

2 May, 2013 – Watsonville, California

Surviving in Agriculture

RightRisk recently offered the Surviving in Agriculture program covering risk management for agriculture in the Central Coast Region. The program opened with an overview of the Challenges and Opportunities for Local Agriculture by University of California Farm Management Advisor Laura Tourte.

RightRisk lead a discussion of the five main sources of risk for agricultural operations in today's challenging conditions: market (price) risk, production risk, institutional risk, human resource risks, and financial risk.

Dr. Jay Parsons a Risk Management Specialist with Colorado State University, stated "Today we have many more opportunities for managing the sources of risks in agriculture than was true even just a few years ago. Enhanced production technologies, alternative markets, and improved insurance products are just a few of the alternatives to shouldering the risks ourselves." Parsons also discussed alternative risk management strategies and how farm managers can compare one to another in order to evaluate which may be better.

Row Crops: Risks and Challenges in Berry and Vegetable Crop Production was presented by University of California Strawberry and Caneberry Farm Advisor Mark Bolda and Small Farms Advisor Aziz Baameur.

John Hewlett, Ranch/Farm Management Specialist with the University of Wyoming offered insights into a process for strategically managing risk covered in a book authored by RightRisk team members entitled "Applied Risk Management in Agriculture."

Hewlett also discussed how tolerance for risk varies from one individual to another. "Some individuals are more comfortable with risk and variability due to their experience, greater financial flexibility, or just due to preference. Risk tolerance can be a little like our personality, some managers are more conservative, where others are more willing to take a chance," according to Hewlett. Participants used computer clickers to create a profile of risk tolerance for attendees.

The Surviving in Agriculture program concluded with a discussion of three electronic tools from RightRisk for evaluating risk management strategies. These include a partial budget tool, an enterprise analysis tool, and a whole farm financial analysis tool. All three are available with an accompanying guide on how a producer may enter their own data for analysis.

Strawberry and lettuce enterprise analysis for Santa Cruz, San Benito, and Santa Clara Counties were presented for example scenarios using the RightRisk Enterprise Risk Analyzer (ERA) tool. The ERA tool provides users with an evaluation of the net income for an enterprise, as well as estimates of breakeven yield and price for a range of market and production conditions. Participants were given the chance to interact with all the tools using a portable computer lab furnished by the RightRisk team.

Handouts, electronic tools to help evaluate drought management strategies and more are available at <http://California.eRightRisk.com>. Or contact RightRisk directly at Information@eRightRisk.com.

Program sponsors: RightRisk, LLC, Custom Ag Solutions, UC Santa Cruz County Extension, UC San Benito County Extension, UC Santa Clara County Extension, and the USDA Risk Management Agency (RMA).