



Illinois

**Habits of Financially Resilient
Farmers Who Excel at Risk
Management**

This 2017 risk management project looked at the habits of farmers who excel at risk management; those who are resilient and those that continue to make their operation profitable during the recent era of low commodity prices. How do these producers remain solvent? They use crop insurance as a marketing tool spreading sales over time; have in-line land control costs, exercise control over production while still being open to adopting new technologies, and deploying their expertise.

Project director, Gary Schnitkey and his team delivered in-person presentations during

workshops and conferences and via online webinars and the [FarmDoc](#) website. Approximately 1,050 Illinois producers took part in these information sessions across the state. Producers reported gaining a better understanding of the elements of risk management, how to begin their own personal risk management program and learning how to evaluate their own program for success.

Curriculum developed included Habits of Financially Resilient Farms. Participants learned what the importance of financial records and analysis is to profitability on the farm and recognized how to select crop insurance products and integrate them into their marketing plan. Sixteen participants then prepared and developed their own financial statements, cash flows and implemented a break-even cash rent level for their farm. After much discussion about the importance of spreading out grain sales over time, 412 producers then implemented the use of cash and futures pricing tools for their upcoming grain sales.



“We went through several cash flow scenarios which showed the outcomes that could occur with each decision.” – Project Director





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United States
Department of
Agriculture

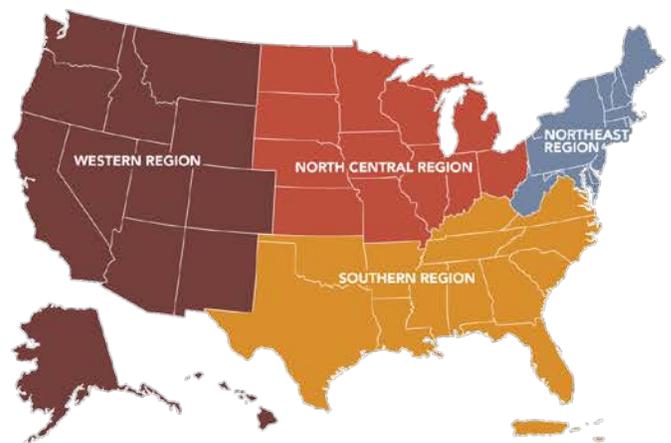
National Institute
of Food and
Agriculture

“Educating America’s farmers and ranchers to manage the unique risks of producing food for the world’s table.”

Extension Risk Management Education (ERME) is delivered through four regional centers that provide grant funding and leadership within their regions.

Projects are producer-focused, results-based and encourage public-private partnerships. Funded projects must identify targeted results that will help producers manage risk and then describe how the project will measure those results.

Extension Risk Management Education has funded innovative programs that have generated tangible results for producers in every state. ERME is committed to funding results, providing transparent accountability, and encouraging collaboration. View the accomplishments of all funded projects on our website.
<http://ExtensionRME.org>



ERME REGIONAL CENTERS



**NORTH CENTRAL
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**NORTHEAST
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