



PennState Extension

2017
WORKSHOP
IMPACT REPORT
risk management
for farm and
food businesses

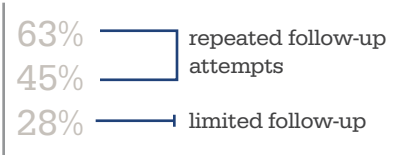
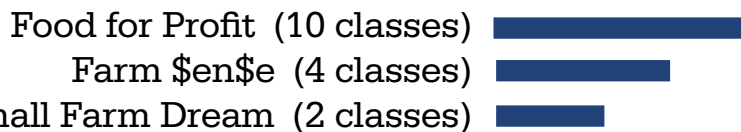
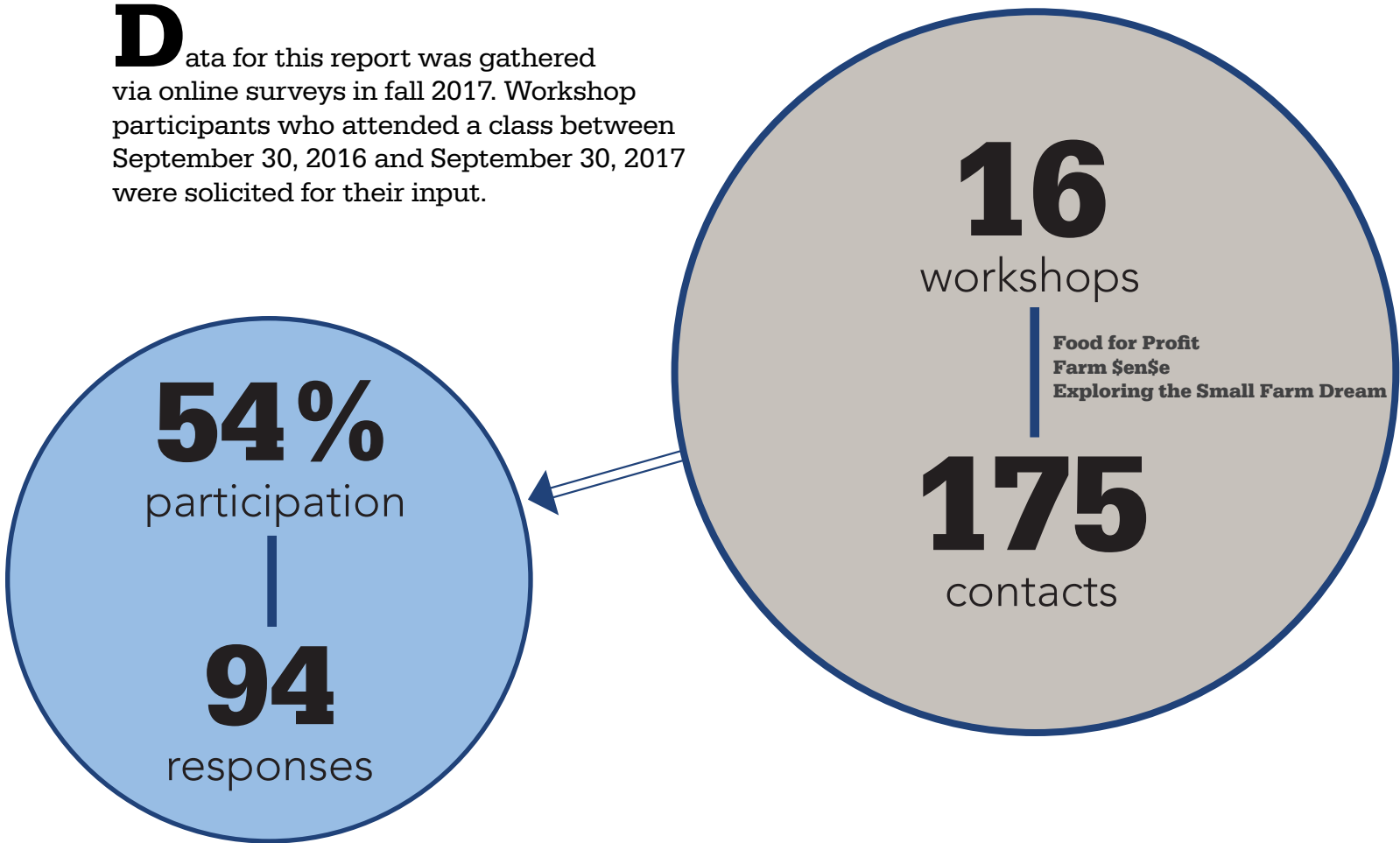
Food for Profit
Farm \$en\$
Exploring the Small Farm Dream

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— SCOPE —

Data for this report was gathered via online surveys in fall 2017. Workshop participants who attended a class between September 30, 2016 and September 30, 2017 were solicited for their input.



TRENDS

Over two-thirds of participants
REPORTED TAKING ACTION
IN RESPONSE TO THE WORKSHOP
(Food for Profit & Farm \$en\$e)



WHAT COUNTS AS "ACTION"?

- "I **updated** my existing insurance plan,"
- "I have **purchased** new or additional coverage,"
- "I **used** Penn State's insurance fact sheets,"
- "I have **attended training** about this strategy or hired a consultant,"
- "I have **completed** this or incorporated it into my business,"
- "I **researched** this strategy myself,"
- "I **started** to analyze my farm finance and production" and "I have **adopted** this strategy"

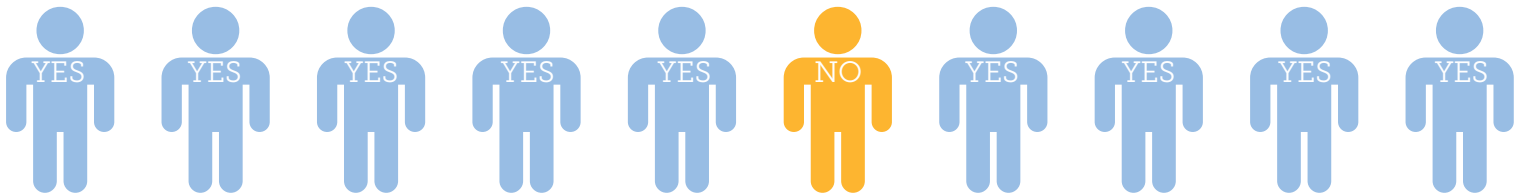
The average participant reported

THREE POST-WORKSHOP ACTIONS,



with some reporting

AS MANY AS SIXTEEN.



Nearly **90 PERCENT** of respondents indicated
INSURANCE WAS RELEVANT TO THEIR BUSINESS,
across the Food for Profit and Farm \$en\$e workshops.

FOOD FOR PROFIT

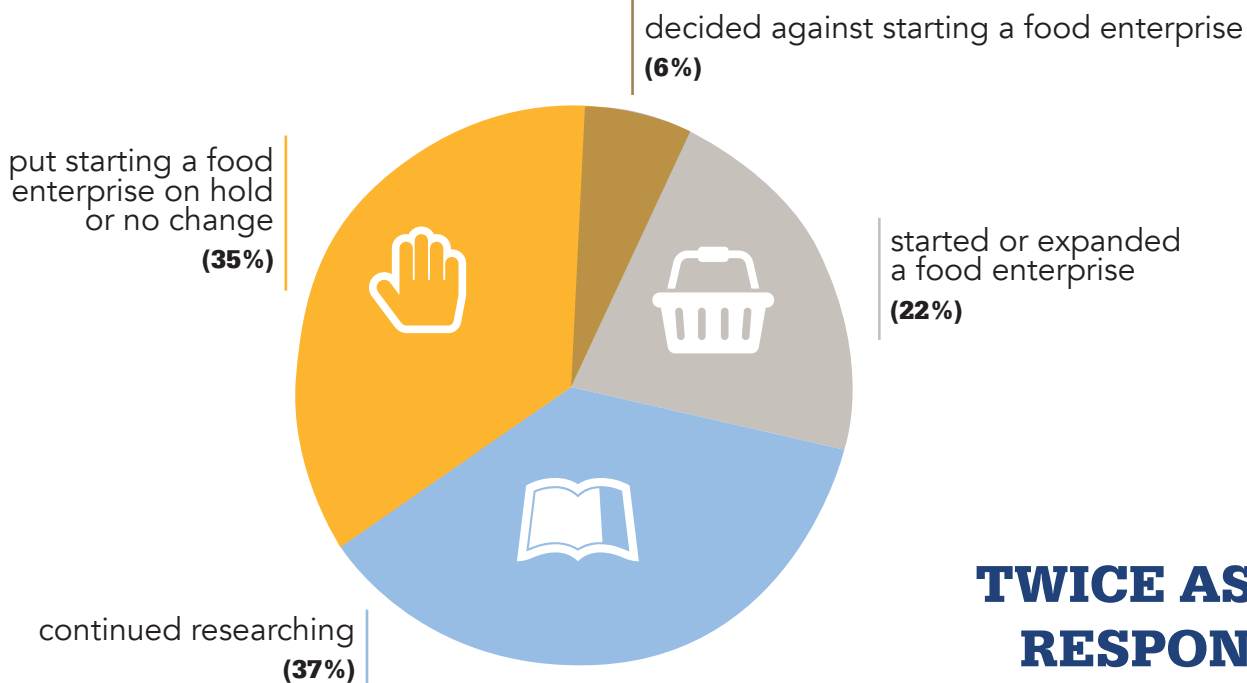
— WHO ATTENDED? —

PRE-VENTURE:
83%

*(over half had selected a food product
but had not started their enterprise)*

**FOOD
ENTERPRISE
OWNERS**
11%
(other: 6%)

— WHAT ARE THEY DOING NOW? —



**TWICE AS MANY
RESPONDENTS
STARTED A FOOD ENTERPRISE**

compared with those who decided
against starting a food enterprise

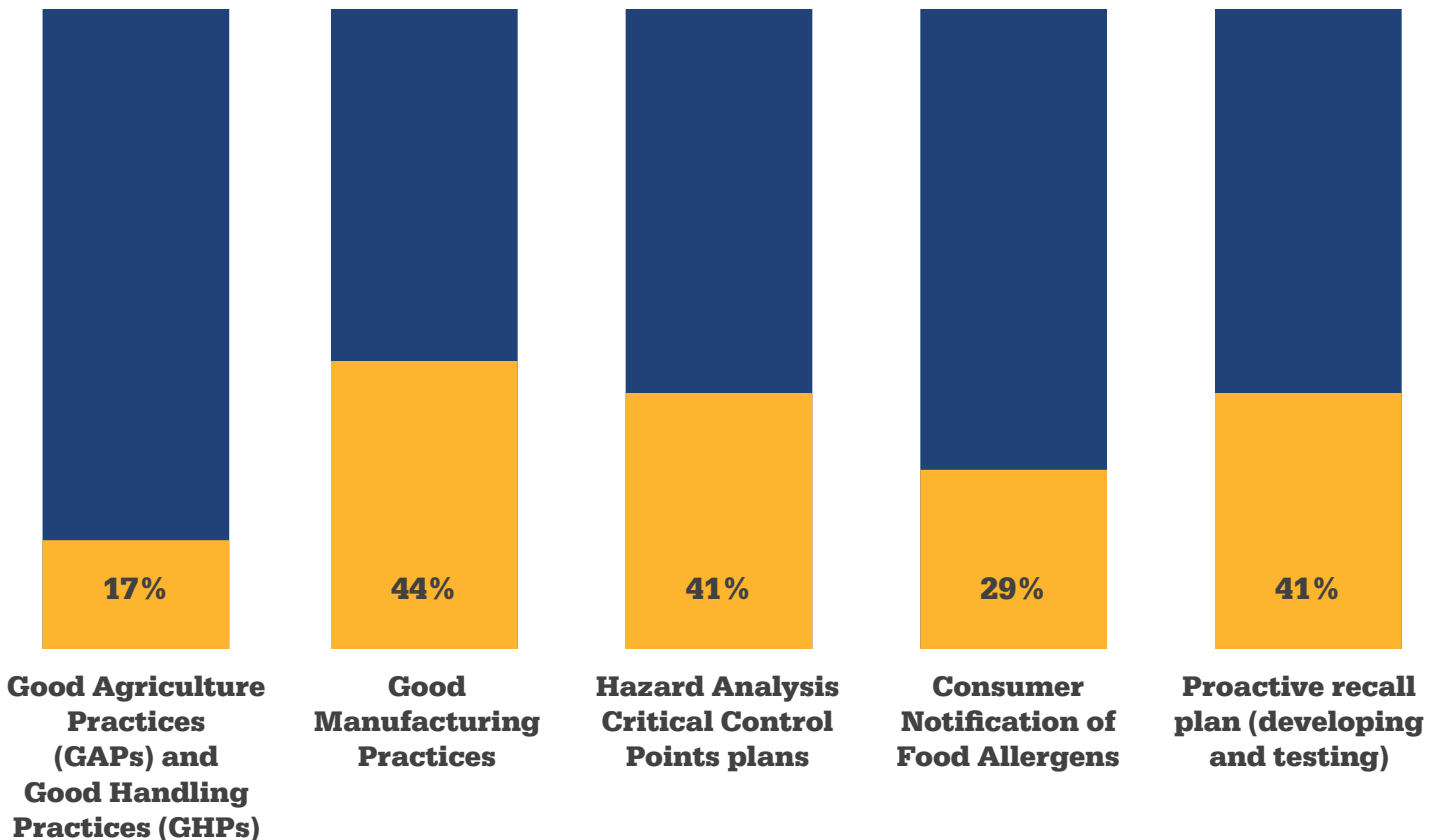
RISK MANAGEMENT STRATEGIES

OVER HALF OF RESPONDENTS INDICATED ADOPTING AT LEAST ONE STRATEGY (or already having one in place)

ALL

respondents who started a new food enterprise after the workshop **REPORTED ADOPTING AT LEAST ONE STRATEGY**

Applicable: already had this in place, self researched, attended training about this or hired a consultant, and/or adopted this **Does not apply**

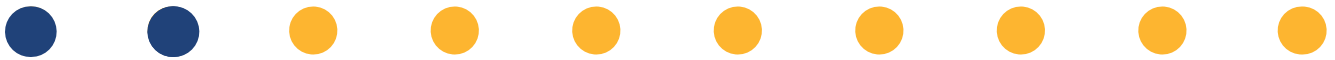


— INSURANCE —

Approximately 20 percent of respondents said that they

UPDATED THEIR INSURANCE OR PURCHASED NEW INSURANCE

following the workshop

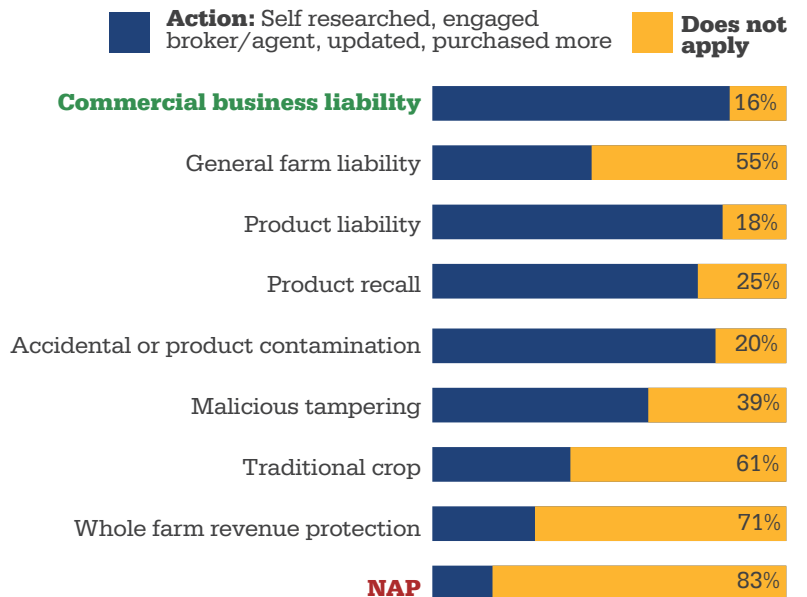


and 60 percent

HAVE TAKEN ACTION ON AT LEAST ONE TYPE OF COVERAGE



WHICH INSURANCE POLICIES WERE MOST AND LEAST ADOPTED?



FARM \$ENSE

— WHO ATTENDED? — AND WHAT DID THEY DO AFTER THE WORKSHOP?

FARMERS WITH RECORDS:
80%

FARMERS WITHOUT RECORDS:
20%

The most common post-workshop response:

“I STARTED TO ANALYZE MY FARM FINANCE AND PRODUCTION.”

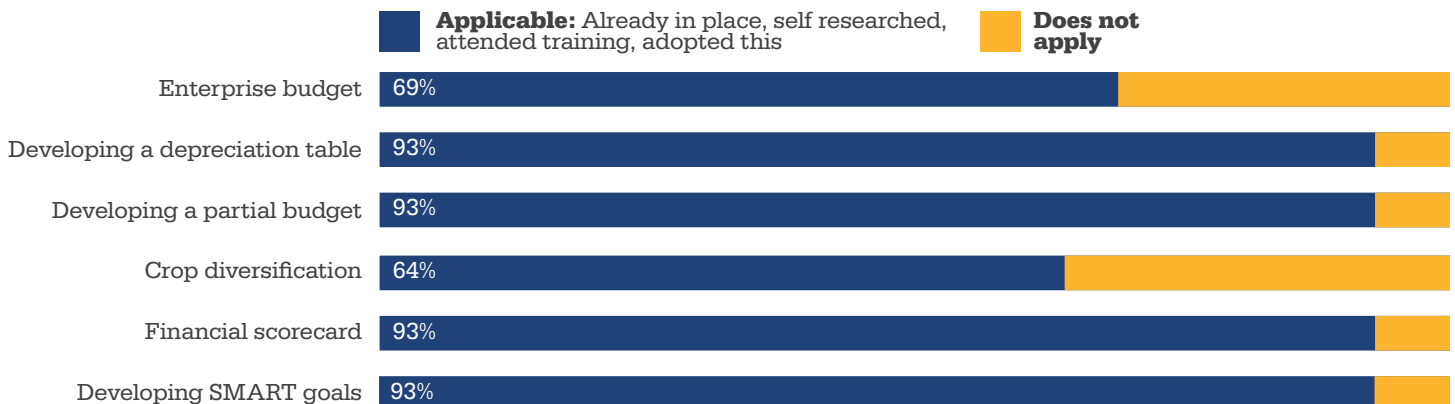
&

“MY STATUS IS THE SAME.”

(both responses were reported the same number of times)

100%
REPORTED STARTING TO KEEP RECORDS AFTER THE WORKSHOP

RISK MANAGEMENT STRATEGIES



— INSURANCE —

HALF of respondents indicated

UPDATING THEIR INSURANCE PLAN

or using Penn State resources

to prepare for discussions with their agent

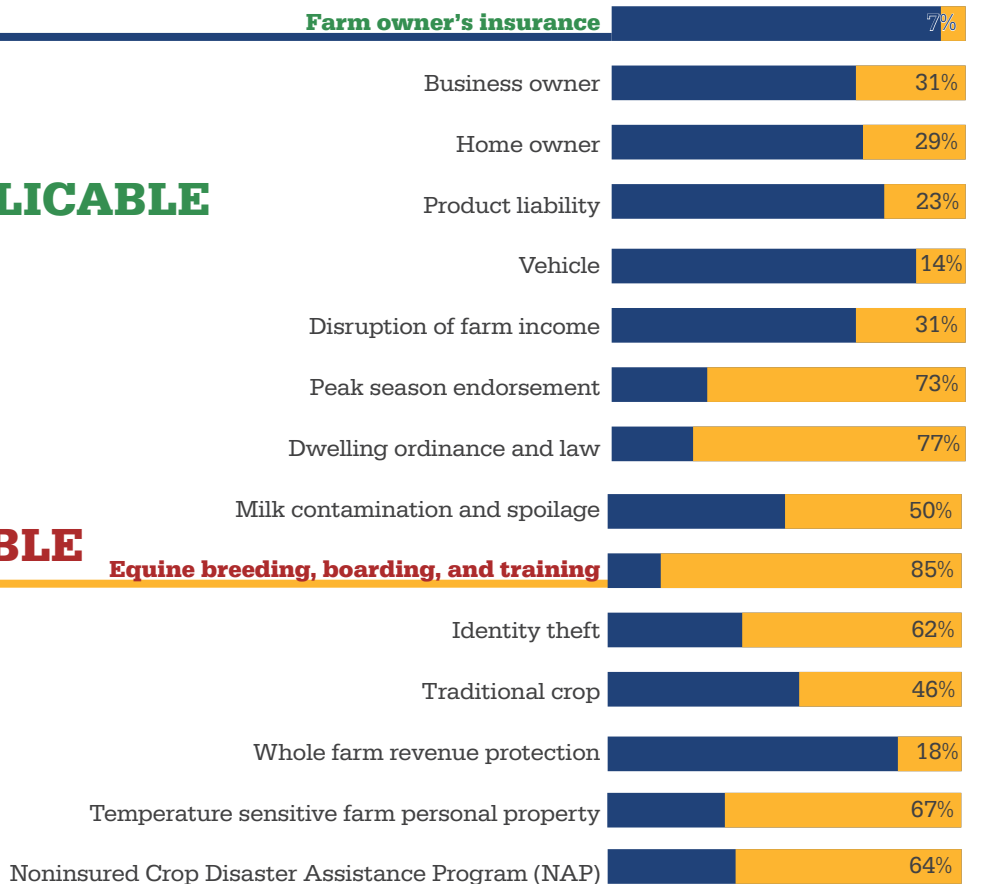


WHICH INSURANCE POLICIES WERE MOST AND LEAST ADOPTED?

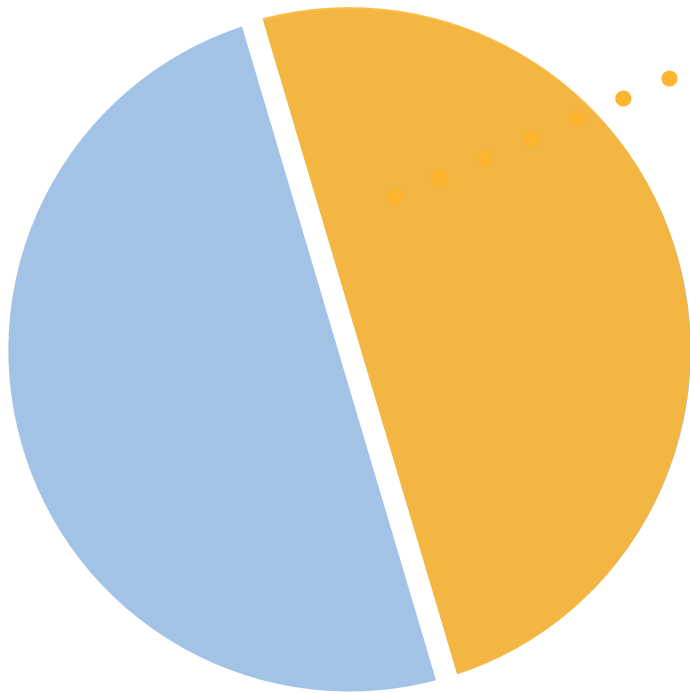
Action: Self researched, engaged broker/agent, updated, purchased more **Does not apply**

ONLY ONE RESPONDENT SAID THIS WAS NOT APPLICABLE

85 PERCENT OF RESPONDENTS INDICATED THIS WAS NOT APPLICABLE



EXPLORING THE SMALL FARM DREAM



HALF INDICATED USING A RISK-MANAGEMENT STRATEGY LEARNED IN CLASS

(SWOT analysis was the most common)

HALF INDICATED CREATING A WRITTEN BUSINESS PLAN

as a result of the workshop



One respondent, representing about **13 percent of respondents**, **REPORTED THAT EXPLORING THE SMALL FARM DREAM INFLUENCED INSURANCE PURCHASES**

APPENDIX: DATA

— FOOD FOR PROFIT —

QUESTION 1: WHEN I ATTENDED FOOD FOR PROFIT...

| ANSWER CHOICES | RESPONSES | |
|--|-----------|----|
| I already had a food business and intended to improve it. | 9.86% | 7 |
| I already had a food business and was considering diversifying my products. | 1.41% | 1 |
| I had not started my business but had a food product selected. | 42.25% | 30 |
| I had not started my business but had several food products I was considering. | 18.31% | 13 |
| I came to learn more about food business ownership. At the time, I was comparing it to other business opportunities. | 22.54% | 16 |
| Other (please specify) | 5.63% | 4 |
| TOTAL | | 71 |

QUESTION 2: SINCE ATTENDING FOOD FOR PROFIT...

| ANSWER CHOICES | RESPONSES | |
|--|-----------|----|
| My business is the same as before. | 11.76% | 8 |
| My business has expanded or diversified. | 10.29% | 7 |
| I started a new food business. | 11.76% | 8 |
| I continued to research my business idea, but I have not yet started a business. | 36.76% | 25 |
| I put the idea of starting my business on hold. | 23.53% | 16 |
| I decided against starting a food business. | 5.88% | 4 |
| I started a business unrelated to food. | 0.00% | 0 |
| TOTAL | | 68 |

QUESTION 3:

PLEASE SELECT ALL OPTIONS THAT MATCH YOUR POST-WORKSHOP ACTIVITIES

(percentages used in report are based on number of responses per question;
below percentages are based on number of respondents per question)

| | DOES NOT APPLY TO MY BUSINESS | I ALREADY HAD THIS IN PLACE BEFORE THE WORKSHOP | I RESEARCHED THIS MYSELF | I HAVE ATTENDED TRAINING ABOUT THIS OR HIRED A CONSULTANT | I HAVE ADOPTED THIS INTO MY BUSINESS | TOTAL RESPONDENTS |
|--|-------------------------------|---|--------------------------|---|--------------------------------------|-------------------|
| Hazard Analysis Critical Control Points plans | 40.68% 24 | 8.47% 5 | 18.64% 11 | 10.17% 6 | 22.03% 13 | 59 |
| Consumer Notification of Food Allergens | 29.31% 17 | 10.34% 6 | 25.86% 15 | 8.62% 5 | 25.86% 15 | 58 |
| Proactive recall plan (developing and testing) | 41.38% 24 | 10.34% 6 | 18.97% 11 | 6.90% 4 | 22.41% 13 | 58 |
| Good Manufacturing Practices | 45.00% 27 | 11.67% 7 | 18.33% 11 | 8.33% 5 | 18.33% 11 | 60 |
| Good Agriculture Practices (GAPs) and Good Handling Practices (GHPs) | 17.24% 10 | 24.14% 14 | 17.24% 10 | 6.90% 4 | 37.93% 22 | 58 |

QUESTION 4:

After considering the other five strategies, having appropriate and adequate insurance cements a risk management plan together.

IS INSURANCE RELEVANT TO YOUR FOOD BUSINESS?

| ANSWER CHOICES | RESPONSES | |
|---|-----------|-----------|
| Insurance does not apply to my business. | 11.48% | 7 |
| Insurance is a part of my risk management plan. | 88.52% | 54 |
| TOTAL | | 61 |

QUESTION 5:

PLEASE SELECT ALL RESPONSES ABOUT INSURANCE COVERAGE THAT RELATE TO YOUR BUSINESS.

| ANSWER CHOICES | RESPONSES | |
|--|-----------|----|
| Does not apply to my business | 0.00% | 0 |
| I have researched the insurance needs of my business for myself. | 68.75% | 33 |
| I have engaged with a broker or agent to address my insurance needs. | 25.00% | 12 |
| I have updated my existing insurance plan for my business. | 6.25% | 3 |
| I have purchased new or additional coverage for my business. | 12.50% | 6 |
| Total Respondents: 48 | | |

QUESTION 6:

The Food for Profit workshop also introduced the use of insurance products to address risk. **WHAT, IF ANY, DECISIONS OR ACTIONS HAVE YOU TAKEN RELATED TO INSURANCE COVERAGE?**

(percentages used in report are based on number of responses per question;
below percentages are based on number of respondents per question)

| | THIS COVERAGE DOES NOT APPLY TO MY BUSINESS. | I RESEARCHED THIS COVERAGE MYSELF. | I HAVE ENGAGED A BROKER/AGENT TO ADDRESS MY NEED FOR THIS COVERAGE. | I HAVE UPDATED MY EXISTING INSURANCE PLAN TO ADDRESS THIS COVERAGE. | I HAVE PURCHASED NEW OR ADDITIONAL COVERAGE FOR MY BUSINESS. | TOTAL RESPONDENTS |
|---|--|------------------------------------|---|---|--|-------------------|
| Commercial business liability insurance | 17.39% 8 | 43.48% 20 | 28.26% 13 | 2.17% 1 | 15.22% 7 | 46 |
| General farm liability | 56.25% 27 | 22.92% 11 | 10.42% 5 | 10.42% 5 | 2.08% 1 | 48 |
| Product liability | 19.15% 9 | 42.55% 20 | 23.40% 11 | 12.77% 6 | 8.51% 4 | 47 |
| Product recall | 30.43% 14 | 43.48% 20 | 17.39% 8 | 6.52% 3 | 8.70% 4 | 46 |
| Accidental or product contamination | 20.83% 10 | 37.50% 18 | 25.00% 12 | 12.50% 6 | 10.42% 5 | 48 |
| Malicious tampering | 38.64% 17 | 38.64% 17 | 13.64% 6 | 6.82% 3 | 2.27% 1 | 44 |
| Traditional crop | 62.22% 28 | 24.44% 11 | 6.67% 3 | 6.67% 3 | 2.22% 1 | 45 |
| Whole farm revenue protection | 72.34% 34 | 14.89% 7 | 8.51% 4 | 6.38% 3 | 0.00% 0 | 47 |
| Noninsured Crop Disaster Assistance Program (NAP) | 82.61% 38 | 15.22% 7 | 2.17% 1 | 0.00% 0 | 0.00% 0 | 46 |

— FARM \$ENSE —

QUESTION 1: WHEN I ATTENDED FARM \$ENSE...

| ANSWER CHOICES | RESPONSES | |
|--|-----------|----|
| I did not have records. I was just beginning to farm or had been farming less than a year. | 20.00% | 3 |
| I did not keep records, although I had been farming more than a year. | 0.00% | 0 |
| I kept records and had been farming more than a year. | 60.00% | 9 |
| I had been keeping and analyzing records for my farm. | 20.00% | 3 |
| Other (please specify) | 0.00% | 0 |
| TOTAL | | 15 |

QUESTION 2: SINCE ATTENDING FARM \$ENSE...

| ANSWER CHOICES | RESPONSES | |
|--|-----------|---|
| My status is the same as indicated in question one. | 40.00% | 6 |
| I started to keep farm records. | 20.00% | 3 |
| I started to analyze my farm finance and production. | 40.00% | 6 |
| I continued to learn more about record-keeping (for example, taking a QuickBooks class). | 13.33% | 2 |
| I put the idea of starting my business on hold | 0.00% | 0 |
| I decided against starting a food business | 0.00% | 0 |
| I started a business unrelated to food | 0.00% | 0 |
| Total Respondents: 15 | | |

QUESTION 3:

PLEASE SELECT ALL OPTIONS THAT MATCH YOUR POST-WORKSHOP ACTIVITIES.

(percentages used in report are based on number of responses per question;
below percentages are based on number of respondents per question)

| | THIS DOES NOT APPLY TO MY BUSINESS | I ALREADY HAD THIS IN PLACE BEFORE THE WORKSHOP | I RESEARCHED THIS MYSELF | I HAVE ATTENDED TRAINING ABOUT THIS OR HIRED A CONSULTANT | I HAVE COMPLETED THIS OR INCORPORATED IT INTO MY BUSINESS | TOTAL RESPONDENTS |
|---|------------------------------------|---|--------------------------|---|---|-------------------|
| Enterprise Budget (for a specific segment of your farm operation) | 33.33% 5 | 26.67% 4 | 6.67% 1 | 0.00% 0 | 40.00% 6 | 15 |
| Developing a depreciation table for assets | 6.67% 1 | 40.00% 6 | 13.33% 2 | 13.33% 2 | 26.67% 4 | 15 |
| Developing a partial budget (to decide between two alternatives on your farm operation) | 7.14% 1 | 28.57% 4 | 7.14% 1 | 21.43% 3 | 42.86% 6 | 14 |
| Crop diversification | 35.71% 5 | 42.86% 6 | 0.00% 0 | 0.00% 0 | 21.43% 3 | 14 |
| Financial scorecard | 7.14% 1 | 21.43% 3 | 21.43% 3 | 14.29% 2 | 35.71% 5 | 14 |
| Developing SMART goals | 6.67% 1 | 20.00% 3 | 20.00% 3 | 6.67% 1 | 46.67% 7 | 15 |

QUESTION 4:

After considering the strategies and tools discussed above, adequate insurance cements a risk management plan together.

IS INSURANCE RELEVANT TO YOUR FARM OPERATION?

| ANSWER CHOICES | RESPONSES | |
|---|-----------|----|
| Insurance does not apply to my business. | 6.67% | 1 |
| Insurance is a part of my risk management plan. | 93.33% | 14 |
| TOTAL | | 15 |

QUESTION 5:
**PLEASE SELECT ALL RESPONSES ABOUT INSURANCE
 COVERAGE THAT RELATE TO YOUR BUSINESS**

| ANSWER CHOICES | RESPONSES | |
|--|-----------|---|
| Does not apply to my business | 0.00% | 0 |
| I researched the insurance needs of my farm for myself. | 33.33% | 4 |
| I engaged with a broker or agent to address my insurance needs. | 50.00% | 6 |
| I updated my existing insurance plan for my farm. | 41.67% | 5 |
| I used Penn State's insurance fact sheets to prepare for discussions with my broker/agent. | 8.33% | 1 |
| Total Respondents: 12 | | |

QUESTION 6:

The Farm \$en\$ workshop also introduced the use of insurance products to address risk. **WHAT, IF ANY, DECISIONS OR ACTIONS HAVE YOU TAKEN RELATED TO INSURANCE COVERAGE?**

(percentages used in report are based on number of responses per question;
below percentages are based on number of respondents per question)

| | THIS COVERAGE DOES NOT APPLY TO MY BUSINESS. | I RESEARCHED THIS COVERAGE MYSELF. | I HAVE ENGAGED A BROKER/AGENT TO ADDRESS MY NEED FOR THIS COVERAGE. | I HAVE UPDATED MY EXISTING INSURANCE PLAN TO ADDRESS THIS COVERAGE. | I HAVE PURCHASED NEW OR ADDITIONAL COVERAGE FOR MY BUSINESS. | TOTAL RESPONDENTS |
|---|--|------------------------------------|---|---|--|-------------------|
| Farm owner's insurance | 7.14% 1 | 50.00% 7 | 28.57% 4 | 14.29% 2 | 0.00% 0 | 14 |
| Business owner | 30.77% 4 | 38.46% 5 | 15.38% 2 | 7.69% 1 | 7.69% 1 | 13 |
| Home owner | 28.57% 4 | 42.86% 6 | 21.43% 3 | 7.14% 1 | 0.00% 0 | 14 |
| Product liability | 23.08% 3 | 30.77% 4 | 38.46% 5 | 7.69% 1 | 0.00% 0 | 13 |
| Vehicle | 14.29% 2 | 42.86% 6 | 21.43% 3 | 14.29% 2 | 7.14% 1 | 14 |
| Disruption of farm income | 33.33% 4 | 50.00% 6 | 0.00% 0 | 16.67% 2 | 8.33% 1 | 12 |
| Peak season endorsement | 72.73% 8 | 18.18% 2 | 9.09% 1 | 0.00% 0 | 0.00% 0 | 11 |
| Dwelling ordinance and law | 76.92% 10 | 15.38% 2 | 7.69% 1 | 0.00% 0 | 0.00% 0 | 13 |
| Temperature sensitive farm personal property | 66.67% 8 | 33.33% 4 | 0.00% 0 | 0.00% 0 | 0.00% 0 | 12 |
| Milk contamination and spoilage | 50.00% 7 | 28.57% 4 | 14.29% 2 | 0.00% 0 | 7.14% 1 | 14 |
| Equine breeding, boarding, and training | 84.62% 11 | 15.38% 2 | 0.00% 0 | 0.00% 0 | 0.00% 0 | 13 |
| Identity theft | 61.54% 8 | 38.46% 5 | 0.00% 0 | 0.00% 0 | 0.00% 0 | 13 |
| Traditional crop | 46.15% 6 | 30.77% 4 | 7.69% 1 | 15.38% 2 | 0.00% 0 | 13 |
| Whole farm revenue protection | 18.18% 2 | 72.73% 8 | 0.00% 0 | 0.00% 0 | 9.09% 1 | 11 |
| Noninsured Crop Disaster Assistance Program (NAP) | 63.64% 7 | 36.36% 4 | 0.00% 0 | 0.00% 0 | 0.00% 0 | 11 |

EXPLORING THE SMALL FARM DREAM

HOW HAS EXPLORING THE SMALL FARM DREAM INFLUENCED YOUR INSURANCE PURCHASE(S) FOR YOUR BUSINESS? (Check all that apply)

| Farm Owner's Insurance | Business Owner's Insurance | Product Liability Insurance | Crop Insurance | Whole Farm Revenue Insurance | Vehicle Insurance | Homeowner's/ Renter's Insurance | Other (please specify) |
|------------------------|----------------------------|-----------------------------|----------------|------------------------------|-------------------|---------------------------------|------------------------|
| 12.50% | 12.50% | 12.50% | 0.00% | 0.00% | 12.50% | 12.50% | 0.00% |

HAVE YOU USED ANY RISK MANAGEMENT STRATEGIES THAT YOU LEARNED IN CLASS? (Check all that apply)

| Yes, I created an enterprise budget | Yes, I conducted a SWOT analysis | Yes, I used the Risk Management Checklist | Yes, I created a marketing plan | Yes, I sought legal or financial advice | No |
|-------------------------------------|----------------------------------|---|---------------------------------|---|--------|
| 25.00% | 50.00% | 12.50% | 25.00% | 25.00% | 50.00% |

AS A RESULT OF THIS WORKSHOP DID YOU CREATE A WRITTEN BUSINESS PLAN?

| | |
|----------------|--------|
| Response — Yes | 50.00% |
|----------------|--------|

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