

CT Farm Risk Management



DECEMBER 2019

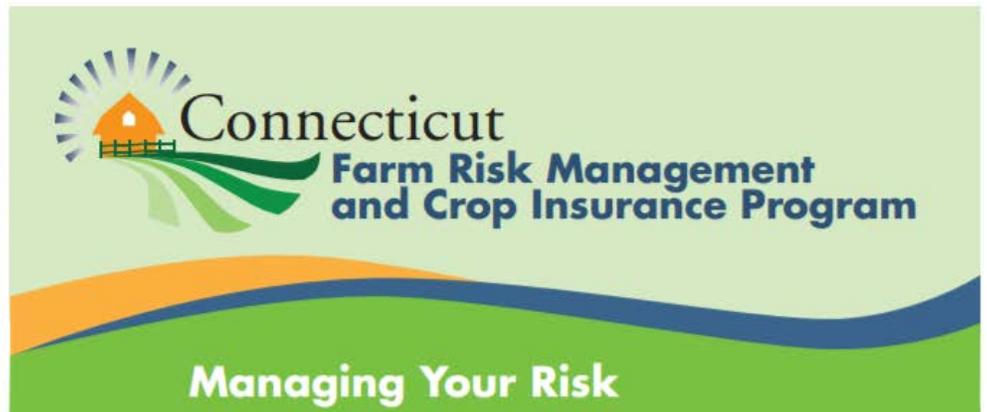


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USDA RMA Vision Statement:

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



When we talk about Risk Management, what do we mean? What types of risks are out there? How do we plan accordingly? What resources are out there to help? This is exactly why UConn Extension created the Farm Risk

Management and Crop Insurance Program. Farming is a difficult and time-consuming vocation, one that we all rely on. Without farms, there would be no food. Below is part of a getting started guide on Agricultural Risks and Risk Management, taken from UConn Extension's Risk Management team.

Why Manage Risk?

Farming is a high-risk venture that brings with it yearly uncertainties, which can include drought, flood, hail, pest infestation, fluctuating prices and yields, and many others. Farm profitability is directly related to how well your business can handle these risks. This is why having a solid risk management plan is so important. Risk management includes contingency planning as well as anticipating adversity. Contingency planning requires you to take actions early on in order to reduce the negative consequences resulting from an unfavorable event. For example, you should have some form of health and disability insurance to prevent medical problems from resulting in financial hardship, thus protecting your farm. Anticipating adversity includes recognizing that unpleasant events can occur and acting to reduce the chances that they will happen. For example, you should keep equipment in good working order to reduce the chance that it will break down or deteriorate quickly.

What Risks Need to be Managed?

The Risk Management Agency of the United States Department of Agriculture (USDA) has identified five main sources of risk, including (1) production, (2) marketing, (3) financial, (4) legal, and (5) human resources. It will be necessary for you to identify and understand what risks you face in each of these categories in order to build a plan to effectively manage them. Below is a list of each risk category with its associated considerations.

Building a Risk Management Plan

Risk management plans are developed on an individual basis and you need to build a plan that will work for you. The key is to select risk management strategies that meet the needs and goals of your farm. Listed below are some ideas to jump start your planning process. This list is not all inclusive as there are numerous other ways to reduce risks on your farm.

Crop Insurance

Crop insurance is an extremely effective way to reduce the risks associated with farm ownership. Insurance will help to ensure the profitability of your farming operation even if your crops fall victim to a major catastrophe. For example, crop insurance can protect you from the loss of crop due to flood, drought, pests, and many more devastating events that can affect your harvest yield. There are also policies that can protect you from the loss of revenue. The level of crop insurance is directly related to your average level of output. The type of insurance you purchase is based on the types of crops you grow and the desired level of coverage. There are a number of insurance agents and companies in Connecticut that will help you to obtain the appropriate type and amount of insurance coverage. The USDA provides a list to help you start your search for an agent. It can be accessed via the internet at <http://www3.rma.usda.gov/apps/agents>.

*For more information on Risks and Risk Management, please visit www.ctfarmrisk.uconn.edu or contact your local Extension office, we are here to help.



USDA Publishes Guidelines for Growers

The times they are a-changing..... The state of Connecticut awarded its first license to grow hemp this past year and the number of farms being licensed continues to grow. As of fall 2019, almost 100 licenses have been awarded to operations around the state to grow legal cannabis, termed hemp, and this burgeoning industry doesn't show signs of slowing down any time soon.

The introduction of a new crop is an exciting prospect, breathing new life into our local agriculture. But it doesn't come without its risks. Due to the nature of the crop, which had been illegal for quite some time, there are expansive regulations, many of which are quite strict and pose potential risks to farmers who do not follow them to a 'T'.

The USDA recently published their regulations for hemp growers which includes a strict limit on the allowed THC content of legal hemp, a mere 0.3%. Along with this are guidelines for testing THC content, all of which need to occur in DEA-registered labs. Crops that measure above the allowed 0.3% THC are deemed "hot crops" and must be destroyed at the expense of the farmers. A lack of a crop insurance program for hemp growers only compounds these risks although a policy may be available soon.

Although progressive, legal hemp cultivation may prove to be an arduous undertaking for farmers in the state. It is important to familiarize yourself with all of the rules and regulations set forth by the USDA. Please follow the link below for the full U.S. Domestic Hemp Production Program at <https://www.ams.usda.gov/rules-regulations/hemp> or contact your local extension agent for more information on these guidelines and risk management strategies.

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."

UConn Extension Risk Management Team's

Farmer Bucket List

Below is the link to UConn Extension's Farmer Bucketlist. The bucketlist offers a wealth of resources to help any new farmer get started on the right track. Even those who are not new to farming may find this resource incredibly helpful. The Getting Started section offers information on and links to statutes and business planning specific to Connecticut as well as resources pertinent to a successful operation such as USDA Service Center, the Farm Bureau's Advocacy Toolkit, and USDA sponsored crop insurance programs. The Finding Farmland section provides links to tools such as the US Web Soil Survey, UConn Soil Testing Lab, and the New England Farmland Finder, all which are aimed at helping farmers find good, healthy land to farm. View the complete Bucket List at [View the complete Bucket List at http://ctfarmrisk.uconn.edu/index_210_3855411292.pdf](http://ctfarmrisk.uconn.edu/index_210_3855411292.pdf)



GMO.UCONN.EDU | GMO@UCONN.EDU

GMO 2.0: SCIENCE, SOCIETY AND THE FUTURE

As technology continues to progress to meet the needs of a growing population in an increasingly sensitive and volatile climate, many individuals are right to express their concerns regarding the state of agriculture in their local communities. Technology, such as GMO's (genetically modified organisms), have helped to mediate agricultural risks and at the same time maximize the efficiency of crop production. However, there exists a great deal of misinformation on GMOs, making it difficult for stakeholders, consumers included, to discern what beneficial role, if any, GMO's can play in the future of agriculture. On April 24, 2019, UConn's Department of Plant Science and Landscape Architecture along with the UConn Extension, hosted a public panel discussion on GMOs entitled: GMO 2.0: Science, Society, and the Future.

The panel boasted an impressive lineup of distinguished speakers including, Paul Vincelli, Extension Professor and Provost Distinguished Service Professor of the Department of Plant Pathology at the University of Kentucky and UConn CAHNR's Department of Plant Science and Landscape Architecture Professors Gerry Berkowitz and Yi Li. Robert C. Bird, Professor of Business Law and Eversource Energy Chair in Business Ethics from the UConn School of Business was scheduled to speak but was not able to make the talk. Moderating the event was UConn CAHNR's new dean, Indrajeet Chaubey.

Paul Vincelli presented first, making sure to give equal attention to both public concerns regarding GMO's and some featured GMO technology that has improved the lives of people around the world. Asserting that "GMO's are not a public health concern. Each is a solution to a particular need". He went on to say that the public attention needs to switch its focus, "it's not how it was made, but rather what it does." He brought up an example of a simple solution-based GMO technology in Uganda whose people and economy depend on banana production. As bacterial wilt began

destroying banana crops, scientists looked for a genetic solution. Now, through the use of GMO technology which targeted the banana's bacterial wilt susceptibility, scientists have secured the future of banana farming in Uganda. Paul also touched on the hot topic Glyphosate, mentioning how Glyphosate-ready (Roundup) GMO crops, although effective, are not sustainable. At the end of Paul's presentation, attendants should have had a better understanding of the process surrounding the development of novel GMO technology and the role it has played in mediating agricultural risks around the globe.

Yi Li was next to take the podium and took the listeners on a journey from the importance of GMOs to their benefits and the opposition to them. To simplify the public perception of GMOs, Yi Li demonstrated the benefits of combining genes of a drought tolerant and low yielding plant with one that is drought sensitive and high yielding. His example was corn, the wild type of which is low yielding and compared it with cultivated corn which is both high yielding and drought tolerant. As one of the most important crops in the United States, he assured the audience that GMO's are vital to the stability of the US food system. He maintained their importance, "Soybeans, cotton, and corn – all are major US crops, nearly 100% are transgenic. Up to 80% of our packaged foods contain GMO ingredients." Highlighting the benefits further, he compared GMOs to traditional breeding techniques which often take 5-10 generations to yield a desired trait, a trait which could easily be lost at random, "GMOs allow for a much more targeted, reliable approach." Finally, Yi Li highlighted the correlation between effectiveness and acceptance of GMOs, demonstrating the current social barriers to furthering biotechnology. Citing that, "traditional breeding is highly accepted by the public yet highly ineffective, whereas GMOs are the most effective yet least accepted. If we look at the growth seen in the human population versus the amount of arable land left on the planet, biotechnology including GMOs needs to be the focus."

Gerry Berkowitz was the last to present. However, instead of focusing solely on GMOs, Gerry offered the attendants a look into the state of agriculture in the US and issues that may be more important to consider. He started the talk by addressing some hot topic issues, such as the current glyphosate-cancer cases seen in the media, "...glyphosate affects a biochemical pathway found only in plants, not animals." He explained the concept of LD50 – which is the amount of any substance that is needed to kill half the test population of rats or mice, "...glyphosate has an LD50 of 4900 while table salt has an LD50 of 3000. The lower the number the more lethal it is." From there he painted a picture for the audience, "Why are 200 million acres of GMOs grown in the US? This is because consumers are looking for the most inexpensive foods." Here, he started to address some underlying issues in the relationship that people have with their food and how this relationship is the driving force behind the undesirable components of our food production system. He went on to highlight some other interesting facts, such as industrial agriculture monocropping that drives pest resistance, or agricultural runoff that causes algal blooms and dead zones in our natural ecosystems, or how organic is not the solution to our problems. Gerry did his best to provide the audience with information about our agricultural systems, not restricting his talk to only GMOs. He did not offer many solutions, yet it seemed his point was to get people thinking in a broader sense and this seemed to be exactly what the audience wanted.

After the speakers sat down, the floor was opened for questions from the audience. It seemed that people were much more interested in and concerned with the state of agriculture in the US, rather than GMOs in particular. It was almost as if Gerry Berkowitz knew this and prepared his talk accordingly. This may have been disappointing for some who were hoping for a discussion on GMO technology and the role it could play in the future of food security in the US. However, the conversation about revisioning the industrial agriculture complex is an important one. Many in the audience appeared to be local farmers, who face a wide range of risks and barriers themselves. This was their time to express their views and seek solutions from the speakers. The speakers did their best to answer the questions, however many of the questions were outside their area of expertise. Overall the talk seemed to be a success. For more information about GMOs visit <https://gmo.uconn.edu/> . For more information regarding agricultural risks and risk management technology visit <https://ctfarmrisk.uconn.edu/> or contact your local Extension office.



Community Risk Management – CSA's

Community Supported Agriculture (CSA) has been around for a number of years - providing consumers with great opportunities for fresh, local foods. What some consumers may not realize is that investing in a CSA is more than just an easy and economical way to acquire one's food. It is a risk management strategy. When you buy a CSA share you are helping to prevent and manage the risks faced by local farmers, risks that otherwise would be faced by the farmer alone.

CSA shares are bought ahead of time and many farms offer payment plans. Receiving the money ahead of time is not only convenient for the consumer but allows the farmers to cover the cost of production, harvest, and any unforeseen risks such as crop loss. And if nothing else, the peace of mind that it provides for farmers is well worth the investment.

CSA's are designed to be mutually beneficial. If crops perform well, consumers will see this return in their weekly shares, receiving more food per dollar compared to a visit to a farmer's market or traditional supermarket. Likewise, if one week of harvest is light, the farmer's still have gotten paid.

The options for CSA shares are vast. Most local farms offer a wide range of options including shares catered to family size and some customizable options. Many farms also offer fall and winter shares so consumers can still receive fresh local produce and/or farm products all year long.

The number of CSA programs throughout the state continues to grow with each farm having its own unique offerings. If you have considered investing in a CSA program in the past, perhaps this is the year to check it out. For a listing of CSA programs in the state visit. <https://portal.ct.gov/DOAG/Marketing/Marketing/CSA-Listing>

Upcoming Events:

Solid Ground Farmer Trainings - **All Solid Ground Trainings are FREE (unless noted otherwise)** RSVP to Charlotte.ross@uconn.edu

- Review of Top 10 Issues on Veg Farms in 2019: Pests, Disease, Soils, Climate Change, Oh My! With Matt DeBacco & Kip Kolesinskas on Tuesday, December 10th, 2019 (3:30 – 6:30pm) @ Tolland Ag Center – 24 Hyde Avenue in Vernon
- Small Fruit Production for Small Scale Farming With Mary Concklin (UConn Extension & Raspberry Knoll Farm) on Wednesday, December 18th, 2019 (3 – 6pm) @ The Buchanan Room, Mansfield Public Library – 54 Warrenville Road in Mansfield Center
- Farmland Access With Will O'Meara (Land For Good) on Monday, December 16th, 2019 (3 – 6pm) @ Common Ground High School – 358 Springside Ave in New Haven

UConn Extension's Vegetable & Small Fruit Growers' Conference

Monday, January 6th, 2020

Maneeley's Conference Center, 65 Rye Street, South Windsor, CT

3.5 pesticide re-certification credits available.

For program agenda, [click here](#).

See registration details below.

UConn Extension's 2nd Annual Cut Flower Growers Workshop

Tuesday, January 14th, 2020 (Snow date, Jan. 15th)

Maneeley's Conference Center, 65 Rye Street, South Windsor, CT

For program agenda, [click here](#).

To register today for either event - [click here](#) or visit <http://bit.ly/ExtensionStore>

*Once you get to the market place, scroll down and look for the "2020 UConn Extension's Vegetable & Small Fruit Growers' Conference" or the "2020 UConn Extension's Cut Flower Grower Workshop" buttons which look like the below photos. We also have student rates, but they **MUST PRESENT A STUDENT ID WHEN CHECKING IN AT THE EVENT.***

JOIN US FOR THE UCONN EXTENSION

2nd Annual Cut Flower Growers Workshop

Tuesday January 14th, 2020
9am-3:30pm

**MANEELEY'S CONFERENCE CENTER
65 RYE STREET SOUTH WINDSOR, CT**

Continental breakfast & lunch included

\$50 per person
To registration go to:
<http://bit.ly/ExtensionStore>

For questions please contact:
Mackenzie White at
mackenzie.white@uconn.edu
or by calling 860-875-3331

SNOW DATE - WEDNESDAY JANUARY 15th

This program is a cooperative effort of UConn Extension, UConn Dept. of Plant Science & LA and the Risk Management Agency/USDA.

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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.

What. Food, Health, and Sustainability.

Join us.

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