The Southern Region Risk Management Education Center

SCC-76

Economics and Management of Risk in Agriculture and Natural Resources

March 19-21, 2009
Galveston, Texas
Partnerships For Risk Management Education

Section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524)

“(A) Authority: The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall establish a program under which competitive grants are made to qualified public and private entities.

... for the purpose of educating agricultural producers about the full range of risk management activities, including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, and other risk management strategies.”

(Funding is provided from the Federal Crop Insurance Fund via a mandatory appropriation)
How Extension RME Works

- CSREES Educational funds are appropriated by Congress and passed through CSREES to four RME regional centers and a digital library.
2008 Farm Bill – Special Emphasis

- **Beginning** farmers and ranchers.
- **Legal immigrant** farmers and ranchers who are attempting to become established producers in the United States.
- **Socially disadvantaged** farmers and ranchers.
- Farmers and ranchers who are preparing to retire and are using transition strategies to help new farmers and ranchers get started.
- Farmers and ranchers who are converting their current production and marketing systems to pursue new markets.
Our Vision

- To help farm and ranch families succeed through Targeted Risk Management Strategies

- We seek a “return on the investment”
  - Return- risk management actions that agricultural producers take as a result of the projects we fund
What do the RME Centers do?

- Conduct a competitive process
  - follows CSREES requirements and protocols

- Promote public and private partnering

- Utilize an on-line application/outcome reporting system [www.agrisk.umn.edu](http://www.agrisk.umn.edu)
National Guidelines

- Our work is “guided” by a set of National Guidelines developed by the National Program Leader in partnership with the five Centers.

- Consistency across the nation.
  - No Center can impose a burden on applicants greater than any other Center.

- Meeting the federal requirements for competitive processes.

- Identifies conflict of interest guidelines.
Each Center’s Advisory Council

- Ensures that
  - project selection and
  - funding of projects
- has a broad base of stakeholder support
- and meets the educational needs of the region
SRRMEC’s 12-Member Advisory Council

- Six representatives of
  - Commodity and farm organizations
  - Private sector risk management providers

- Two Extension Leadership
  - 1862 Land Grant Directors
  - 1890 Land Grant Administrators

- Four Educators
  - 1890 Extension Economists
  - Southern Extension Committees
    - Marketing
    - Management
    - Policy
Advisory Council defines

- Regional Risk Management
  - Priorities
  - Topic Areas
  - Project Types
  - Targeted Groups
In the RFA, Regional RME Center define “Risk Management” as

- choosing among alternatives that reduce the financial effects of the uncertainties of weather, yields, prices, government policies, global markets, and other factors that can cause wide swings in farm income.
In the RFA, Regional RME Centers define “Risk Management Education” as:

- training that improves the ability of agricultural producers and their families to effectively manage risks.
Our in-line Results Based Process

1. The Advisory Council first makes a determination on whether the proposed risk management results that the producers will achieve are ones the we wants to invest in.

2. The rest of the application is used to determine whether producers can achieve those risk management results from the proposed project.
Proposal Application Sections

- Proposed Results
- Risk Management Education Areas/Topics
- Producer Demand
- Audience Emphasis
- Review of Past Projects
- Project Summary
- Additional Regions
- Amount Requested
- Project Director and Team Members
- Project Collaborators
Proposed Risk Management Results

- What participants will learn, achieve, and apply through their participation in the project.

- If achieved, risk management results
  - put producers in a better position to manage their overall financial risk, and
  - are the single most important factor the panel considers when deciding whether the project is funded.

- Often applicants confuse the actions the project team takes or materials they develop with the proposed risk management results for producers.
Proposed result that will happen by end of project:

Participants will indicate that they have an improved understanding of legal liabilities associated with direct marketing, farm labor/apprentices, developing value-added products, and on-farm events.

Risk area:

Legal

Risk management topic:

Labor regulations

Producer action:
(Choose one)

- Understand - learn, increase awareness, identify
- Evaluate - analyze, investigate, assess, review, consider, explore
- Develop - write, conduct, obtain, create
- Decide - commit to, indicate, choose
- Implement - adopt, establish, incorporate, initiate, use

Estimated number:

30

When measured:

End of first workshop

How will you verify?

- Written Evaluation
- Phone Interview
- Personal Interview
- Pre/Post Assessment
- Online Evaluation
- Audience Response System
- Written Action Plan
- Assignment Completion
- Other
Producer Demand

- Who is the audience?
- Why will they CHOOSE to participate?
- What are the distinguishing characteristics of this audience that relate to their willingness to participate?
- Where are they located?
- Is there a risk management need?
- Will the potential participants see the need?
**Audience Groups**

**Project Number:** Application/RME

Audience emphasis: (Only check the producer audiences your project will intentionally target. You do not need to check any audiences. Checking an excessive number of audiences may reduce your odds of receiving funding.)

- Small farms or ranches
- Women producers
- Beginning producers
- Retiring/transitioning producers
- Socially disadvantaged producers
- Limited resource producers
- Immigrant producers
- Organic producers
- Sustainable producers
- Value-added producers
- Traditional commercial producers
- Producers converting production and marketing systems to pursue new markets
The results based system requires accountability:

- Final reports and project materials are placed in an on-line library and are available for public viewing.
  - A final reimbursement for project expenses is withheld until the final reporting is completed.
Reporting of Results

- Reports - same online application website
- Do not have to re-enter
  - abstract, project steps and targeted results
- May add, edit and/or delete project steps
  - Starts out as a plan – becomes actual as implemented, original steps remain in our database.

- Progress Notes
  - A brief narrative about project implementation
  - Along with date entered becomes part of the Final Report
Final Report - What is it?

- Final Update of Project Steps
  - Should show actual implementation progress

- Project Comments
  - Describe any unexpected results of the project:
  - How would you improve the project if you were to do it again?
  - What were the keys to success for your participants
  - Individual stories / Examples of Success / Quotes
Final Report Allows

- **Review Panel**
  - to determine whether or not you are able to measure and verify the results that you have said your participants would learn, achieve

- **Educators and Public**
  - to see what a successful project looks like and to explore topics and access resource materials for risk management education

- May be used in future award decisions
THE AG RISK EDUCATION LIBRARY

DIGITAL CENTER FOR RISK MANAGEMENT EDUCATION

HOME  FUNDING & PROJECTS

FUNDING & PROJECTS

About Funding & Projects

The Funding & Projects section of the Ag Risk Education Library is designed to allow you to learn about Risk Management Education funding opportunities and to learn about the results of previously funded projects.

Search Projects lets you view the specific results of funded projects. You can search projects from specific years, regions, states, or risk management education topics. You can choose to look at the results of completed projects or view the information for all funded projects, including those not yet complete.

Recent Awards provides a comprehensive list of all projects that have been funded by the four Extension Risk Management Education Centers. You can search by year, region, state, or risk management topic.

Funding Opportunities describes the nine different Extension and RMA Risk Management Education funding opportunities available each year. Click to view when proposals are due and to obtain the Requests for Applications.

RME Resources describe the philosophy of Risk Management Education results based funding and how grant making decisions are made. Resources include a video, tutorial, sample proposal, and RME definitions all designed to help you successfully apply for RME grant funds.

©2009 Regents of the University of Minnesota. All rights reserved. Trouble seeing the text? | Contact U of M | Privacy
The University of Minnesota is an equal opportunity educator and employer. Last Updated: Sunday, January 14, 2007
Thank you.

Kenneth Stokes
Director

Email: kstokes@ag.tamu.edu
Website: http://srrme.tamu.edu

This material is based upon work supported by USDA/CSREES under Award Number 2007-49200-03891