

# 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

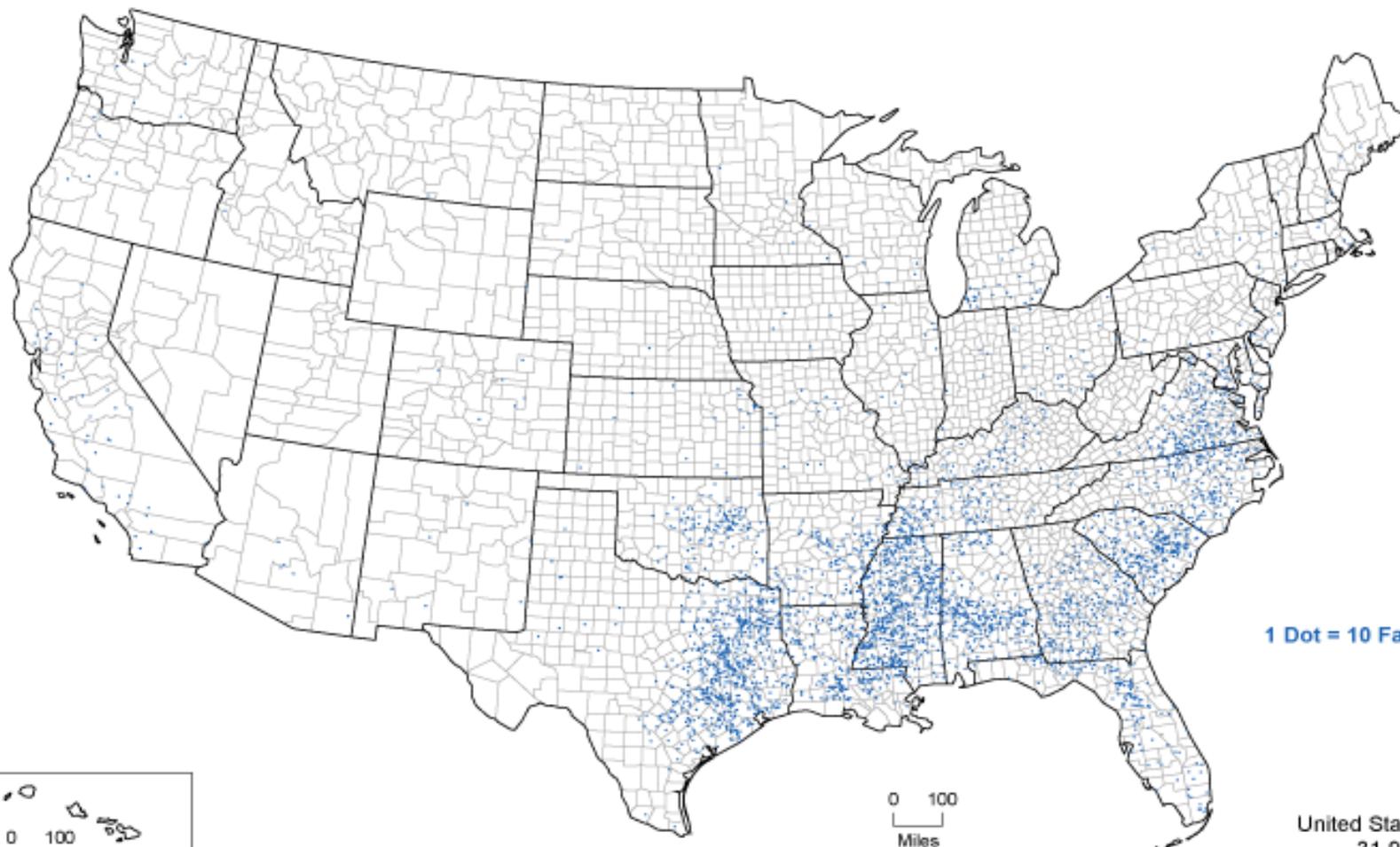
# Small and Disadvantaged Farmers: Who are they?

- ◆ 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

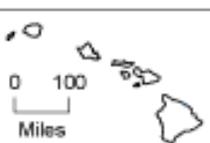


## Number of Farms with Black or African American Operators: 2007



1 Dot = 10 Farms

0 100  
Miles



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

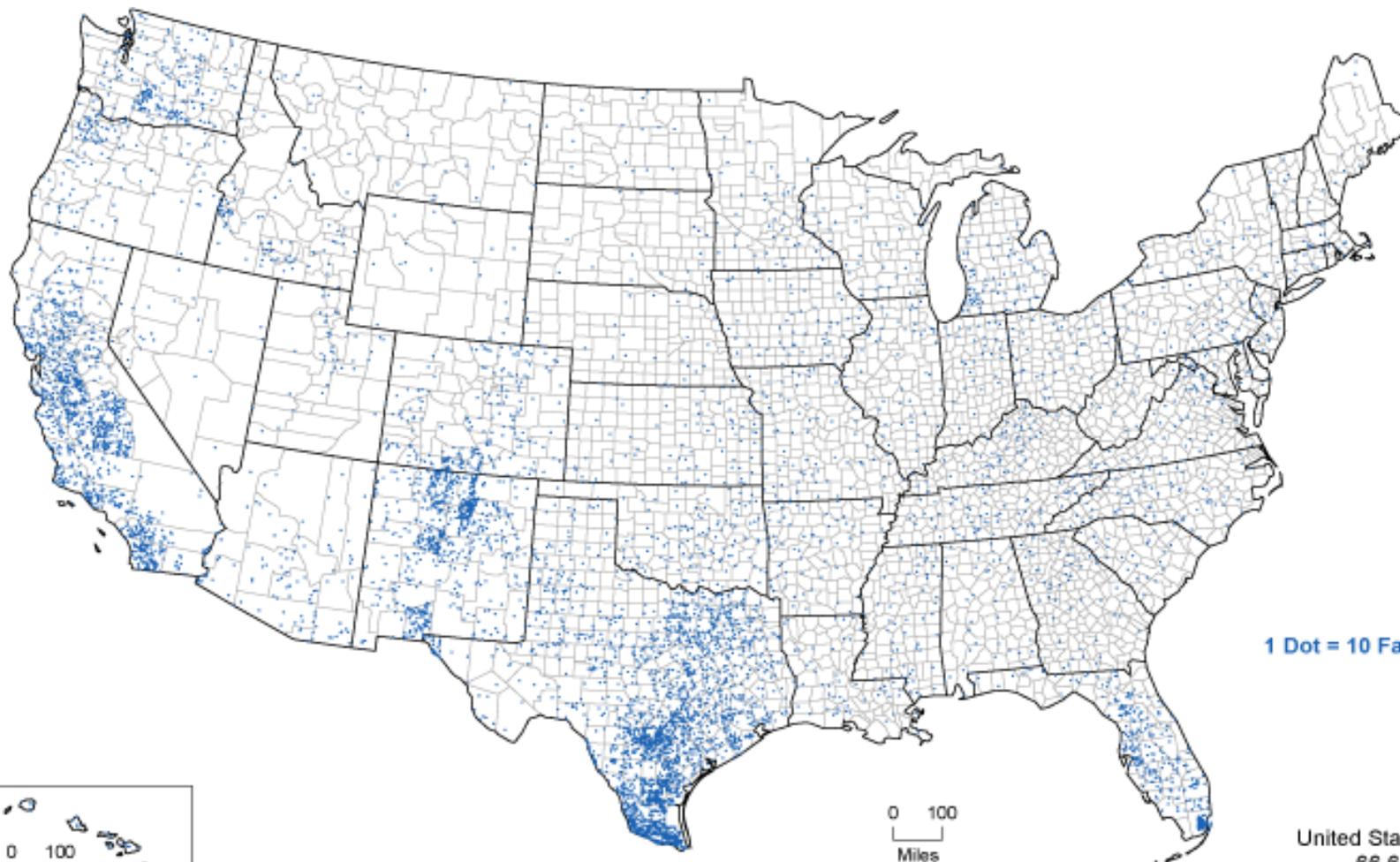
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Miles

United States Total  
31,912

0 200  
Miles



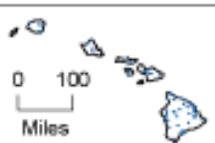
### Number of Farms with Spanish, Hispanic, or Latino Origin Operators: 2007



1 Dot = 10 Farms

United States Total  
66,671

0 100  
Miles

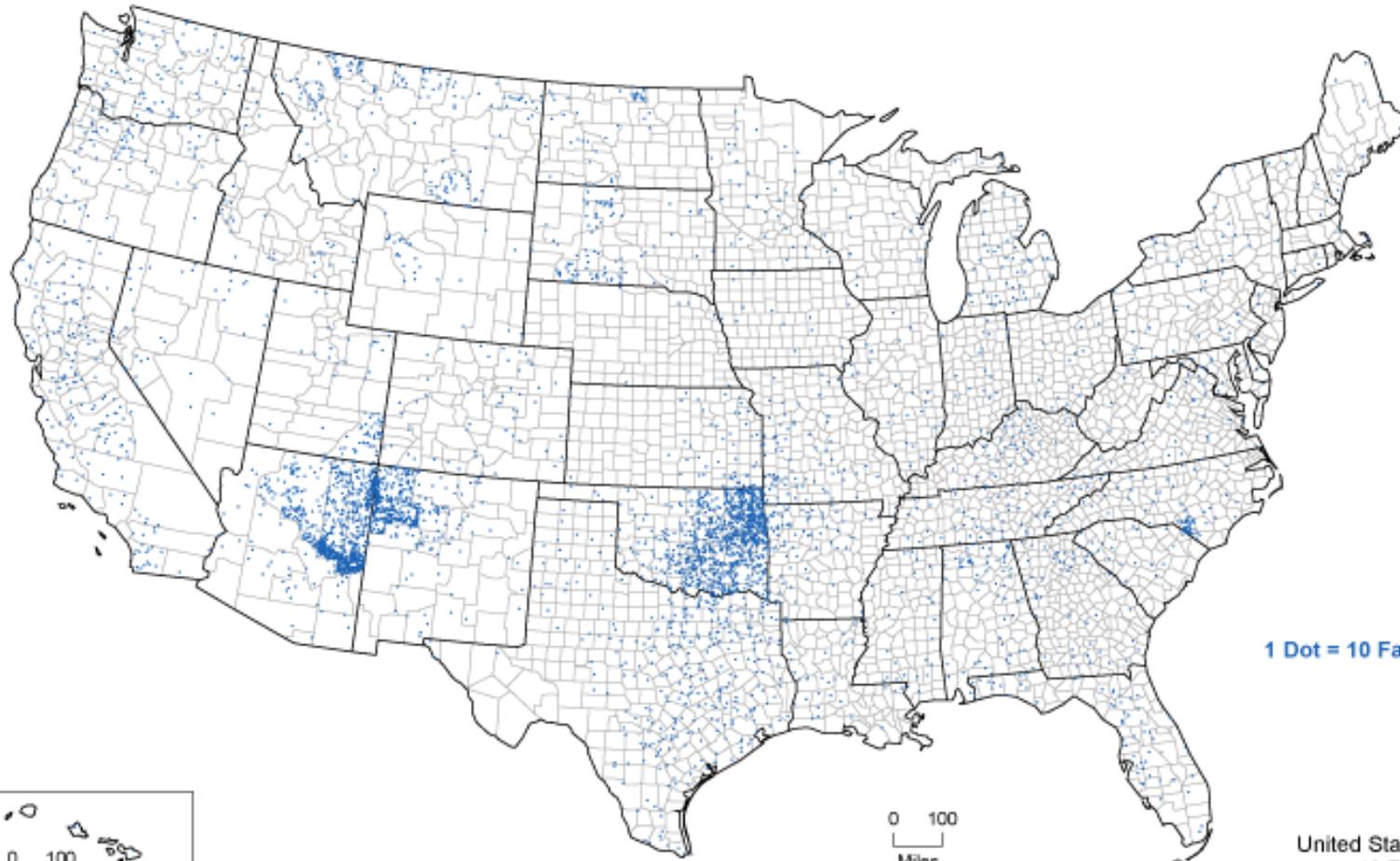


07-M133  
U.S. Department of Agriculture, National Agricultural Statistics Service

0 200  
Miles

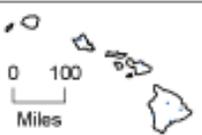


### Number of Farms with American Indian or Alaska Native Operators: 2007



1 Dot = 10 Farms

0 100  
Miles



07-M128  
U.S. Department of Agriculture, National Agricultural Statistics Service

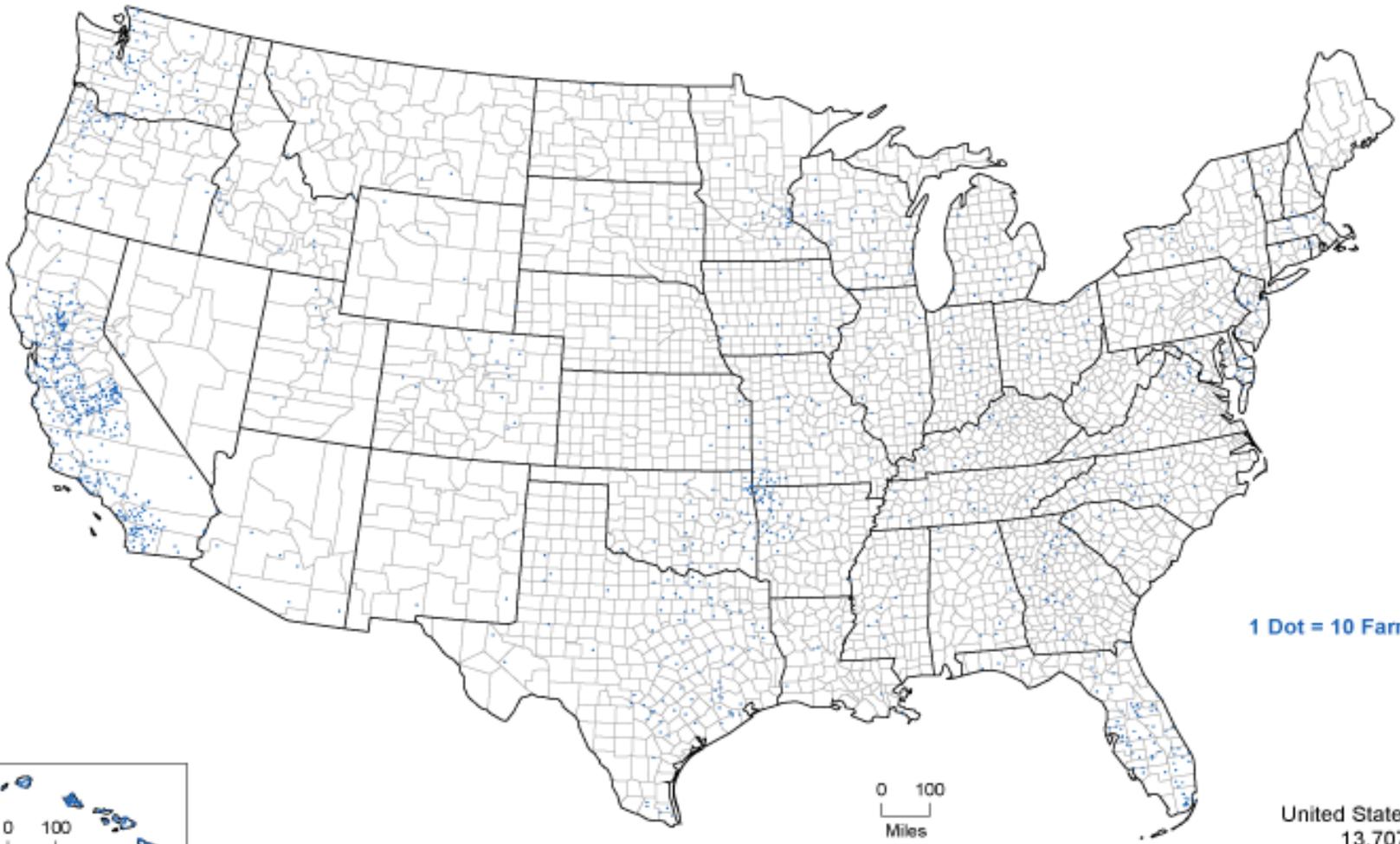
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Miles

United States Total  
42,751

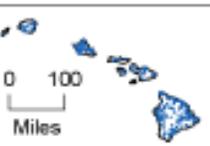
0 200  
Miles



### 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



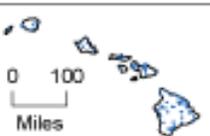
## Number of Farms with Native Hawaiian or Other Pacific Islander Operators: 2007



1 Dot = 10 Farms

United States Total  
2,098

0 100  
Miles

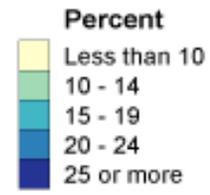
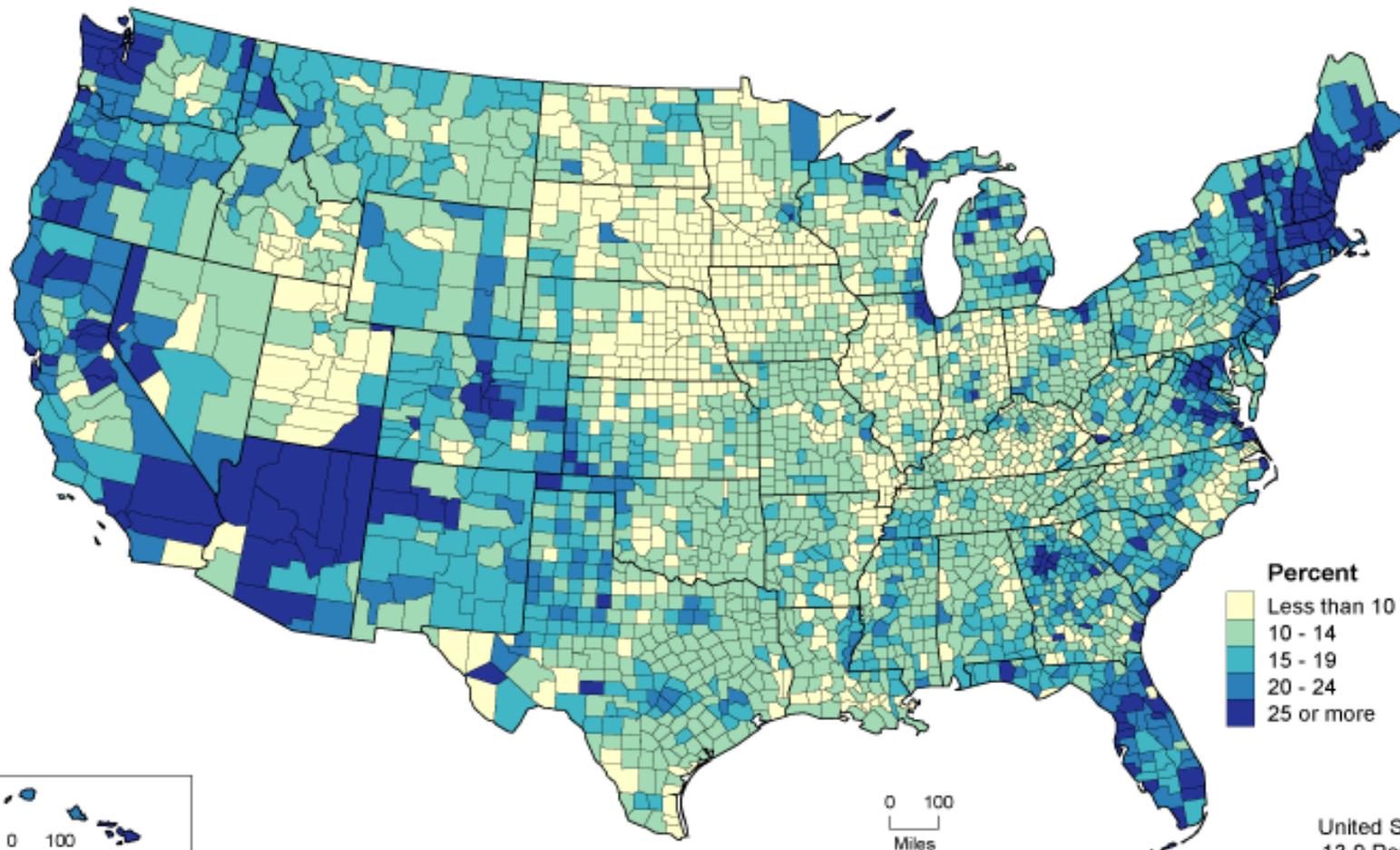


07-M131  
U.S. Department of Agriculture, National Agricultural Statistics Service

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?