



BARNYARDS & BACKYARDS



Free business resources for all Wyoming producers, agribusiness operators

Advising staff of the Wyoming Small Business Development Center (SBDC) Network have contributed articles to this publication over the past few months on agribusiness topics related to building resiliency and recovering from the effects of the COVID-19 pandemic.

We'd now like to introduce you to our organization and the scope of services available to all producers and agribusiness-related operations in Wyoming.

The SBDC is a federally and state-funded organization hosted by the University of Wyoming with the goal of "entrepreneurs helping entrepreneurs." We provide no-cost, confidential business advising from start-up to growth to exiting an enterprise.

Our advisers have experience either as small businessowners themselves or in playing a key management role in an entrepreneurial venture in addition to a multitude of formal training and education.

Our advising and training opportunities can help with access to capital, business planning, financial analysis and cash flow management, human resources and compliance issues, cybersecurity, government contracting opportunities, market research, enhancing your online presence and much more. Thousands of business owners across the state over decades have accessed SBDC's services to grow their operations and increase profitability.

In addition to those above, here are specific services we can provide:

- Recognizing market opportunities and pivoting your operation to address them.

- Redesigning (or creating) a business plan that identifies your resources, key partners, opportunities, and value proposition to more effectively (and profitably) deliver your goods and services.

- Funding digital media improvements, such as website and social media analysis, and website infrastructure design upgrades.

- Funding expert consultation and training from industry professionals of your choice (accountants, marketing consultants, experts specific to your operation).

- Webinars and training that address business skills to help you grow and be more profitable (cash flow analysis, social media strategy, making new market opportunities, etc.) Past webinar recordings are available for viewing under the Training link at wyomingsbdc.org.

Federal appropriations from the Congressional Coronavirus Aid, Relief, and Economic Security (CARES) Act allowed us to expand our scope of services to directly address all four phases of business recovery during the pandemic: response, recovery, resiliency, and reinvention.

We are here to help if your business has incurred losses related to the effects of the ongoing pandemic. In fact, we are here to help any business with a desire to grow and become more efficient.

Whether you're a livestock or wool producer, purveyor of food and dry goods products, or an agribusiness service provider, our expert staff is

always on hand to provide no-cost, confidential advising and training services.

Visit us at wyomingsbdc.org to contact an adviser. Our COVID-19 information and support page is also available at WyomingSBDC.org/covid19 and updated daily.

To view a wide array of state and county-specific business support services, check out our new, interactive Wyoming Business Resources Locator site at wyomingbusinessresources.org.

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ABOUT THE WYOMING SBDC NETWORK

The Wyoming SBDC Network offers no-cost advising and technical assistance to help Wyoming entrepreneurs think about, launch, grow, reinvent, or exit their businesses. In 2019, the Wyoming SBDC Network:

- Helped Wyoming entrepreneurs start 108 new businesses,
- Created or saved 3,402 jobs, and
- Brought a capital impact of more than \$24 million to the state.

The Wyoming SBDC Network is hosted by the University of Wyoming with state funds from the Wyoming Business Council and is funded in part through a cooperative agreement with the U.S. Small Business Administration.

Four kinds of hemp production available for Wyoming producers

Hemp has potential applications in thousands of products and can now provide an option in crop rotations.

Wyoming has the advantage of having less pests adapted to hemp than other parts of the country. The environment is drier, windier, and colder. This crop will be more accepted as the number of hemp processing options increases near the Cowboy state.

There are four main types of hemp production. Three types of hemp production are grain, fiber, and seed oil. The fourth type of hemp, CBD (cannabidiol), is actually only designated hemp by the recent 2018 Farm Bill definition. This new definition requires hemp to have less than 0.3 percent THC (psychoactive constituent of cannabis) from Schedule I controlled substances and making it an ordinary agricultural commodity.

CBD is derived from the same genetics as marijuana, providing additional challenges to production and keeping THC levels low. Under the new definition of hemp, its genetics may contain ratios of *Cannabis sativa*, *Cannabis indica* and *Cannabis ruderalis*, whereas historically hemp was primarily *Cannabis sativa*.

Hemp grain is farmed like other grains and produced using equipment grain growers are familiar with. Hemp grain is grown on more acres in Canada than any other type of hemp. The grain is currently marketed for human consumption. There is a high potential for hemp grain to be in the poultry feed market in the near future. The Association of American Feed Control Officials (AAFCO) is reviewing hemp seed for poultry production approval. It stands to reason that hemp grain will be highly demanded for chicken feed since it is a high source of protein and healthy fat. Around 1900, hemp seed was considered premium bird feed.

Hemp fiber has so many uses the list is truly exhaustive. This kind of hemp that can be cut and baled will be in more demand as processing sites become more numerous and closer to growers.

Hemp seed oil is often confused with CBD since the U.S. market is selling a vast array of products that may contain some of either, both, or neither ingredients. Hemp seed oil doesn't contain CBD or THC. Hemp seed oil is obtained by pressing hemp seeds. Cold pressed, unrefined hemp oil is dark to clear light green in color, with a nutty flavor.

Industrial hemp seed oil is used in lubricants, paints, inks, fuel, and plastics. Hemp seed oil is used in the production of soaps, shampoos, and detergents. The oil has a 3:1 ratio of omega-6 to omega-3 essential fatty acids. It may also be used as a feedstock for the large-scale production of biodiesel.

CBD is derived from cannabis that would have been called marijuana prior to the new definition of hemp in the Farm Bill that required the THC level in hemp to be less than .3 percent.

CBD production is more intensive than other kinds of hemp and requires a greater knowledge of horticultural practices. It typically involves cloning and transplanting and more weed control. There is good potential and experimentation with producing CBD via direct seeding, but the genetics and production are riskier and still not comparable to greenhouse and clonal production.

John Connert is an integrated pest management specialist and hemp agronomist with the University of Wyoming Extension. He can be contacted at (307) 766-5022.

UW EXTENSION HOSTING WYOMING HEMP WORKSHOPS IN FOUR LOCATIONS

Concurrent Wyoming hemp workshops will be in Powell, Torrington, Wheatland, and Worland Jan. 13 and Feb. 3 by the University of Wyoming Extension.

Those interested can attend the host locations or view the Zoom sessions from their own location. A link to the Zoom conference will be sent prior to January.

Local hosts will start the workshops at 8 a.m. with an opening topic. Twenty-minute Zoom sessions are 9–11 a.m. followed by a 10 minute live question and answer session. The local host will resume the workshop and finish with a topic or guest speaker.

Locations

Extension educators serve as location hosts. Locations and hosts are:

Powell. Park County Fairgrounds, 655 E 5th. Jeremiah Vardiman, (307) 754-8836 or jvardima@uwyo.edu.

Wheatland. Platte Valley Bank, 200 16th St. Leroy Jones, (307) 322-3667 or cjohns2@uwyo.edu.

Torrington. Goshen County Resource Center conference room, 4516 US Hwy. 26/85. Brian Sebade, bsebade@uwyo.edu, with Carrie Eberle, carrie.eberle@uwyo.edu. Call (307) 532-2436 for more information.

Worland. Washakie County Extension Office, 1200 Culbertson St. Caitlin Youngquist, (307)347-3140 or cyoungqu@uwyo.edu.

Zoom speakers and topics

- 9 a.m. – Hemp grain weed management, Jeff Kostuik, director of operations in central Canada and the U.S. for Hemp Genetics International (HGI)
- 9:30 a.m. – Hemp seed oil introduction, Roger Gussiaas, president Healthy Oilseeds, LLC Carrington, North Dakota
- 10 a.m. – Montana hemp variety trial information, Perry Miller, cropping systems professor, Montana State University
- 10:30 a.m. – Wyoming hemp permits/testing update, Wes Brown, hemp lead, Wyoming Department of Agriculture

Wyoming Crop Insurance 2019 in review

Crop insurance policies have become a key part of risk management planning for most Wyoming producers.

Last year was widely considered a difficult year for many producers; intense winter and spring weather events, brutal cold temperatures and snowfall in the fall, as well as an irrigation district's system-wide collapse, resulted in losses for many Wyoming producers.

The overall crop insurance picture for Wyoming in 2019 shows total policies earning a premium at 1883, with total liabilities of \$157,579,382. The number of policies is down significantly from 2018 (1,968); however, overall liabilities are up 9.2 percent from \$144,339,756. Total acres insured in the state were 5,749,389, up almost 1.8 million acres from 2018, and up from 1,894,812 acres insured in 2015, Table 1.

Most of the acres (5,392,000 or 94 percent) were covered by Pasture, Rangeland, Forage-Rainfall Index (RI-PRF) insurance, as has been the case in past years. The overall loss ratio (indemnities divided by premiums paid) of 0.91 was considerably higher than 0.59 seen in 2018. This can be attributed to large indemnities paid on certain crop policies due to fall harvest losses caused by extreme weather events.

Table 1. 2015-2019 Crop Insurance Data Comparison

Crop Year	Policies	Net Acres	Liability	Premium	Reported Losses	Loss Ratio
2019	1,883	5,749,389	\$157,579,382	\$21,366,616	\$19,347,687	0.91
2018	1,968	4,001,920	\$144,339,756	\$19,858,965	\$11,749,379	0.59
2017	2,081	2,470,837	\$128,176,632	\$17,029,788	\$10,401,686	0.61
2016	2,156	2,050,659	\$130,146,260	\$17,344,837	\$16,511,002	0.95
2015	2,308	1,894,654	\$119,748,699	\$15,927,808	\$7,406,432	0.47

CROP POLICY DATA

The four main types of crop policies sold in Wyoming are the traditional APH (Actual Production History), RP (Revenue Protection), RP-HPE (Revenue Protection with Harvest Price Exclusion), and YP (Yield Protection).

Interestingly, all crop policy types saw a reduced number of policies earning a premium in 2019 except YP policies, which showed a slight increase, Table 2. All are down significantly in number over the five-year period. For example, 2016 APH policies sold totaled 799, RP=585, and YP=571. Indemnities paid increased substantially across all policies as expected.

Table 2. Wyoming 2018-19 Crop Insurance Policy Data Comparison

Type	Policies Earning Premium	Policies with Indemnity	Net Acres	Liabilities	Total Premium	Indemnity	Loss Ratio
2018 APH	659	113	137,502	\$42,468,293	\$4,000,849	\$2,316,081	0.60
2019 APH	598	181	128,384	\$40,889,118	\$3,983,752	\$8,217,166	2.06
% Change	-9.3%	60.2%	-6.6%	-3.7%	-0.4%	254.8%	243.3%
2018 RP	579	123	137,238	\$29,656,642	\$4,274,581	\$1,763,934	0.41
2019 RP	531	183	134,810	\$32,738,948	\$4,655,982	\$2,846,991	0.61
% Change	-8.3%	48.8%	-1.8%	10.4%	8.9%	61.4%	48.8%
2018 YP	426	115	78,952	\$19,667,220	\$1,682,450	\$739,654	0.44
2019 YP	466	102	85,114	\$24,519,048	\$1,953,037	\$1,162,290	0.60
% Change	9.4%	-11.3%	7.8%	24.7%	16.1%	57.1%	36.4%

Note: There were 2 RP-HPE Policies sold in WY in 2019, covering 176 acres with zero indemnities and no change from 2018.

Indemnities paid on APH policies was the main driver of the increased 2019 loss ratio, most likely sugar beets and other crops that were not harvested due to extreme winter conditions in the fall. Further examination shows sugar beet policies reported extreme losses in 2019 compared with 2018, Table 3.

Table 3. Wyoming Sugar beet APH Policy 2018-2019 Comparison

Year	Policies Earning Premium	Policies with Indemnity	Net Acres	Liabilities	Total Premium	Indemnity	Loss Ratio
2018	154	16	26,733	\$21,339,570	\$1,015,351	\$468,727	0.46
2019	148	73	26,331	\$22,473,935	\$1,137,913	\$6,141,086	5.40
% Change	-3.9%	356.3%	-1.5%	5.3%	12.1%	1210.2%	1073.9%

RI-PRF INSURANCE

RI-PRF is one of the more popular policies among producers for protection against forage losses associated with lack of precipitation. Subscriptions to this coverage has grown exponentially since 2016 and is the most widely used policy in Wyoming in terms of acreage covered (5,399,630) and in terms of total

FOR MORE INFORMATION

A detailed Wyoming insurance profile is available at the Risk Management Agency's summary of business page (bit.ly/rma-summaryofbusiness) and offers national data for each crop and policy available. Visit www.rma.usda.gov or a local crop insurance agent for more information about how crop insurance may fit your risk management strategy.



dollars of liability (\$55,721,095), Table 4. Overall, the net acreage insured by RI-PRF in Wyoming has increased 226 percent from 2016 levels. Loss ratios over the four-year period have remained relatively constant, showing fairly consistent statewide rainfall levels.

Table 4. Wyoming RI-PRF 4-Year Comparison

Year	Number Policies	Net Acres	Total Liability	Total Premium	Indemnity	Loss Ratio
2019	259	5,399,630	\$55,721,095	\$10,481,947	\$7,063,357	0.67
2018	221	3,645,963	\$52,538,533	\$9,816,952	\$7,470,159	0.76
2017	177	2,081,288	\$28,496,921	\$4,559,057	\$2,997,907	0.66
2016	167	1,654,474	\$27,268,989	\$4,527,876	\$4,794,386	1.06
% Change (2018-2019)	17.2%	48.1%	6.1%	6.8%	-5.5%	11.8%
% Change (2016-2019)	55.1%	226.4%	104.3%	131.5%	47.3%	36.8%

LIVESTOCK POLICIES

Livestock insurance policies available in Wyoming still have much room for growth in sales, as with past years. This is especially true when considering the total number of livestock eligible for coverage across the state.

Table 5. Livestock Policy Sales in Wyoming for 2019

Type	Year	Total Liability
LRP Fed Cattle	2018	\$897,788
LRP Fed Cattle	2019	\$0
% change		-100%
LRP Feeder Cattle	2018	\$371,574
LRP Feeder Cattle	2019	\$1,428,735
% change		284.5%
LRP Lamb	2018	\$9,190,308
LRP Lamb	2019	\$2,543,132
% change		-72.3%

Two main price/revenue insurance programs are available to livestock producers: Livestock Risk Protection (LRP) and Livestock Gross Margin (LGM). These policies are designed to offer producers a mechanism to offset losses from overall market price declines.

LRP policies covering both feeder cattle and lamb were purchased in 2019; however, no LGM policies were sold in Wyoming, Table 5. LRP Lamb policies saw a sharp decrease in total liabilities, and no LRP Fed Cattle policies were sold in 2019 (down \$897,788 from 2018).

Dairy-Livestock Revenue Protection was a new policy offered in 2019, yielding total dollar liabilities of \$888,484.

For weekly updates and current risk management tips and information, follow RightRisk social media posts via Facebook, Twitter, Instagram, or LinkedIn

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RISK MANAGEMENT PLANNING RESOURCES: RIGHTRISK ANALYTICS FROM RIGHTRISK.ORG

- Risk analytics tools with user guides and instructions
- Cover a wide range of risk management topics, including risk scenarios, forage leasing, and machinery costs

