



Cornhusker Economics

North Central Extension Risk Management Education Center Helps Producers Manage Risks

Established in 2001, the North Central Extension Risk Management Education Center (NCERMEC) has a long history of supporting risk management education programs serving producers in the region. Located at the University of Nebraska-Lincoln Agricultural Economics Department, the Center is one of four regional Extension Risk Management Education (ERME) Centers located throughout the country. ERME is funded through USDA's National Institute of Food and Agriculture (NIFA) and was authorized by the Agricultural Risk Protection Act of 2000. The fundamental purpose of the ERME program is to educate producers to manage risk and position their farm or ranch for future growth and success by encouraging and funding innovative programs across the country and helping programs focus on tangible results.

Through the Extension Risk Management Education Competitive Grants Program, ERME provides funding for outcomes-based risk management education projects designed to empower producers with the knowledge and tools necessary to navigate the uncertainties inherent in agricultural operations which may result in wide swings in farm income or threaten the economic viability of the farm and ranch.

What is Risk Management?

Agricultural producers encounter a multitude of risks and challenges in their daily operations. These can range from unpredictable weather patterns and natural disasters to market fluctuations, pests and diseases, regulatory changes, and labor shortages to name just a few. Each of these factors can significantly impact crop yields, livestock health, and overall profitability. Risk management involves taking a deliberate and knowledgeable approach to dealing with one or more of the primary sources of agricultural risk. Figure 1 shows the five general types of risk: production risk; marketing risk; financial risk; legal risk; and human risk (Crane et al. 2013). Managing risks requires resilience, adaptability, and access to resources. By staying informed, implementing sound risk management strategies, and leveraging technology and resources, farmers and ranchers can better mitigate these challenges, enhance profitability, and ensure the long-term viability of their operations.

FARMERS FACE RISK EVERYDAY

What are the risks?



Figure 1. There are five general types of risk facing agricultural producers.

Production risk refers to the uncertainty of the management of crops and livestock. Weather, disease, pests, and other factors affect the quantity and quality of the commodities produced.

Marketing risk is the uncertainty about prices producers receive for commodities sold and what their production costs may be.

Financial risk refers to a producer's farm credit and the obligation and ability of the farm to repay its debt. The current economic uncertainty greatly affects a producer's financial risk.

Legal risk results from changing governmental policies. Tax laws, chemical regulations, and changes in the Farm Bill all affect the legal risk a producer faces.

Human risk includes factors such as farm transition/succession, labor relations, disability, intergenerational issues, or divorce.

Who We Serve

The North Central Center serves the 12-state region of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin (Figure 2). Our programming targets all producers and educators across the broad range of geography, demographics, and agricultural

systems across the North Central region. We strive to reach special emphasis audiences including: beginning farmers or ranchers; legal immigrant farmers; socially disadvantaged farmers; transitioning or retiring farmers; and veteran farmers and ranchers. The Center also has a specific focus to reach producers underserved by crop insurance through a targeted funding opportunity.

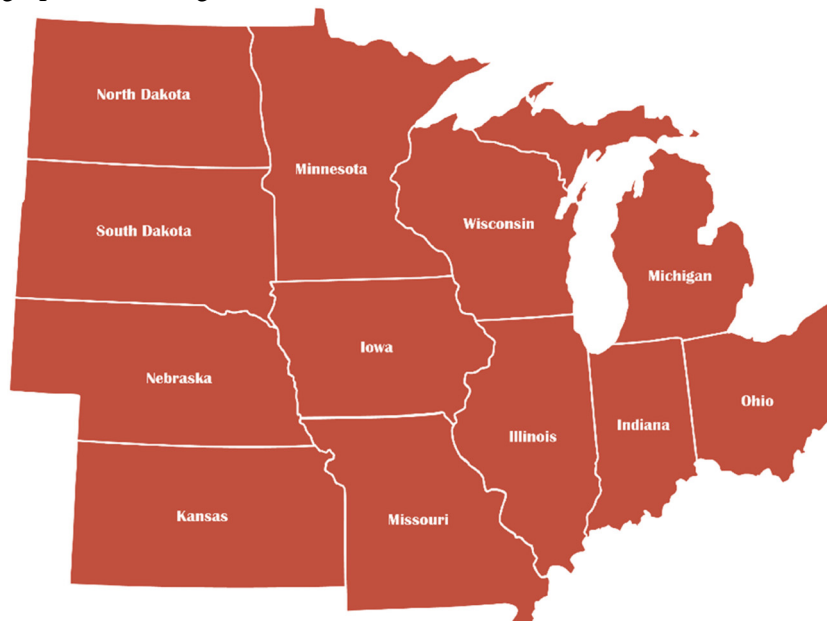


Figure 2. States served by the North Central ERME region.

Eligible entities to apply for grant funds include any public and private organization that has demonstrated experience in providing agricultural education or other agriculturally related training to producers including forestland owners. This includes, but is not limited to: 1862, 1890, or 1994 land grant institutions, or other institutions of higher education, including community colleges, that deliver agricultural education; an Indian tribal community college, an Indian tribe, or national tribal organization; a Hispanic-serving institution of higher education, and Agricultural organizations, agencies, or other entities.

Competitive Grant Program

NCERMEC, in conjunction with three other regional centers, conducts an annual competitive process to fund educational projects designed to improve the ability of agricultural producers to effectively manage complex risks associated with their agribusinesses. The Request for Applications (RFA) opens each year in September and closes in November.

NCERMEC funding decisions are made by an Advisory Council composed of individuals involved in

agricultural lending, insurance, marketing, extension, production, and ag organizations all from the North Central Region. When considering a proposal for funding, the Advisory Council looks to see that in addition to meeting at least one of the five areas of risk management, each project also addresses six criteria: proposed risk management outcomes; regional priorities; outcomes verification; producer demand/underserved audience; team/organizational capacity and collaboration; and creativity and applicability. Successful projects will identify targeted outcomes that will help producers manage risk and then describe how the project will measure those outcomes. These outcomes are the changes in understanding and behavior that will enable participating producers to enhance the viability and profitability of their operations. In addition, applicants are encouraged to consider projects that focus on special-emphasis programming such as beginning or transitioning farmers, immigrant or minority farmers, women’s education, sustainable or value-added agriculture, and veterans.

Table 1. North Central Region States and Funded Projects

State	# of Awards 2001-2024
Illinois	31
Indiana	28
Iowa	70
Kansas	35
Michigan	27
Minnesota	64
Missouri	41
Nebraska	76
North Dakota	19
Ohio	30
South Dakota	37
Wisconsin	61
All Other States*	4
Total	523
Public Institutions	411
Private/Non-Profit Institutions	112
*Serving North Central Producers	

The Center announced the 2024 RFA last fall which included two separate program areas to apply to: 1) Standard Education Grants focused on a broad range of risk management education topics and activities, this area includes the Exploratory Projects as well; and 2) Producers Underserved by Crop Insurance Grants specifically designated to deliver risk management education for producers underserved by Federal crop insurance. Thirty-nine applications requesting more than \$2.6 million in funding were submitted to the North Central Center through the on-line application process. The Advisory Council recommended 14 education projects, 6 exploratory projects, and 10

projects serving producers underserved by crop insurance for funding. The period of performance is April 1, 2024, through September 30, 2025. The 30 awarded projects represent approximately \$1.79 million in total funding.

Over the last 23 years, the Center has reached more than 168,000 farm and ranch participants and awarded more than \$18.7 million across 523 grants to public, private and non-profit entities to carry out producer-focused, outcomes-based risk management education programs through its annual RFA.

2024 Funded Projects

Congratulations to the following project directors whose risk management education projects were selected for funding in 2024:

Education Projects

Rachel Armstrong	Farm Commons
Jon Dockter	Midwest Forage Association
Jessica Groskopf	University of Nebraska-Lincoln
Jennifer Hill	University of Nebraska-Lincoln
Jim Jansen	University of Nebraska-Lincoln
Jane Jewett	University of Minnesota
Amanda Kik	Crosshatch Center for Art & Ecology
Michael Langemeier	Purdue University
David Marrison	Ohio State University
Adauto Rocha Jr	University of Missouri
Ariana Torres	Purdue University
Reba Wicker	Purdue University
Sadie Willis	FairShare CSA Coalition
Katie Wilts Johnson	University of Minnesota

Exploratory Projects

Courtney Bir	Oklahoma State University
David Brown	University of Missouri
Cynthia Flores	Labor-Movement LLC
Michael Langemeier	Purdue University
Kristine Ranger	The Learning Connection
Jason Warner	Kansas State University

Producers Underserved by Crop Insurance Projects

Erika Allen	Urban Growers Collective
Chloe Johnson	Farm Commons
Jillian Linster	Center for Rural Affairs
Sandy Martini	Native Agriculture Financial Services
Glennis McClure	University of Nebraska-Lincoln
Anna Richardson	The Good Acre
Shannon Sand	University of Nebraska-Lincoln
Madeline Schultz	Iowa State University Extension & Outreach
Karen Stettler	Land Stewardship Project
Katie Wantoch	University of Wisconsin

References:

Crane, Laurence; Gantz, Gene; Isaacs, Steve; Jose, Doug; Sharp, Rod. 2013. *Introduction to Risk Management – Understanding Agricultural Risk: Production, Marketing, Financial, Legal, Human*. Extension Risk Management Education and Risk Management Agency, USDA. Available at: <https://ncerme.org/documents/Introduction-to-Risk-Management.pdf>.

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