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Resources Available to Small and Disadvantaged Farmers

Risk Management for Small and Socially Disadvantaged
Farmers

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Background

- ◆ Agricultural Risks
 - ◆ Uncertainties in the farm business environment that predispose farmers to economic and/or financial loss
 - ◆ Types of agricultural risks
 - ◆ Production Risks
 - ◆ Marketing Risks
 - ◆ Financial Risks
 - ◆ Human Resource Risks
 - ◆ Legal Risks
 - ◆ Risk affects all farmers - large, small, disadvantaged

Background

- ◆ Risk management
 - ◆ Farmers use variety of tools to mitigate risks
 - ◆ Small, limited resource and disadvantaged producers often underutilize available risk management resources
 - ◆ Education is key to leveling playing field

Farm Bill Provisions

- ◆ Many farm bill agricultural programs make provisions to assist small, beginning and socially disadvantaged farmers
- ◆ Subtitle A of Title XIV (Miscellaneous) of 2008 farm bill titled, “*Socially Disadvantaged and Limited Resource Producers*”
- ◆ This Subtitle directs the Secretary of Agriculture to...
 - ◆ (A) Improve access to programs of the Department; and
 - ◆ (B) Improve the viability and profitability of
 - small farms and ranches
 - beginning farmers or ranchers; and
 - socially disadvantaged farmers or ranchers

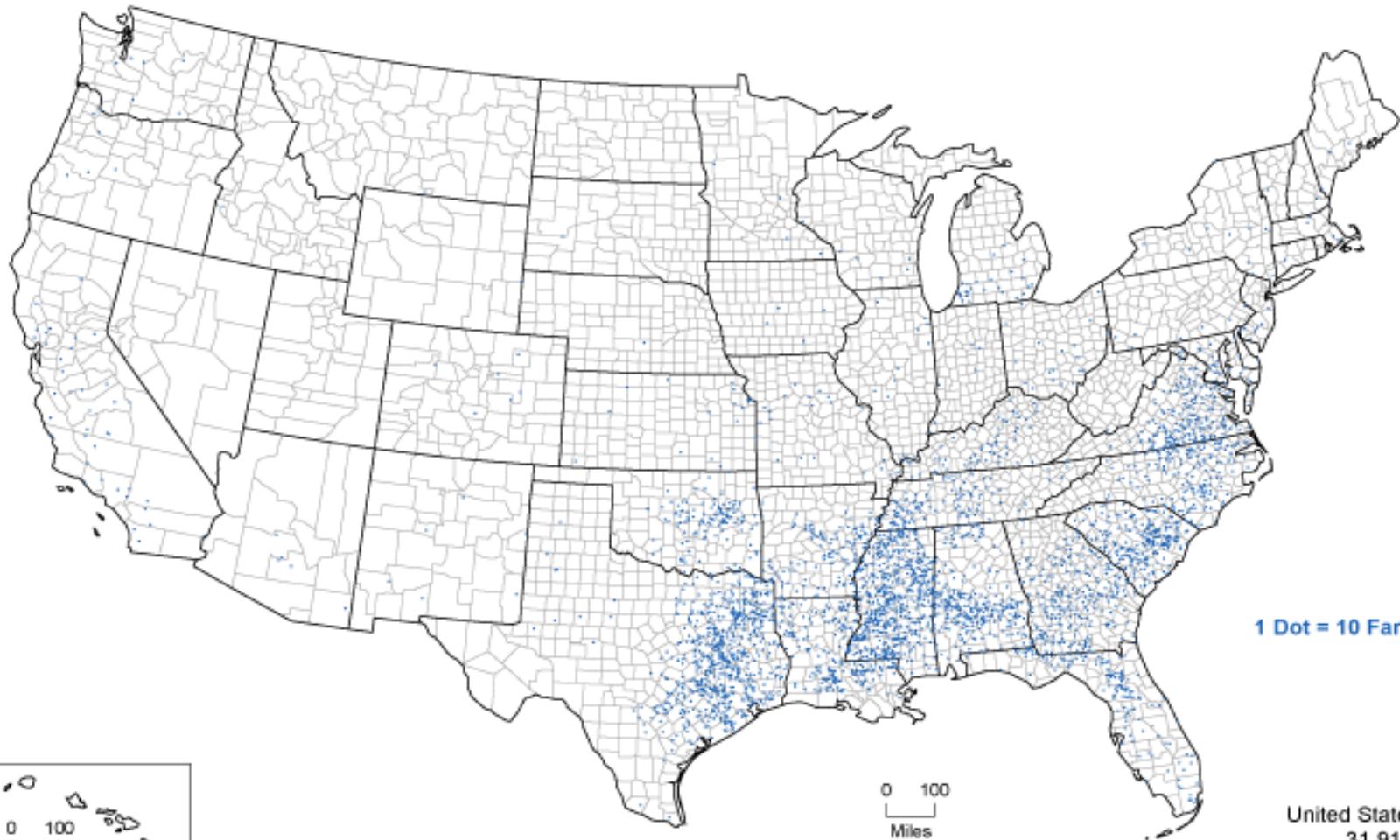
Small and Disadvantaged Farmers: Who are they?

- ◆ Small Farmers
- ◆ Limited Resource Farmers
- ◆ Socially Disadvantaged Farmers
- ◆ Beginning Farmers
- ◆ Female Farmers
- ◆ Farmers of Underserved Commodities/Specialty Crops
- ◆ Farmers in Designated Underserved States

0 200
Miles

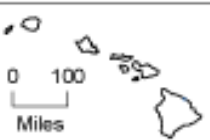


Number of Farms with Black or African American Operators: 2007



1 Dot = 10 Farms

0 100
Miles



07-M130
U.S. Department of Agriculture, National Agricultural Statistics Service

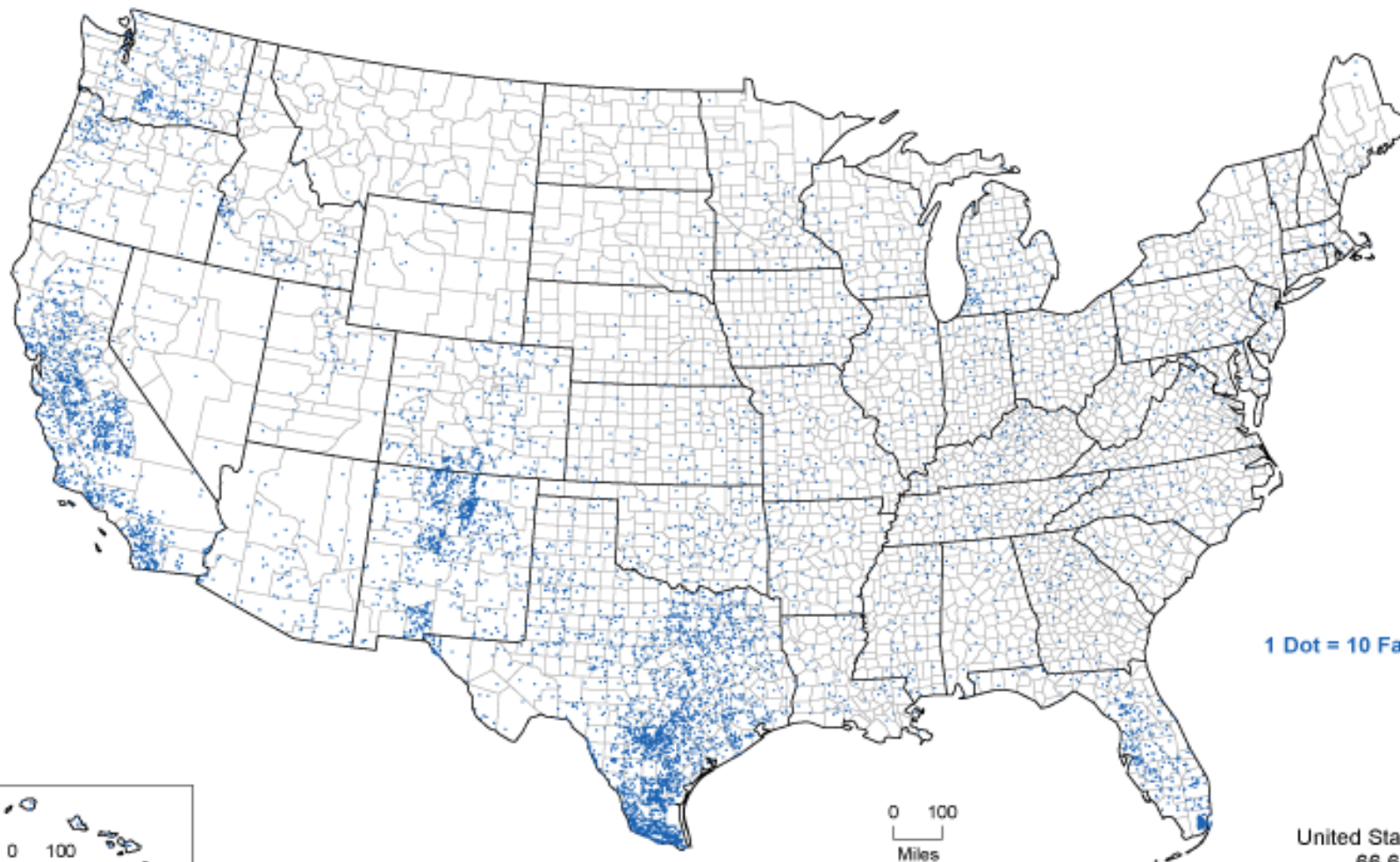
0 100
Miles

United States Total
31,912

0 200
Miles



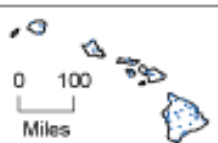
Number of Farms with Spanish, Hispanic, or Latino Origin Operators: 2007



1 Dot = 10 Farms

United States Total
66,671

0 100
Miles

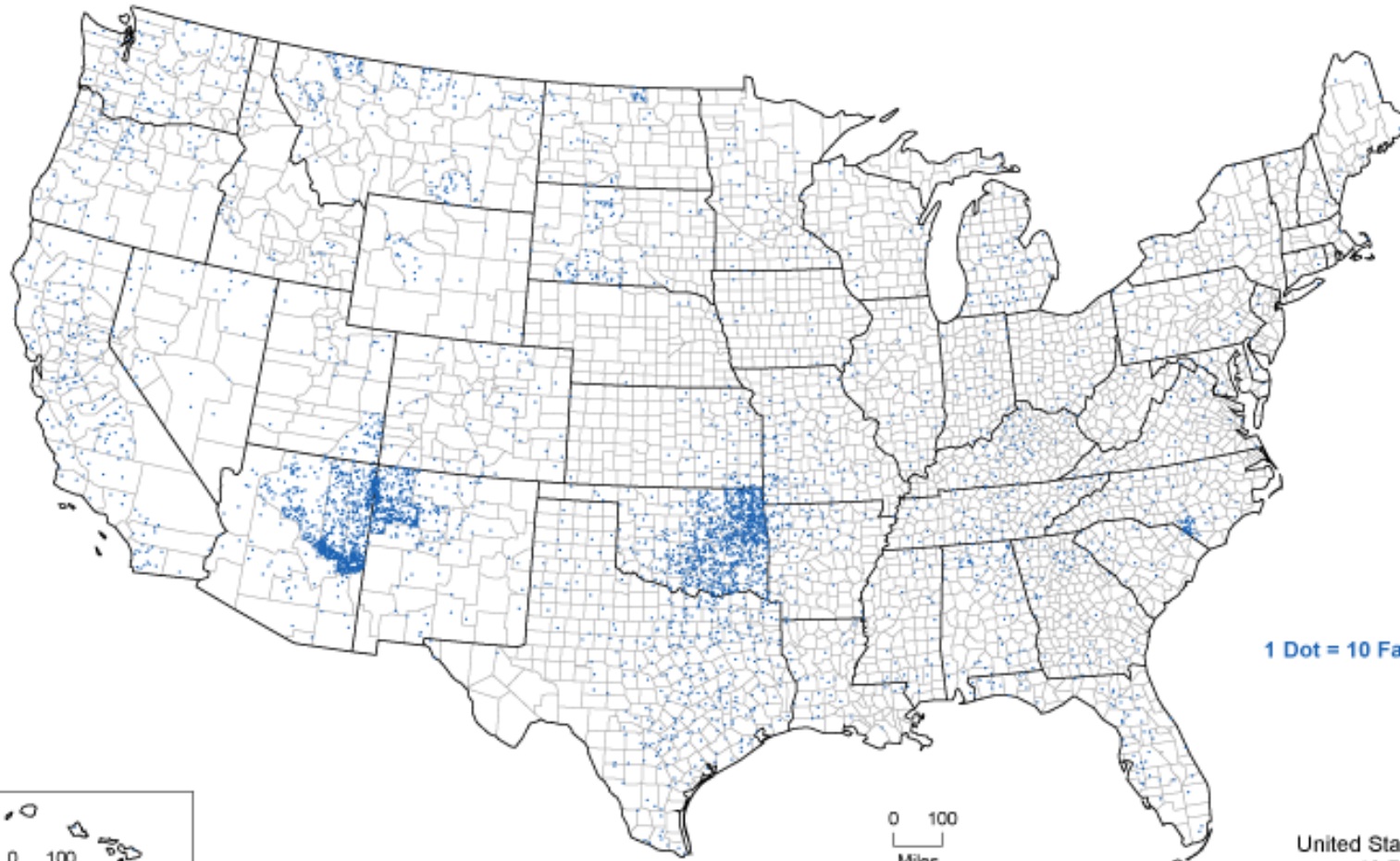


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U.S. Department of Agriculture, National Agricultural Statistics Service

0 200
Miles

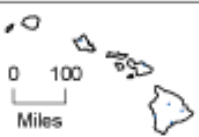


Number of Farms with American Indian or Alaska Native Operators: 2007



1 Dot = 10 Farms

0 100
Miles



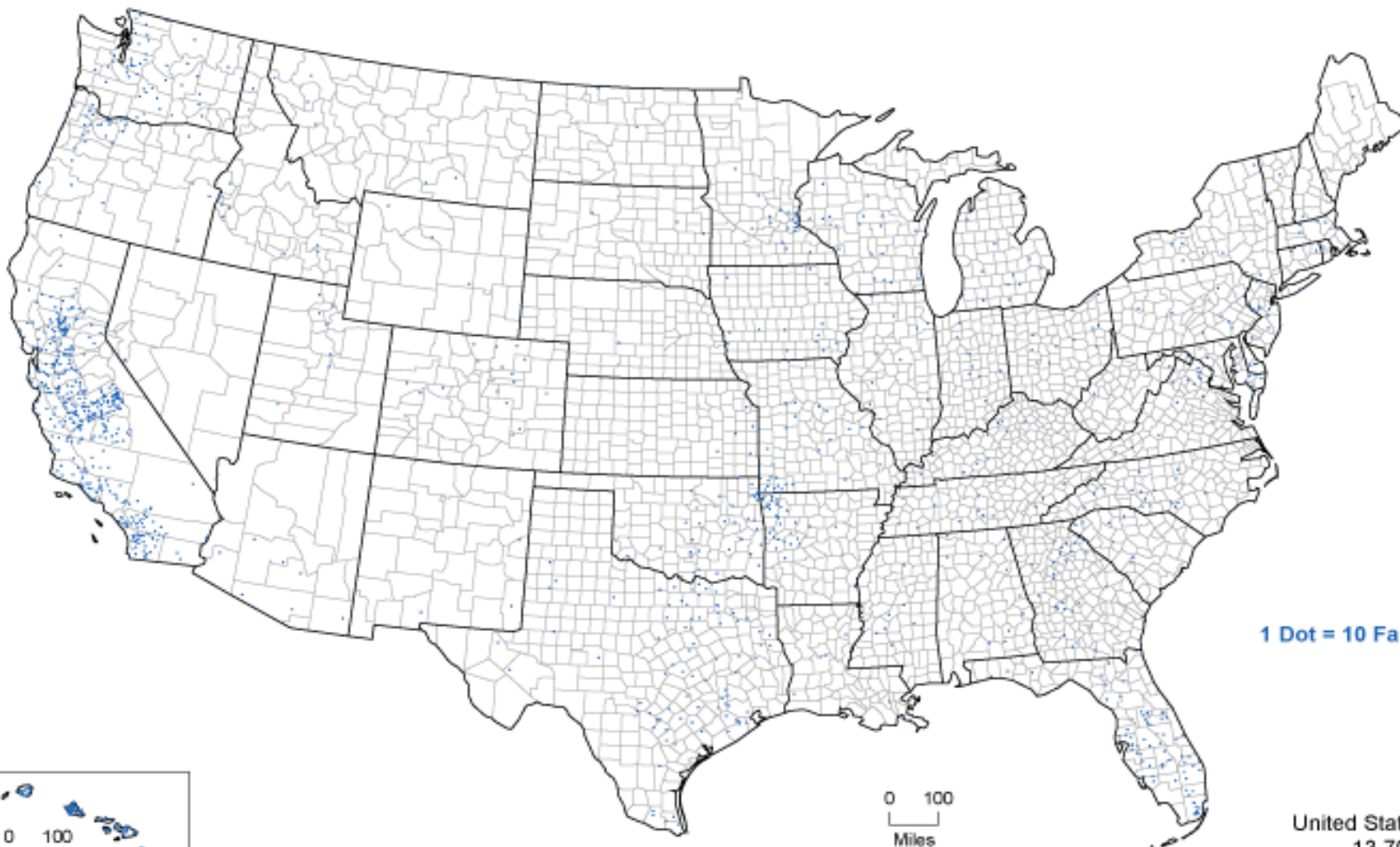
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U.S. Department of Agriculture, National Agricultural Statistics Service

United States Total
42,751

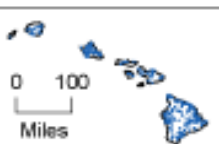
0 200
Miles



Number of Farms with Asian Operators: 2007



0 100
Miles



07-M129
U.S. Department of Agriculture, National Agricultural Statistics Service

0 100
Miles

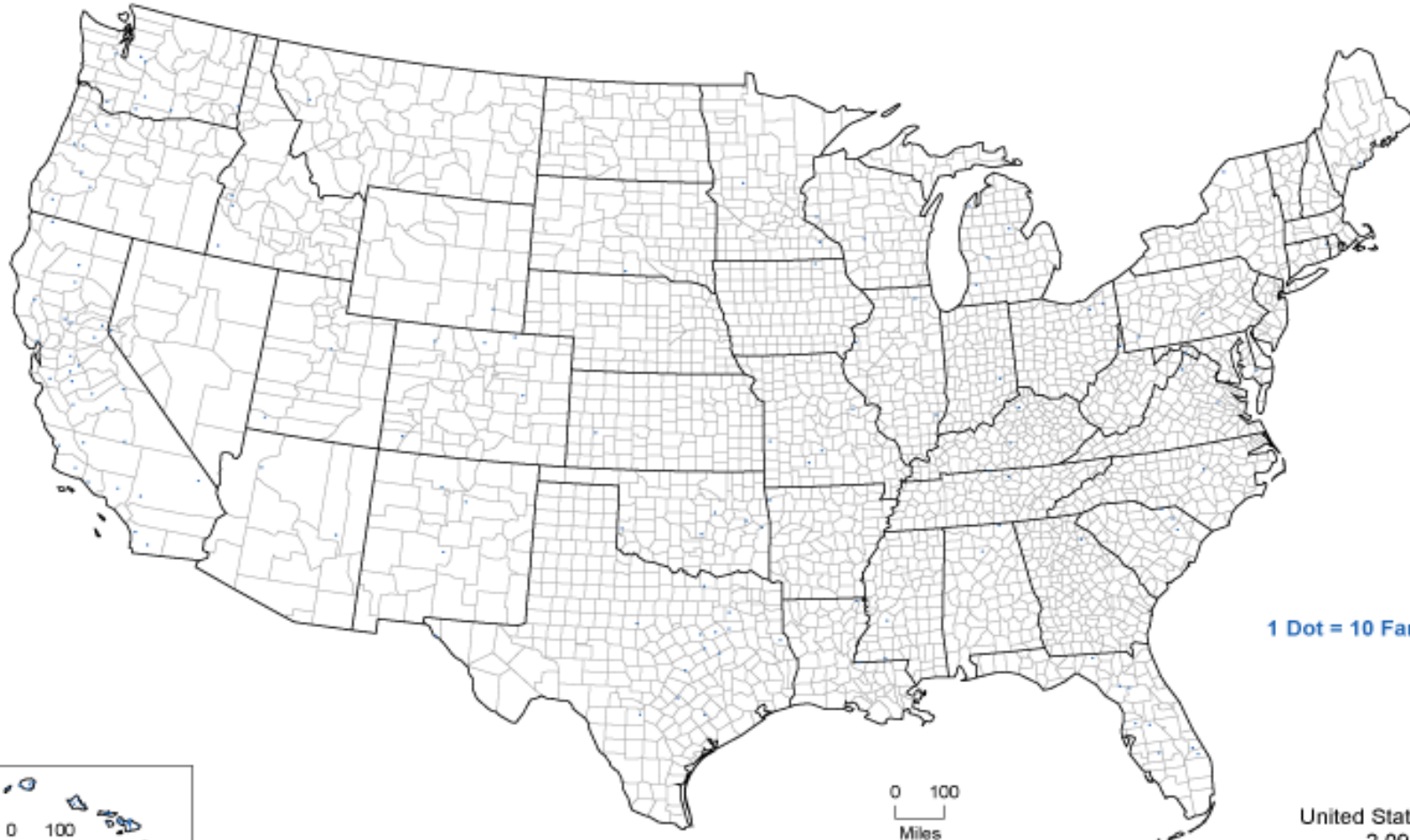
1 Dot = 10 Farms

United States Total
13,707

0 200
Miles



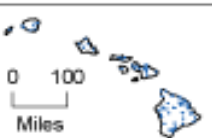
Number of Farms with Native Hawaiian or Other Pacific Islander Operators: 2007



1 Dot = 10 Farms

United States Total
2,098

0 100
Miles

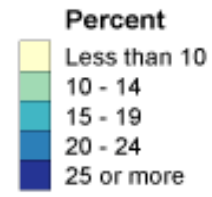
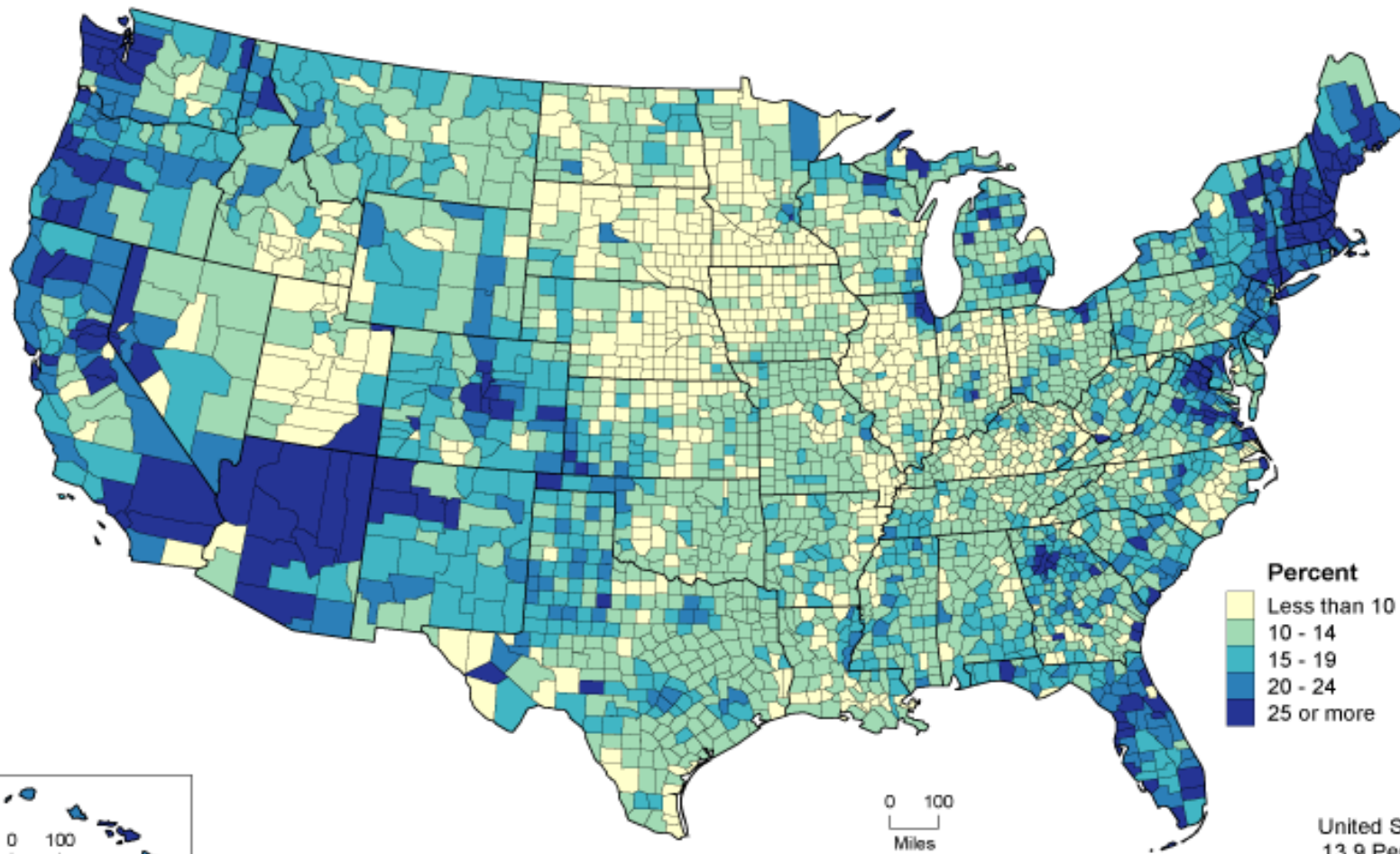


07-M131
U.S. Department of Agriculture, National Agricultural Statistics Service

0 200
Miles



Percent of Farms with Female Principal Operator: 2007



United States
13.9 Percent

0 100
Miles



Available Risk Management Resources

- ◆ Farm Service Agency (FSA) – Examples:
 - ◆ Loans (FO and OL)
 - ◆ Down Payment Loan Facility
 - ◆ Low Interest
 - ◆ Outreach and Education

Available Risk Management Resources

- ◆ Natural Resources Conservation Service – Examples:
 - ◆ EQIP (Environmental Quality Incentive Program)
 - ◆ Higher Cost Share percentages for eligible beginning farmers and socially disadvantaged farmers
 - ◆ Incentives for socially disadvantaged, beginning, and limited resource farmers to participate in conservation programs
 - ◆ Conservation loan program priority for beginning farmers

Available Risk Management Resources

- ◆ Risk Management Agency –Examples:
 - ◆ Crop Insurance
 - ◆ Insurance Waivers
 - ◆ Limited resource producers may have administrative fees for CAT and insurance buy-ups waived
 - ◆ Socially disadvantaged farmers or limited resource farmers or beginning farmers may have crop insurance purchase requirement for disaster (SURE) eligibility waived
 - ◆ Information and Training Grants

Available Risk Management Resources

- ◆ **RMA Information and Training Grants**
 - ◆ **Commodity Partnerships For Risk Management Education**
 - ◆ **Crop Insurance Education In Targeted States**
 - ◆ **Risk Management Education And Outreach Partnerships Program**

Available Risk Management Resources

- ◆ USDA Office of Advocacy and Outreach
 - ◆ **Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers (OASDFR) Competitive Grant**
 - ◆ **Target:** Socially disadvantaged farmers, ranchers, or forest landowners

RMA Information and Training Delivery

- ◆ Universities
- ◆ Non-profit agricultural organizations
- ◆ Other capable public or private organizations
- ◆ State departments of agriculture

Risk Management Resources: Land Grant Universities

- ◆ Land-Grant Universities - 1862, 1890, 1994
 - ◆ Research, educational programs, training, tools, pubs, etc.
 - ◆ Cooperative Extension Programs
 - ◆ Regional Risk Management Education Centers
 - ◆ NE Region: University of Delaware
 - ◆ NC Region: University of Nebraska-Lincoln
 - ◆ Southern Region: University of Arkansas
 - ◆ Western Region: Washington State University
 - ◆ National Risk Management Library – University of Minnesota

Available Resources: 1890 LGU Extension

- ◆ Focus education on underserved farmers
- ◆ Goal is to bridge information and training gap
- ◆ Three-Prong Approach:
 - ◆ Educational/Training Resources
 - ◆ Train-the-Trainer/Educator Training
 - ◆ Producer Training

1890 Extension Information and Training Resources

- ◆ Collaborate with public and private partners to secure funding
- ◆ Develop appropriate, accessible, and client-sensitive educational resources
- ◆ Implement educator and producer training

1890 Extension Information and Training Resources

◆ Example:

1. **Agricultural Risk Management Education for Small and Socially Disadvantaged Farmers – Risk Management Curriculum and Instructional Plan**
 - ◆ **Collaborators:** Virginia State University, North Carolina A & T University, University of Maryland Eastern Shore, Delaware State University, and National Crop Insurance Services
 - ◆ **Training Resources:** Notebooks, curriculum, instructional materials, PowerPoint slides, fact sheets, etc.

1890 Extension Information and Training Resources

◆ Example:

2. **1890 Risk-Assessed Business Planning for Small Producers Curriculum**

- ◆ **Collaborators:** Kentucky State University, Prairie-View A&M University, Texas A & M University, Southern Risk Management Education Center
- ◆ **Training Resources:** Notebook, curriculum, instructional materials

1890 Extension Information and Training Resources

◆ Example:

3. **Financial Management and Crop Insurance Training for Small and Socially Disadvantaged Farmers**

- ◆ **Collaborators:** Virginia State University, Center for Farm Financial Management-University of Minnesota and National Crop Insurance Services
- ◆ **Training Resources:** FINPACK Software, notebooks, instructional materials, PowerPoint slides, case examples, etc.

Producer Training & Information Delivery

- ◆ Extension Educators, Small Farm Specialists, other Ag. Professionals conduct:
 - ◆ Individualized consultations
 - ◆ Farm/Home visits
 - ◆ Group meetings
 - ◆ Workshops
 - ◆ Conferences
 - ◆ Short courses
 - ◆ Demonstrations
 - ◆ Fact sheets, Publications, etc
 - ◆ Websites, social media, etc.

Producer Training & Information Delivery

- ◆ Example:
- ◆ **Developing Personal Risk Management Plans: Workshop for Limited Resource and African American Producers of Specialty Crops and Underserved Commodities in Arkansas and Mississippi**
 - ◆ **Collaborators:** National Crop Insurance Services, University of Arkansas-Pine Bluffs, Alcorn State University, and Delaware State University
 - ◆ Educational materials developed
 - ◆ Three 6-hour workshops for 25-35 producers per state
 - ◆ Producer completes 3 take-home assignments requiring approx. 60 hours
 - ◆ Producer develops personal risk management plan for farm

Challenges in Delivering Risk Management Resources to Disadvantaged Producers

- ◆ Insecure funding
- ◆ Declining funding levels
- ◆ Ability to attract and keep qualified educators
- ◆ Increasing costs of producer resource delivery
- ◆ Availability of risk management tools for specialty crops and livestock enterprises

Questions?