

Risk Training Helps Latinos Transition from Employee to Employer

The Rural Development Center (RDC), a project of the Association for Community-Based Education in Salinas, California, has been helping Latino farm workers become self-supporting farmers since 1984—following the donation of 112 acres of land to the Association for Community-Based Education. The Center’s Small Farm Education project has a 6-month classroom training program that is open to the whole family. RMA has a big stake in the success of this program and the outreach activities of the Center. Bill Murphy, Director of the Sacramento Regional Office, said, “The risk management training we provide, in Spanish, helps participants improve their decision-making skills.”

Participants get a chance to practice their new skills before they farm on their own. Through a 3-year apprenticeship relationship with the Center, participants rent a half acre the first year and progress to five acres the last year.

Families have a financial as well as educational investment in their success. Through the Center they are able to obtain a line of credit and get technical assistance. The first year they pay \$150 per acre for rent, and as they take on more land and become more adept with cultivating their crops, the rent rises to \$350 per acre per year, still at a rate less than half of what is available commercially. The goal is to train the farmers to manage their farms as businesses.

Luis Sierra, Marketing Education Program Coordinator for the Center, is enthusiastic about the RMA contribution to the success of the program. “The RMA trainers incorporate risk management education into a small-farm production and management curriculum. Because marketing and managing risk are as important as growing a crop, the training is critical to our farmers’ prospects for success.”

The Center offers evening workshops and weekend classes in Spanish. Sierra continues, “We have 34 families participating in the program now, and have averaged 10 graduates a year since its inception.”

ment and private sector labor of over 100,000 hours. For this effort, FAS received Vice President Gore’s Hammer Award.

Risk Management Agency

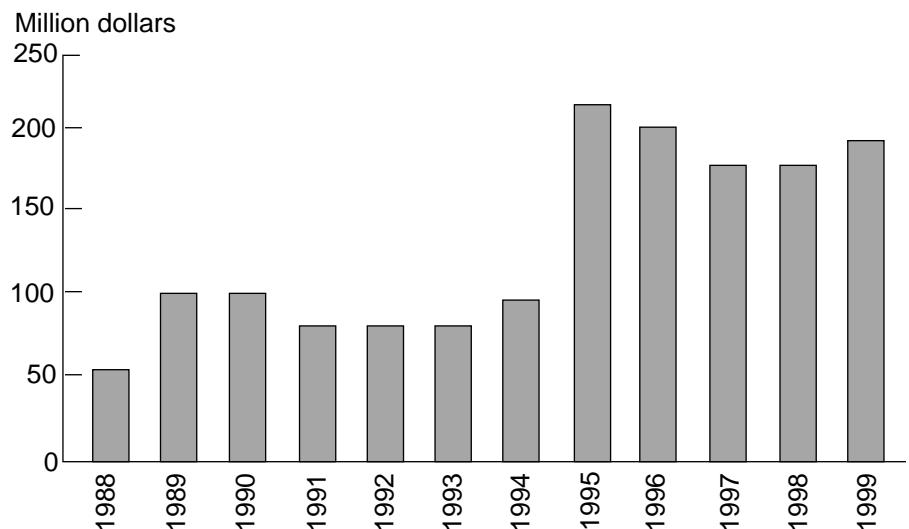
The Risk Management Agency (RMA) will provide and support cost-effective means of managing risk to improve the economic stability of agriculture.

Key Accomplishments for FY 1999

In February 1999, Secretary Glickman and RMA proposed a number of measures to improve crop insurance, including (1) raising the coverage floor for catastrophic risk protection coverage, (2) making higher level coverage more affordable by increasing premium policies, (3) covering multiyear disasters, (4) speeding up the development of new policies, (5) insuring certain livestock losses, (6) improving the Noninsured Crop Disaster Assistance Program by increasing coverage and replacing the area trigger with a Secretarial or Presidential disaster designation, and (7) providing better information and service to producers.

So that more producers can benefit from crop insurance protection, in 1999, RMA implemented pilot programs for adjusted gross revenue insurance, and crops including avocado, cabbage, cherries, mustard, wild rice, and winter squash, among others. RMA expanded 29 current programs into an additional 574 counties, for a national total of 35,423 programs in 2,983 counties. RMA began a gleaning program, lowered cotton rates for many southern producers, improved its nursery and citrus programs, and boosted program integrity. For the 2000 crop year, RMA approved pilot programs for

U.S. total net insured acres, 1988-99

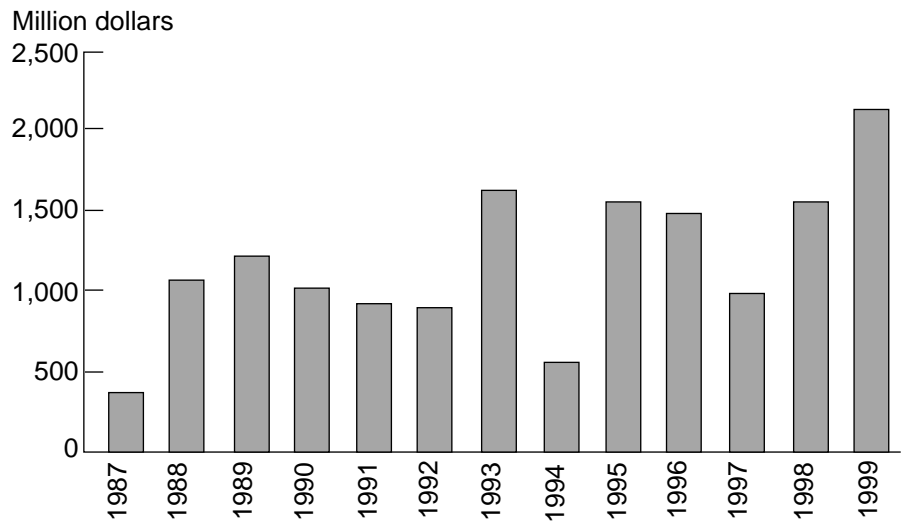


cultivated clams, chili peppers, cucumbers, mint, snap beans, and strawberries, and expanded other existing pilots. RMA also developed a coverage enhancement option for multi-peril crop insurance and stage removal insurance for onions for the 2000 crop year.

Response to Farm Crises. RMA responded to the urgent needs of farmers affected by declining commodity prices and the catastrophic effects of several years of disastrous weather, including those resulting from Hurricane Floyd. Following Hurricane Floyd, RMA promptly instituted special emergency loss determination procedures to expedite loss adjustments and speed indemnity payments to producers who were devastated by the flooding in eastern North Carolina, South Carolina, and Virginia.

The 1999 Appropriations Act authorized the agency to offer producers an estimated 30 percent premium discount for new or increased crop insurance coverage. As a result, more than 91,000 producers increased their coverage levels and approximately 43,000 purchased new policies for the first time at coverages above the minimum level. Secretary Glickman has announced an estimated 25 percent premium reduction for the 2000 crop year.

Increase in loss payments to farmers, 1987-99



Risk Management Education. RMA—in partnership with the Cooperative State Research, Education, and Extension Service (CSREES) and private-sector education partners—proceeded to Stage Three of the Risk Management Education (RME) initiative.

Dairy Options Pilot Program. RMA's Dairy Options Pilot Program (DOPP) provided dairy farmers in selected pilot areas with hands-on opportunities to use options markets for price risk management.