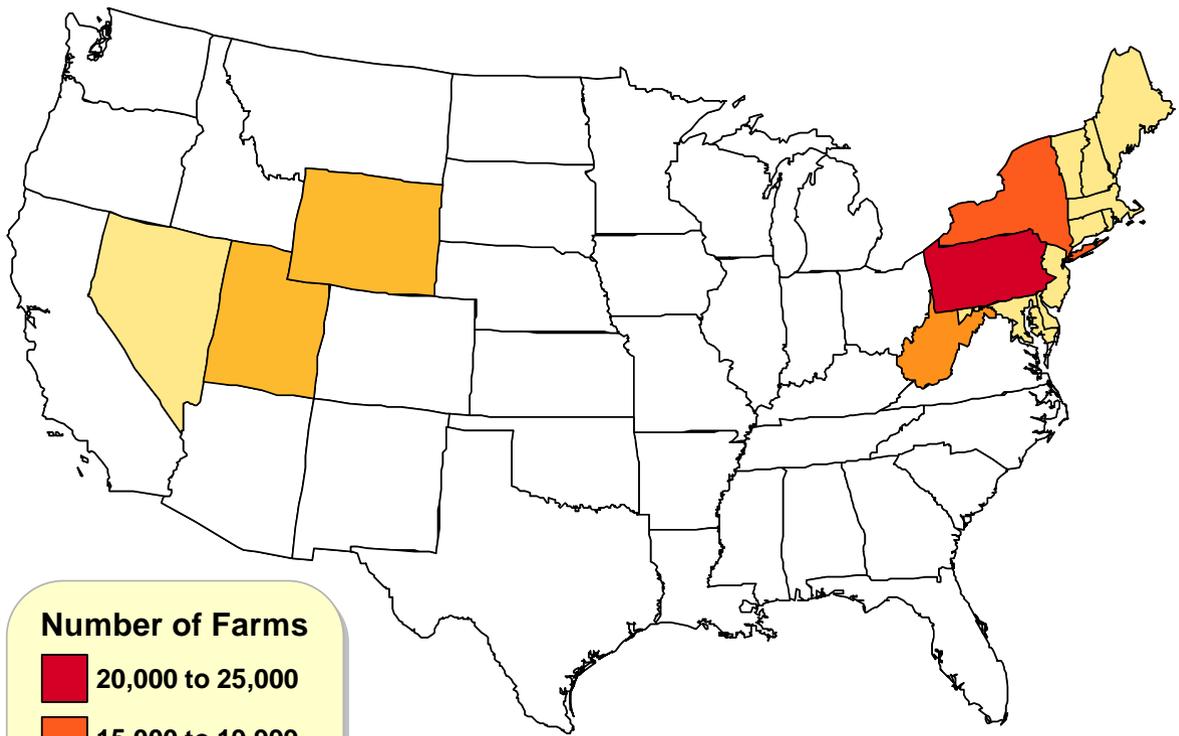
■ Define regions:

- ▶ Northern New England and New York.
- ▶ Southern New England, etc.

■ For each commodity, analyze number of farms, by size, in each of the fifteen under-served states

Producer Focus Groups

Definition: Cattle and Calves Example



STATE	Number of Farms		
	<\$100,000	\$100,00–\$249,999	\$250,00+
CT	784	99	100
DE	76	35	89
MA	923	136	99
MD	3,143	614	354
ME	1,302	205	124
NH	587	106	67
NJ	1,287	142	77
NV	1,231	180	176
NY	10,296	3,551	1,647
PA	17,395	5,324	2,064
RI	137	15	6
UT	6,441	652	505
VT	1,719	822	417
WV	11,126	235	215
WY	4,642	1,028	625

Producer Focus Groups

Assignment of Participants

- **Rank states:**
 - ▶ Include top ten states for each commodity.
- **Account for proportionality:**
 - ▶ Include top five commodities from all, even the smallest, states.
 - ▶ Exclude bottom five commodities from all states.
 - ▶ Assign participants to focus groups based on percentage distribution of farms within a region.
 - ▶ If a state is included in a focus group, include at least two producers from the state.
- **Confirm with State Cooperative Agreement contacts that their state is fairly represented by focus group participant distributions.**

Producer Focus Groups

Distribution of Participants

	Northern New England/ NY	Southern New England	PA/WV	DE/MD/NJ	West
Field Crops	NY		PA, WV	DE, MD, NJ	NV, UT, WY
Hay and silage	ME, NH, NY, VT	CT, MA, RI	PA, WV	MD, NJ	NV, UT, WY
Vegetables	ME, NH, NY	CT, MA, RI		DE, MD, NJ	
Fruit, nuts and berries	ME, NH, NY, VT	CT, MA, RI	PA, WV	MD, NJ	UT
Nursery and greenhouse	ME, NH, NY, VT	CT, MA, RI		MD, NJ	
Poultry			WV	DE, MD	UT
Dairy	ME, NH, NY, VT		PA		UT
Cattle and Calves	ME, NH, NY, VT	MA, RI	PA, WV	DE, MD	NV, UT, WY
Hogs and pigs					
Sheep, lambs, and wool					NV, UT, WY
All Other / specialty crops	ME, NH, VT				WY

Producer Focus Groups

Discussion Guide

■ Perception of risk:

- ▶ What are the greatest risks to your operation?
- ▶ What can you do to minimize that risk?

■ Risk management tools:

- ▶ What are your primary risk management tools and strategies?
- ▶ Why did you choose that particular method?
- ▶ What are the problems with the method you are using?

■ Access to risk management information:

- ▶ What do you consider the best sources for risk management information?
- ▶ Which of your risk management needs would you like more options to address?
- ▶ Where are you most likely to look to learn about new risk management techniques?

Producer Focus Groups

Overall Findings: Perception of Risk

■ Risk management awareness and skill level:

- ▶ Participants were aware in general terms of what risk management programs are available to them, but they were not comfortable with some of the programs, and needed to learn more about how they work and whether the programs fit their needs.
- ▶ Participants utilized risk management programs to some extent, but were not overly innovative about using a range of tools to manage risk.

■ Producers rank risks as follows:

- ▶ Low crop prices.
- ▶ Yield shortfall.
- ▶ Environmental / Regulatory.
- ▶ Labor-related Issues.

Producer Focus Groups

Perception of Risk: Low Crop Price

Producers generally identify marketing risks (low crop prices) as the greatest risk to their operations:

REGION	TOTAL	PRIMARY RISK	SECONDARY RISK	COMMENTS
N. New England	60%	27%	33%	Northern New England dairy producers mentioned in particular that low and variable milk prices make it difficult to anticipate income and budget accordingly.
S. New England	38%	15%	23%	Massachusetts and Rhode Island cattle and calf producers remarked on low market prices for cattle, in contrast with rising input costs.
PA/WV	62%	38%	24%	Pennsylvania and West Virginia cattle and calf producers also noted flat commodity prices below costs of production, in contrast with rising input costs.
MD/DE/NJ	55%	30%	25%	Maryland and New Jersey fruit producers attributed extreme fluctuations in price to changes in supply caused by, for example, East Coast producers who took the tobacco buy-out and Southern producers raising fruit and vegetables on land that was previously used for other crops.
Western States	59%	43%	16%	Utah and Wyoming sheep producers talked about discrepancies between what the consumer paid (\$4.50 per pound) and what the producer received (\$.46 per pound) for lamb last fall.

Producer Focus Groups

Perception of Risk: Low Crop Price

Producers generally identify marketing risks (low crop prices) as the greatest risk to their operations:

COMMODITY	TOTAL	PRIMARY RISK	SECONDARY RISK	COMMENTS
Field Crops	69%	46%	23%	
Sheep	88%	75%	13%	
Dairy	62%	38%	24%	
Vegetable	37%	19%	18%	
Nursery/Greenhouse	38%	0%	38%	
Cattle & Calves	78%	37%	41%	
Fruit	61%	42%	19%	
Hay & Silage	28%	4%	24%	

Producer Focus Groups

Perception of Risk: Yield Shortfall

Producers also generally identify production risks (yield shortfall) as the second greatest risk to their operations:

REGION	TOTAL	PRIMARY RISK	SECONDARY RISK	COMMENTS
N. New England	34%	27%	7%	New York and Maine producers had the majority of yield shortfall concerns.
				Yield shortfall was a large risk for 27% of the producers and very minute for the rest of the producers, who rarely mentioned it as a secondary risk.
S. New England	46%	38%	8%	63% of Rhode Island producers and 50% of Connecticut producers perceived yield shortfall as their primary risk, while only 10% of Massachusetts producers agreed.
				Similar to Northern New England producers, yield shortfall was a large risk for some producers and minute for the rest of the producers.
PA/WV	48%	31%	17%	Pennsylvania dairy producers expressed fears about higher chances of failure due to weather in Pennsylvania, since crop yields are low to begin with in the state.
MD/DE/NJ	33%	23%	10%	Maryland, Delaware and New Jersey field crops producers reported that concerns were heightened due to the fact that yields have been low the last 4 out of 5 years.
Western States	39%	25%	14%	Utah and West Virginia poultry producers perceived yield shortfall due to disease as the most pressing issue they face, and address it through vigilance and bio-security measures.

Producer Focus Groups

Perception of Risk: Yield Shortfall

Producers also generally identify production risks (yield shortfall) as the second greatest risk to their operations:

COMMODITY	TOTAL	PRIMARY RISK	SECONDARY RISK	COMMENTS
Field Crops	57%	36%	21%	
Sheep	0%	0%	0%	
Dairy	42%	13%	29%	
Vegetable	47%	38%	9%	
Nursery/Greenhouse	0%	0%	0%	
Cattle & Calves	17%	9%	8%	
Fruit	39%	31%	8%	
Hay & Silage	64%	48%	16%	
Poultry	55%	44%	11%	

Producer Focus Groups

Perception of Risk: Environmental / Regulatory

Although their main focus is on production and marketing risks, producers are generally concerned with environmental/regulatory issues as the next greatest risk to their operations:

REGION	TOTAL	PRIMARY RISK	SECONDARY RISK	COMMENTS
N. New England	20%	9%	11%	New York field crops producers mentioned in particular the most recent CAFO, which has cost some producers between \$150,000 and \$500,000 to develop and implement compliance plans.
S. New England	35%	8%	27%	Southern New England producers expressed concerns about loss of land to urban sprawl.
PA/WV	22%	5%	17%	West Virginia poultry producers noted concerns about new waste management regulations making it too expensive to stay in business.
MD/DE/NJ	31%	18%	13%	Maryland field crops producers registered concerns about the CREP program, particularly in light of the fact that the state has lost more acres in the past 18 months to CREP than were lost in the past 5 years to housing developments.
Western States	45%	16%	29%	Nevada and Wyoming producers perceived environmental/regulatory issues as more of a primary risk than Utah producers, but Nevada producers did not mention environmental/regulatory issues once as a secondary risk.

Producer Focus Groups

Perception of Risk: Environmental / Regulatory

Although their main focus is on production and marketing risks, producers are generally concerned with environmental/regulatory issues as the next greatest risk to their operations:

COMMODITY	TOTAL	PRIMARY RISK	SECONDARY RISK	COMMENTS
Field Crops	18%	10%	8%	Maryland, Delaware and New Jersey field crops producers claimed that producers are losing \$30-60 million per year due to the Endangered Species Act.
Sheep	63%	13%	50%	Utah and Wyoming sheep producers maintained that they could control predators if there were not so many environmental regulations.
Dairy	42%	13%	29%	Dairy producers had consistently higher environmental/regulatory and labor concerns than many other groups.
Vegetable	28%	10%	18%	Southern New England vegetable producers mentioned concerns about wildlife-related damage to their crops.
Nursery/Greenhouse	76%	38%	38%	Nursery and greenhouse producers placed much higher emphasis on environmental/regulatory and labor issues, and much lower on production and marketing risks relative to other groups.
				100% of Maine nursery and greenhouse producers picked environmental/regulatory as their primary risk.
Cattle & Calves	28%	23%	5%	A majority of the environmental/regulatory responses came from Western cattle and calf producers, with concerns about non-point source pollution, water irrigation, water rights, Endangered Species Act and public land grazing.
Fruit	19%	0%	19%	Maryland and New Jersey fruit producers voiced concerns about environmental regulation of water and pesticide usage, as well as zoning in pine reserve areas in New Jersey.
Hay & Silage	24%	12%	12%	Western hay and silage producers spoke of the need to keep on top of environmental issues taking time away from their operations.
Poultry	49%	22%	27%	Utah and West Virginia poultry producers identified environmental regulations of poultry litter handling as a long-term concern that must be addressed.

Producer Focus Groups

Perception of Risk: Labor

Producers are also concerned with labor-related issues, but not to the same degree as environmental/regulatory issues and much more concentrated in certain regions (Northeast) and commodities (nursery and greenhouse):

REGION	TOTAL	PRIMARY RISK	SECONDARY RISK	COMMENTS
N. New England	22%	11%	11%	Northern New England specialty producers perceived labor-related issues as a greater risk relative to other groups.
S. New England	27%	12%	15%	Labor was an issue particularly for East Coast vegetable and fruit producers, who mentioned a scarcity of good, trustworthy workers.
PA/WV	16%	8%	8%	
MD/DE/NJ	23%	8%	15%	Maryland and New Jersey nursery and greenhouse producers faced the challenge of keeping good migrant workers at affordable wages.
Western States	4%	2%	2%	

Producer Focus Groups

Perception of Risk: Labor

Producers are also concerned with labor-related issues, but not to the same degree as environmental/regulatory issues and much more concentrated in certain regions (Northeast) and commodities (nursery and greenhouse):

COMMODITY	TOTAL	PRIMARY RISK	SECONDARY RISK	COMMENTS
Field Crops	2%	0%	2%	
Sheep	0%	0%	0%	
Dairy	25%	13%	12%	
Vegetable	28%	14%	14%	
Nursery/Greenhouse	46%	23%	23%	Northern New England nursery and greenhouse producers spoke of intense competition for good workers.
Cattle & Calves	9%	6%	3%	
Fruit	16%	8%	8%	
Hay & Silage	24%	8%	16%	Southern New England hay and silage producers noticed a trend of high school and college students away from farm jobs toward corporate jobs.
Poultry	20%	11%	9%	

Producer Focus Groups

Overall Findings: Tools

- **Producers rank their primary risk management tools as follows:**
 - ▶ Diversification.
 - ▶ Marketing Strategies.
 - ▶ Business Planning.
 - ▶ Financial Planning.

- **By region, significant numbers of Pennsylvania, New Jersey and Wyoming producers included crop insurance in their list of primary and/or secondary risk management tools. Field crops, hay and silage and fruit producers stood out relative to other commodities as utilizing crop insurance as a risk management tool.**

Producer Focus Groups

Risk Management Tools: Diversification

Producers generally use diversification as their primary risk management tool:

REGION	TOTAL	PRIMARY TOOL	SECONDARY TOOL	COMMENTS
N. New England	55%	30%	25%	Every group of Northern New England producers mentioned diversification strategies, including adding off-farm income, changing crop mix, mixing wholesale and retail operations.
S. New England	41%	33%	8%	Southern New England fruit producers called off-farm income their “number one risk management tool.” ¹
PA/WV	41%	18%	23%	Pennsylvania and West Virginia hay and silage producer diversify the type of land they farm (sandy soil, dry soil, river bottom).
MD/DE/NJ	51%	28%	23%	Maryland and New Jersey hay and silage producers diversify off-farm and farm income by selling Christmas trees, machinery, sheds and feed, and by serving as a dealer for other producers in the area.
Western States	50%	33%	17%	Western field crops producers mentioned custom feeding cattle to get a better price for grain.

Producer Focus Groups

Risk Management Tools: Diversification

Producers generally use diversification as their primary risk management tool:

COMMODITY	TOTAL	PRIMARY TOOL	SECONDARY TOOL	COMMENTS
Field Crops	49%	23%	26%	
Sheep	63%	63%	0%	
Dairy	24%	18%	6%	
Vegetable	61%	38%	23%	
Nursery/Greenhouse	85%	54%	31%	
Cattle & Calves	37%	25%	12%	
Fruit	59%	32%	27%	86% and 90% of Utah and New York fruit producers, respectively, identified diversification as a primary or secondary tool, compared with 29% of Pennsylvania fruit producers.
Hay & Silage	35%	13%	22%	
Poultry	54%	36%	18%	

Producer Focus Groups

Risk Management Tools: Marketing Strategies

As a complement to diversification, producers also generally use marketing strategies as their primary risk management tool:

REGION	TOTAL	PRIMARY TOOL	SECONDARY TOOL	COMMENTS
N. New England	49%	26%	23%	Northern New England hay and silage producers are the exceptions, never mentioning marketing strategies as a risk management tool.
S. New England	50%	25%	25%	Southern New England hay and silage producers mentioned finding marketing outlets for hay in the landscaping business.
PAWV	31%	8%	23%	Pennsylvania dairy and cattle and calf producers used forward contracts on milk and beef.
MD/DE/NJ	51%	28%	23%	New Jersey and Maryland nursery and greenhouse producers place a strong emphasis on understanding their customers and the marketplace.
Western States	41%	22%	19%	Western field crops and cattle and calf producers use forward contracting and futures markets.

Producer Focus Groups

Risk Management Tools: Marketing Strategies

As a complement to diversification, producers also generally use marketing strategies as their primary risk management tool:

COMMODITY	TOTAL	PRIMARY TOOL	SECONDARY TOOL	COMMENTS
Field Crops	39%	18%	21%	
Sheep	63%	25%	38%	
Dairy	12%	6%	6%	
Vegetable	65%	38%	27%	Vegetable and fruit producers exhibited the strongest marketing skills, finding ways to sell retail off the farm and to cut out middlemen.
Nursery/Greenhouse	77%	46%	31%	
Cattle & Calves	49%	25%	24%	
Fruit	48%	24%	24%	
Hay & Silage	26%	13%	13%	
Poultry	0%	0%	0%	

Producer Focus Groups

Risk Management Tools: Business Planning

Producers generally use business planning as their main secondary risk management tool, in support of diversification and marketing strategies.

REGION	TOTAL	PRIMARY TOOL	SECONDARY TOOL	COMMENTS
N. New England	20%	11%	9%	
S. New England	33%	8%	25%	
PA/WV	23%	10%	13%	
MD/DE/NJ	33%	13%	20%	
Western States	21%	8%	13%	

Producer Focus Groups

Risk Management Tools: Business Planning

Producers generally use business planning as their main secondary risk management tool, in support of diversification and marketing strategies.

COMMODITY	TOTAL	PRIMARY TOOL	SECONDARY TOOL	COMMENTS
Field Crops	26%	15%	11%	
Sheep	0%	0%	0%	
Dairy	25%	12%	13%	
Vegetable	14%	5%	9%	
Nursery/Greenhouse	31%	8%	23%	
Cattle & Calves	27%	9%	18%	
Fruit	12%	6%	6%	
Hay & Silage	39%	13%	26%	
Poultry	64%	9%	55%	

Producer Focus Groups

Risk Management Tools: Financial Planning

As a complement to business planning, producers also use financial planning as their main secondary risk management tool:

REGION	TOTAL	PRIMARY TOOL	SECONDARY TOOL	COMMENTS
N. New England	16%	5%	11%	
S. New England	13%	0%	13%	
PA/WV	26%	8%	18%	
MD/DE/NJ	8%	3%	5%	
Western States	23%	8%	15%	

Producer Focus Groups

Risk Management Tools: Financial Planning

As a complement to business planning, producers also use financial planning as their main secondary risk management tool:

COMMODITY	TOTAL	PRIMARY TOOL	SECONDARY TOOL	COMMENTS
Field Crops	8%	0%	8%	
Sheep	13%	0%	13%	
Dairy	62%	18%	44%	
Vegetable	5%	0%	5%	
Nursery/Greenhouse	8%	0%	8%	
Cattle & Calves	15%	6%	9%	
Fruit	14%	3%	11%	
Hay & Silage	26%	13%	13%	100% of Southern New England hay and silage producers chose financial planning as a secondary risk management tool.
Poultry	54%	36%	18%	

Producer Focus Groups

Risk Management Tools: Crop Insurance

By region, significant numbers of Pennsylvania, New Jersey and Wyoming producers included crop insurance in their list of primary and/or secondary risk management tools.

REGION	TOTAL	PRIMARY TOOL	SECONDARY TOOL	COMMENTS
N. New England	15%	4%	11%	
S. New England	12%	8%	4%	
PA/WV	46%	33%	13%	44% of Pennsylvania participants used crop insurance as a primary risk management tool, whereas only 8% of West Virginia participants did. 60% of Pennsylvania cattle and calf and hay and silage producers chose crop insurance as a primary or secondary risk management tool.
MD/DE/NJ	20%	15%	5%	83% of the producers who used crop insurance came from New Jersey, primarily New Jersey hay and silage producers.
Western States	8%	6%	2%	Wyoming producers only.

Producer Focus Groups

Risk Management Tools: Crop Insurance

Field crops, hay and silage and fruit producers stood out relative to other commodities as utilizing crop insurance as a risk management tool.

COMMODITY	TOTAL	PRIMARY TOOL	SECONDARY TOOL	COMMENTS
Field Crops	39%	26%	13%	
Sheep	0%	0%	0%	
Dairy	18%	12%	6%	
Vegetable	18%	9%	9%	
Nursery/Greenhouse	0%	0%	0%	
Cattle & Calves	11%	11%	0%	
Fruit	22%	8%	14%	
Hay & Silage	26%	22%	4%	
Poultry	9%	9%	0%	

Producer Focus Groups

Overall Findings: Information

- **Producers rank best sources for information as follows:**
 - ▶ Peers.
 - ▶ Extension.
- **Producers are most likely to seek new risk management techniques from the following:**
 - ▶ Workshops run by the USDA.
 - ▶ Workshops run by commodity / farm organizations.
 - ▶ Farm Publications.
- **Risk management needs that producers would like more options to address are as follows:**
 - ▶ Marketing / pricing.
 - ▶ Environmental/regulatory.

Producer Focus Groups

Access to Risk Management Information: Peers & Extension

Producers rely overwhelmingly on their peers and Extension as their first and second best sources of risk management information:

REGION	SOURCE	TOTAL	PRIMARY SOURCE	SECONDARY SOURCE	COMMENTS
N. New England	Peers	60%	27%	33%	Extension was the clear leader (71%) among Northern New England cattle and calf producers, and peers were the clear winner (77%) among Northern New England dairy producers.
	Extension	38%	27%	11%	
S. New England	Peers	63%	32%	31%	88% of Rhode Island participants chose peers as their best sources of risk management information, while only 30% of Massachusetts producers identified peers.
	Extension	55%	28%	27%	Massachusetts producers tended to have a strong affiliation to commodity groups, mentioned as a source in 50% of cases.
PA/WV	Peers	70%	24%	46%	86% of West Virginia poultry producers rated peers as first or second choice, which was 16% higher than the overall group, skewing the West Virginia state results
	Extension	24%	12%	12%	Pennsylvania and West Virginia producers also turn to consultants (22%).
MD/DE/NJ	Peers	57%	31%	26%	
	Extension	47%	26%	21%	
Western States	Peers	60%	20%	40%	Western producers are the only group who do not choose peers and Extension as the best sources of information. Rather, Utah and Wyoming producers chose commodity organizations (24%).
	Extension	26%	12%	14%	

Producer Focus Groups

Access to Risk Management Information: Peers & Extension

Producers rely overwhelmingly on their peers and Extension as their first and second best sources of risk management information:

COMMODITY	SOURCE	TOTAL	PRIMARY SOURCE	SECONDARY SOURCE	COMMENTS
Field Crops	Peers	64%	35%	29%	Peers as first and second best sources. Field crops producers also turn to crop consultants (31%).
	Extension	32%	14%	18%	
Sheep	Peers	75%	25%	50%	25% of sheep producers also rely on commodity organizations for risk management information.
	Extension	13%	0%	13%	
Dairy	Peers	57%	44%	13%	New York and Vermont dairy producers influenced the selection of peers by supplying 88% of the responses.
	Extension	6%	6%	0%	Commodity organizations were the second most popular response (17%) for best source of information. Far fewer dairy producers relied on Extension than other types of producers.
Vegetable	Peers	58%	15%	43%	Peers weighed in at 43% as the second best source of information.
	Extension	39%	25%	14%	
Nursery/Greenhouse	Peers	69%	31%	38%	Nursery and greenhouse producers put the same emphasis on peers as other groups, and more emphasis on commodity organizations (21%).
	Extension	38%	15%	23%	
Cattle & Calves	Peers	71%	28%	43%	The NY group relied very heavily on Extension (71%) and skewed the results toward Extension; without the NY group, Extension would have been a distant third choice.
	Extension	48%	31%	17%	
Fruit	Peers	64%	28%	36%	Commodity organizations (17%) were considered the next best source, with a particularly strong showing among Utah participants (42%). Utah participants also strongly identify (71%) peers as the second best source of risk management information.
	Extension	42%	28%	14%	
Hay & Silage	Peers	51%	13%	38%	Peers were rated the lowest of any group
	Extension	54%	29%	25%	60% of the participants in the New York group selected Extension as the best source of information, whereas not one Pennsylvania producer selected Extension as the best source of information.
Poultry	Peers	72%	22%	50%	Poultry producers turn to consultants (44%) over peers and Extension as their best sources of information.
	Extension	42%	22%	20%	

Producer Focus Groups

Access to Risk Management Information: Workshops

Producers generally learn about new risk management techniques from workshops run by the USDA or commodity/farm organizations as well as, in some cases, farm publications.

REGION	SOURCE 1: FARM ORG.	SOURCE 2: USDA	SOURCE 3: FARM PUBS.	COMMENTS
N. New England	25%	22%	22%	
S. New England	28%	24%	20%	
PA/WV	37%	12%	34%	86% of Pennsylvania dairy producers chose workshops run by commodity/farm organizations. Pennsylvania and West Virginia producers look to farm publications as a second choice over USDA-run workshops.
MD/DE/NJ	32%	29%	13%	
Western States	38%	14%	18%	Western producers look to farm publications as a second choice over USDA-run workshops.

Producer Focus Groups

Access to Risk Management Information: Workshops

Producers generally learn about new risk management techniques from workshops run by the USDA or commodity/farm organizations as well as, in some cases, farm publications.

COMMODITY	SOURCE 1: FARM ORG.	SOURCE 2: USDA	SOURCE 3: FARM PUBS.	COMMENTS
Field Crops	22%	22%	22%	Field crops producers, particularly Western producers, also turn to the Internet (22%).
Sheep	57%	0%	13%	Sheep producers look to farm publications and the Internet (13%) as a second choice over USDA-run workshops.
Dairy	47%	12%	6%	
Vegetable	29%	38%	10%	
Nursery/Greenhouse	46%	8%	15%	There is a clear indication that nursery and greenhouse producers do not rely on Extension and USDA for information. Instead, 23% of nursery and greenhouse producers rely on self-study.
Cattle & Calves	26%	17%	29%	Cattle and calf producers were the only group where workshops were not the clear leader in ways to learn new risk management techniques. Similar to other types of producers in the West, Western cattle and calf producers use the Internet (3%) and self-study (14%) as their preferred learning methods.
Fruit	26%	29%	18%	
Hay & Silage	36%	24%	28%	Hay and silage producers look to farm publications as a second choice over USDA-run workshops.
Poultry	40%	30%	30%	

Producer Focus Groups

Access to Risk Management Information: Marketing / Pricing

Producers place a clear priority on having more options to address their risk management needs with regard to marketing/pricing. As a second choice to marketing/pricing options, producers generally would like more environmental/regulatory options to address their risk management needs:

REGION	OPTION 1: MARKETING/PRICING	OPTION 2: ENV/REG	COMMENTS
N. New England	44%	17%	
S. New England	31%	27%	
PA/WV	37%	24%	Pricing/marketing options registered 50% or more in the Pennsylvania/West Virginia cattle and calf, fruit, nuts and berries and field crops groups.
MD/DE/NJ	54%	19%	
Western States	57%	22%	

Producer Focus Groups

Access to Risk Management Information: Marketing / Pricing

Producers place a clear priority on having more options to address their risk management needs with regard to marketing/pricing. As a second choice to marketing/pricing options, producers generally would like more environmental/regulatory options to address their risk management needs:

COMMODITY	OPTION 1: MARKETING/PRICING	OPTION 2: ENV/REG	COMMENTS
Field Crops	54%	19%	
Sheep	100%	0%	
Dairy	41%	18%	Only Pennsylvania dairy producers selected environmental/regulatory options. Dairy producers also chose yield shortfall options (18%) as a second choice.
Vegetable	50%	20%	
Nursery/Greenhouse	31%	31%	
Cattle & Calves	51%	29%	
Fruit	50%	8%	The only state in this group that varied significantly was Connecticut, where only 22% of fruit, nuts and berries producers chose marketing/pricing options.
Hay & Silage	25%	29%	67% of Utah hay and silage producers selected environmental/regulatory options.
Poultry	22%	56%	Poultry producers also chose financial options (22%) as a second choice.

Professional Stakeholder Interviews

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Professional Stakeholder Interviews

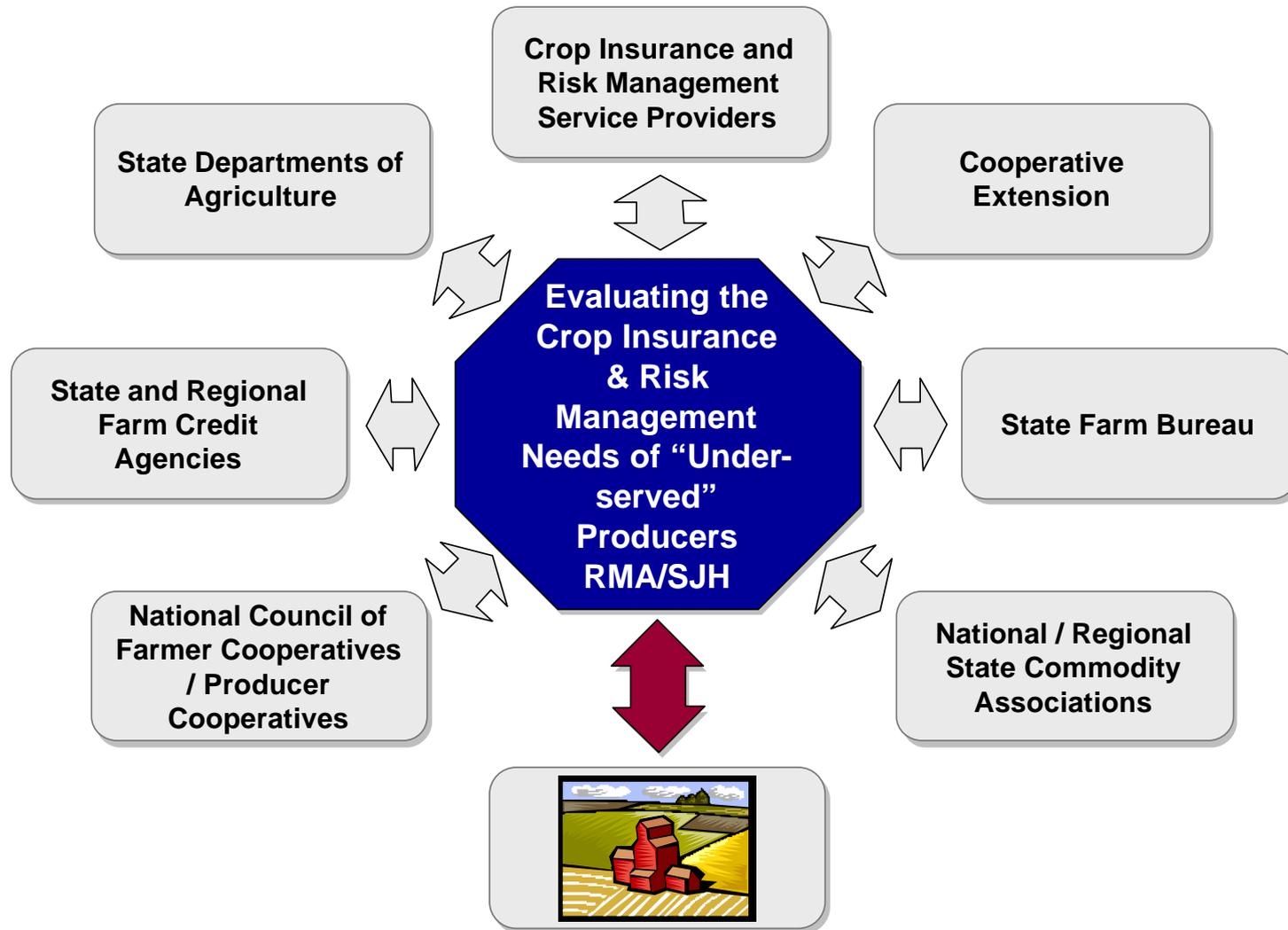
Purpose

- **The purpose of the 12 State Cooperative Agreement contact interviews was to:**
 - ▶ Gather information on risk management programs, goals and needs.

- **The purpose of the 47 Professional Stakeholder interviews was to:**
 - ▶ Evaluate risk management programs and providers.
 - ▶ Assess producer needs from the perspective of local and regional risk management service providers and other agricultural professionals.

Professional Stakeholder Interviews

Methodology



"Under-served" Producers

Professional Stakeholder Interviews

Methodology

Under-served State	State Cooperative Agreement Contact Phone Interviews	Professional Stakeholder Phone Interviews
Connecticut	01/28 Frank Intino	04/29 Joyce Meader, 04/29 John Breakell, 04/30 John Lenti, 04/30 Robert Heffernan, 05/01 Norman Bender, 05/02 Marilyn Altobello, 05/23 Lynn Weaver, 05/30 Joe Bonelli
Delaware	01/23 Don Clifton	05/06 Don Tilmon, 05/15 Carl German, 06/03 Dean Purnell
Maine	01/28 Bonnie Simcock	05/17 David Lavway, 05/17 John Rebar, 05/20 Vivianne Holmes, 05/20 Art Carrol, 05/24 John Harker, 05/28 Gary Anderson, 05/29 Russell Libby
Maryland	01/22 Pat McMillan	05/17 Kenny Bounds, 05/30 Holmes Baker, 05/30 Wes Musser
Massachusetts	01/24 Rick Chandler	05/28 Steve Demski, 05/28 Mary Greendale, 05/28 Paul Russell, 05/29 Jeff LaFleur, 05/29 Richard Blair, 05/31 John Howell, 06/07 Bill Kiernan, 06/13 Jay Slattery
Nevada	01/31 Bob Gronowski	05/30 Roger Van Valkenburg
New Hampshire	01/22 Richard Uncles	05/30 Catherine Neal, 06/13 Mike Sciabarrasi
New Jersey	01/23 Robert Bruch	05/29 Richard Hart, 05/30 Grace Wheeler, 06/18 Kathleen Tisdale
New York	01/28 David Fellows	05/29 Gerald White, 05/31 Theron Kibbe
Pennsylvania	01/23 Kyle Nagurny	05/31 Bill Troxel, 06/04 Gene Gantz, 06/05 Russell Redding
Rhode Island	01/24 Steve Volpe	05/31 Sam Carr
Utah	01/29 Richard Sparks	05/29 DeeVon Bailey
Vermont	01/23 Louise Calderwood	05/31 Dean Moreau, 06/13 Dennis Kauppila
West Virginia	01/25 Billy Burke	05/31 Steve Hannah
Wyoming	01/28 Lois Van Mark	05/28 Derek Jackson

Professional Stakeholder Interviews

Discussion Guide: Evaluating Programs and Providers

- **What risk management education and training programs do you offer beyond crop insurance?**
- **Do you feel that the risk management education and training programs offered by your organization are effective in meeting the needs of producers?**
- **How could your organization improve the effectiveness of its producer education and training?**
- **Which risk management education and information delivery methods are the most effective?**
- **Where do your producers generally receive their risk management education and training?**
- **Who are the best providers of education and information related to crop insurance and risk management services?**

Professional Stakeholder Interviews

Discussion Guide: Assessing Producers' Needs

- Do the crop insurance products offered in your state meet the needs of your producers?
- If not, what crop insurance products would you like to see offered?
- What special services, programs or products would be most beneficial to the limited resource and small farms that you serve?
- In general, how can your producers be better served by the risk management system?

Professional Stakeholder Interviews

Discussion Guide: State Cooperative Agreement Activities

- **What is your state doing with the funds allocated to risk management education and training?**
- **What does your state hope to accomplish with its risk management education and training programs?**
- **What are your state's biggest needs with regard to risk management education and training?**

Professional Stakeholder Interviews

Overall Findings

- **According to State Cooperative Agreement contacts, the under-served states hope to accomplish the following goals with their risk management education and training programs:**
 - ▶ Increase awareness of available risk management options.
 - ▶ Increase knowledge to facilitate informed decision-making.
 - ▶ Increase ability to take risk management initiatives.
 - ▶ Increase sustainability of farms.
 - ▶ Increase participation in federal crop insurance programs.
 - ▶ Increase number of insured acres and liability coverage.

Needs Assessment

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Needs Assessment

Approach/Methodology

Overall findings, needs assessment and recommendations are focused on the following areas of concern:

1. Overall / General
2. Crop insurance products, service, and education
3. Producer support
4. Professional stakeholder support
5. Education / training methods and channels

Needs Assessment

Overall/General Gaps

- **Professional stakeholders identify producer and professional stakeholder support as the areas of greatest need:**
 - ▶ Support for professional stakeholders in their efforts to provide producer risk management education and training.
 - ▶ Assistance for producers with analyzing and mitigating risk.
 - ▶ Overcoming insufficient knowledge and/or negative perceptions about risk management programs and crop insurance products.

- **Producers identify crop insurance products, service and education and education/training methods and channels as the areas of greatest need:**
 - ▶ Crop insurance tailored to individual and regional needs.
 - ▶ Greater variety of crop insurance packages.
 - ▶ Education and training in business and marketing skills.

Needs Assessment

Crop Insurance Products, Service and Education Needs / Support

- **Input from professional service providers and producers, as well as analysis of historic data, support the position that available crop insurance products do not meet the needs of farmers and ranchers in the under-served states. The under-served producer needs are:**
 - ▶ Crop insurance products specifically tailored to the under-served states' individual and regional needs.
 - Modification of existing crop insurance policies.
 - Development of new, expanded products: greater number and wider variety of crop insurance packages available.
 - ▶ Producer education about what crop insurance products are available and how they work with other risk management tools.
 - ▶ Increased awareness by crop insurance agents regarding the role of crop insurance products within the framework of an individualized risk management plan.

Needs Assessment

Producer Needs / Support

- Skills required for development of a comprehensive farm-based risk management plan.
- An understanding of the utility of available crop insurance products within the context of a personalized risk management plan.
- Financial planning and marketing skills.
- Land preservation and prevention of land development threats.
- Price instability and bio-security.
- Compliance with environmental regulations.

Needs Assessment

Professional Stakeholder Needs / Support

- Amplification of state-based risk management education efforts.
- Coordination of risk management efforts among and between states, including development and sharing of educational materials and other resources, as well as focusing efforts to improve and enhance available crop insurance products.
- Improved access to educational materials in support of producer education regarding available products and programs.
- Improved evaluation of producer needs, collectively as well as individually.
- Support to create new or enhance existing crop insurance products that better fit the needs of their under-served producers.

Needs Assessment

Education/Training Methods and Channels

- Increased focus on identification and analysis of business risks.
- Approach based in costs and benefits analysis of crop insurance products.
- Expansion of channels for dissemination of risk management and crop insurance information to producers.
- Increased use of multi-channel approach to producer education about the availability and substance of crop insurance products.
- Overcoming producers' negative perceptions about risk management and crop insurance.

Needs Assessment

Summary: Awareness

Awareness: *Raising producers' awareness of crop insurance and risk management tools.*

- ▶ **Findings:** under-served producers are aware that their risk management “toolbox” is inadequate to handle the risks they face, but often are not aware of what programs and products are available, how to access them, and how to integrate them into a farm-based, individualized risk management plan.
- ▶ **Findings:** under-served producers believe that available crop insurance products do not fit their individual needs and believe that they need a greater number and variety of crop insurance packages tailored to individual and regional circumstances. Their service providers concur, but lack resources and support for coordination to most effectively address program and product shortcomings.

Needs Assessment

Summary: Skills

Skills: *Raising producers' risk management skills.*

- ▶ **Findings:** The ability of under-served producers to integrate risk management programs and products is limited by a lack of financial and marketing skills. Service providers recognize the need to target business-planning skills in order to optimize the value of crop insurance within the framework of a personalized, comprehensive risk management plan.

Needs Assessment

Summary: Partnerships

***Partnerships:** Increasing partnering in educational programs.*

- ▶ **Findings:** Professional stakeholders need support for regional and intra-state coordination of risk management efforts. These efforts should focus on development and sharing of educational materials and other resources, as well as improvement and enhancement of available crop insurance products.

Needs Assessment

Summary: Delivery

***Delivery:** Increasing delivery of crop insurance and risk management information.*

- ▶ **Findings:** Professional stakeholders also need support for disseminating risk management and crop insurance information through channels that producers are most likely to access (e.g., workshops, peers and other trusted sources, the Internet, etc.). Effective delivery presumes programs and products that address the special needs of under-served producers are in place.

Recommendations for RMA Education & Outreach Plan

SJH & Company, Inc.

Recommendations for Risk Management Education & Training in the under-served States

CROP INSURANCE PRODUCTS, SERVICE AND EDUCATION

- ▶ Increase awareness by crop insurance agents regarding the role of crop insurance products within the framework of individualized risk management plans.
- ▶ Provide training to regional and state professional stakeholders in crop insurance product development to help create products that better fit producers' needs.
- ▶ Support pilot programs that facilitate the development of products that meet producer needs and establish benchmarks that allow ongoing product improvements.
- ▶ Support enhancements to existing crop insurance products and approve new crop insurance products designed to better fit the needs of the under-served producers and their support infrastructure. (e.g., AGR Lite/Express).
- ▶ Once appropriate crop insurance products have been developed, support supplemental cost sharing of premiums through at least an initial phase-in period to encourage adoption.
- ▶ Monitor creation and effectiveness of new products and programs to guide future changes in support to service providers.

PRODUCER SUPPORT

- ▶ Assist on-farm decision makers with understanding the utility of crop insurance within the context of a broad risk management business plan.
- ▶ Focus outreach efforts on business & financial skills through workshops, on-farm visits & other coordinated educational efforts.
- ▶ Make risk management programs, products and services more "user friendly."
- ▶ Target train-the-producer sessions to the audience, by commodity and skill level.
- ▶ Provide government support on environmental regulations and land preservation.

PROFESSIONAL STAKEHOLDER SUPPORT

- ▶ Support service providers with training and access to centralized risk management information regarding programs, products and funding availability.
- ▶ Support regional coordination of efforts with regard to the development of educational materials and improvements in crop insurance products.
- ▶ Provide assurance of continuous funding required for planning resources at the local, state, and regional levels.
- ▶ Target funding for farm management and marketing specialists and on-farm consultants to elevate producer awareness and skill level.
- ▶ Expand train-the-trainer sessions to include professionals and peers who interact with producers on a daily basis and train them about the role of crop insurance within the broader context of a risk management farm plan.
- ▶ Provide educational tools based upon a cost / benefit approach to risk management planning.

EDUCATION/TRAINING METHODS AND CHANNELS

- ▶ Support cooperation/collaboration among and between service providers, within and between states.
- ▶ Support on-farm visits or other "one-on-one" opportunities with risk management professionals.
- ▶ "Piggyback" train-the-producer sessions on other meetings.
- ▶ Use incentives to encourage attendance at train-the-producer sessions.
- ▶ Reach beyond the producer (e.g. spouse) to others involved in risk management decision-making for the farm.
- ▶ Reinforce the message through a "multi-media and multi-channel" approach (e.g., workshops plus publications, electronic and print).

Recommendations

Crop Insurance Products, Service and Education

PROFESSIONAL STAKEHOLDER SUPPORT

CROP INSURANCE PRODUCTS, SERVICE AND EDUCATION

- ▶ Increase awareness by crop insurance agents regarding the role of crop insurance products within the framework of individualized risk management plans.
- ▶ Provide training to regional and state professional stakeholders in crop insurance product development to help create products that better fit producers' needs.
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PROD

- ▶ Assist with
- ▶ Focus farm
- ▶ Make
- ▶ Target level
- ▶ Provide pres

Recommendations

Professional Stakeholder Support

CROP INSURANCE PRODUCTS, SERVICE AND EDUCATION

PROFESSIONAL STAKEHOLDER SUPPORT

- ▶ Support service providers with training and access to centralized risk management information regarding programs, products and funding availability.
- ▶ Support regional coordination of efforts with regard to the development of educational materials and improvements in crop insurance products.
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Recommendations

Producer Support

CROP INSURANCE PRODUCTS, SERVICE AND EDUCATION

PROFESSIONAL STAKEHOLDER SUPPORT

PRODUCER SUPPORT

- ▶ Assist on-farm decision makers with understanding the utility of crop insurance within the context of a broad risk management business plan.
- ▶ Focus outreach efforts on business & financial skills through workshops, on-farm visits & other coordinated educational efforts.
- ▶ Make risk management programs, products and services more “user friendly.”
- ▶ Target train-the-producer sessions to the audience, by commodity and skill level.
- ▶ Provide government support on environmental regulations and land preservation.

Recommendations

Education/Training Methods and Channels

CROP INSURANCE PRODUCTS, SERVICE AND EDUCATION

PROFESSIONAL STAKEHOLDER SUPPORT

EDUCATION/TRAINING METHODS AND CHANNELS

- ▶ Support cooperation/collaboration among and between service providers, within and between states.
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Evaluative Framework for Education Program Evaluation

SJH & Company, Inc.

Evaluative Framework

Performance Measure Analysis

- The information captured in existing historic risk management data does not adequately measure success of risk management education and training programs.
- Changes in crop insurance program participation levels can be one performance measure for producer awareness and skill, but only if crop insurance products are appropriate products that “fit” producers’ needs.
- Once appropriate crop insurance products are developed and in place, whether through the creation of new products or through enhancements to existing products, crop insurance history statistics will serve as a more fitting performance measure.
- The fundamental ability to measure the success of risk management education and training programs derives from tracking changes in producer behavior over time through benchmarking both producer behavior and market success.
- Useful performance indicators measure changes in producer behavior after exposure to a risk management tool, and in response to particular risk management education and training programs.

Evaluative Framework

Performance Measures: Awareness & Skill

PERFORMANCE INDICATOR	MEASURES
Track Products Deemed Appropriate to Area Farmers & Ranchers	Survey results from Annual Producer and Professional Stakeholder Surveys. Service providers and producers are in the best position to judge the “fit” of products with their needs.
Track Annual Participation Trends in Crop Insurance Products	Linked with identification of appropriate products, quantifiable information found in published reports reflect producer awareness and skill in use of crop insurance products.
Track Enrollment Levels in Workshops, Courses, One-on-one Visits Over Time	Quantifiable information that tracks the number of producers participating in risk management education and training programs relative to the number of producers within the state and compared with other states.
On-going Gap Assessment	Survey results from Annual Producer and Professional Stakeholder Surveys. Evaluation forms directly seek information regarding perception of relative risks and effectiveness of available programs in response.
Benchmark Profitability Measures Appropriate to Under-served Farm Operations	Quantifiable information that allows for benchmarking of key farm operation performance and market success measures.
Track Average Years in Farming	Quantifiable information from Annual Producer Surveys that reflects a belief in the long-term sustainability of farming and implies a greater usage of risk management tools by young, educated producers

Evaluative Framework

Program Evaluation Forms

- **As the second part of an evaluative framework, three evaluation forms have been developed intended to assist RMA with on-going, periodic analyses and needs assessments of existing risk management education and information activities, programs, and services in the 15 under-served states:**
 - ▶ The “event” evaluation form for farmers will measure producer behavioral response to a specific risk management education and training program: whether or not producers are likely to purchase crop insurance or seek additional risk management information based on what they learned that day.
 - ▶ The “annual” evaluation form for farmers will measure producer behavioral response to ongoing risk management education and training efforts: whether or not risk management programs drive producers decisions to use various risk management tools or to seek additional assistance to lower farm risks.
 - ▶ The “annual” evaluation form for risk management service providers will measure professional stakeholder efforts to better serve producers by improving the effectiveness of risk management education and training programs.