



Project Name: Strategies for managing risk in forage-based production systems for direct marketed beef

Project Number: RME-DZQ02544

Contract Number:

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Project Summary:

There is increased interest in forage-fed, direct marketed beef among producers and customers but additional work was needed to develop educational materials and conduct training programs on profitable and sustainable production and marketing systems under emerging market conditions.

This project developed and delivered 1) in-service training for livestock extension agents to prepare them for working with producers with interest in this enterprise, 2) workshops for producers, and 3) follow-up support for producers.

Educational programs covered integrated production systems, marketing, and risk management strategies. Risk management included defining and prioritizing risk, and strategies for managing production, marketing, financial

and institutional/legal risks in a cost-effective manner.

Producer plans and additional information needs were monitored by questionnaires. Follow-up support for producers was and is provided by livestock extension agents, with additional support from campus-based extension specialists and others. Support is continuing past the termination of project funding, using permanent extension resources.

Participants:

Total Number of Participants: 181

Results - What Participants Learn, Achieve, Apply

	<u>Result(s) that will happen by end of project</u>	<u>Topic</u>	<u>Producer Action</u>	<u>Est. #</u>	<u>Actual #</u>	<u>How Verified</u>
1	County extension livestock agents will be trained to work with beef producers on business plans for forage-fed direct marketed meat enterprises that incorporate risk management strategies for the major production, marketing, financial, and institutional/legal risks.	Business and strategic planning	Understand	30	31	Post-training written survey of trainees
2	Livestock producers will understand the essential components of producing livestock on forage-based diets that meet national standards and the labeling rules for direct marketed meat, including strategies for managing key production, marketing, financial, and institutional/legal risks.	direct marketing	Understand	150	112	Written questionnaire
3	Livestock producers will gain the knowledge to make an initial assessment of their individual opportunities for a profitable forage-fed direct marketed meat enterprise.	Financial records and analysis	Understand	150	112	Written questionnaire
4	Producers will learn about and use sources of assistance in developing plans and solving technical problems.	Economics of input decisions	Understand	150		Mail survey will follow-up
5	Producers will act on the information and provided in producer workshops and obtained from the resources provided in the workshops. Actions will include a) whether or not producers made a decision to proceed with a direct marketed meat enterprise, b) if the decision is not to proceed, what were the primary reasons why not, and the main source(s) of the information upon which the decision was based, or c) if the decision was to proceed, the primary reasons why, and the main source (s) of the information upon which the decision was based.	direct marketing	Implement	150	48	Mail survey will follow-up

<u>Result(s) that will happen by end of project</u>	<u>Topic</u>	<u>Producer Action</u>	<u>Est. #</u>	<u>Actual #</u>	<u>How Verified</u>
6 Producers who decide to produce and direct market meat will a) develop business plans and b) incorporate risk management strategies in those plans.	Business and strategic planning	Implement	30		Mail survey will follow-up
<u>Result(s) that will happen after project</u>	<u>Topic</u>	<u>Producer Action</u>	<u>Est. #</u>	<u>Actual #</u>	<u>How Verified</u>
1 Producers who decided to develop a forage-based, direct marketed meat enterprise will have begun implementing their plans. Information will be collected on the number of animals, forage production systems and market channels.	Economics of input decisions	Implement	30	23	Mail survey will follow-up
2 Selected producers will participate in a telephone conference call to further evaluate the program and develop future plans for forage-fed direct marketed beef.			12		Minutes of the conference call and written plans developed by the project co-PIs

Project Steps

	<u>What Project Team Did</u>	<u>What Participants Did</u>	<u>Actual Number</u>	<u>When Measured</u>
1	The project team will meet to assemble and integrate the information required for the in-service training and producer workshops.			
2	Project team members will develop the educational materials relevant to their expertise, including materials for presentation at training and workshops, and resource materials for the participants.			
3	Organize and conduct in-service training for 30 county agents with livestock responsibilities	Agents attend training	32	12/9/08 and 12/11/08
4	Develop and administer a survey to evaluate the effectiveness of the in-service training	Complete the survey	32	12/9/08 and 12/11/08
5	Organize and conduct three workshops for producers. Feed back from the agent training session will be incorporated.	Attend the workshop	181	At each workshop
6	Develop and administer an instrument to evaluate the effectiveness of the workshop	Complete the instrument	110	At the conclusion of each workshop segment
7	Organize producer workshops or other educational activities based on suggestions made at the producer workshops	Complete a questionnaire indicating their needs or desires for additional educational programs and materials and how they prefer this information or training should be delivered to them.	90	At the conclusion of the three producer workshops
8	Conduct a follow-up survey of the program's effectiveness and producer actions resulting from the knowledge gained.	Respond to the survey	48	12 months after the workshops

Progress Notes

Thursday, June 17, 2010

There were some changes to the program activities and some unexpected side benefits arising from this project.

The program activities that were proposed initially had to be modified, for two main reasons. First, many of producers who attended the workshops and who were producing and direct marketing beef were small scale and in the early stages of developing the enterprise. Their responses to a questionnaire asking about future educational needs identified a wide variety of topics but with limited numbers of people interested in any one topic. This created one of two challenges for developing follow-up programs, i.e., most producers needed more technical information and experience before they would be at a point where meaningful business and risk management plans could be developed. Planning to provide more one-on-one information and assistance would have been the more appropriate strategy under these circumstances.

A second challenge in developing follow up materials and activities was created because the grant funds were not received and available under the original time line. This delayed planning and conducting the workshops, and effectively removed the option of offering any follow-up workshops during the prime time for extension programs, i.e., in the winter months. The no-cost extension, while welcome, was of limited value because the Project Director retired a few weeks into this second fiscal year and there was no-one available to continue with the development of an important component of the project content, including business planning and risk management. This situation was not anticipated when the original grant proposal was submitted.

As a result of these changes, only about one-half of the grant funds were expended.

Two side benefits resulted from collaborations among several organizations. The relationships allowed us to incorporate personnel and knowledge from other organizations in the workshops, particularly the results from a market research project. Also, there was collaboration on follow up activities, particularly the development of a statewide conference and farm tour held August 11 – 12, 2009. NC Cooperative Extension, NC State University, North Carolina Forage and Grasslands Council, and Mount Olive College collaborated in planning this event. Approximately 125 people participated. No project funds were expended in support of this activity.

A second collaborative effort resulted in the modification of some of the materials developed for this project for inclusion as chapters in a revised version of "Farm to Fork: A Direct-to-the-Consumer Beef Marketing Handbook". This publication, published on-line in May, 2010, is available to anyone with Internet access and, therefore, has the potential to reach a far larger and widespread audience than the project proposal envisaged. The URL is http://www.agmrc.org/media/cms/NCSUBeefHandbook_0510_ECD46F82E2D00.pdf. A small amount of grant funds were used to support the development and publication of this portion of the publication.

Thursday, April 29, 2010

Some rebudgeting was required, namely, to move a total of \$1,200 from the amount originally requested for travel into "Materials and Services" in the amount of \$800 and into "Temporary Labor" in the amount of \$400. These funds will be used to convert five text documents into a web based publication. The work will be done under a contract with individuals we have worked with before and who are qualified to do the work. The work involves individuals who will oversee and manage the process, converting the text into a web layout, uploading the documents onto the NCSU server, and verifying the web documents once uploaded.

Part of the justification is that, as the project proceeded, it became apparent that there were producers and extension agents unable to participate in the funded activities, including individuals both in North Carolina and

outside the state boundaries. By adapting these materials for the web, a broader audience will be reached. A second justification is that the lead Co-PI retired last fall and the second co-PI is leaving NCSU, so the internal resources are not available to modify the original work plan to accommodate these events. The main project cooperators remain with NCSU, as do the producers and county extension agents who participated, and these individuals are building on the work this project supported.

No additional funds are involved. The requested changes do not represent a change in either the scope, objectives or activities of the project.

Saturday, February 06, 2010

Two sessions of county agent in-service training have been held as called for in the grant proposal. A total of 32 agents participated, which exceeded the target number of 30. Each session ran from 9 am to 3:30 pm, approximately. Topics covered included marketing, beef production systems, forage production systems, risk and risk management, economics, and extension programming needs and issues. A short pre-test and a post-test was administered on risk management. In addition, participants completed an evaluation of the information presented and the quality of the presentations. The responses to the pre- and post tests and the evaluation forms have not been analyzed yet because the training sessions were held last week.

Three workshops for producers have been scheduled for mid-January at strategic locations across the state. Workshop materials are being finalized.

March 3, 2009. Three producer workshops were held across North Carolina on January 13-15, 2009. Total attendance was approximately 180, which exceeded the target. Most participants were producers but some county extension agents and allied industry also participated. Participants were asked to complete a workshop evaluation form and a questionnaire asking, inter alia, what topics should be included in future programs and how this information should be delivered. Copies are included in the "Evaluations" section. A copy of the workshop agenda will be provided in the "Promotional Materials" section.

Wednesday, December 17, 2008

I am requesting that funds be reallocated so I can provide meals and refreshments at the producer meetings we are proposing to hold under this project. The primary reason for providing meals is lack of time for an off-site lunch. The workshops are scheduled from 9 am through 3:30 pm with a 45 minute break for lunch. One important reason for scheduling a short lunch break is that three workshops are planned to cover the entire state, so producers will be traveling up to 100 miles to attend. A short lunch break reduces the total time commitment on the part of participants. A second reason for having on-site lunches is to facilitate informal discussion and networking among the participants and between the participants and speakers (including producer panel members). Also, given the number of anticipated participants, there are difficulties with using commercial establishments to provide lunch in all 3 locations for producer meetings and at 2 in-service training locations. There are few if any establishments that are within a short driving distance and/or with the capacity to serve a large group in a timely manner. One site is a small college campus outside of a small town, another is a research and extension center in a remote location and the third is in a small town with few options for lunch close to the meeting location.

The estimated cost of providing meals and refreshments for these meetings is \$12 per person for 180 participants for a total of \$2,160. This will be offset by reduced costs of providing speakers, including reduced expenditures for honoraria and travel expenses. The original amount budgeted was \$2,000 for honoraria for invited speakers and \$4,500 for invited speaker expense reimbursement. I propose taking \$750 from the honoraria amount and \$1,410 from speaker reimbursement amount as the offsets.

This is a new program area, so our ideas are evolving as we discuss the details of our plans with stakeholders. The details of the meeting agenda and the meeting locations had not been determined when the original proposal was submitted.

Tuesday, October 07, 2008

Implementation planning is under way bur not far enough along to have anything tangible to report.

Promotional Materials

Pasture-based Finishing and Direct Marketed Beef Workshop Agenda

Material Type: Promotional Material

Provided to county extension agents for use in promoting three producer workshops and used in the meetings.

This material has been uploaded to the Ag Risk Library.

Educational Materials

Pasture-based finishing, direct marketing beef

Benson, Geoffrey

Department of Agricultural and Resource Economics, North Carolina State University, January 2009, Material Type: Factsheet (5 pages).

This fact sheet is intended for use by producers and their advisors. It poses detailed questions in a worksheet format, to lead the producer through the steps in developing a business plan for a pasture-based finishing, direct marketing enterprise.

This material has been uploaded to the Ag Risk Library.

Managing Risk in Farm Finished Direct Marketed Beef

Benson, Geoff

Department of Agricultural and Resource Economics, North Carolina State University, December 2008, Material Type: Presentation

This is a presentation made at in-service training for county livestock extension agents at two locations in North Carolina. Other topics included forage production, livestock production and marketing. the training was held in preparation for three area producer workshops on the same topics.

This material has been uploaded to the Ag Risk Library.

Evaluations and Reports

Pasture-based Finishing and Direct Marketing Beef Workshop Evaluation

January 2009, Material Type: Promotional Material

Evaluation of Pasture-based Finishing, Direct marketed Beef In-service Training

December 2008, Material Type: Promotional Material

Summary of participants evaluation of content, speakers and time allocated to topics.

Pasture-based finishing and direct marketing beef producer workshops

February 2010, Material Type: Promotional Material

This is an Excel spreadsheet containing a summary of the responses to a post-workshop evaluation questionnaire. This workshop was one of three held across North Carolina

This document is not viewable in the Ag Risk Library.

Pasture-based finishing and direct marketing beef producer workshop

February 2010, Material Type: Promotional Material

This is an Excel spreadsheet containing a summary of the responses to a post workshop questionnaire. This is for the second of three workshops held across North Carolina.

This document is not viewable in the Ag Risk Library.

Pasture-based finishing and direct marketing beef producer workshop evaluations

February 2010, Material Type: Promotional Material

This is a summary of the responses to a post-workshop evaluation questionnaire. this is the third of three workshops held across NC.

This document is not viewable in the Ag Risk Library.

Evaluations and Reports

Pasture-based finishing, direct marketing beef producers plans

February 2010, Material Type: Promotional Material

This is an excel spreadsheet summarizing expressed producer interest in obtaining additional information or assistance on selected topics and the preferred method of obtaining that information or assistance. Producers were asked if there plans had changed as a result of the workshop. 43 of 90 respondents indicated their plans had changed.

This document is not viewable in the Ag Risk Library.

North Carolina Pasture Finishing and Direct Marketing Workshops Producer Follow-up Survey February 2010

February 2010, Material Type: Promotional Material

A short survey was developed to identify changes that occurred among producers who participated in a pasture finishing and direct marketing workshop held in late winter of 2009 in three locations across North Carolina. The purpose of the survey was to document changes that occurred one year after the workshops and to identify high priority issues and problems as the basis for developing future extension education programs.

Pasture Based, Direct Marketed Beef Pasture Based finishing and Direct Marketing In-service Training for Livestock Agents Pre- and Post-test Results

December 2008, Material Type: Promotional Material

A one-day in-service training session was offered to county cooperative extension agents with livestock responsibilities. The training was offered in two locations in December 2008. A total of 33 agents participated. The purpose of the training was two-fold; to provide subject matter training on topics related to pasture based, direct marketed beef and to prepare the agents for follow-up educational programs and activities after the producer workshops planned for January, 2009. A short pre- and post-test was given, specifically on the risk management portion of the training.

This document is not viewable in the Ag Risk Library.

Project Comments

Describe any unexpected results of the project:

I consider the project was successful based on the positive evaluations provided by the participants in the producer workshops. However, the workshop participants included a higher than expected proportion of livestock producers who were not already producing and direct marketing beef. It is fair to assume they were there to explore and learn more about this enterprise and the opportunities it might offer. The follow-up survey conducted one year later still showed a high proportion of the workshop participants were not producing and marketing beef. The workshop program likely helped these producers make informed decisions, which can be considered a success.

A second result was the discovery that another organization, Mount Olive College, had a complementary grant funded project. This project provided market research data that was incorporated into the workshop materials. Also, because of this common interest, the two project teams collaborated in developing a large, statewide pasture based finishing and direct marketing conference with nationally known speakers.

One unexpected outcome, if not a result, was the discovery that there is an almost complete lack of data (probabilities) for use in risk management. It was expected that many of the tools available to commodity producers (e.g., hedging) would not apply to a specialty product. However, in addition, probability data on various categories of risk are almost non-existent.

How would you improve the project if you were to do it again?

Although the project can be considered a success, the implementation strategy had to be modified from what was originally proposed, for two main reasons. First, many of producers who attended the workshop and who were producing and direct marketing beef were small scale and in the early stages of developing the enterprise. Their responses to a questionnaire asking about future educational needs produced a wide variety of topics with limited numbers of people interested in any one topic.

This situation created challenges for developing follow-up programs and planning to provide more one-on-one information and assistance would have been the more appropriate strategy. A second difficulty in developing more appropriate follow up materials and programs was created because the grant funds were not made available in a timely manner. This delayed offering the workshops and removed the option of holding follow up workshops during the prime time for extension programs, i.e., in winter. The no-cost extension, while welcome, was of limited value because the Project Director retired a few weeks into the second fiscal year and there was no-one available to continue an important component of the project content, including business planning and risk management.

What were the keys to success for your participants?

I believe the main key to success was the good working relationship among the main cooperators. Prior to this project, integrated production and marketing systems appropriate to North Carolina conditions had not been well developed. This working relationship allowed us to develop a carefully integrated program that incorporated forage, livestock and economics topics. All three primary cooperators worked at the same institution, which facilitated communication and reduced transactions costs.

A second factor in the program development was the working relationship the main cooperators had with extension livestock agents and with outside organizations with an interest in the topic of this project. These latter relationships allowed us to incorporate personnel and knowledge from other organizations and to collaborate in developing follow-up activities, particularly the development of a statewide conference and farm tour held August 11 – 12, 2009. NC Cooperative Extension, NC State University, North Carolina Forage and Grasslands Council, and Mount Olive College collaborated in planning this event.

A third factor was the inclusion of successful producers as workshop presenters and allowing time for interaction with the participants.

A fourth factor was the opportunity to have a producer workshop prior to holding the in-service training and producer workshops funded by this grant. There were 47 participants in a workshop program conducted on one of the NC Research Stations. This provided an opportunity to test out the materials and make some adjustments. No grant funds were used in support of this initial workshop.

Individual Stories / Examples of Success / Quotes

Quote: (The workshop) allowed me to think outside the box.

Quote: (The workshop caused me) to think and work harder to cut cost and increase profits.

Quote: (The workshop) changed my perspective on marketing.

How did the project leverage resources?

RME grant funds allocated:	\$27,830
RME grant funds expended:	\$15,000
Other funds used for the project:	\$0
Non-cash resources:	\$60,000

Delivery area:

This project was delivered in North Carolina.