



**Project Name:** Strategies for managing risk in forage-based production systems for direct marketed beef

**Project Number:** RME-DZQ02544

**Submitted:** 2/28/2008 1:17:37 PM Central Time

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**Project Summary:**

There is increased interest in forage-fed, direct marketed beef among producers and customers but additional work is needed to develop educational materials and conduct training programs on profitable and sustainable production and marketing systems under emerging market conditions.

This project will develop and deliver 1) in-service training for livestock extension agents to prepare them for working with producers on all aspects of forage-fed, direct marketed beef enterprises, 2) workshops for producers, and 3) follow-up support for producers.

All educational programs will cover integrated production systems, marketing, and risk management strategies. Risk management will include defining and prioritizing risk, and strategies for managing production, marketing,

financial and institutional/legal risks in a cost-effective manner.

Producer decisions will be monitored and evaluated. Follow-up support for producers will be provided by livestock extension agents, with additional support from campus-based extension specialists. Support will continue past the termination of project funding, using permanent extension resources.

**Producer Impact:**

The proposal's targets increase the participants ability to manage risk in several respects. First, information will be presented on the sources of risk in pasture-based beef production systems, including risks related to various aspects of forage production, risks related to various aspects of livestock performance, risks associated with direct marketing (including regulations and legal risks), and financial risk. Second, the participants will understand the concepts of prioritizing risk based on probability of occurrence and the scale of the potential financial impacts. Third, the participants will learn the basic concepts of risk management as they relate to the types of risks referred to above. Forth, the participants will receive information on the various forms of insurance and insurance-like products available to them. Fifth, producers will learn strategies for self-insurance. The ultimate impact will be assessed by the resulting decisions made by prospective producers to enter or not enter production and the number and quality of their business plans, including the risk management component.

It is anticipated that the benefits will extend beyond the group of producers who participate directly in the workshops, both through the activities of the county agents who will receive training and other educational programs conducted by the team members after the term of the project is completed.

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## Targets - What Participants Will Learn, Achieve, Apply

|   | <u>Target(s) that will happen by end of project</u>  | <u>When Measured</u>  | <u>Est. Number</u> | <u>How Will You Verify</u>               |
|---|--|---|--------------------|--|
| 1 | County extension livestock agents will be trained to work with beef producers on business plans for forage-fed direct marketed meat enterprises that incorporate risk management strategies for the major production, marketing, financial, and institutional/legal risks.   | At the conclusion of the in-service training program        | 30                 | Post-training written survey of trainees |
| 2 | Livestock producers will understand the essential components of producing livestock on forage-based diets that meet national standards and the labeling rules for direct marketed meat, including strategies for managing key production, marketing, financial, and institutional/legal risks.   | At the conclusion of producer workshops                     | 150                | Written questionnaire                    |
| 3 | Livestock producers will gain the knowledge to make an initial assessment of their individual opportunities for a profitable forage-fed direct marketed meat enterprise.   | At the conclusion of producer workshops                     | 150                | Written questionnaire                    |
| 4 | Producers will learn about and use sources of assistance in developing plans and solving technical problems.   | Three months after the conclusion of the producer workshops | 150                | Mail survey will follow-up               |
| 5 | Producers will act on the information and provided in producer workshops and obtained from the resources provided in the workshops. Actions will include a) whether or not producers made a decision to proceed with a direct marketed meat enterprise, b) if the decision is not to proceed, what were the primary reasons why not, and the main source(s) of the information upon which the decision was based, or c) if the decision was to proceed, the primary reasons why, and the main source (s) of the information upon which the decision was based. | Three months after the conclusion of the producer workshops | 150                | Mail survey will follow-up               |
| 6 | Producers who decide to produce and direct market meat will a) develop business plans and b) incorporate risk management strategies in those plans.  | Three months after the conclusion of the producer workshops | 30                 | Mail survey will follow-up               |

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|   | <u>Target(s) that will happen after project</u>   | <u>When Measured</u>                                      | <u>Est. Number</u> | <u>How Will You Verify</u>   |
|---|---|---|--------------------|--|
| 1 | Producers who decided to develop a forage-based, direct marketed meat enterprise will have begun implementing their plans. Information will be collected on the number of animals, forage production systems and market channels. | Six months after the conclusion of the producer workshops | 30                 | Mail survey will follow-up   |
| 2 | Selected producers will participate in a telephone conference call to further evaluate the program and develop future plans for forage-fed direct marketed beef.  | six months after the producer workshops                   | 12                 | Minutes of the conference call and written plans developed by the project co-PIs |

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## **Describe Participant(s):**

North Carolina has a rapidly growing and affluent urban population. This demographic is creating a growing market for forage-fed direct marketed beef in North Carolina and other Southern states. However, there are multiple market segments, including beef that meets the new USDA grass (forage) fed guidelines, pasture raised beef fed limited amounts of grain, and beef from animals not treated with antibiotics or hormones. In addition to these concerns, an increasing number of consumers wish to support local farmers.

Many local farmers have the ability to produce a variety of forages in all seasons of the year but there are challenges to producing high-quality forages and quality forage-fed meat consistently and in the quantities the market is demanding. There is considerable production, marketing, financial and institutional risk associated with this product. Nevertheless, some farmers are beginning to take advantage of this emerging market opportunity or have expressed interest.

Two different educational activities are planned, one for producers and one for livestock extension agents.

A) Knowledgeable livestock extension agents are important to the development and adoption of new farm production and marketing systems. Therefore, agents will be selected to participate in in-service training based on expressed interest, geographic considerations, a description of local need, and a preliminary plan for using the knowledge gained in extension programming. This training will increase the capacity of agents to support local producers and will assist in the development of the workshop programs for producers.

B) Existing or prospective beef producers will be invited to participate in educational workshops and will be admitted on a first-come, first served basis up to the capacity of the workshop facility. A limited number of spaces will be offered to industry partners, producers from neighboring states and extension professional from neighboring states.

## Project Steps

|   | <u>What Project Team Does</u>   | <u>What Participants Do</u> | <u>When Measured</u>                       | <u>Est. Number</u> | <u>How Will You Verify</u>      |
|---|---|-----------------------------|--|--------------------|---------------------------------|
| 1 | The project team will meet to assemble and integrate the information required for the in-service training and producer workshops.   |                             |  |                    |                                 |
| 2 | Project team members will develop the educational materials relevant to their expertise, including materials for presentation at training and workshops, and resource materials for the participants. |                             |  |                    |                                 |
| 3 | Organize and conduct in-service training for 30 county agents with livestock responsibilities   | Agents attend training      | At the training session                    | 30                 | Head count                      |
| 4 | Develop and administer a survey to evaluate the effectiveness of the in-service training  | Complete the survey         | at the conclusion of the training session  | 30                 | Number of completed survey      |
| 5 | Organize and conduct three, two-session workshops for producers. Feed back from the agent training session will be incorporated.  | Attend the workshop         | At each workshop                           | 150                | Workshop head count             |
| 6 | Develop and administer an instrument to evaluate the effectiveness of the workshop  | Complete the instrument     | At the conclusion of each workshop segment |                    | Number of completed instruments |
| 7 | Conduct a follow-up survey of the program's effectiveness and producer actions resulting from the knowledge gained.   | Respond to the survey       | 3 months after the workshops               |                    | Count the responses.            |

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**Risk Categories:** Production, Price, Financial, Legal

**Investor Target Area(s):**

Improved understanding and use of:

- Insurance products
- Product and enterprise diversification
- Market analysis and outlook
- Marketing strategies, plans and clubs
- Direct, wholesale, and processing markets
- Financial records, analysis, and bench-marking
- Tools for managing legal liability

Improved:

- Understanding of economic risks associated with new production technologies
- Business and strategic planning
- Ability to manage changes in policy and regulation

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**Project Description**

Substantial resources already exist on production and marketing of grass-fed beef, including previous SARE projects and RME materials. However, previous work must be adapted to North Carolina conditions. This project would assemble existing resources and adapt them to develop effective integrated forage and livestock production systems for North Carolina's climate and soils. These systems would also be appropriate in other parts of the southeast with similar farming resources. Likewise, existing resources on marketing, including direct marketing opportunities and regulatory issues, would be adapted to the direct marketing of beef to North Carolina customers. Financial and cost-of-production information would be developed for various scenarios under North Carolina conditions. Risk management strategies would be addressed, including production, marketing and financial risk. Overall, emphasis will be given to identifying the key factors essential for financial success. This information would form the basis for workshops and other extension programs for producers and in-service training for extension agents and industry personnel.

In-service training will be provided to 30 county extension agents with livestock responsibilities. As a result of in-service training, these extension agents will be able to provide extension programs for interested producers in their counties. The activities of these agents will be documented by follow-up surveys.

Three, two-session producer workshops will be held across North Carolina. As a result of these producer workshops, 150 producers will evaluate pastured beef opportunities and 30 will prepare business plans within 12 months of the workshop sessions. Details of the actions taken will be documented by direct contact with participating farmers by county agents and the project leaders.

## **Tools, curriculum, presenters:**

The producer workshops comprise two sessions, one week apart. Each session will run from 9 a.m. until 4 p.m.

### Session 1

1. A panel of successful producers of pasture-raised and direct marketed beef
2. Consumer preferences for, and characteristics of, pasture raised and direct marketed beef. Invited speaker.
3. Market research: Is there a market for your product? Dunlap.
4. Forage systems for producing finished beef, including sources of risk and risk management options. This presentation will be customized to fit the agronomic characteristics of the three major climatic zones in North Carolina. Johnson and Benson.
4. Production systems for pasture raised beef, including sources of risk and risk management options. Poore and Benson.
5. Homework assignment. Participants will be provided worksheets a) to begin investigating their local market opportunities for their direct marketed beef and b) to assess their farm resources and the suitability of these resources for pasture raised beef production. Benson.
6. Day 1 workshop evaluation. Team.

### Session 2.

1. Review of Day 1 and discussion of homework assignment. Benson.
2. Legal and regulatory issues related to direct marketing of beef, including licensing, labeling and product liability. Dunlap.
3. Developing a marketing plan. Invited speaker
4. Putting it all together: developing a business plan and running the numbers. Invited speaker
5. Managing risk: An Enterprise Risk Management Approach. Benson.
6. Wrap up and explanation of follow-up activities
7. Day 2 and overall workshop evaluation. Team.

The agent training session will occur before the producer workshops are held. There will be a single two-day session, starting mid-morning the first day and ending late afternoon the second day. Material covered will be the same as for the producer workshops. Two sessions will be added, one for a discussion of the proposed content and any needed adjustments before the producer workshops are held and one to discuss follow-up extension programming to support producers with pasture-raised and direct marketed beef.

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## **Project Team**

### **Team leader and members:**

Project Leader

Geoffrey A. Benson, Ph.D

Associate Professor and Extension Economist

Dept. of Agric. and Res. Economics

Campus Box 8109, North Carolina State University

Raleigh, NC 27695-8109

Tel: (919) 515-5184.

Fax: (919) 515-6268

E-Mail: Geoff\_Benson@ncsu.edu

Role: Project Leader and Extension Specialist with responsibilities for beef, forage crops and dairy economics, including the economics of intensively managed pasture and value-added livestock opportunities.

Project Co-leader

Sue Ellen Johnson, Ph.D.

Assistant Professor and Extension Specialist

Department of Crop Science

Campus Box 7620, North Carolina State University

Raleigh, NC 27695-7620

919.513-1335 (phone)

919.515.5855 (fax)

se\_johnson@ncsu.edu (E-mail)

Role: Project co-leader and Extension Specialist with responsibilities for forage crops for livestock and biofuels.

### **Project collaborators:**

Cooperator

Matthew H. Poore, Ph.D

Professor and Extension Specialist

Dept. of Animal Science

Campus Box 7621, North Carolina State University

Raleigh, NC 27695-7621

Tel: (919)515-7798

Fax: 919-515-9061

E-mail: matt\_poore@ncsu.edu

role: Cooperator and Extension Specialist with responsibility for beef cattle, with emphasis on beef cattle nutrition, forage utilization and byproduct feed utilization. Dr. Poore has first hand experience with pasture-raised, direct marketed beef.

Cooperator

Annette B. Dunlap, MBA

Extension Associate

North Carolina Research Campus  
119 West Avenue  
Kannapolis, NC 28081  
Phone: 704-250-5403  
Fax: 704-250-5409  
annette\_dunlap@ncsu.edu

Role: Cooperator and Extension Associate working in the area of value-added agriculture, including direct marketing. Ms. Dunlap has first hand experience with direct marketed beef.

**Describe your team's capacity to deliver this project:**

The project team consists of experienced and knowledgeable extension professionals with a solid track record of collaboration and of developing and delivering effective extension programs. They are known to extension colleagues in the counties and to potential and existing producers of pasture-based beef. If funded, this proposal will permit the team to build on their past educational programs to develop an integrated program of the type proposed here. The topic to be addressed is complex. There is a need for the team members to integrate their expertise and relevant information from their respective disciplines into a cohesive and comprehensive training program. Dr. Johnson and Dr. Poore are very knowledgeable and bring many years of experience in their respective disciplines. Ms. Dunlap brings marketing knowledge and expertise. Dr. Benson has training and many years of experience in evaluating the profitability, financial feasibility and risk associated with farming systems, including budgeting and simulation. The team members are already well acquainted and have a sound working relationship. Each has a proven track record in delivering on grant funded projects.

## **Project Review**

LNE06-236 "Adoption of Grass-fed beef management practices". This project provides in-depth assessments of production practices used by experienced producers in the Northeast. Forage types and climate are different in the mid-Atlantic region but the results and experiences from this project will provide valuable insights into the challenges producers have faced and strategies used to overcome these.

LS06-191 "Promoting the development of economically and ecologically sustainable pasture-fed beef markets". The focus of LS06-191 was market research whereas this pre-proposal does not include a market research component. The marketing information developed under LS06-191 should be applicable to other mid-Atlantic and Southern market channels for direct marketed meats.

Information from both projects should be helpful in developing the content of the proposed in-service training and producer workshops. Specific results will be incorporated as appropriate. Participants from both projects may be invited speakers, subject to further investigation and discussion.

To meet the objectives of this pre-proposal, existing forage and livestock production information must be integrated and adapted. USDA recently announced standards for marketing claims for grass (forage) fed beef (Federal Register, Vol. 72, No. 199, October 16, 2007). These standards are strict and some producers who are currently targeting this market segment will need to modify their production practices. USDA has also proposed standards for "Natural", another commonly used marketing term.

Most previous work has not explicitly incorporated risk management. This project proposes to adopt a modified version of the Integrated Enterprise Risk Management approach used in non-farm industries.

**Original pre-proposal request:**      \$26,150

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**Budget**

|  |          |
|--|----------|
| Section A. Senior/Key Person                     | \$0      |
| Section B. Other Personnel                       | \$1,200  |
| Total Salary, Wages and Fringe Benefits (A + B): | \$1,200  |
| Section C. Equipment:                            | \$0      |
| Section D. Travel:                               | \$10,100 |
| Section E. Participant/Trainee Support Costs     | \$12,000 |
| Section F. Other Direct Costs:                   | \$2,000  |
| Section G. Direct Costs (C thru F):              | \$25,300 |
| Section H. Indirect Costs                        | \$2,530  |
| Section I. Direct and Indirect Costs (G + H):    | \$27,830 |

Do you have institutional approval?      Yes

Are you applying for funding for this project elsewhere or have you received funding for this project previously?      No

Explain (if yes)

## Budget Narrative

Travel: 10,100

Funds for NCSU/NCCES speaker travel (4 at \$175 per person), and for invited speaker costs including travel (\$1,500) Funds are requested for NCSU/NCCES speaker travel (6 sessions and 4 speakers at \$100 per speaker per session), and invited speaker expenses (3 workshops at \$1,500 per workshop). The project team members anticipate follow-up work with selected producers and request support for travel to these farms and marketing sites (\$1,000 total). All travel and per diem expenses will be reimbursed at established NCSU rates.

Participant/trainee support costs:5250

Agent training will occur in a single two-day session. Funds are requested for agent travel and per diem (30 at \$175 per person). All travel and per diem expenses will be reimbursed at established NCSU rates.

Materials and Supplies: 6750

Content will include the same material to be covered in the producer conferences. Funds are requested to reproduce training materials (30 at \$25).

Producer workshops consist of three two-session area meetings, held at county extension centers across North Carolina. Funds are requested to reproduce workshop materials (150 at \$25).

Funds are requested for printing, postage, etc, for the required follow-up with producers to document impacts as proposed in this grant proposal(150 participants at \$15 per head).

Honoraria for invited speakers (1 training at \$500) and (3 workshops at \$500)

Temporary labor is needed to help with the logistics of material preparation, meeting planning and follow-up activities (100 hours at \$12 per hour including fringe benefits).

Indirect Costs: \$2530

Indirect costs calculated at 10% of the total direct costs

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**APPLICATION FOR FEDERAL ASSISTANCE  
SF 424 (R&R)**

|  |                            |   |                                |
|--|----------------------------|---|--------------------------------|
| 2. DATE SUBMITTED<br>Feb 27, 2008  |                            | Applicant Identifier  |                                |
| 3. DATE RECEIVED BY STATE  |                            | State Application Identifier  |                                |
| 1. * TYPE OF SUBMISSION<br><input type="checkbox"/> Pre-application <input checked="" type="checkbox"/> Application<br><input type="checkbox"/> Changed/Corrected Application  |                            | 4. Federal  |                                |
| 5. APPLICANT INFORMATION * Organizational DUNS: 042092122  |                            |   |                                |
| * Legal Name: North Carolina State University  |                            |   |                                |
| Department: Sponsored Programs Office  |                            | Division:   |                                |
| * Street1: 2701 Sullivan Drive, Suite 240  |                            | Street2:  |                                |
| * City: Raleigh  |                            | County: Wake  | * State: NC * ZIP Code: 27695  |
| * Country: US  |                            |   |                                |
| Person to be contacted on matters involving this application   |                            |   |                                |
| Prefix:  | * First Name: Matt         | Middle Name:  | * Last Name: Ronning Suffix:   |
| * Phone Number: 919-515-2444   |                            | Fax Number:   | Email: sps@ncsu.edu            |
| 6. * EMPLOYER IDENTIFICATION (EIN) or (TIN):<br>566000756  |                            | 7. * TYPE OF APPLICANT:<br>F  |                                |
| 8. * TYPE OF APPLICATION: <input checked="" type="checkbox"/> New<br><input type="checkbox"/> Resubmission <input type="checkbox"/> Renewal <input type="checkbox"/> Continuation <input type="checkbox"/> Revision  |                            | Other (Specify):<br>Small Business Organization Type<br><input type="checkbox"/> Women Owned <input type="checkbox"/> Socially and Economically Disadvantaged |                                |
| If Revision, mark appropriate box(es).<br><input type="checkbox"/> A. Increase Award <input type="checkbox"/> B. Decrease Award <input type="checkbox"/> C. Increase Duration<br><input type="checkbox"/> D. Decrease Duration <input type="checkbox"/> E. Other (specify) |                            | 9. * NAME OF FEDERAL AGENCY:<br>USDA CSREES   |                                |
| * Is this application being submitted to other agencies? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/><br>What other Agencies?   |                            | 10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:<br>10.500<br>TITLE: USDA CSREES  |                                |
| 11. * DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:<br>Strategies for managing risk in forage-based production systems for direct marketed beef  |                            |   |                                |
| 12. * AREAS AFFECTED BY PROJECT (cities, counties, states, etc.)<br>North Carolina   |                            |   |                                |
| 13. PROPOSED PROJECT:<br>* Start Date: July 1, 2008 * Ending Date: June 30, 2009   |                            | 14. CONGRESSIONAL DISTRICTS OF:<br>a. * Applicant: 02 b. * Project: Statewide   |                                |
| 15. PROJECT DIRECTOR/PRINCIPAL INVESTIGATOR CONTACT INFORMATION  |                            |   |                                |
| Prefix:  | * First Name: Dr. Geoffrey | Middle Name: Alan   | * Last Name: Benson Suffix:    |
| Position/Title: Associate Professor  |                            | * Organization Name: North Carolina State University  |                                |
| Department: Agric. and Resource Economics  |                            | Division:   |                                |
| * Street1: 2801 Founders Drive   |                            | Street2:  |                                |
| * City: Raleigh  |                            | County: Wake  | * State: NC * ZIP Code: 27695  |
| * Country: US  |                            |   |                                |
| * Phone Number: 919-515-5184   |                            | Fax Number: 919-515-6268  | * Email: geoff_benson@ncsu.edu |

|   |   |
|---|---|
| <p><b>16. ESTIMATED PROJECT FUNDING</b></p> <p>a. * Total Estimated Project Funding <input type="text" value="27380"/></p> <p>b. * Total Federal &amp; Non-Federal Funds <input type="text" value="27380"/></p> <p>c. * Estimated Program Income <input type="text" value="0"/></p> | <p><b>17. * IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b></p> <p>a. YES <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:</p> <p>DATE:</p> <p>b. NO <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372: OR</p> <p><input checked="" type="checkbox"/> PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW</p> |
|---|---|

**18. By signing this application, I certify (1) to the statements contained in the list of certifications\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances \* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)**

\* I agree

\* The list of certifications and assurances, or an Internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**19. Authorized Representative**

Prefix:  \* First Name:  Middle Name:  \* Last Name:  Suffix:

\* Position/Title:  \* Organization:

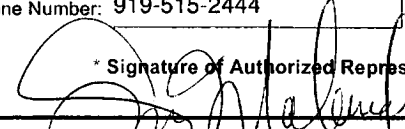
Department:  Division:

\* Street1:  Street2:

\* City:  County:  \* State:  \* ZIP Code:

\* Country:

\* Phone Number:  Fax Number:  \* Email:

\* Signature of Authorized Representative:  \* Date Signed:

**20. Pre-application**

**RESEARCH & RELATED BUDGET - SECTION A & B, BUDGET PERIOD 1**

\* ORGANIZATIONAL DUNS:

\* Budget Type:  Project  Subaward/Consortium

Enter name of Organization:

\* Start Date:  \* End Date:  Budget Period: 1

*(If the Reset Entries button is pressed, please navigate to previous year to enable the submission of the form.)*

**A. Senior/Key Person**

|   | Prefix | * First Name | Middle Name | * Last Name | Suffix | * Project Role | Base Salary (\$) | Cal. Months | Acad. Months | Sum. Months | * Requested Salary (\$) | * Fringe Benefits (\$) | * Funds Requested (\$)         |   |
|---|--------|--------------|-------------|-------------|--------|----------------|------------------|-------------|--------------|-------------|-------------------------|------------------------|--------------------------------|---|
| 1.  |        |              |             |             |        | PD/PI          |                  |             |              |             |                         |                        | 0                              |   |
| 2.  |        |              |             |             |        |                |                  |             |              |             |                         |                        | 0                              |   |
| 3.  |        |              |             |             |        |                |                  |             |              |             |                         |                        | 0                              |   |
| 4.  |        |              |             |             |        |                |                  |             |              |             |                         |                        | 0                              |   |
| 5.  |        |              |             |             |        |                |                  |             |              |             |                         |                        | 0                              |   |
| 6.  |        |              |             |             |        |                |                  |             |              |             |                         |                        | 0                              |   |
| 7.  |        |              |             |             |        |                |                  |             |              |             |                         |                        | 0                              |   |
| 8.  |        |              |             |             |        |                |                  |             |              |             |                         |                        | 0                              |   |
| <b>9. Total Funds requested for all Senior Key Persons in the attached file</b> |        |              |             |             |        |                |                  |             |              |             |                         |                        |                                |   |
|   |        |              |             |             |        |                |                  |             |              |             |                         |                        | <b>Total Senior/Key Person</b> | 0 |

Additional Senior Key Persons:

**B. Other Personnel**

| * Number of Personnel               | * Project Role           | Cal. Months          | Acad. Months         | Sum. Months          | * Requested Salary (\$) | * Fringe Benefits (\$) | * Funds Requested (\$)                               |      |
|-------------------------------------|--------------------------|----------------------|----------------------|----------------------|-------------------------|------------------------|--|------|
| <input type="text"/>                | Post Doctoral Associates | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>    | <input type="text"/>   | 0  |      |
| <input type="text"/>                | Graduate Students        | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>    | <input type="text"/>   | 0  |      |
| <input type="text"/>                | Undergraduate Students   | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>    | <input type="text"/>   | 0  |      |
| <input type="text"/>                | Secretarial/Clerical     | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>    | <input type="text"/>   | 0  |      |
| <input type="text" value="1"/>      | Hourly                   | <input type="text"/> | <input type="text"/> | <input type="text"/> | 1100                    | 100                    | 1200   |      |
| <input type="text"/>                |                          | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>    | <input type="text"/>   | 0  |      |
| <input type="text"/>                |                          | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>    | <input type="text"/>   | 0  |      |
| <input type="text"/>                |                          | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>    | <input type="text"/>   | 0  |      |
| <input type="text"/>                |                          | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>    | <input type="text"/>   | 0  |      |
| <input type="text"/>                |                          | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/>    | <input type="text"/>   | 0  |      |
| <b>Total Number Other Personnel</b> |                          |                      |                      |                      |                         |                        | <b>Total Other Personnel</b>                         | 1200 |
|                                     |                          |                      |                      |                      |                         |                        | <b>Total Salary, Wages and Fringe Benefits (A+B)</b> | 1200 |

**RESEARCH & RELATED BUDGET - SECTION C, D, & E, BUDGET PERIOD 1**

\* ORGANIZATIONAL DUNS:

\* Budget Type:  Project  Subaward/Consortium

Enter name of Organization:

\* Start Date:  \* End Date:  Budget Period: 1

*(If the Reset Entries button is pressed, please navigate to previous year to enable the submission of the*

**C. Equipment Description**

List items and dollar amount for each item exceeding \$5,000

|     | Equipment item   | * Funds Requested (\$) |
|-----|--|------------------------|
| 1.  | <input type="text"/>   | <input type="text"/>   |
| 2.  | <input type="text"/>   | <input type="text"/>   |
| 3.  | <input type="text"/>   | <input type="text"/>   |
| 4.  | <input type="text"/>   | <input type="text"/>   |
| 5.  | <input type="text"/>   | <input type="text"/>   |
| 6.  | <input type="text"/>   | <input type="text"/>   |
| 7.  | <input type="text"/>   | <input type="text"/>   |
| 8.  | <input type="text"/>   | <input type="text"/>   |
| 9.  | <input type="text"/>   | <input type="text"/>   |
| 10. | <input type="text"/>   | <input type="text"/>   |
| 11. | <b>Total funds requested for all equipment listed in the attached file</b> | <input type="text"/>   |
|     | <b>Total Equipment</b>   | 0                      |

Additional Equipment:

**D. Travel**

|    |  | Funds Requested (\$) |
|----|--|----------------------|
| 1. | Domestic Travel Costs ( Incl. Canada, Mexico and U.S. Possessions) | 10100                |
| 2. | Foreign Travel Costs   | <input type="text"/> |
|    | <b>Total Travel Cost</b>   | 10100                |

**E. Participant/Trainee Support Costs**

|                      |  | Funds Requested (\$) |
|----------------------|--|----------------------|
| 1.                   | Tuition/Fees/Health Insurance                  | <input type="text"/> |
| 2.                   | Stipends                                       | <input type="text"/> |
| 3.                   | Travel   | 2250                 |
| 4.                   | Subsistence                                    | 3000                 |
| 5.                   | Other <input type="text"/>                     | <input type="text"/> |
| <input type="text"/> | <b>Number of Participants/Trainees</b>         | <input type="text"/> |
|                      | <b>Total Participant/Trainee Support Costs</b> | 5250                 |

**RESEARCH & RELATED BUDGET - SECTION F-K, BUDGET PERIOD 1**

Next Period

\* ORGANIZATIONAL DUNS:

\* Budget Type:  Project  Subaward/Consortium

Enter name of Organization:

\* Start Date:  \* End Date:  Budget Period: 1

*(If the Reset Entries button is pressed, please navigate to previous year to enable the submission of the*

| F. Other Direct Costs                             | Funds Requested (\$)              |
|---|-----------------------------------|
| 1. Materials and Supplies                         | <input type="text" value="6750"/> |
| 2. Publication Costs                              | <input type="text"/>              |
| 3. Consultant Services                            | <input type="text"/>              |
| 4. ADP/Computer Services                          | <input type="text"/>              |
| 5. Subawards/Consortium/Contractual Costs         | <input type="text"/>              |
| 6. Equipment or Facility Rental/User Fees         | <input type="text"/>              |
| 7. Alterations and Renovations                    | <input type="text"/>              |
| 8. <input type="text" value="Speaker honoraria"/> | <input type="text" value="2000"/> |
| 9. <input type="text"/>                           | <input type="text"/>              |
| 10. <input type="text"/>                          | <input type="text"/>              |
| <b>Total Other Direct Costs</b>                   | <input type="text" value="8750"/> |

|                                      |                                    |
|--------------------------------------|------------------------------------|
| <b>G. Direct Costs</b>               | <b>Funds Requested (\$)</b>        |
| <b>Total Direct Costs (A thru F)</b> | <input type="text" value="25300"/> |

| H. Indirect Costs           | Indirect Cost<br>Rate (%) | Indirect Cost<br>Base (\$) | * Funds Requested (\$)            |
|-----------------------------|---------------------------|----------------------------|-----------------------------------|
| Indirect Cost Type          |                           |                            |                                   |
| 1. <input type="text"/>     | <input type="text"/>      | <input type="text"/>       | <input type="text" value="2530"/> |
| 2. <input type="text"/>     | <input type="text"/>      | <input type="text"/>       | <input type="text"/>              |
| 3. <input type="text"/>     | <input type="text"/>      | <input type="text"/>       | <input type="text"/>              |
| 4. <input type="text"/>     | <input type="text"/>      | <input type="text"/>       | <input type="text"/>              |
| <b>Total Indirect Costs</b> |                           |                            | <input type="text" value="2530"/> |

Cognizant Federal Agency   
 (Agency Name, POC Name, and POC Phone Number)

|  |                                    |
|--|------------------------------------|
| <b>I. Total Direct and Indirect Costs</b>                    | <b>Funds Requested (\$)</b>        |
| <b>Total Direct and Indirect Institutional Costs (G + H)</b> | <input type="text" value="27830"/> |

|               |                             |
|---------------|-----------------------------|
| <b>J. Fee</b> | <b>Funds Requested (\$)</b> |
|               | <input type="text"/>        |

**K. \* Budget Justification**      
 (Only attach one file.)

NC STATE UNIVERSITY

919.515.3107  
919.515.6268 (fax)

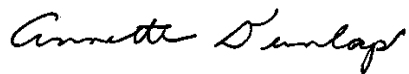
February 26, 2008

Southern Region Risk Management Center  
Texas A&M University  
Texas Cooperative Extension  
1229 North U.S. Highway 281  
Stephenville, Texas 76401

Re: Strategies for managing risk in forage-based production systems for direct marketed beef

I am writing in support of the grant application submitted by Drs. Geoff Benson and Sue Ellen Johnson for the above-named project, and to confirm my availability and strong interest in working as a cooperator on the project. I am able to provide assistance in the development of materials associated with risk management and business operations and to participate in the delivery of the proposed training programs.

Sincerely,



Annette Dunlap, MBA  
Extension Associate  
Innovation and Entrepreneurship in Agriculture/Business Management

February 25, 2008

To Members of the Proposal Advisory Council,

I am pleased to be a co-investigator on the project proposal titled: Strategies for managing risk in forage-based production systems for direct marketed beef. I am ready and qualified to serve as co-director of a multi-disciplinary team of NCSU colleagues. In addition, I will be assisting with the development and delivery of content for the proposed in-service training session and producer workshops.

Guiding producers to address the combined technical, economic and market risks of grass-fed beef production will increase the success rate and limit losses to beginning and experienced cattle managers.

We appreciate the Southern Region Risk Management Education Center's Advisory Council's foresight in considering this topic. Our approach will serve as a useful pilot for the region.

Sincerely,



Sue Ellen Johnson, Ph.D.  
Assistant Professor  
Department of Crop Science  
Campus Box 7620  
Raleigh, NC 27695-7620

919.513-1335 (phone)  
919.515.5855 (fax)  
se\_johnson@ncsu.edu

NC STATE UNIVERSITY

Dr. Matt Poore  
Extension Ruminant Nutritionist  
Professor of Animal Science  
Campus Box 7621  
Raleigh, NC 27695-7621  
Phone: 919.515.7798  
Fax: 919.515.9061  
E-Mail: Matt\_Poore@ncsu.edu

Feb 27, 2008

Dr. Geoff Benson  
Department of Agricultural and Resource Economics  
NCSU  
Box 8109  
Raleigh, NC 27695-8109

Dear Geoff.

I am writing to confirm my support for the RMA/SARE proposal entitled "Strategies for Managing Risk in Forage-Based Production Systems for Direct Marketed Beef". I think this is a worthy activity and would be of great benefit to producers developing direct marketed beef programs both in North Carolina, and in the southern region of the US.

I am willing to do whatever I can to support this effort. Specifically, I will help with materials development and in the delivery of this information both to livestock extension agents in the training component and directly to producers at the workshop programs. I look forward to a successful project!

Sincerely,



Dr. Matt Poore  
NCSU  
Department of Animal Science