

2010-11 PFT Success Report

Title: Risk Management: Marketing, Insurance, Finance, Transition Planning and Government Programs

PFT: Farm Management

The Situation

Volatile commodity markets, rising input costs, evolving government programs, and variable weather patterns have increased risks for agricultural producers. These increased risks magnify important decisions farm managers make and require a good understanding of markets, insurance, finance, and government programs.

What We Did

Risk management education was provided through a series of RAM (Risk Assessed Marketing) workshops, national webinars, Crop Insurance workshops, Ag Profitability and Ag Lenders conferences, and a variety of other conferences and meetings. In addition, web-based education was also provided through a series of timely and relevant newsletters and papers.

Outcomes

Participants in the risk management programs learned about integrating alternative marketing techniques, crop insurance, and government programs into their risk management strategies. For example, the RAM workshop provides attendees a hands-on experience in managing a typical grain farm for a year. In this simulation, participants select crop insurance coverage, decide on government program participation, and use grain marketing tools, including forward contracts, hedging and options, throughout the marketing year.

Success Story

Those participating in the RAM workshops and other risk management programs included farm managers, crop insurance agents, agricultural lenders, congressional staff members, and others from the agricultural industry. Evaluation results indicate that the information received at these programs was valuable and likely impacted significant acreages in Kansas.

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