

Views from VanDeWalle

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Risk and Reward Workshops

An upcoming Nebraska Extension workshop will help farmers develop marketing plans for 2020. “Risk and Reward: Using Crop Insurance and Marketing to Manage Farm Survival” will be presented in Clay Center on February 5th. Extension economists will discuss the role of farm location and yield/price relations in making informed grain marketing and crop insurance decisions.

“This is a unique opportunity to think about grain marketing differently,” said Jessica Groskopf, a regional economist with Nebraska Extension. “Often, we think of marketing and crop insurance as two separate decisions. This workshop will show the importance of how these tools work together to help farms survive.”

“Understanding production risk becomes especially important as farm locations move farther from the center of the corn belt,” said Cory Walters, associate professor in the Department of Agricultural Economics. “These workshops are designed to assist Nebraska farmers improve their decision-making and understand the role of production risk considerations in their marketing plans.”

Participants will learn how to use crop insurance and pre-harvest marketing together. The workshops will encourage producers to focus on specific risks to evaluate the balance between these two tools, which will vary from operation to operation.

“The role of crop insurance and marketing is not the same for everyone,” said Walters. “Farm location matters.”

Attendees should leave the workshops with a strategic plan of farm survival, focused on the role and use of crop insurance and pre-harvest marketing specific to their location and crop. Schedule for “Risk and Reward: Using Crop Insurance and Marketing to Manage Farm Survival” Clay Center, Feb. 5, 9 a.m.-2 p.m., at the Clay County Fairgrounds, 701 N Martin Ave. To register, call 402-762-3644.

New Crop, Cow-Calf Budgets Available For 2020

Two decision-making tools created by Nebraska Extension for agricultural producers across the state have been updated for the new year. The 2020 Nebraska crop budgets (<https://cropwatch.unl.edu/budgets>) and representative cow-calf budgets (<https://go.unl.edu/cow-calfbudgets>) are now available to provide producers with cost-of-production estimates. Both sets of budgets are available as PDFs and Excel files, which feature tools that allow users to enter information into worksheets to calculate estimated production costs.

Both the crop and livestock budget files are made available online so producers can download, then modify, production and expense figures to more closely match their various enterprises. Glennis McClure, a Nebraska Extension educator in the Department of Agricultural Economics takes the lead on completing the budgets and reminds producers that understanding



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enterprise cost of production in agriculture is important in product mix decision-making, pricing, marketing and financial analysis.

The crop budgets include 82 production budgets for 15 crops produced in Nebraska, along with cost data for power, machinery and labor. They were compiled by a team led by Robert Klein, an extension crops specialist, and McClure, utilizing a template created by Roger Wilson, a retired extension farm and ranch management analyst.

There are five cow-calf budgets that offer representative herd data for different regions of the state. Background stories are included to assist producers with information relevant to each budget, which may guide producers in determining their own costs. McClure led the cow-calf budget effort, which was compiled from information gathered from producer panels that have met as part of the university's multidisciplinary Beef Systems Initiative.