



Managing Risks on the Small Farm

In this guide, you will learn about:

- * Production Risk
- * Worker Risk
- * Marketing Risk
- * Legal Risk
- * Financial Risk



Photo by Fedrigo

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Purpose of this Guide

This guide is written for people who wish to learn about the risks for farming. If you are thinking about earning money through farming, it is a good idea to ask yourself a lot of questions before you begin. Farming can be a way of life, and it poses many risks. When you become involved in farming, you should invest time to learn about the risks so that you can be prepared for unexpected events. This guide will help you ask many questions that will help you prepare to face the unknowns.

You will benefit from this guide if you:

- Have been farming for a long time and want to make farming a larger part of your life
- Are new to farming and wish to learn about the realities of what you may face
- Have encountered a setback in your farming and wish to better prepare yourself to deal with other possible future setbacks

It may be helpful for you to use this workbook with someone who can guide you to more farming information, such as an experienced farmer, staff member of a farm service organization, or other service provider. We recommend you involve your whole family in completing the worksheets in this guide to make sure everyone understands what might be involved in starting a new farm business.

Remember, there are no right or wrong answers! The information you discover as you work through this guide is your own and each person may have different goals, resources, and ways to get started in farming. Be as honest as you can in your answers to many of the questions.

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1 What is risk?

You have risk if there is the chance of injury or loss to you, your family, your employees, or your property. Risk involves things which are hard to predict, such as weather, prices, government policies, accidents and illness which can affect your farm.

- Risk is always a part of farming.
- Risk is something which can cause a loss for your farm, or cause a problem for you or your workers.
- Risk is something which can stop you from getting to your goals.

What can you do about Risk? Risk is not something that you can stop. But, there are tools which you can use to reduce risk. When you learn about these tools, and use these tools, you are managing risk.

A government agency that specializes in helping farmers think about risk is the USDA Risk Management Agency, also called the RMA

The RMA provides information about crop insurance programs and provides reports to help farmers manage risks. They also have staff to answer questions and a website with tools for use by farmers to manage risk.

<http://www.rma.usda.gov/>

Before you can manage risk, you will need to think about your goals, by writing down your answers to these questions:

- What are my goals for the farming season? (pay a loan, pay for equipment, pay for education, earn more profit)
- Do I think I will be able to reach my goals this year?
- Do I have a way to know if I am moving closer to my goals?
- Have I talked about my goals with my family and my workers, and have my family and my workers talked about their goals with me?
- Do my family and my workers have the same goals that I have?

In this Guide, you will learn about the five kinds of risk:

- 1 Production Risk
- 2 Marketing Risk
- 3 Worker Risk
- 4 Legal Risk
- 5 Financial Risk

You will see questions in each section. Please write down the answers to the questions. Then, share your answers with the people listed below who can help you with managing risk:

- Other farmers
- Accountants
- People in nearby USDA offices
- Loan Officers
- Teachers
- Crop Insurance Agents
- Lawyers
- Your Family



2 Production Risk

To succeed, it is helpful for you to have a farm plan that includes different types of farm products.

If you have this plan, you can make money in one area, in case you lose money in another area from production risk.

You have production risk if:

- 1 Your area has bad weather (flooding, no rain, storms, hail)
- 2 Your crops have pests and diseases
- 3 You have bad seeds
- 4 Your machinery and equipment does not work
- 5 You do not manage your soil health and fertility
- 6 You are not sure how to apply chemicals
- 7 You are not sure how to rotate your crops

There are many tools you can use to manage Production Risk. For example, you can:

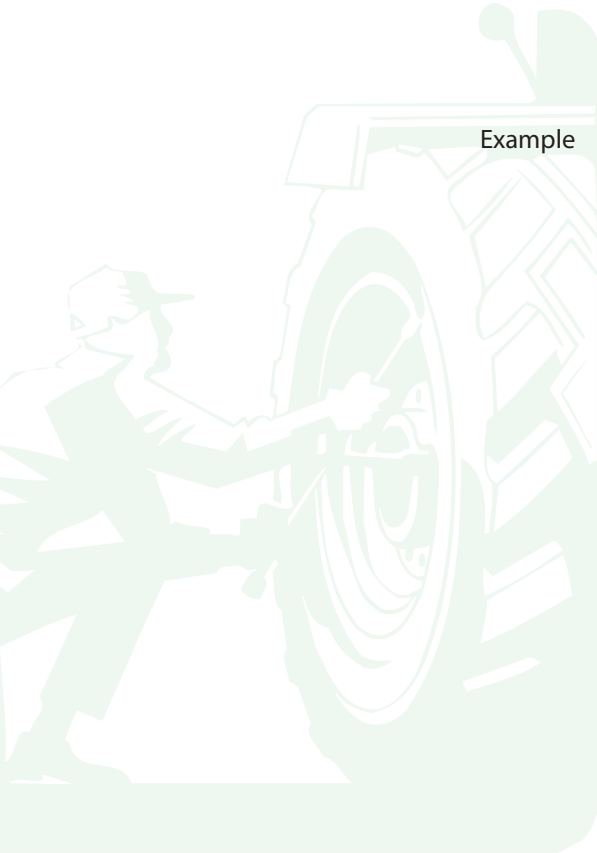
- Talk to an expert
- Make money from another job

PRODUCTION RISK — CHECK THE BOX FOR EACH ONE THAT AFFECTS YOU

RISK	BAD WEATHER	PESTS AND DISEASE	BAD SEEDS	EQUIPMENT DOES NOT WORK	NOT SURE HOW TO APPLY CHEMICALS	NOT SURE HOW TO ROTATE CROPS	NOT SURE HOW TO MANAGE SOIL HEALTH
Which risks keep me getting to my goals?							
Which risks do I manage on my own?							
which risks do I manage on my own?							
Which risks do I avoid?							

Example I farmed on my own for two years, and did not make much money since insects ruined many of my crops. This winter, I met another farmer who has been farming for many years, and has a big farm. I told him about my problem. He says he uses safe products to manage insects. He says he will visit me and help me with information on how to control insects during the next growing season.

Example Last year, I grew crops on 2 acres. My family and friends enjoyed these crops for a long time. I made enough money to pay the bills from my farming, but I did not have much money left over. This year, I will work part-time and farm part-time, so that I can make more money.



2 Production Risk (continued)

CHECK THE BOXES IF YOU'LL USE THESE TOOLS

TOOLS TO MANAGE PRODUCTION RISKS	CHECK THE BOX IF YOU USE THE TOOL NOW	CHECK THE BOX IF YOU WILL USE THE TOOL DURING THE NEXT GROWING SEASON
Grow crops and raise livestock (both)		
Grow various crops		
Make money from another job to add to my farming money		
Talk to experts about new ways to farm		
Buy crop insurance		
Grow crops which are disease-resistant		
Rotate crops		
Use safe products to manage pests		
Irrigate crops		
Maintain equipment		
Use new technology		
Store items safely (away from too much heat or too much cold)		

What tools do I need to manage my Production Risks?

- Money?
- More help from my friends, relatives, hired workers?
- More information?
- New technology?

A Production Risk Decision: Regular or Insect Resistant Seeds?

Leonel wants to buy bitter melon seed. Last year, Leonel lost \$200 on his bitter melon crop, due to problems with beetles.

Leonel uses organic practices.

This year, Leonel sees the following items for sale:

- The same bitter melon seed which he bought last year (1 pound costs \$85.00). Last year Leonel bought 3 pounds of seed.
- One can of organic pesticide for beetles \$30
- Bitter melon seed which is resistant to the beetles (1 pound costs \$150.00)

These are some of the choices that Leonel has:

- Buy the same seeds as last year
- Buy the same seeds as last year, plus the organic pesticide
- Buy the beetle resistant seeds
- Buy the same seeds as last year plus crop insurance
- Buy the beetle resistant seeds plus crop insurance

These are some of the things that Leonel needs to know before he can make a decision:

- What is the yield of the regular bitter melon seed?
- How much organic pesticide would he need to treat his crop to cover the three pounds of bitter melon seeds he will buy?
- How much time and work does it take to apply the organic pesticide?
- What is the yield of the beetle resistant seed?
- Are there other insects (besides beetles) which may hurt Leonel's bitter melon crop?
- Does crop insurance cover loss from pests? How much does crop insurance cost?

3 Marketing Risk

To succeed in farming, you should think about the tools, techniques and resources needed to increase sales. This is called Marketing.

You have Marketing Risk if:

- 1 You are trying to sell a product you have not sold before
- 2 The buyer has not seen the crop before
- 3 You go to a market where you have not sold before
- 4 Prices have changed since last year
- 5 There is a new seller in your area, who sells the same products that you sell
- 6 Your buyers do not speak your language
- 7 Your buyers cancel their contracts

CHECK THE BOX FOR EACH MARKETING RISK:

RISK	WHICH RISKS KEEP ME FROM GETTING TO MY GOALS?	WHICH RISKS DO I MANAGE ON MY OWN?	WHICH RISKS DO I NEED HELP IN MANAGING?	WHICH RISKS DO I AVOID?
YOU HAVE NOT SOLD THE PRODUCT BEFORE				
THE BUYER HAS NOT SEEN THE CROP BEFORE				
YOU HAVE NOT GONE TO THIS MARKET BEFORE				
PRICES HAVE CHANGED SINCE LAST YEAR				
THERE IS A NEW SELLER IN YOUR AREA WHO SELLS YOUR PRODUCTS				
YOUR BUYERS DO NOT SPEAK YOUR LANGUAGE				
YOUR BUYERS CANCEL THEIR CONTRACTS				

TOOLS TO MANAGE MARKETING RISKS

	CHECK BOX IF YOU USE THE TOOL NOW	CHECK BOX IF YOU WILL USE THE TOOL DURING THE NEXT GROWING SEASON
Know what products your customers want to buy		
Know your costs so you set a price that makes you money		
Sell a product that other growers are not producing		
Advertise and tell your buyers about your products		
Sell to a variety of customers: CSA, wholesale market, farmers markets		
Become a member of a marketing cooperative		
Get sales contracts before planting your crops		
Watch your competition; adjust your prices if they are too high or too low compared to the Competition and of similar quality		
Add value to your crops through processing or packaging		
Store products safely, if possible, to sell at a later time		
Plant some crops which grow quickly, and some crops which take a longer time to grow		
Produce in a greenhouse		
Develop a Marketing Plan		
Make a backup plan to follow in case your marketing plan does not work		

What tools do I need to manage my Marketing Risks?

- Money?
- More help from friends, relatives, hired workers?
- More information?

3 Marketing Risk *(continued)*

Your decisions about marketing will affect the rest of your farm business. So, you should not make a decision about marketing without thinking about how your decision will affect the rest of your farm.

Example I have a one-acre farm. Last year I planted potato, tomatoes and squash. But everyone at the farmers market asked me for cucumber. This year I will plant cucumber also. But this means that I will have less room to plant my other crops.

Different markets have different costs to your farm.

Example If I sell my products to the grocery store, I will need special sized boxes.
If I sell my products at the Farmers Market, I may need tables, tents, scales, bags, and signs.

Calculate your Revenues

To calculate your revenues, write down the answers to the questions below:

- 1 For the upcoming growing season, which products will you sell, and what market will you sell your products to?

Example I will sell 800 bunches of amaranth to the African Restaurant. I will sell 40 pounds of eggplant to the African Restaurant, 90 pounds of eggplant to Tropical Foods grocery store and 95 pounds of eggplant at the City Farmers Market. I will sell 20 pounds of Bittermelon to the African Restaurant and 80 pounds of Bittermelon at the City Farmers Market.

PRODUCT	AFRICA RESTAURANT	TROPICAL FOODS GROCERY	CITY FARMERS MARKET
Amaranth	800 bu		
Eggplant	40 lb.	90 lb	95 lb
Bittermelon	20 lb.		80 lb

PLEASE FILL IN INFORMATION FOR YOUR FARM

PRODUCT	BUYER	BUYER	BUYER	BUYER	BUYER
EXAMPLE: Corn	20 bu	10 bu	60 bu		

- 2 How much do you think you will sell of each product, and what price will you sell each product?

Calculate how much money you think you will receive in total for sales of your crops—this is your Revenue.

Example

	AFRICA FOOD RESTAURANT			TROPICAL FOOD GROCERY			CITY FARMERS MARKET			GRAND TOTAL
PRODUCT	QTY	PRICE	TOTAL \$	QTY	PRICE	TOTAL \$	QTY	PRICE	TOTAL \$	
Amaranth	800 bu	1.20	\$960							\$960
Eggplant	40 lb	1.10	\$44.00	90	\$1.10	\$99.00	95	\$2.00	\$190	\$333
Bittermelon	30 lb	1.00	\$30.00				160 lb	\$2.00	\$320	\$350
REVENUE			\$1034			\$99			\$510	\$1643

3 Marketing Risk (continued)

PLEASE FILL IN INFORMATION ABOUT YOUR FARM:

PRODUCT	MARKET/BUYER			MARKET/BUYER			MARKET/BUYER		
	QTY	PRICE	TOTAL	QTY	PRICE	TOTAL	QTY	PRICE	TOTAL
REVENUE									



Develop a Marketing Plan

- Ask for help from experts
- Determine your Revenues
- Make a list of all your Costs (seeds, irrigation, equipment, etc.) and calculate what you think your total production costs will be for the season.
- Revenues less Costs are your Profit

Example

TYPE OF COST	COST FOR GROWING SEASON
Amaranth Seed	\$55
Eggplant Seed	\$212
Bittermelon Seed	\$78
Surround WP—25 Pound Bag	\$30
Fuel for Transport to Markets	\$450
Fertilizer	\$60
Total Cost for Growing Season	\$885

In the examples, Revenues are \$1,643, and Costs are \$885.
 The Profit is \$1,643—\$885 = \$758.

PLEASE FILL IN INFORMATION ABOUT YOUR FARM:

TYPE OF COST	COST FOR GROWING SEASON
Total Cost for Growing Season	

3 Marketing Risk *(continued)*

How much do you have to sell so that your costs equal your revenues?

Example: I will sell to two restaurants and three farmers markets this year. My revenues will be about \$3,600.

My costs for land lease, seeds, tools and fuel will cost about \$1,300.

Also, I had to buy a rototiller this year (second hand), which costs me \$2,500.

So, my total cost is $\$1,300 + \$2,500 = \$3,800$.

By the end of the season, I will lose \$200 on my farming. I will need to grow and sell more crops so that my costs equal my revenues.

How much do you have to sell so that you make enough money to reach your goals?

Example: I want to pay to move to a new apartment closer to the farm, but the rent for the apartment is \$100 more per month than the rent I pay now. I will need to have \$1,200 to move to the new apartment.

I have a part-time job and I make just enough money to pay for my living expenses.

My revenues from farming this year will be about \$6,200.

My expenses from farming will be \$2,400.

$\$6,200 - \$2,400 = \$3,800$. I will have enough money to reach my goal of moving closer to the farm



Sometimes, if you use one marketing outlet, then you cannot use another. As you can see in the example below, you may not have time to go to both marketing outlets. You would need to think about which outlet has more risk and which outlet allows you to make more money.

Marketing Risk Decision

Grocery Store or Farmers Market?



For many years, Nuo has sold his water spinach, taro leaves, chrysanthemum, mustard greens, pea tendrils, bok choy and amaranth to a grocery store in his town. He must drop off the produce before 3:00 PM on Thursdays. This year, Nuo's friend told him about a new farmers market, which is located 35 miles away by car. Nuo's friend says that the farmers market is good. Nuo's friend sells tomatoes, carrots, and beans. The farmers market takes place on Thursday afternoon, and Nuo would not return in time to drop off produce at the grocery store.

Nuo knows:

- The grocery store will purchase his crops
- For each of his crops, the price at the farmers market is twice as much as he can get at the grocery store
- Nuo is not sure about the sales that he could make for his ethnic crops at the farmers market.
- Nuo's van has bad gas mileage. It will cost about \$20 for a round trip to the farmers market.
- One booth at the farmers market costs \$125 for the season.
- Nuo will need to buy a tent, tables, scale, signs, bags and other supplies.
- The market is open for four hours plus travel time, so Nuo will be away from the farm selling all afternoon.



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3 Marketing Risk *(continued)*

These are some of the options that Nuo has:

- Sell to the grocery store, and don't take the chance on the farmers market
- Go to the farmers market for one day (if allowed) to see if it works
- Make a season commitment to the farmers market for \$125
- See if the grocery store will accept a delivery on another day

These are some of the things that Nuo needs to know before he can make a decision:

- What do other farmers say about sales at the farmers market?
- Nuo sells Asian crops. Who shops at the market? Will he be able to sell these crops at the farmers market?
- Is it possible to try out the farmers market and pay a one-time fee, before paying the full season price?
- Will the grocery store accept a drop off on another day?
- Can he grow enough to sell at the market and the store?
- How much will he need to spend on market supplies?



4 Worker Risk

You may have family member, friends, or hired people who work on your farm. All of these workers need to be managed and trained. The way that you manage and train workers has a large effect on your worker risk.

You have worker risk if:

- 1 Your family members have different goals
- 2 Your workers leave the farm (children leave)
- 3 Your workers are not skilled in farming
- 4 You do not train your workers
- 5 Your workers do not get along well
- 6 You workers get sick or injured
- 7 You have not managed workers before
- 8 You do not understand government rules about hiring workers
- 9 You do not pay workers' compensation

Example: This growing season, I will move from a one-acre farm to a three-acre farm. I plan to grow much more than last year. I do not have workers now. I will need to hire workers and train them. I have not managed workers before.

CHECK THE BOX FOR EACH WORKER RISK AFFECTING YOU:

RISK	FAMILY MEMBERS HAVE DIFFERENT GOALS	WORKERS LEAVE THE FARM	WHICH RISKS DO I NEED HELP IN MANAGING?	YOU DO NOT TRAIN YOU WORKERS	WORKERS DO NOT GET ALONG WELL	WORKERS GET SICK OR INJURED	YOU HAVE NOT MANAGED WORKERS BEFORE	YOU DO NOT UNDERSTAND GOVERNMENT RULES ABOUT HIRING	YOU DO NOT PAY WORKERS' COMPENSATION
WHICH RISKS KEEP ME FROM GETTING TO MY GOALS?									
WHICH RISKS DO I MANAGE ON MY OWN?									
WHICH RISKS DO I NEED HELP IN MANAGING?									
WHICH RISKS DO I AVOID?									

4 Worker Risk (continued)

CHECK THE BOXES IF YOU'LL USE THESE TOOLS

TOOLS TO MANAGE WORKER RISKS	CHECK THE BOX IF YOU USE THE TOOL NOW	CHECK THE BOX IF YOU WILL USE THE TOOL DURING THE NEXT GROWING SEASON
Talk about your goals and risk management tools with your family)		
Hire good workers		
Train your workers		
Make sure that workers understand how and why decisions are made		
Make sure that workers understand what you want them to do and how to do it		
Take a class to build your own skills		
Talk to experienced farmers when you have questions		
Know what you will do if a worker gets hurt		
Purchase workers' compensation insurance		
Prepare a will		

What tools do I need to manage my Worker Risks?

- Money?
- More help from friends, relatives, hired workers?
- More information?



Photo by Fedrigo

A Worker Risk Decision



The Family Farm

Sophy has worked on her 6-acre family farm for 15 years, with her two adult daughters and her husband. Her husband died during the winter. Sophy would like to manage the farm this summer, but she is worried about getting all of the work done.

Sophy knows that:

- She cannot do all of the work that her husband did
- Most of the farm decisions were made by her husband alone, and she was not part of the decisions.
- Sophy likes to work with her daughters. But, her daughters work only part time on the farm, since they have other jobs.

These are some of the options that Sophy has:

- Pay her daughters more money and expect them to work more on the farm
- Hire farm workers and train them to work on her farm
- Purchase worker liability insurance
- Purchase workers' compensation insurance
- Don't purchase workers' compensation insurance
- Find another job and don't work on the farm.
- Plant on a smaller plot, and manage the farm alone

These are some of the things that Sophy needs to know before she can make a decision:

- Will her daughters spend more time at the farm, now that Sophy needs them?
- Can Sophy now offer her daughters more money for their work?
- How much do farm workers cost?
- Where can Sophy go to find good farm workers?
- How much time would it take for them to learn about her farm?
- How much does workers' compensation insurance cost?

5 Legal Risk

You may have legal risk when you operate your farm. If you do not know and follow the laws and regulations, you will have legal risk. Also, if you sign a legal contract, then you have legal risk.

A legal contract is:

- A signed lease for equipment or land
- An insurance contract
- A mortgage
- A sales contract

Example: Nelson signed a sales contract with a grocery store. He is required to provide 50 pounds of carrots each week for six weeks. His carrot crop did not do well, and Nelson was not able to provide the carrots. Nelson has legal risk since he did not follow the sales contract

You have legal risk if:

- 1 You do not follow the label instructions when you use pesticides
- 2 You do not keep records of pesticide use
- 3 You do not get permits you need (such as Water Spinach permit)
- 4 You could be sued from an injury which happened on your farm
- 5 You grow and sell your products in an area where you are not allowed to grow and sell
- 6 You do not pay your taxes
- 7 You do not pay your lease
- 8 You do not pay your mortgage
- 9 You do not follow the food safety laws



CHECK THE BOX FOR EACH LEGAL RISK AFFECTING YOU:

RISK	WHICH RISKS KEEPS ME FROM GETTING TO MY GOALS?	WHICH RISKS DO I MANAGE ON MY OWN?	WHICH RISKS DO I NEED HELP IN MANAGING?	WHICH RISKS DO I AVOID?
you do not follow pesticide instructions				
you do not keep records of pesticide use				
you could be sued for an injury on your farm				
you grow and sell products in an area you are not allowed to grow				
you do not pay your taxes				
you do not pay your lease				
you do not pay your mortgage				
you do not follow food safety laws				



Photo by Fedrigo

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CHECK THE BOXES IF YOU'LL USE THESE TOOLS

TOOLS TO MANAGE LEGAL RISKS	CHECK THE BOX IF YOU USE THE TOOL NOW	CHECK THE BOX IF YOU WILL USE THE TOOL DURING THE NEXT GROWING SEASON
Buy farm liability and product liability insurance		
Know where you are allowed to grow and sell your products		
Know food laws for inspection, quality, and handling		
Pay your taxes		
Get a license to use chemicals, if required		
Fill out the form to apply to accept Farmers Market Nutrition Program checks		
Keep records for organic certification		
Keep records for pesticide and fertilizer use		

What tools do I need to manage my legal risks?

- Money?
- More help from friends, relatives, hired workers?
- More information?

Farm Crop and Liability Insurance

- RMA provides information about crop insurance which you can purchase
- When you buy insurance, you pay for a legal contract. You will get paid for any loss that is described in that legal contract.
- You can use farm insurance as a tool along with other risk management tools

A Legal Risk Decision

Processing Laws

Odongo and his wife have been growing and processing palava sauce for many years. They use their kitchen at home for cooking and canning. Their product is popular with other Africans in their town. Store owners have asked if Odongo will sell the palava sauce to their stores.

Odongo knows:

- There are food processing laws for cooking, handling and canning.
- His cost is \$2.25 per can to make the palava sauce
- He can make 45 cans of sauce per week

These are some of the choices that Odongo has:

- Sell his palava sauce to the stores without learning about the regulations
- Attend a food safety certification course
- Get a food business license
- Submit state and federal tax forms
- Buy insurance
- Find an approved kitchen for processing the palava sauce

These are some of the things that Odongo needs to know before he can make a decision:

- Is there a food safety certification course nearby?
- Where can he get help in getting a food business license?
- Where can he get help in submitting state and federal tax forms?
- Where can he get help in learning about insurance?
- Is there an approved processing kitchen nearby?
- What price will the store pay him for his sauce?
- How many jars will the store buy from him each week?

6 Financial Risk

Even if you have a successful farm, you still may have financial risk. Each time you owe money or you have to pay money for expenses which you will have later, you have financial risk. Also, you have financial risk if:

1. Your math skills are not good
2. The interest rates change
3. Your taxes increase
4. You did not pay off your debts on time
5. You have no extra money for purchases (seeds, equipment, etc.), or emergencies
6. You do not know your revenues and expenses

Example: I just got my tax bill. My taxes increased by \$400 over last year. I need to review my revenues and expenses now so that I can pay my taxes in the future

CHECK THE BOX FOR EACH FINANCIAL RISK AFFECTING YOU:

RISK	WHICH RISKS KEEP ME FROM GETTING TO MY GOALS?	WHICH RISKS DO I MANAGE ON MY OWN?	WHICH RISKS DO I NEED HELP IN MANAGING?	WHICH RISKS DO I AVOID?
Your Math Skills are Not Good				
The Interest Rates Change				
Your Taxes Increase				
You Did Not Pay Off Your Debts on Time				
You Have No Extra Money for Purchases				
You do Not Know Your Revenues and Expenses				

In order to manage financial risk, you need to keep good financial records.

During the year, you need to write down:

- Farm purchases (equipment, seeds, marketing supplies, etc.)
- Sales (what product sold, and how much the product sold for)
- Loan payments
- Worker costs
- Insurance costs
- Taxes
- Electricity and irrigation costs
- Vehicle maintenance costs
- Family expenses

CHECK THE BOXES IF YOU'LL USE THESE TOOLS

TOOLS TO MANAGE FINANCIAL RISKS	CHECK THE BOX IF YOU USE THE TOOL NOW	CHECK THE BOX IF YOU WILL USE THE TOOL DURING THE NEXT GROWING SEASON
Take a class to learn about finances		
Pay bills on time		
Buy crop insurance		
Pay your taxes		
Participate in government programs		
Keep records		
If possible, make large purchases with other farmers, to get a better price		

What tools do I need to manage my financial risks?

- Money?
- More help from friends, relatives, hired workers?
- More information?

A Financial Risk Decision

Borrowing Money



Mira received a loan last year from Accion for \$3,000. She used the money to pay for seeds, equipment, supplies and rent for her land. For eight months, she has made all of her monthly payments in full, and on time.

The farming season will start in four months. Mira has an old tractor, which has broken down. It will cost \$950 for repairs.

Mira knows:

- She must repair her tractor in order to farm this season
- If she stops making monthly payments for her loan, she will have enough money to repair her tractor in six months
- If she stops making monthly payments for her loan, her debt with Accion will probably increase since there may be a penalty, and she will also have bad credit.

These are some of the choices that Mira has:

- Don't repair the tractor and use small equipment to do the work
- Don't repair the tractor and borrow a tractor from another farmer for the season
- Speak with Accion to see if she can get more money to repair the tractor
- Lease a tractor for the season
- Borrow money from a friend or family member
- Exchange produce or farm equipment for the tractor repair

Here are some of the things that Mira needs to know before she can make a decision:

- Can Mira work out a new payment schedule with Accion so that she can make lower loan payments and save for the tractor repair?
- Will Accion lend Mira more money so that she can pay for the Tractor repairs?
- How much would it cost for Mira to lease a tractor for the season?

What to do Next

After you finish answering the questions in this guide, go back and think about the risks that

- Keep you from getting to your goals
- You need help in managing

If there are some tools that you do not use now, and that you will use during the next growing season to manage your risk, you should think about these tools now.

Some tools will cost you money. Some tools will use your time. Some tools require you to speak with other people to get more information. Some tools require you to try something new.

You need to decide which tools are the right tools for your farm in order to manage risks and get to your goals.



N N I F P

7 Local Contacts

USDA Farm Service Agency Offices
Middlesex/Essex County
319 Littleton Rd., Ste. 203
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