



Managing Risk by Improving Farm Business Management Skills

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The multi-state project provided educational opportunities that helped participants manage financial risk by evaluating farm business records and applying economic principles in decision making. Tennessee and Kentucky farmers involved in value-added, direct marketing and agritourism enterprises were the target audience.

Two hundred and thirty-two participants increased their knowledge of farm business management, tools and techniques. Two hundred and fifteen developed written goals for implementing new or improved financial management skills in decision making and 36 reported implementing strategies and/or techniques learned to evaluate their farm business records with Excel®.

Situation: A 63-year old producer in middle Tennessee who attended both the basic and advanced

“Got Farm Records...Now What?” training raises vegetables, herbs and backyard poultry. She sought information to help her understand recordkeeping and pricing strategies for a collection of diverse products.

Outcomes: The producer gained insights into her costs of production and aligned the costs on each value-added product sold. This can be a difficult process but necessary to make sure that the price set for final products generates a profit margin. Producer was able to increase annual revenue by over \$2,000/yr.

Impacts: She successfully categorized her products with a deeper understanding of enterprise costs and refined her pricing strategy. She was able successfully increase the prices charged for her products resulting in additional income that exceeded \$2,000. Additionally, she developed a new value added product, tomato jam. As a result of the training she learned that the jam must be made in a licensed kitchen and must meet food safety and manufacturing practices The training allowed her to recognize the appropriate price to charge for the new product as well as understand and meet food safety standards.



“I plan to use this course to help monitor each program to know if I am gaining or losing money.” – TN Farmer



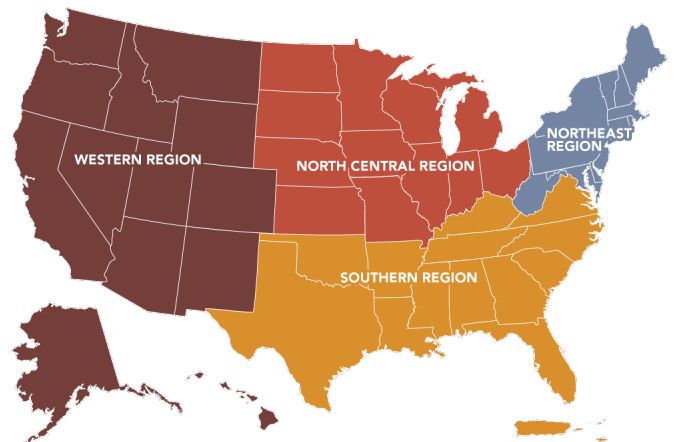


“Educating America’s farmers and ranchers to manage the unique risks of producing food for the world’s table.”

Extension Risk Management Education (ERME) is delivered through four regional centers that provide grant funding and leadership within their regions.

Projects are producer-focused, results-based and encourage public-private partnerships. Funded projects must identify targeted results that will help producers manage risk and then describe how the project will measure those results.

Extension Risk Management Education has funded innovative education projects that have generated tangible results for agricultural producers in 56 US states and territories. Beginning in 2020, the Centers initiated a new funding opportunity for the delivery of risk management education to agricultural producers underserved by the Federal crop insurance program. Priorities for both of these programs include commitments to funding results, providing transparent accountability, and encouraging collaboration. The accomplishments of all funded projects are available for public viewing on the ERME website: <http://ExtensionRME.org>



ERME REGIONAL CENTERS



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