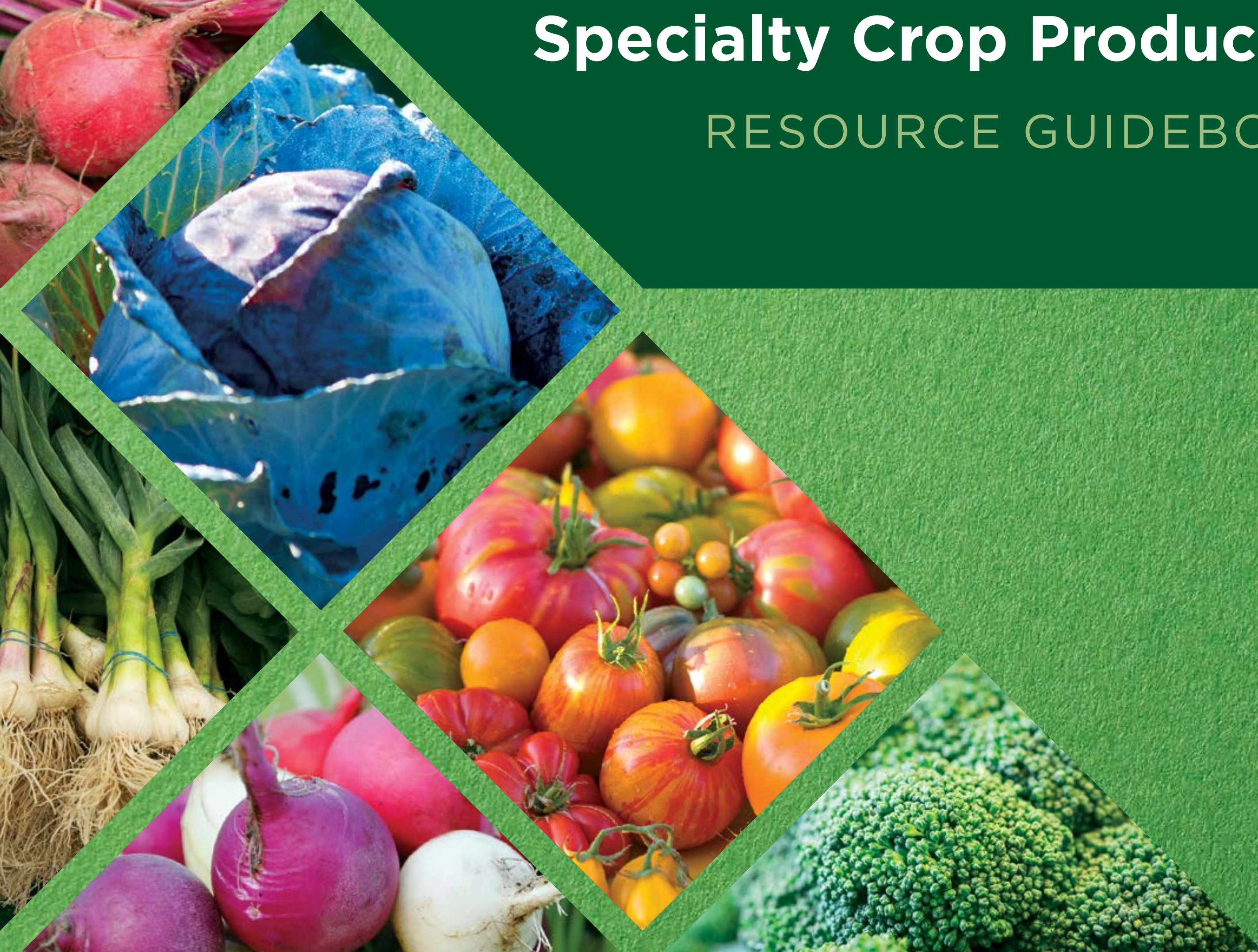
Growing Resilience

Risk Management for Specialty Crop Producers

RESOURCE GUIDEBOOK



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Risk Management for Specialty Crop Producers

RESOURCE GUIDEBOOK

About the Guidebook

This guidebook was designed to support learning for farmers operating specialty crop operations across Illinois. The Growing Resilience Project aims to provide free resources on risk management strategies to small scale and specialty crop operations across Illinois that can boost resilience around business management and strategic planning. To support long term resilience of farms and farmers in Illinois, this project has provided workshops, webinars, and free resources on crop insurance, recordkeeping, marketing, finding funding, and climate planning. Program resources included in this book were provided by project partners and compiled and designed by American Farmland Trust.

American Farmland Trust

NORTH CENTRAL EXTENSION RISK MANAGEMENT EDUCATION

USDA National Institute of Food and Agriculture
U.S. DEPARTMENT OF AGRICULTURE

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Risk Management

The 5 Areas of Risk Management

Production

Production risk arises from variability in crop yields or livestock performance due to weather, pests, diseases, or technology failures. Managing production risk (through diversification, improved technology, irrigation, or insurance) ensures stable output and helps maintain consistent income even under adverse and unpredictable conditions.

Legal

Market (or price) risk refers to uncertainty in the prices of inputs (like feed or fertilizer) and outputs (such as crops or livestock) caused by market fluctuations. Price volatility can dramatically affect profitability. Tools such as forward contracts, futures markets, and cooperative marketing help stabilize income and guide sound pricing decisions.

Human

Financial Risk involves the possibility of cash flow shortages or difficulty meeting debt obligations due to changes in interest rates, credit access, or investment returns. Strong financial management—budgeting, maintaining reserves, and using credit prudently—protects the farm's solvency and supports long-term sustainability.

Financial

Legal and institutional risk relates to liability issues, regulatory compliance, contract disputes, or changes in government policies and programs. Understanding and managing legal obligations (through recordkeeping, insurance, and legal advice) prevents costly penalties and ensures smooth business operations.

Market

Human or personal risk stems from illness, injury, labor shortages, or family succession issues affecting key decisionmakers and workers. Contingency planning, health and safety measures, and succession plans safeguard continuity and resilience in farm management.

Together, these five areas form the foundation of a comprehensive risk management strategy, helping farmers protect assets, stabilize income, and make informed, resilient business decisions in an unpredictable agricultural environment.

Crop Insurance 101

Crop insurance is a risk management tool that helps farmers protect themselves against the financial losses that can occur when their crops are damaged or their yields are reduced due to events beyond their control — such as **drought, floods, frost, pests, disease, or market fluctuations.**

There are two main types of crop insurance in the U.S.:

- **Yield-based insurance**, which protects against losses in production (for example, if a farmer's crop yield is lower than expected).
- **Revenue-based insurance**, which protects against both yield losses and declines in crop prices.

Why Is Crop Insurance Beneficial for Specialty Crop Producers?

Specialty crops—such as fruits, vegetables, nuts, and nursery crops—tend to be high value but also high risk due to their sensitivity to weather, pests, and market conditions. Having crop insurance offers several key benefits:

- **Financial Stability:** It provides a safety net, helping producers recover income after a loss so they can continue operating instead of going out of business.
- **Risk Management:** Specialty crops are often more vulnerable to weather extremes and diseases than field crops (like corn or soybeans). Insurance helps manage those unique risks.
- **Credit Access:** Lenders are more likely to approve loans for insured producers because insurance reduces the risk of default after a bad season.
- **Encourages Innovation and Expansion:** With insurance in place, producers can invest in new varieties, technologies, or sustainable practices without fearing total loss from unpredictable events.
- **Market Stability:** By helping producers stay in business after adverse events, crop insurance contributes to a stable supply of specialty crops for consumers and markets.

In short, crop insurance acts as a financial safety net and business tool that supports resilience, sustainability, and growth in the specialty crop sector — which is crucial given how climate and market risks are increasing.

Crop Insurance Options for *Your* Operation

Whole-Farm Revenue Protection

- For operations with up to $17 million in revenue
- Covers all crops under one policy
- Provides coverage against loss of revenue

Micro Farm Program

- Similar to Whole-Farm Revenue protection but geared toward smaller operations with up to $350,000 in revenue

Controlled Environment

- For crops grown in a greenhouse
- Covers damage from plant disease or contamination

Learn more about Whole-Farm Revenue Protection, Micro Farm and Controlled Environment programs by scanning the QR code.

Basics for Beginners

Learn more about programs available and listen to testimonials from farmers about how they have incorporated crop insurance into their operations.

https://www.rma.usda.gov/about-crop-insurance/basics-beginners

Nursery Value Select

Find out what is covered in the Nursery Value Select insurance plan and learn how this plan can cover your nursery plants.

https://www.rma.usda.gov/about-crop-insurance/highlighted-initiatives-plans/nursery-value-select

About Compeer Financial

Based in the Midwest, Compeer exists to champion the hopes and dreams of rural America. We offer specialized expertise and personal service for operations of all sizes and specialties. If you are looking for a trusted financial and risk management partner or are ready to take your operation to the next level, we look forward to working with you.

Scan the QR code to learn more about Compeer and to find an agent near you.

https://compeer.com

FARM CREDIT
ILLINOIS
Helping Farm Families Succeed

CROP INSURANCE

Resources

SPECIALTY CROP INSURANCE LIBRARY

https://www.farmcreditil.com/Products/crop-insurance

ACTUARIAL INFORMATION BROWSER

https://aibpf-rma.fpac.usda.gov/apps/ActuarialInformationBrowser/CropCriteria.aspx

For more information or questions, contact:

Sherri Tomhave, Crop Insurance Product & Training Specialist — call 217-473-6371 | **sherri.tomhave@farmcreditil.com**

Financial Recordkeeping

Balance Sheets

A balance sheet is a financial statement that provides a snapshot of a farm business' financial position at a specific point in time, listing its **assets** (what it owns) and **liabilities** (what it owes).

Instructions

To fill one out, start by listing all assets (things the company owns), such as cash, inventory, and equipment. Next, list all liabilities (what the company owes), like accounts payable and loans. Finally, record owner's equity, which represents the owner's investment and retained earnings. The total assets should always equal the sum of liabilities and owner's equity—this is the basic accounting equation: Assets = Liabilities + Equity. Once everything is listed and added up correctly, your balance sheet will show a clear picture of your company's financial position.

Cash Flow Projection

A **cash flow projection** is a financial tool that estimates a company's future cash inflows and outflows over a specific period, like a month, quarter, or year. It helps farmers and businesses predict cash shortages or surpluses by forecasting money coming in from sources like sales and loans, and money going out for expenses and loan payments. This projection is crucial for strategic financial planning, budgeting, and ensuring the business has enough liquid cash to cover its obligations.

Instructions

To complete a cash flow projection, start by estimating all the cash coming in (inflows), such as sales, loans, or investments, for each month. Then list all the cash going out (outflows), like rent, salaries, supplies, and loan payments. Subtract your total outflows from your inflows to find your net cash flow for each period. Add this net cash flow to your starting cash balance to see your ending cash balance for the month. Repeat this for several months ahead to predict whether you will have enough cash to cover expenses or need extra funding.

Finding Funding

There are many options available for farmers to seek grant and cost share funding that can provide financial support to adopt new practices on the farm. Many of these grant programs are aimed at improving farm operations that can build resilience.

You can apply to access federal USDA cost share programs through your local county Natural Resource Conservation Service (NRCS) Office. First, you will need to register your farm with the USDA Farm Service Agency (FSA) if you have not done so already. It is recommended to go to your county or local FSA office before applying for NRCS programs.

Scan the QR codes below to learn more about grants available to farmers in your area!

FIND FUNDING

with ISAP's Financial INcentives Database (FIND) Tool!

Search a database of 60+ programs based on **YOUR** county, **YOUR** crops, & practices **YOU** want to get paid for.

FIND a program that's right for **YOUR** farm!

WWW.ILSUSTAINABLEAG.ORG/FINDTOOL

SCAN ME

ILLINOIS SUSTAINABLE AG PARTNERSHIP

FUNDING LIBRARY

for Climate Adaptation

SCAN HERE to search the database for state - specific funding opportunities!

CAMF

www.adaptationfellows.net

Balance Sheet Template

Assets		Liabilities	
Current Assets		**Current Liabilities**	
Cash/Checking		Accounts Payable	
Savings & CD's		Credit Cards	
Accounts Receivable		Accrued ER Taxes	
Prepaid supplies			
Inventory		Operating Note	
		Accrued Interest	
		Real Estate Taxes	
		Income Tax & Social Security	
		Portion of Debt due within 12 months:	
		Current Portion of Intermediate	
		Current portion of Long-Term	
Prepaid Expenses		Other	
Total Current Assets	0.00	**Total Current Liabilities**	0.00
Intermediate Term Assets		**Intermediate Term Liabilities**	
Machinery & Equipment		**Portion of loans due in more than 12 months:**	
Vehicle/Equipment			
Retirement Accounts			
Cash Value of Life Insurance			
Securities Not Readily Marketable			
Other (Business)			
Breeding Livestock		Other	
Personal Items			
Total Intermediate Assets	0.00	**Total Intermediate Liabilities**	0.00
Long Term Assets		**Long Term Liabilities**	
Farm Real Estate		Real Estate Mortgages	
Land			
Personal Residence			
Other			
		Personal Residence	
		Total Long Term Liabilities	0.00
		Total Liabilities	0.00
Total Fixed Assets	0.00	Present Net Worth	0.00
Total Assets	0.00	**Total Liabilities and Net Worth**	0.00

For the purposes of securing credit from time to time this statement is furnished and certified to be true and correct. I (or we) agree to notify said bank promptly of any material change herein.

RESET

Cash Flow Projection Sheet

Farm Business		Personal Budget	
Dates:	***Yearly***	**Dates:**	***Yearly***
Income		*Income*	
		Off-farm Income	
Seedlings			
Wholesale			
Restaurants & Grocery stores			
Other			
Total Revenue	0.00	***Total Revenue***	0.00
Expenses		**Expenses**	
Car and truck expenses		Housing	
Custom hire		Utilities	
Depreciation		Food	
Feed		Auto	
Fertilizer & other crop inputs		Insurance	
Freight and trucking		Gas	
Gas, fuel, oil		Credit card	
Insurance		Phone, Internet & Cable	
Interest			
Labor			
Rent			
Repairs and maintenance			
Seeds and plants			
Storage costs			
Supplies			
Taxes			
Utilities			
Vet and breeding expenses			
Other			
Total Expenses	0.00	***Total Expenses***	0.00
Net Income	0.00	***Net Income***	0.00

RESET

FBFM

Farm Family Wellbeing

SIU MEDICINE CENTER FOR RURAL HEALTH & SOCIAL SERVICE DEVELOPMENT

NAMI National Alliance on Mental Illness Illinois

988 Suicide and Crisis Lifeline

24/7, free and confidential support, prevention and crisis resources for you or your loved ones. Trained 988 operators provide immediate support, and referrals to mobile crisis teams or the 911 system as needed.

CALL: **9-8-8**
TEXT: **9-8-8**
CHAT: **988lifeline.org/chat**
VISIT: 988lifeline.org

NAMI HelpLine

Trained peer volunteers offering information, referral resources, and support. M-F, 9am-9pm

CALL: **1-800-950-6264 (NAMI)**
CHAT: **nami.org/help**
TEXT: **"NAMI" to 62640**
EMAIL: **helpline@nami.org**
VISIT: nami.org/help

Crisis Text Line

Free, 24/7 support at your fingertips

TEXT: **"HOME" to 741-741**
CHAT: connect.crisistextline.org/chat
VISIT: crisistextline.org
APP: **WhatsApp:**
Text "HELLO" to 741741 or 443-SUPPORT for English
Text "HOLA" to 741741 or 442-AYUDAME for Spanish

SAMHSA National Helpline

24/7 Treatment, referral and information for individuals and families facing mental and/or substance use disorders.

CALL: **1-800-662-4357 (HELP)**
TTY: **1-800-487-4889**
TEXT: **Text your zip code or HELP4U to 435748.**
VISIT: samhsa.gov/find-help/national-helpline

211

Confidential assistance in finding resources in your area like housing, food, transportation and health care resources.

CALL: **2-1-1**
VISIT: 211.org

National Domestic Violence Hotline

Free, confidential, 24/7 support for those affected/involved with domestic violence.

CALL: **1-800-799-7233 (SAFE)**
TTY: **1-800-787-3224**
TEXT: **"START" to 88788**
CHAT: thehotline.org
VISIT: thehotline.org

National Sexual Assault Hotline

Free, confidential 24/7 support, help, advice and resources.

CALL: **1-800-656-4673 (HOPE)**
TEXT: **"HOPE" to 64673**
CHAT: online.rainn.org
VISIT: rainn.org

IL Helpline for Opioids & Other Substances

Public resource for finding substance use treatment and recovery services in Illinois.

CALL: **1-833-234-6343 (2FINDHELP)**
CHAT: helplineil.org/app/home
TEXT: **Text "HELP" to 833234**
VISIT: helplineil.org

IL Warmline

Free support for emotional support, recovery education, self-advocacy support, and referrals. M-Sa, 8am-8pm, excluding holidays.

CALL: **1-866-359-7953**
TTY: **1-866-880-4459**
VISIT: illinoismentalhealthcollaborative.com

Call 911

If there is immediate danger to you or someone else.

Let dispatcher know the crisis is a **mental health crisis.**

Ask for a **mobile crisis team** and/or a **CIT-trained officer** (Crisis Intervention Team).

Give necessary **mental health information** on individual/situation.

MENTAL HEALTH & CRISIS RESOURCES

FARM FAMILY RESOURCE INITIATIVE — WHAT YOU PLANT NOW, YOU WILL HARVEST LATER

SIU MEDICINE
CENTER FOR RURAL HEALTH & SOCIAL SERVICE DEVELOPMENT

NAMI
National Alliance on Mental Illness
Illinois

The Trevor Project for LGBTQ Youth

24/7, free and confidential support from a crisis counselor.

CALL: **1-866-488-7386**
TEXT: **"START" to 678678**
CHAT: thetrevorproject.org/get-help
VISIT: thetrevorproject.org

Trans Lifeline

Confidential peer support services run by trans people for trans and questioning peers.

VISIT: translifeline.org
CALL: **1-877-565-8860** Option 2 for Spanish

LGBT National Hotline

Free, confidential peer-support, information and local resources.
M-F, 1pm-10pm | Sat, 11pm-4pm CT

CALL: **1-888-843-4564**
VISIT: lgbthotline.org

CARES (Crisis and Referral Entry Service)

Screening, Assessment and Support Services (SASS) program for children and adolescents who have publicly funded insurance and are in crisis.

CALL: **1-800-345-9049**
TTY: **1-773-523-4504**
VISIT: hfs.illinois.gov/medicalproviders/behavioral.html

Teen Line

A safe, confidential place to talk things out with another teen who can understand and will listen without judgment and provide helpful resources. 8pm-11pm

CALL: **1-800-852-8336**
TEXT: **"TEEN" to 839863**
VISIT: teenlineonline.org

National Runaway Safeline

24/7 crisis connection with a trusted, compassionate person who will listen and help you create a plan to address your concerns.

CALL: **1-800-786-2929 (RUNAWAY)**
CHAT: 1800runaway.org

National Grad Student Crisis Line

Free, confidential telephone counseling, crisis intervention, suicide prevention and information and referral services for graduate students provided by specially trained call-takers.

CALL: **1-877-472-3457 (GRAD-HLP)**

Call Blackline

A space for peer support, counseling, reporting of mistreatment, witnessing and affirming the lived experiences of folxs who are most impacted by systemic oppression with an LGBTQ+ Black Femme Lens. Prioritizes BIPOC community.

CALL: **1-800-604-5841**
VISIT: callblackline.com
APP: **Apple's App Store® and Google Play™**

Farm and Rural Stress Hotline

24/7, free and confidential line to talk to a mental health professional to navigate whatever you may be experiencing.

CALL: **1-800-691-4336**
VISIT: **avera.org/services/behavioral-mental-health/farm-stress-hotline**

Farm Family Resource Helpline

Confidential 24/7 Someone to talk to.

CALL: **1-833-327-6767 (FARMSOS)**
EMAIL: **farmfamilyresourcehelpline@mhsil.com**
VISIT: siumed.org/farm

Call 911

If there is immediate danger to you or someone else.

In A Crisis?

Help in a crisis is always available when you **text, call, or chat 988** to connect with the 988 Lifeline.

Nearest Hospital: ______________________

Nearest Psychiatric Hospital: ______________________

Doctor's Name and Phone #: ______________________

Mental Health Provider's Name and Phone #:

____

Planning Resources
for Climate Resilience

The tools listed below are a few of our favorite planning tools to build resilience and plan for the future of farm businesses. There are many tools out there to support resilience planning and goal setting. However, these are best suited for diverse cropping systems and specialty operations. Scan the QR codes to access the tools online at your convenience!

Climate Adaptation & Mitigation Planning Tool

This tool, developed by University of Maine, can be used for any farming system and allows you to choose strategies, set goals, and reflect on the realities of your farm system, location, microclimate, local markets, or other relevant variables.

https://www.adaptationfellows.net/planningtool

Veggie Compass

Designed by University of Wisconsin-Madison, Veggie Compass is a decision support tool to help diversified vegetable farmers understand their costs of production and evaluate profitability by crop and by market channel.

https://cias.wisc.edu/our-work/farming-systems/farm-viability/veggie-compass/

Climate Adaptation Planning for Farms Worksheet

This 5-Step worksheet developed by American Farmland Trust allows farmers to define goals around resilience and map out steps to achieve them.

https://farmland.org/files/climate-adaptation-for-farms-worksheet_v4_fillable2.pdf

American Farmland Trust

Thanks to our partners!

Farm Family Resource Initiative | SIU Medicine — Center for Rural Health & Social Service Development

FBFM

Compeer Financial

Illinois Sustainable Ag Partnership

Farm Credit Illinois — Helping Farm Families Succeed

North Central Extension Risk Management Education

USDA National Institute of Food and Agriculture, U.S. Department of Agriculture

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American Farmland Trust
SAVING THE LAND THAT SUSTAINS US

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