



**Assessing Producer Risk Management Education Needs  
Report to the NCERMEC Advisory Council  
July 2023**

The North Central Extension Risk Management Education Center located at the University of Nebraska-Lincoln is one of four regional centers across the country competitively funded by the United States Department of Agriculture to carry out a comprehensive program of risk management education targeted to agricultural producers. In turn, the four regional centers (supported by a fifth center for online administration) implement a competitive grants program to fund educational institutions, farm and commodity organizations, community organizations, businesses, consultants, and other risk management education providers to deliver programs directly to and benefitting farmers and ranchers.

As part of the risk management education process, the Center conducts a substantial risk management education needs assessment effort. Talking to producers, stakeholder groups, and underserved producer audiences provides grass roots input on risk management education needs for the Center and its Advisory Council, which represents a similar cross-section of risk management educators, organizations, and producers. This information also assists potential grant applicants as they look at possible audiences for their programs. Over the past several years, the Center has worked to identify risk management needs among both commercial agriculture audiences and special emphasis audiences. While needs for special emphasis, or underserved, audiences are primarily addressed in another publication, the following brief summary highlights general agricultural risk management issues raised in discussions with producers and stakeholders in recent months.

**Production and Financial Conditions Around The Region**

**Production** - From the production perspective, it has been optimistic when planting season started. Cash rental rates had been locked in for the next three years. Inputs have been high but there are concerns about making money this year. The Purdue Farm economic barometer sentiment seems to be going downhill and there are economic concerns about profitability. Land prices and rents will impact profitability and expectations. Rising input costs and interest rates There are concerns about overall farm economy.

**Farm Transition** - Transition in farm management is certainly happening a lot quicker. Older producers seem to be turning everyday management to the younger generation and are preparing for retirement. The younger generation of farmers have not had the experience of managing through a downturn or on tighter margins. They are also struggling to find mentors and labor resources to seek guidance from in farm operations. If they do find them, there is

uncertainty on how they may be remunerated or paid. Beginning farmers are showing an interest but there are concerns about skills and training to prepare for challenges ahead.

**Conditions** - Growing conditions have been less than ideal. Everything is showing stress due to lack of moisture and heat conditions. There is a difference in economies by size or scope. There are huge farmworker issues to be resolved. H2A wages are up substantially causing labor challenges such as hiring rates that are now at least \$18/hr at the minimum. There are certainly needs for education in farm labor management. There is also a general sentiment that USDA agencies have been too far removed from actual operations and do not understand the challenges in the field. Policy decisions are not feasible options for farmers to follow.

**Cover Crops** - There is not much interest in integrating cover crops as part of the operation due to costs. The cost of seed could get really high. The economics of adopting cover crops needs to be balanced to make it attractive for implementation.

**Data Collection** - Data collection and management is another issue that is worth addressing. Expectations of data management for program requirements can be unrealistic. As an example, apples need to be sold in order to settle a claim. There is fear that, that might happen to grain management as well and it is difficult to get accurate bin measurements. Hence, the rule making is not fundamentally cognizant to how an actual farm works. There is also an uncertainty with the 2023 Farm Bill. USDA agencies have less knowledge and connection to the Ag sector they are regulating. There are dollars allocated to all kinds of priorities that will be difficult to spend. Management issues are getting more complexed, with larger operations and diversification.

**Crop Insurance** – There is a need for crop insurance education to young and new agents to fully understand what they do and why. They need to know the basics and understand how crop insurance can be used to benefit and protect an operation. The knowledge has to be tied in with marketing. The number of AIP (Approved Insurance Providers) are trending downward. Agents need to be able to work with and consult with producers to understand their needs. They need to view their agents as an educator and not a salesperson.

**Trade Challenges** – There was also some concerns of trade challenges and regulations in California. There is a likelihood that other states will adopt practices in California. Whether it is the regulations or the consumer, producers have to respond to demand and market expectations, which includes costs of adjustments and cost of alternative productions systems.

Concerns were also raised if farmers get compensated for everything they have been asked to provide such as data, conservation practices and such. If so, could Title 1 money be used to compensate and what is the role of the safety net. Corn and soybean could be manageable but there will be significant challenges to specialty crops. All these factors will contribute to the future of the federal ag policy. Other issues that were highlighted included:

Soil and Range Health Practices & Management

Financial strain

Sustainability

Climate Change

## **Current/ Emerging Issues**

Some of the emerging issues discussed were the role of technology, cost of equipment, autonomous equipment. Financial portfolios of owning, renting and managing equipment were highlighted with there being concerns over financial litigation of equipment.

**Disruptors** - There also exists disruptors in agriculture driven by technological development, adoptive practices and much more.

**Producer Education Methods** – delivery methods have been varied. In-person meetings work well and so does online. Hybrid deliveries tend to be the most challenging. There is a demand for the hybrid approach post Covid, and that demand will likely be permanent moving forward. There is much value to being somewhere in person for a lot of conferences, etc. networking, extra discussion, etc. Archives are useful as audiences can listen to it multiple times. Most parties have some form of dual delivery.

**Minority Groups** - There is an overall distrust in Government by minority groups. Therefore, trying to gain trust where others have misused it is a challenge. Educational efforts in primary language can be helpful.

Diversified crop mix makes crop insurance an issue. WFRP and MicroFarms are important on the whole.

## **Priorities**

**Financial Uncertainty** – included output prices, input price stickiness, interest expenses, safety net and margins.

**Labor Management** – Human resource issues such as personnel management, re-hiring, regulations were prime concerns. Family labor, H2A, technology/automation, growth and labor constraints were also discussed. Immigrant workforce management could certainly use help. Diversification, specialization and division of labor have to be addressed to run operations.

**Financial Planning** – needs on-going education. If hiring experts/consultants to help manage was an option, that would be positive step in the right direction especially if producers did not have time or expertise to manage it on their own.

**Stewardship** – addressed the integration of cover crops as part of conservation practices. In general, maintaining soil and range health is key to operations. Supply chain - consumer and regulatory expectations need to be considered and the entire farm economics and management decisions have to make practical sense.

**Program Access** – program information and enrollment is crucial for the future of producers. USDA FSA programs, NRCS programs, farm bill enrollment decisions need to be considered the more you deviate from traditional commodities. Farm Answers detail on benefits for beginning farmers.

**Data Management** – if it being serviced by a consultant, providers, etc, there is not necessarily a big role for risk management education. Economic analysis of investment in data collection, precision agriculture and management of it needs to be addressed.

**Crop Insurance** – small and diversified operations/producers still have an opinion that crop insurance is not for them. They also struggle in understanding WFRP, MicroFarm programs including access to disaster programs. There is a need to work with crop insurance agents regularly and not just at sales times. There is an underutilization of crop insurance products. Insurance agents on the other need to be informed of developments and updates of the industry.

From other related discussion with stakeholders, the long list of topics was pared and condensed into some common themes, priorities, and ideas:

- How to deal with economic and financial uncertainties going into 2024.
- Managing labor shortages
- Economics of soil and range health practices - so people make better decisions on what works from them and what does not. For example integrating cover crops as part of farm management or preventing overgrazing. There is a fear of lowering stocking rates but if managed better, stocking rates could go up in future years.
- USDA farm programs – there is a need for better understanding of what is available, how to apply, what is needed, etc. A good FSA office makes a large difference in how easy things works, etc. FSA & NRCS are both understaffed at the moment. FSA and NRCS sometimes don't understand certain crops – they understand traditional row crops but not specialty crops necessarily. Program access is also a challenge to some.
- Economics of cover crops – help farmers understand the economics behind cover crops.

### **Center Priorities**

- Potential national projects
- Carbon – what do we know and how we should support it (following the 2022 projects)
- Evaluation Efforts

### **Managing Risks and Educating Producers**

Managing these varied risks, from production to marketing, financial, legal, and human, will be a major challenge. Reviewing their current operation, accessing available resources, participating in educational programs, and consulting with ag professionals will all be important steps producers should take to manage the risks they face.

One of the resources available to address risk management and the needed education is the North Central Extension Risk Management Education Center at the University of Nebraska. The Center provides competitive grants for projects that deliver risk management education to producers across the North Central Region of the United States. The grants program is available

to all entities that can deliver on these needs and reach producers through their programming. This annual request for applications for competitive funding is released on or about September 15 of each year. More information on the center, the competitive grants program, previously funded projects, or risk management issues in general is available on the web at <http://ncerme.org>.

