



**NORTH CENTRAL
EXTENSION
RISK MANAGEMENT
EDUCATION**

Assessing Producer Risk Management Education Needs

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The North Central Extension Risk Management Education Center located at the University of Nebraska is one of four 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, lenders, consultants, and other risk management education providers to deliver programs directly to 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 special emphasis audiences provides grass roots input on risk management education needs to the Center and its Advisory Council, which represents a similar cross-section of risk management educators and producers. 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 addressed in another publication, the following brief summary highlights general agricultural risk management issues raised in discussions with producers and stakeholders.

Managing Through the Current Economic and Financial Climate

With the substantial changes in the outlook for commodity prices and farm profitability over the past couple of years, producers face the challenge of making sound risk management decisions in a different economic and financial situation. Producers will need to utilize several tools and strategies to manage successfully, including an initial focus on assessing and managing their operation's financial position and performance. Managing production decisions, inputs, and costs and making sound risk management decisions regarding marketing, insurance, and other strategies will be important to guide the operation through the current situation. Even as the focus is on current decisions and strategies, there is also a need to recognize the role of both short-run and long-run decision-making, particularly where short-run decisions and outcomes can facilitate or hinder the long-run goals and directions for the operation. That could include emphasis not just on the farm operation, but on the farm family and community, recognizing the impact of the farm outlook on family living and off-farm opportunities.

Precision Agriculture and Big Ag Data

A popular buzzword in agricultural circles lately is the issue of "big ag data." While the term may be a bit difficult to define, it is clear that the development and adoption of new technology for precision agriculture and the sheer volume of data generated in farm operations today demands increased attention to managing the data and utilizing it to make sound management decisions. While there are issues of data ownership, privacy, confidentiality, and other legal questions, the focus here is primarily on how producers actually use the data and the technologies to make production and management decisions. Evaluating whether to adopt new technology, how to

manage the data, how to utilize the data to make production decisions, and how the data can add value to an operation are all critical areas of need for producers to truly reap the potential rewards of this technology.

Regulatory Risk

While producers face a broad range of risks, one of the growing areas of risk is the legal risk related to regulations of the agricultural sector. Producers and stakeholders readily identify a range of issues in this area and a range of requirements or expectations. Some of the risk is regulatory compliance such as conservation compliance provisions for farm program participation, including new provisions tied to crop insurance. Some of the risk is compliance with a changing or uncertain regulatory environment, such as with the current debate over water quality or quantity regulations. In other cases, the issues are opportunities to participate in conservation programs with incentives for producers. Or, the opportunity is to adopt voluntary efforts and best management practices to forestall potential regulations down the road, such as with the current veterinary feed directive for livestock and poultry producers or the various stewardship programs to align food industry supply chains with consumer interests and demands.

Managing Risks and Educating Producers

Managing these varied risks, from production to marketing, financial, legal, and human, can be a major challenge for producers. Reviewing the 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>.



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