National FFA Risk Management Lesson Plans

Farm-Risk-Plans.USDA.gov
Helping farmers & ranchers find success

How to use the Risk Management Agency website

Precepts

Action

- **A1.** Works independently and in groups to get things done
- **A4.** Indentify and use resources

Mental Growth

- **J1.** Think critically
- **J4.** Solve problems

Decision Making

- **N2.** Demonstrate problem-solving skills

National Standards

NL-ENG.K-12.2 – Reading for Understanding
NL-ENG.K-12.7 – Evaluating Data
NL-ENG.K-12.8 – Developing Research Skills

Student Learning Objectives

As a result of this lesson, the student will …

1. Define the purpose and content of the Risk Management Agency website.

Time

Instruction time for this lesson: 45 minutes.

Resources

Risk Management Agency website for Farm Risk Planning: http://farm-risk-plans.usda.gov

National FFA Organization's "Essential Learnings" materials, 2003
Risk Management Agency Fact Sheet - http://www.rma.usda.gov/pubs/rme/aboutrma.pdf

Tools, Equipment, and Supplies

Computer with Internet access for groups of students (1-2 students per computer)
One copy per student of the Where Do You Find It Worksheet
One copy per team of the Web Quest Worksheet
Public writing surface
Copies of the Web Quest questions to post around the room

Key Terms

The following terms are presented in this lesson and appear in bold italics:
Risk Management Agency
Marketing Planning
New Enterprise Planning

Interest Approach

Good morning/afternoon everyone! There are many ways to locate information. However, choosing the best source can sometimes be tricky. In today's society, everyone thinks to go the Internet for immediate information. However, that is not the only resource and sometimes not the best resource to answer your questions.

Activity set up-. Explain that there are various means and methods to find information that is needed. Provide each student with the "Where Do You Find It" Handout. Explain that they are going to explore the various ways to find information to meet a specific need.

On the "Where Do You Find It" worksheet, I want you to think about what would be the best resource to answer the question found on the left hand side. When I say "Find It" you will have five minutes to complete your handout. You may NOT choose the Internet as your resource every time. Also, you must note the reference and/or site that you would use to answer the question. What questions do you have, if any? Great. Find It!

Walk around the room and check with each student. Allow the students five minutes to complete the task. If more time is needed, allow it. When there is one minute left, give the students an announcement to start to wrap up their worksheet.

Ok, pens down! Thank you for working so hard on your handout. There are many ways to locate information. However, choosing the best source can sometimes be tricky.

Me-You-Us e-Moment
Use the Me-You-Us e-Moment to engage the students in reasoning behind choosing the method (periodical, books, Internet or other) for finding the answers to the questions posed on the Where Do You Find It worksheet. Me-You-Us asks students to reflect on a question posed by the teacher (Me), and then allows students in pairs to share thoughts (You), finally the pairs share with larger groups or the entire class in order to combine all students' thoughts (Us).

I would like for you to share with a partner your reasons for choosing the methods of finding information that you noted on your "Where Do You Find" It worksheet.

Next, when I say "Move," locate another person that is approximately the same height as you. When you have located that person, each will share his or her reasons for choosing the methods of finding information with one other. After you have shared, choose one method that you think is the best out of the pair and be able to provide a reason for choosing that method. You will have three minutes to complete this activity. Questions? Move!

Give the students time to locate their partner and share his or her reasoning. Please encourage them to take ideas from both partners in order to create a new reason for choosing the method of information gathering.

I have been hearing some great thoughts! Be sure to thank your partner. Let’s hear some methods for finding information for each scenario and the reason behind choosing that method.

As the students share, capture some of the key information from their reasoning for choosing a method over another on the writing surface.

Excellent work! As you can see, there are many reasons for choosing a specific method of finding answers to questions. One of the main ways that people search for information to day is through the Internet.

Summary of Content and Teaching Strategies

Objective 1. Define the purpose and content of the ***Risk Management Agency*** website.

Activity set up – Place the "Web Quest" questions supplied at the end of this lesson around the room. The information covered today will be essential to effectively researching and creating an agricultural risk management plan. Encourage students to be curious and active learners today. The more they participate, the more they will gain from the experience and the more fun learning will become.

All of us have used the Internet to search for all kinds of things – like the best price for and I-Pod or searching for a new car. The Internet is a tool that everyone uses to find answers to questions that they have. It is a tool that many farmers/agriculturalists use today to aid them in building a strong viable business. Today we are going to become agricultural researchers by going on a Web Quest to find out what resources can be found on the ***Risk Management Agency***'s website. When I say "Spread out," you all are going to come to the desk to get the name of your assigned partner, the Web Quest sheet and computer location, then continue to the designated computer station.

You will notice that there are questions placed around the room. As researchers, you will work in your teams to navigate the RMA's website to find the answers to questions posted. Teams will be competing to have the questions accurately answered on their "RMA Web Quest" worksheet before the other teams. Once you have completed the sheet have one team member place the completed sheet on my desk. When you get to your stations please await further instruction. What questions are there? Great. Spread out!

Students will now be move to their stations. Remember to point out the various questions posted around the room. Every team must return their completed forms to the teacher's desk

The ***Risk Management Agency*** is a division of the United States Department of Agriculture (USDA). The role of USDA's ***Risk Management Agency*** (RMA) is to help producers/farmers manage their business risks through smart, market-based risk management solutions. RMA's mission is to promote, support, and regulate sound risk management solutions to preserve and strengthen the economic stability of America's agricultural producers. As young agriculturalists it is your responsibility to understand the concepts of Risk Management Planning, ***Marketing Planning*** and ***New Enterprise Planning***.

The RMA website provides some wonderful resources to help farmers prepare a risk management plan. When I say "Input" your team will enter the RMA website that is written on the board to access the site. You will be working as a team. You will have up to 20 minutes to search the site to answer your Web Quest worksheet. While the first person is at the key board acting as the navigator the other team member should be providing the role of co-pilot in this

quest. At the halfway mark I am going to ask that you switch roles. The co-pilot will become the navigator and the navigator becomes the co-pilot. Remember this is a competition with the other Web Questers in the room, but accuracy is as important as speed. When time is up I will say Quest Over. What questions do you have? Wonderful. Input!

Students now are working in pairs to find the answers to the Web Quest worksheet. Be sure to circulate around the room to ensure that both parties are utilizing the website. Make yourself available to answer questions. Remind the class that when they think they have accurately answered the Web Quest worksheet that they must place completed sheets on the desk.

At the 10-minute mark, inform the students that they need to switch roles.

After students have completed the Web Quest, review the discussion questions that support Objective 1.

Discussion Questions:

Quest Over. Well done group! It looks like the team of ________________(two student's names) was the first to complete the Web Quest.

What did you learn about the ***Risk Management Agency*** and the tools that they offer?

Was the RMA site easy to navigate? Why or Why not?

Do you feel that this information is valuable to farmers/producers? Why or Why not?

As students answer questions, lead the discussion toward the positive, important resources the RMA website provides farmers/producers. Explain that in order for agricultural producers to thrive and be successful in business that risk management is a vital as the land they own or work.

Review/Summary

You all were great today! Thank you so much for being so involved in this Web Quest to research the purpose of the ***Risk Management Agency*** and all of the tools that the agency offers. In upcoming classes we will be delve deeper into risk management planning, ***better marketing planning*** and n***ew enterprise planning***. As we summarize what we learned, let's quickly identify what the RMA regulates as well as what the three types of planning is addressed in the website.

Allow the students to brainstorm and review. The appropriate answers are as follows:

- ***Regulates and supervises the Federal crop insurance program***
- ***Risk Management Planning***
- ***Marketing Planning***
- ***New Enterprise Planning***

Application

Extended classroom activity: *Students should provide try to identify one concept found on the RMA website that is new and of interest to them as a student. Then they can instruct the other students how they found the information and explain why this information was of interest to them. You may want to give bonus points for this activity for students.*

FFA activity: *Members should share the information that learned about the RMA website with their parents, friends or community members that would/could benefit from these resources.*

SAE activity: *Individual students could participate in a Communications SAE or Service-based SAE in order to share with local farmers/producers the wonderful tools located on the RMA website. Students could demonstrate how to use the tools to aid farmers/producers in creating a risk management plan.*

Evaluation

The Web Quest format is an application evaluation tool that will measure the student's ability to navigate the RMA website and locate the correct information for each question.

Answers to Web Quest:

1. The RMA regulates what?

   The Risk Management Agency regulates and supervises the Federal crop insurance program.

2. What federal agency is the Risk Management Agency housed under?

   United States Department of Agriculture

3. What three types of planning are addressed through this website?

   Risk Management Planning
   Marketing Planning
   New Enterprise Planning

4. What does the term hedging mean?

   Hedging uses futures or options contracts to reduce the risk of adverse price changes prior to an anticipated cash sale or purchase of a commodity.

5. What does the term SWOT mean?

   Strengths, Weaknesses, Opportunities and Threats

6. Why would you conduct a SWOT analysis?

   A SWOT analysis can help you gain insights into the past and think of possible solutions to existing or potential problems — either for an existing business or new venture.

7. What are the six types of risk and give an example of each?
   Production risk: weather, pests, disease, the availability of critical inputs and the interaction of technology with other farm and management characteristics.

   Marketing risk: identify and quantify costs, set price goals, determine potential price outlook, examine production and price risk, and develop a strategy for marketing your crop.

   Financial risk: The cost of debt capital; cash flow needs; and the ability to maintain and grow equity.

   Legal risk: establishing or reorganizing a business, renting or leasing issues, tax issues, bankruptcy, environmental issues, sale of a farm, transfer of management, estate planning

Human risk: Children and safety on the farm, hazards on farm equipment, respiratory hazards from harvesting, pesticides and safety,

General risk: record keeping, business planning, diversifying business

8. What are the eight steps needed to diversify your operation?
    - Conduct a SWOT analysis.
    - Conduct additional research based on the outcome of the SWOT analysis.
    - Develop a business plan, including a marketing plan.
    - Evaluate the feasibility of the plan, taking into account your availability of land, labor, and capital, and make changes if needed.
    - Approach your lender, if needed.
    - Implement the plan.
    - Evaluate the impact of your diversification plan on farm income and farm resources.
    - Adjust the plan and practice, if needed.

AS.1

Where Do You Find It Worksheet

There are many ways to locate information. However, choosing the best source can sometimes be tricky. For the scenarios below, identify the best resource to use to find the answer to the question. You may NOT choose Internet each time. You must note the reference and/or site that would be used.

If you want to find the best price for an I-Pod…	☐ Periodicals ☐ Books ☐ Internet ☐ Other Name the Reference/Site:____________________________
If you want to find what is playing at the movies…	☐ Periodicals ☐ Books ☐ Internet ☐ Other Name the Reference/Site:____________________________
If you want to find the current market price of corn…	☐ Periodicals ☐ Books ☐ Internet ☐ Other Name the Reference/Site:____________________________
If you want to buy a car…	☐ Periodicals ☐ Books ☐ Internet ☐ Other Name the Reference/Site:____________________________

Web Quest Worksheet

On the Risk Management Website, http://farm-risk-plans.usda.gov, find the answers to the following questions. Please note that you may NOT use the "search" option of the website.

1. The RMA regulates what?
2. What federal agency is the Risk Management Agency housed under?
3. What three types of planning are addressed through this website?
4. What does the term hedging mean?
5. What does the term SWOT mean?
6. Why would you conduct a SWOT analysis?
7. What are the six types of risk and give an example of each?
8. What are the eight steps needed to diversify your operation?

The RMA regulates what?

Web Quest Guiding Questions

What federal agency is the Risk Management Agency housed under?

What three types of planning are addressed through the website?

Web Quest Guiding Questions

What does the term hedging mean?

Web Quest Guiding Questions

What does the term SWOT mean?

Web Quest Guiding Questions

Why would you conduct a SWOT analysis?

Web Quest Guiding Questions

What are the six types of risk and give an example of each?

What are the eight steps needed to diversify your operation?

Web Quest Guiding Questions