Contents:

- Real Farmers – Real Risks: Sentiments from Steve Sheldon of Sheldon Mel & Sheldon Family Farm
- Farm Labor: Insurance & Liability
- Spotlight: Farm Labor Shortages
- Risk Management Technology: Drones in Agriculture
- Upcoming Events

USDA RMA Vision Statement:

“Securing the future of agriculture by providing world class risk management tools to rural America.”

Real Farmers, Real Risks - Sentiments from Steve Sheldon of Sheldon Mel & Sheldon Family Farms
Steve Sheldon, along with his family, own and operate two farms in Connecticut, one in Suffield and one in East Granby. Together, they have over 100 acres of hay, 150 acres of corn, 7 acres of broadleaf tobacco, and 8 acres of mixed vegetables. Steve Sheldon sat down to speak with UConn Extension about the importance of crop insurance and the role that it plays for him and his family on their two farms. Steve was not shy, stating right away that crop insurance is absolutely important to his operation, “There have been years that I’ve lost a crop and without crop insurance we wouldn’t be able to grow the following year because of outstanding debt. It’s an absolute necessity”. For Steve, he chooses to insure his two largest expenses, which are the grain corn and broadleaf tobacco, “We just can’t take the risk when we have a lot of money out on the crop”.

To get a better idea of the specific role that crop insurance plays at the Sheldon farms, Steve explains his operating strategy for tobacco production. “We take out an operating loan for tobacco production from Farm Credit and they won’t even give you a loan unless you have the crop insured”, he says. In the case of tobacco at Sheldon Farm, crop insurance has become a necessity unless they find a way to fund the crop themselves. Steve goes on to explain that the tobacco is a high-risk crop, “I’ve had to used it in the past. Blue mold can come and wipe your crop out, hail too”. He explains that the process is simple, stating the agents make it easy, “When you meet with an agent, they help you plan for your farm: What percentage coverage you want, what the cost will be per acre, and what you’re covered for.” Steve explains the process, “If you do have a loss, you simply file a notification of loss. An agent will come out to your farm to assess the damage, calculate the loss and cut you a check.” He makes it sound easy and stress free which is great considering a crop loss is stressful enough.

Steve gave us his final thoughts on crop insurance, “I wouldn’t grow tobacco without it, even the grain corn. I haven’t had to use it yet on the corn, but if I had a loss, I know that I’d be covered.” And as far as advice for those seeking crop insurance? Steve says, “Choose a high enough option, to cover all of your expenses. That way, even if there is a total loss, at least your expenses will be covered”. For more information about crop insurance plans, please contact your local Extension office. And to watch Steve’s whole video on crop insurance visit the UConn Extension’s RMA website at [http://ctfarmrisk.uconn.edu](http://ctfarmrisk.uconn.edu) under the Resource Library Tab.

Farm Labor: Insurance & Liability

*With the new growing season approaching, now’s a good time to review the risk management plans for any operation. Farms without risk management plans in place may take this time to review their risks and determine if there is a new approach which may help to prevent or mediate challenges they’ve faced in the past. One component of any strong risk management plan is insurance. There are many types of insurance, and often a lack of understanding about*
insurance, liability, and the laws surrounding them can make proper utilization an arduous task. To shed some light on
the world of insurance and liability as it pertains to farming, below you will find a chart detailing the different types of
insurance available to agricultural stakeholders. The table is followed by a few suggestions on ways to reduce your
liability. The following is borrowed from the Cornell Small Farm Program's Guide to Farming:

The primary goal of risk management as it pertains to farm liability insurance is to protect your assets from
claims and lawsuits that may result from injury to persons or damage to property from accidents that are associated
with your business. Effective risk management depends on combined efforts and close communication between yourself
and your insurance company. Look for an agent with whom you are comfortable, who is well known and respected, who
understands agriculture and businesses, and who will work with you to reduce your potential for risk.

When considering your risks, be sure to review the list below and describe your risks completely to your agent.
You will not need all of the types of protection listed below, but it is important to know your options when shopping for
insurance. Match your coverage to your needs for risk management.

**General Liability Insurance**
Covers injuries to people and property for which your farm is judged liable and mitigates your losses from lawsuits

**Automobile Insurance**
Covers vehicle damage while in your vehicle or to another vehicle while traveling

**Home Owners Insurance**
Typically covers fire, theft, personal property, lightning, riot, aircraft, explosion, vandalism, smoke, theft, windstorm or
hail, falling objects, volcanic eruption, snow, sleet, and weight of ice. Usually flood and earthquake need to be purchased
separately

**Farm Insurance**
Covers barns, rental housing, equipment, animals, and other farm assets

**Workers' Compensation Insurance**
Required if you have employees or interns

**Product Liability Insurance**
For damages that may arise from the consumption, handling, use of or condition of products manufactured, sold,
handled, or distributed by your business

**Contract Liability Insurance**
Covers the assumption of the liability of another party through a contract or facility use agreement. For example, you
may be required to provide a certificate of insurance to buyers that includes $1 million in product liability and additional
insurance

**Environmental Pollution Insurance**
Covers clean-up of manure, or pesticide spills

**Crop Insurance**
Can protect against annual production losses due to weather, pests and other insurable causes of loss. Federally
subsidized coverage can be purchased from a certified crop insurance agent. Disaster programs provide up to 65%
coverage for crops where crop insurance is unavailable and is provided by county USDA Farm Service Agencies

**Life Insurance**
To help your family in case something happens to the bread winner

**Health Insurance**

For yourself and family in case you need medical care

**Business Interruption Insurance**

Will provide living expenses if you are hurt and cannot work

**Vendor’s Insurance**

Will cover your liabilities if you are selling at a farmers’ market or trade show

**Umbrella Liability Coverage**

A liability insurance policy. It provides extra insurance protection over and above your existing policies and typically carries a high deductible

**Ways to Reduce Your Liability:**

- If you have people coming to your farm, keep your property in good repair.
- Minimize or eliminate dangerous situations. This might include: aggressive animals, manure pits, moving vehicles or equipment parts, etc. Fence off hazards wherever possible.
- Bio-security is recommended. Provide booties and hand wipes for visitors who enter barn areas.
- When selling or serving foods, make sure all regulations are met and carry product liability insurance.
- All workers on your farm are required to be covered by workers compensation, even if they work for free! So if you have interns, apprentices, or employees, you are required to carry insurance for them (The only exception is if your farm is set up as a 501(c)3 non-profit).
- Test your water supply annually for bacteria if your water is being used for washing produce or processing.
- Negligence is when you fail to take normal steps to eliminate hazards or you create a hazardous situation and fail to address it.
- Avoid making false statements or publishing incorrect information that may damage a person’s reputation as this can result in libel suits. Be careful of advertising claims or comparing your operation to others in a negative way.
- Manage your production techniques according to recommended best management practices.

**Crop Insurance – The Farm Safety Net**

“Agriculture is an inherently risky business. Farmers and ranchers need to regularly manage for adverse weather and financial, marketing, production, human-resource, and legal risks.

Federal crop insurance is the pre-eminent risk management solution for farmers and ranchers, providing effective coverage that helps them recover after severe weather and bad years of production. For some farming and ranching operations, crop insurance is the difference between staying in business or going out of business after a disaster. For the next generation, crop insurance provides the stability that will allow them to begin farming.”

- USDA
Spotlight – Farm Labor Shortages: Years in the Making

For some time, concerns regarding the availability of reliable farm labor have reached the ears of UConn’s Risk Management team. When considering the vast range of risks that agricultural stakeholders face throughout the year, labor shortages may very well be the most detrimental to the industry in the long term. Even weather, which presents itself as a risk without any control measures, cannot compare to the impacts that large-scale labor shortages would have on agriculture and in turn the rest of the country. But how did we get to this point? Many people may wish to blame certain policies, citing the need for labor reform, others may point to the modernization of society and a general trend away from agrarian living. To understand how American agriculture has arrived at this juncture, one must examine the basic nature of the farming process, labor trends over the past 50 years, and challenges faced by the current farm labor force.

Farming at its most basic level is a biological process, more specifically a diverse group of biological processes with human and other influences (UC Davis). Whether the products of an operation are fruits and vegetables harvested from plants or the meat of animals, all agriculture is at the mercy of the biological processes that have evolved over time. These processes, such as growth and development, abide mainly by the rules encoded in their DNA. Many of these processes are slow, intricate, and beyond the scope of everyday farmers. When combined with other highly variable factors such as weather, these processes become somewhat cumbersome to predict or manage. The high variability and seasonality of agricultural operations present a fundamental issue in finding reliable labor. Set schedules are often nonexistent. Workload and the duration of jobs is determined not by farmers/employers but rather the above-mentioned biological factors. This is what distinguishes farm labor from most other sectors and vocations. The very nature of the business is highly variable, volatile, and require a particular type of worker – one who not only understands the job and its limitations, but one who incorporates the job into the entirety of their everyday lives. Therefore, the first limitation on farm labor is that there are only certain types of individuals who want to perform such work.

The second limitation on farm labor has come through the development and diversification of modern job markets. When looking at low-income or developing countries, the majority of their labor force is agricultural (UC Davis). As nations progress and developed technology, other types of jobs become available and draw workers away from agriculture. High-income countries not only have a more diverse job market, but many of these jobs now require more human investment to perform (UC Davis). Jobs in medicine or technology often require schooling or training which is up to the potential laborer to pursue. In contrast, 43% of the farm workforce lack high school diplomas or equivalencies (USDA, 2017). This need for more human investment in the job is often accompanied by increased wages. This is the incentive. People are willing to invest more of their time and money in a job that requires a different set of skills because they will in turn be able to earn more. As job markets continue to expand and progress, there are more options for those seeking employment. Where farming used to occupy the majority of our nation’s labor force, now only 11% of jobs reside in agriculture and related fields (USDA, 2017). There are simply more jobs that need doing.
Due to the first two limitations which greatly influence those willing to pursue jobs in agriculture - first by appealing only to a certain type of individual and second by creating a wide range of job alternatives - most of the farm labor force has occupied a relatively narrow demographic for quite some time and this demographic is aging. The median age of the farm workforce is now at 40, up from 36 only ten years ago. Only 16% of farm workers are under the age of 25, suggesting a general disinterest in the industry by young people (USDA, 2017). Still, history demonstrates that where there is work that Americans won't perform, immigrants will. Looking at the current farm workforce in America, 50% are unauthorized foreign-born individuals, mainly hailing from Mexico. These individuals have historically fallen under the migrant work category, with influxes during the growing season. However, this trend is also changing. The migrant farm workforce has now shifted to a semi-settled workforce (USDA, 2017). It appears that the need for more reliable farm labor has appealed to the migrant workforce enough that they are willing to seek permanent residences in the US. And yet, this demographic faces its own set of concerning limitations that continues to threaten the stability of farm labor in America.

Without getting into the politics of immigration and labor, it is safe to say there are a number of barriers facing our farm workforce, which seems counter intuitive considering how much American agriculture relies on these individuals. To stabilize the farm workforce and stave off further labor shortages, there are three possible arenas to focus attention. The first would be to remove barriers that face the current migrant workforce, taking advantage of the fact that there are people willing to do the jobs that most Americans no longer wish to do. The second would be to incentivize younger Americans to participate in agriculture, through increased minimum wages and other benefits. The third option, which is not so far off, is eliminating the need for a farm workforce by automating agriculture on a large scale. Below are some links to more information on the farm labor issue. You may also contact your local Extension office.

https://www.ers.usda.gov/topics/farm-economy/farm-labor/#laborcostshare
https://arefiles.ucdavis.edu/uploads/filer_public/ad/74/ad7450e7-80ab-4cf7-a147-6b80c2e614a7/chapter_1_the_farm_labor_problem_4-4-17.pdf

Risk Management Technology: Drones in Agriculture?

Drones have had a long-standing history in the both the military and hobbyist circles. Recently, there has been a resurgence of drones into general consumer markets which has stimulated an interest in their utility in a range of applications. As such, it should be no surprise that drones have found their way into the world of agriculture. At this year’s annual USDA iPiPE Summit, four undergraduate students from Rutgers University presented their findings on three separate summer long studies, each demonstrating an application for the use of drones in agriculture. All four students work under the guidance of Dr. Peter Oudemans and focused on small fruit crops such as blueberries and cranberries. Below you will find a synopsis of each of the studies and a link to their full findings.

Use of Drone Imaging for Assessing Weed Control and Disease Pressure in Highbush Blueberry

Objective:
- This study was conducted to evaluate the efficacy of drone imagery for weed detection in highbush blueberry crops.
Conclusions:

- Multiple sensor types can be utilized with drones to detect and monitor weed growth effectively.
- The drone technology can cover more ground faster than any of the other weed detection methods tested.

Use of Drone Imaging for Detecting Fairy Ring Disease in New Jersey Cranberry Beds

Objective:

- This study was conducted to evaluate the efficacy of drone imagery for fairy ring detection in New Jersey Cranberry beds. Another goal for this study was determining the smallest recognizable fairy ring detectable with the technology.

Conclusions:

- The drones provided viable, reliable, and highly cost-effective means to assess the degree of fairy ring growth inside cranberry beds.
- The system is especially cost-effective when compared to the cost of other available options, namely, helicopter flights and satellite images.
- Shows promise for detection and monitoring of other diseases as well.

Use of Drone Imaging for Detecting Stem Blight in Highbush Blueberries

Objective:

- This study was conducted to evaluate the efficacy of drone imagery for detecting potential causes of yield loss in highbush blueberry crops. The imagery captured was analyzed for unusual patterns within the rows.

Conclusions:

- Autonomous flight planning and image software allow the drones to cover large areas quickly and produce high resolution maps.
• RGB sensors on the drones can be utilized to detect problematic areas within the field. Other sensors provided a more defined classification.

Although these three drone applications were specific to small fruit crops, the results show that these methods may prove useful in detecting and monitoring pests and diseases in a range of other crop groups. For more information on the studies themselves, follow the links to the full study presentations at http://ed.ipipe.org/publications. Special thanks to USDA iPiPE and the students who conducted the research: D. Jones, D. Nuhn, M. Mars, and J. Armitage.

Upcoming Events:
UConn Extension: CT Farm Risk & Management

Risk management is an often overlooked strategy that can make a difference in the success of your farm. Our mission is to provide farmers and agribusinesses with information to improve farm financial management and reduce risk.

*UConn Extension CT Farm & Risk Management: We are on a collaborative journey.*

*How.* We co-create knowledge with farmers, families, communities, and businesses. We educate. We convene groups to help solve problems.


*Join us.*

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