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Recordkeeping education and insurance benchmarking for Iowa fruit and vegetable producers

Abstract

Being able to share data about actual production and sales is critical to the success of producers hoping to purchase crop insurance or obtain a loan. This project helped a group of small producers figure out recordkeeping within their operations as a start to creating a baseline for Iowa fruit and vegetable production.

Keywords

Business management distribution and marketing, Fruit and vegetables

Disciplines

Business Administration, Management, and Operations | Horticulture | Marketing



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Principal Investigator:

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Ames

Budget:
\$25,000 for year one

Q How can actual Iowa fruit and vegetable production data be collected?

A Practical Farmers of Iowa trained a group of producers on how best to collect production data from 13 Iowa farms.

Background

Suitable fruit and vegetable insurance is necessary to sustain and promote fruit and vegetable production in Iowa. In-depth conversations with the Farm Services Agency, Iowa Department of Agriculture and Land Stewardship, U.S. Department of Agriculture Risk Management Agency, and Iowa State University Extension made it clear that baseline data on production and sales must be gathered before fruit and vegetable insurance opportunities can be offered to Iowa farmers.

Recordkeeping is complex for fruit and vegetable farms, as they often grow a variety of crops. Frequently, these crops are planted, harvested and marketed multiple times during a growing season with long work days. With this project, Practical Farmers of Iowa (PFI) sought to train producers from 40 fruit and vegetable farms on how to keep good quality records, and then collect and compile records from 10 farms to generate valuable baseline data on Iowa's fruit and vegetable production.

The objectives of this project were to:

- 1) Educate fruit and vegetable farm growers how to keep detailed production and sales records and
- 2) Collect records from fruit and vegetable farms on production and sales to create baseline information that will provide insurance agencies and other relevant organizations information needed to strengthen fruit and vegetable insurance options in Iowa.

Approach and methods

PFI educated fruit and vegetable farmers on how to keep detailed records through farmer-to-farmer learning events. This educational approach allows farmers to learn from peers who have first-hand experience with the learning objective.

PFI hosted an online meeting where farmers discussed the status and need for fruit and vegetable insurance in Iowa. PFI recruited and offered participants detailed training on how to keep records in the proper format for the project. Each participating farm was contacted at regularly scheduled intervals to increase the accuracy and amount of records produced. PFI collected the records in a report for dissemination to individuals and agencies interested in increasing crop insurance options for Iowa fruit and vegetable producers.



MARKETING



*Libbey-Landgraf Field Day,
July 2011*

Results and discussion

Thirteen of the 14 recruited farms completed the project and submitted data collected through December 15, 2013. Data submitted represents 10.7 acres of crops and 172 crop plots. All data amassed followed Farm Services Agency (FSA) guidelines. Almost all production was intended for fresh use; only two segments were intended for use as seed crop. Less than 7 percent of the data came from high tunnel production, and the remainder was for outdoor production.

The crop data submitted represented 23 FSA Crop Categories: apples, asparagus, beans, broccoli, cabbage, carrots, cauliflower, corn, cucumbers, eggplant, garlic, greens, herbs, lettuce, onions, peas, peppers, potatoes, sweet potatoes, shallots, squash, tomatoes, and watermelon. Data represented 50 FSA Type Categories (sub-categories of Crop Categories). For example, types of onions tracked included red, storage, sweet early, white and yellow hybrid.

Producer units of measure were converted to FSA units of measure for comparative purposes. Total harvest includes insect- and producer-caused damaged crops (damage not due to natural disaster). Total acreage includes walking paths in production areas.

Additional data beyond FSA requirements were collected to enhance producer comparisons. This included variety name, plant spacing, irrigation, planting notes and harvest notes.

Conclusions

Recordkeeping remains a high priority and is necessary for fruit and vegetable producers to improve their operations. In addition to knowing how to keep records, they wanted help with strategies to fit the time for recordkeeping into their busy growing seasons.

The 2013 growing season marked the wettest spring on record for Iowa, causing some delays in plantings and poor germination. The wet spring was followed by summer drought in most of the state. Participants have expressed interest in repeating the project to build a more solid database with data from more than one growing season.

Impact of results

The project exceeded its original goals in number of people trained in recordkeeping as well as number of farms to provide records. The education provided through this grant will allow fruit and vegetable farmers to keep better records, and as a result have available the needed accurate production information for their businesses. Having accurate production data will allow them to make improvements based on facts versus guesswork. In addition, these recordkeeping skills will allow them to comply more easily with paperwork requirements for organic certification, wholesale accounts and crop insurance.

The baseline production data collected through this project is a starting point to create an actual production history for fruit and vegetable crops in Iowa. Producers will be able to compare their yields to those of fellow Iowa farmers. In addition, crop insurers report that they will be able to use the actual production histories to improve crop insurance choices for fruit and vegetable farmers in Iowa.

Lenders report that they lack knowledge on the production potential of fruit and veg-



Rick Hartman.

etable crops in Iowa, so these production histories will give them the information needed to better provide loan options to these farmers.

Education and outreach

This feedback came from project evaluations:

August 22, 2013 field day: All participants reported a change in knowledge as a result of attending. Fifty-two percent of attendees report plans to change production practices as a result of attending, including “keeping better track of what we do,” “field labeling system,” and “better recordkeeping practices.”

November 5, 2013 webinar: Participants rated this webinar as extremely effective and reported a very large change in knowledge as a result of attending.

January 24, 2014 workshop: Remarks from attendees: “This was very useful in learning how to calculate profit and loss,” and “Thanks for sharing that detailed of information.”

January 25, 2014 workshop: Attendees commented: “The presenter really knew his stuff and explained the numbers really clearly,” and “Wow, great detailed explanation of how to calculate profit!”

For the record-collecting portion of the project, participant ratings were positive:

- 58.3 percent increased recordkeeping knowledge by participating in the project.
- 83.3 percent improved their recordkeeping practices by participating in the project.
- 75 percent increased their understanding of their farm production numbers.
- 86.3 percent were more prepared to apply for insurance in the future.

Participant comments:

- “The project reinforced our commitment to very small production. In some ways it exposed our inefficiencies, but in other ways, it reaffirmed that we do not want to scale up. Our risk management strategy is definitely focused on diversity. This project provided support for that strategy as a good strategy for small-scale production with intensive management--many planting and harvesting dates within the same crops.”
- “The production numbers helped us understand potential yield for our future orchard crops. This enabled us to plan for future facilities such as additional cooler space.”
- “I have a clearer understanding of what the FSA is looking for regarding crop insurance. And the project helped me understand how crop insurance would work much better for wholesale accounts than for CSA accounts. Essentially - farm members become the crop insurance in a CSA model. Traditional crop insurance would be very burdensome for CSA production.”
- “For us, I think what it has allowed us to do is: 1.) Have a rough idea of the yield per area of some of our crops and 2.) Compare the yields of different varieties (potatoes, onions) that we collected information on.”

**For more information,
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Leveraged funds

From September 2012 to August 2013, the Federal Risk Management Agency provided \$75,000 to do work in conjunction with Leopold Center funds for this project.