

POSITIONING YOUR FARM FOR LONG-TERM SUCCESS

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Center for Commercial Agriculture

Positioning your farm for long-term success

What are Strategic Risks

- Strategic risks are risks caused by exogenous market shocks
- Sources:
 - Government policy changes
 - Geopolitical Conflicts
 - Disease
 - Changes in consumer preferences
 - Shifting weather patterns
 - Technological uncertainties



Positioning your farm for long-term success

Farm Resilience to Strategic Risk

- Resilience is a farm's ability to anticipate, absorb, accommodate, or recover from effects of shocks or stresses in a timely manner

Agility

A farm's ability to quickly identify and capture business opportunities

Absorption
Capacity

A farm's ability to withstand shocks from strategic risks

What strategic risks concern you the most on your farm?

84 responses



The Five Managerial Levers a Farmer Can Pull

Output Price

Manage price you get for what you produce.

Yield

Manage how much output you produce.

Costs

Manage how much it costs you to produce.

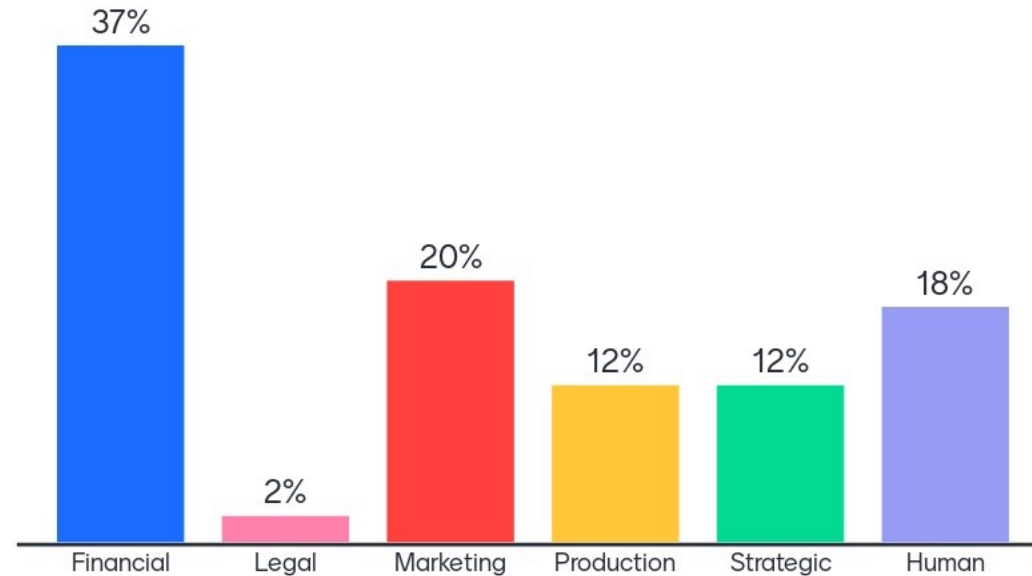
Assets

Manage your balance sheet/What tools you use to produce.

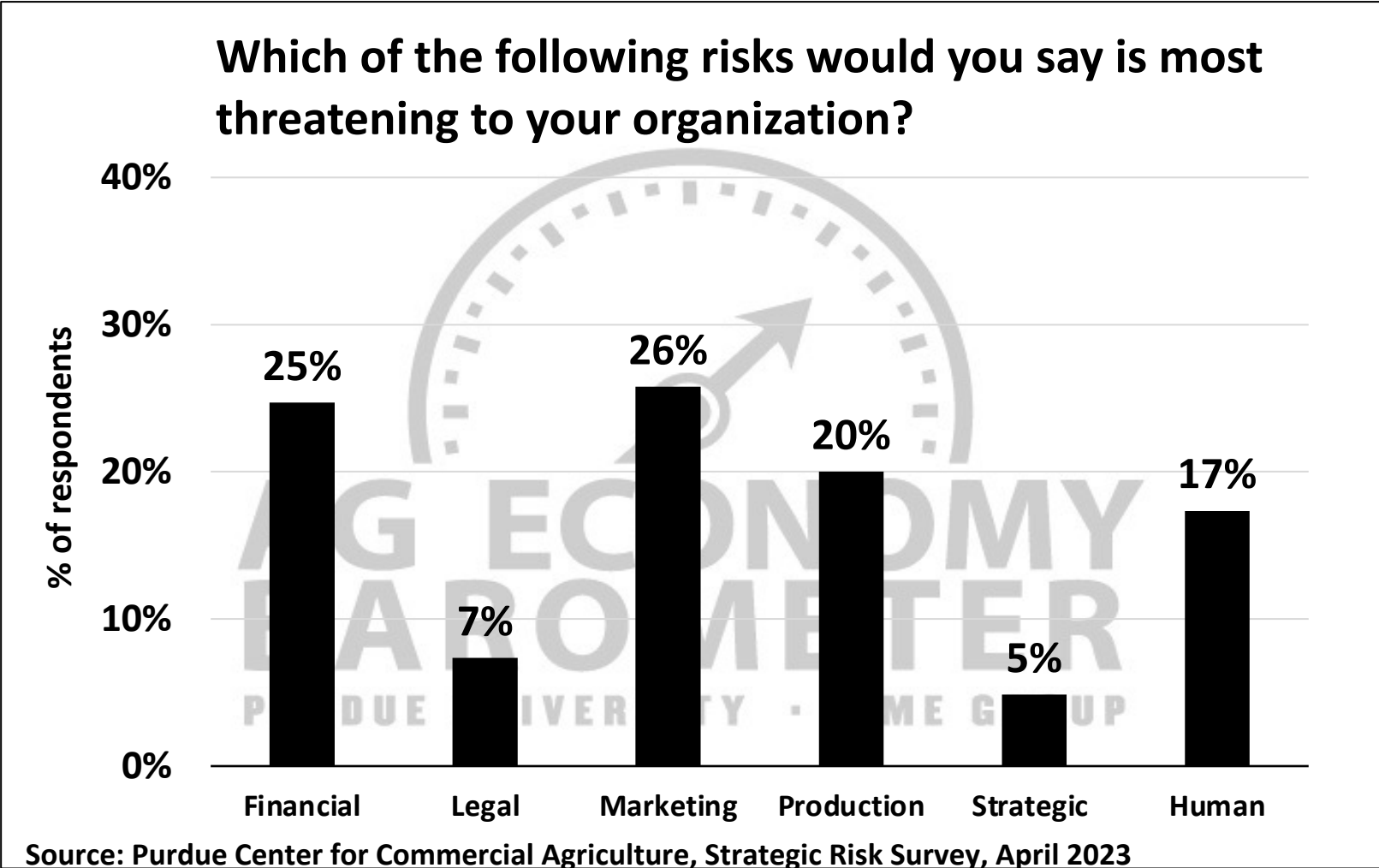
People

Manage the people that help you with the four levers above.

Which of the following risks would you say is most threatening to your organization?

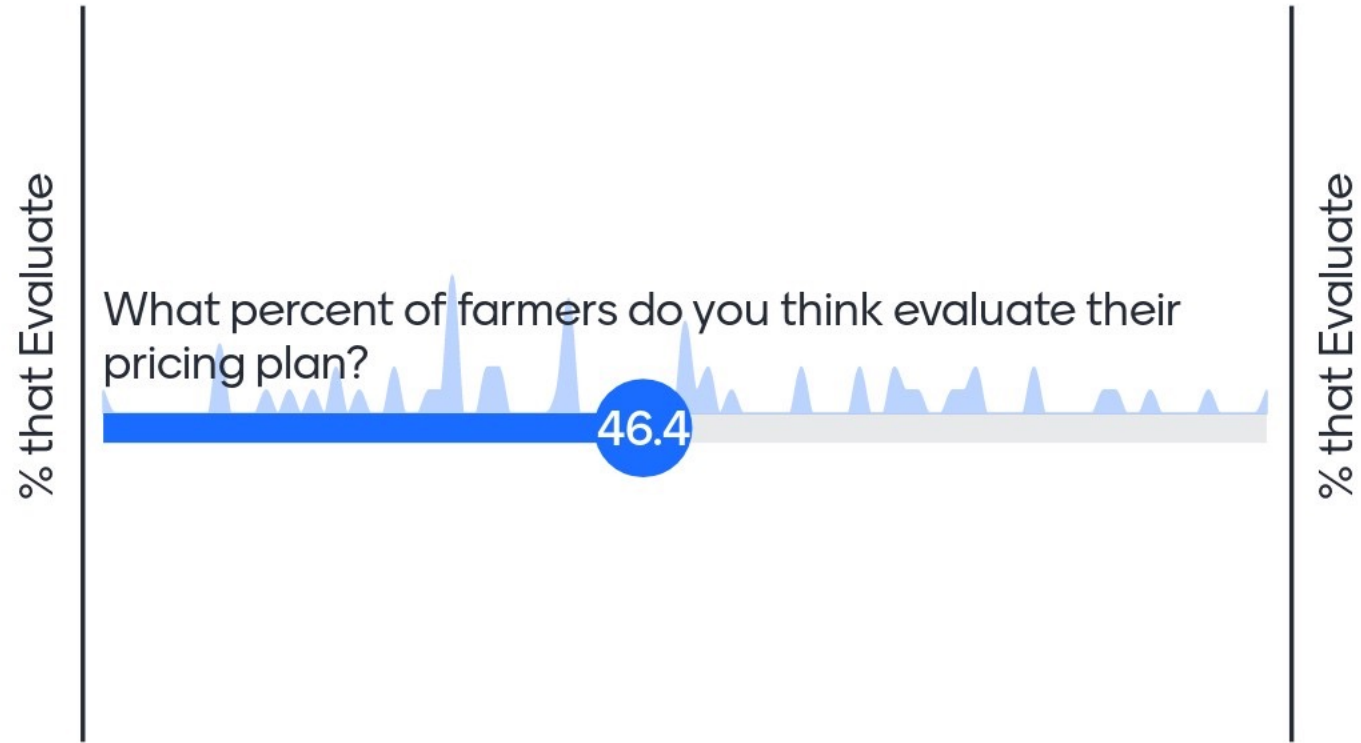


Perceptions of Strategic Risks



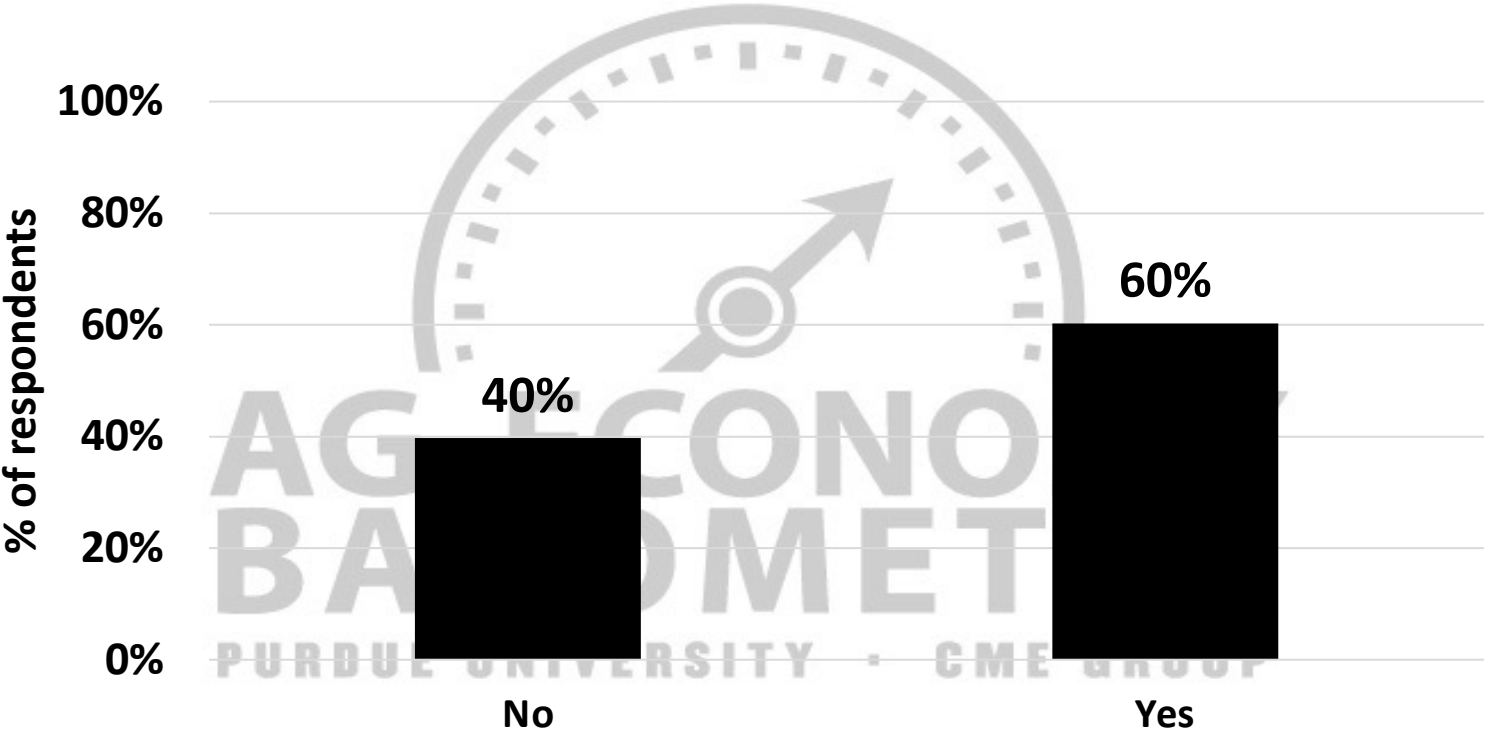
Strategic Risks

Levers a Farmer Can Pull



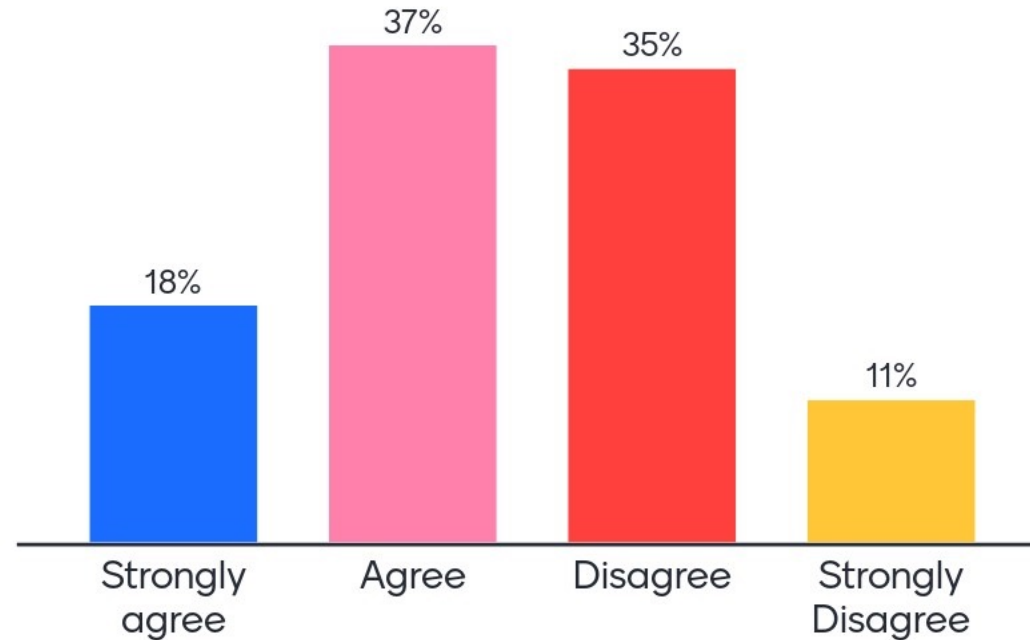
Strategic Risk and Managing Output Price

Does your farm document and evaluate crop pricing performance?



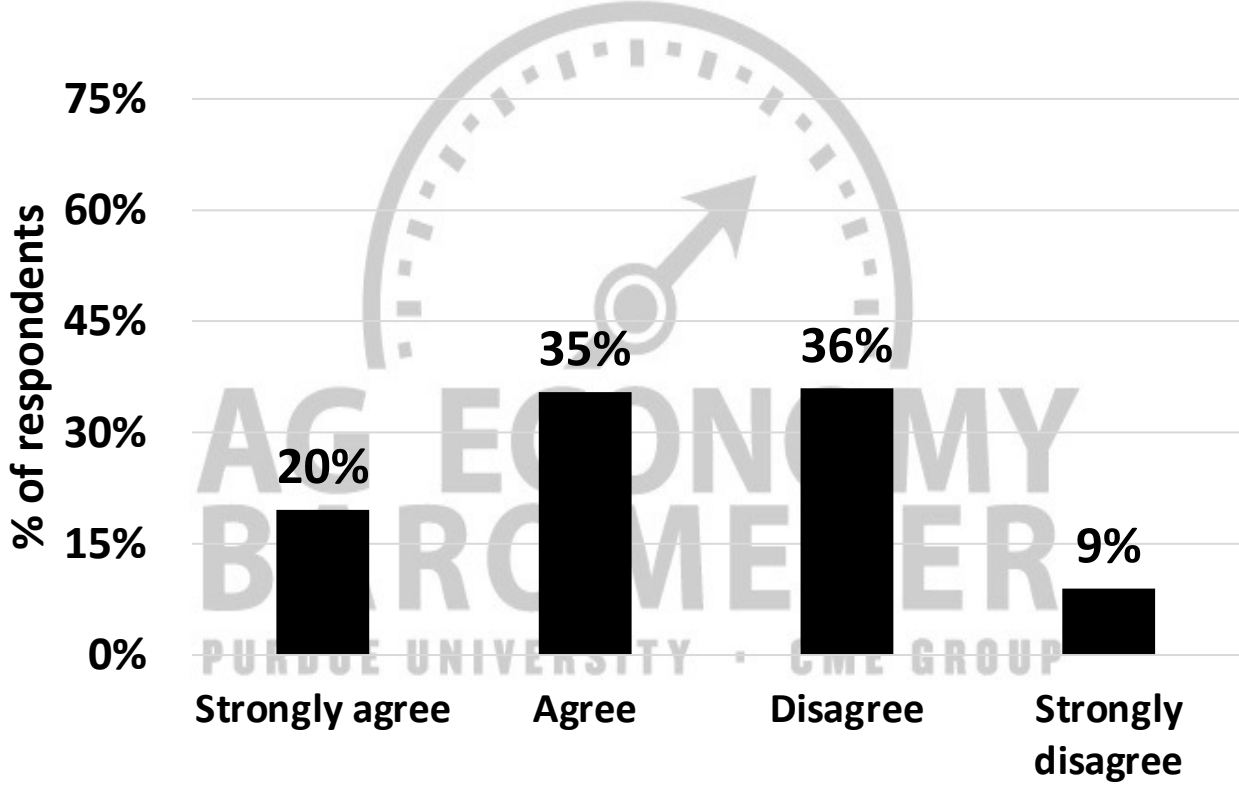
Source: Purdue Center for Commercial Agriculture, Strategic Risk Survey, April 2023

Our farm enterprise is more diversified today than it was 5 years ago?



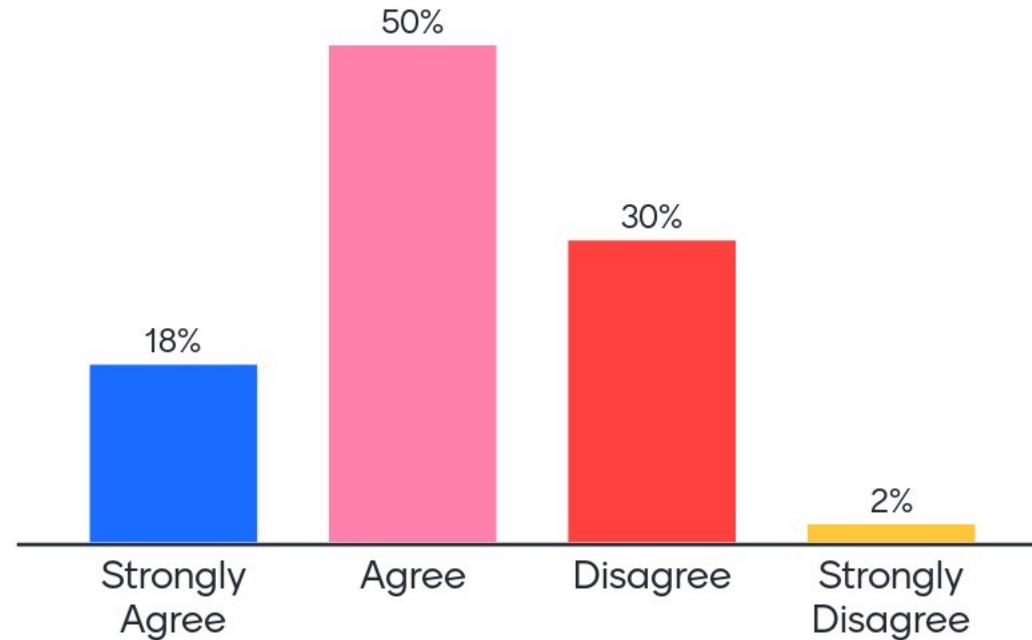
Strategic Risk and Managing Production/Yield

Our farm enterprise is more diversified today than it was 5 years ago.



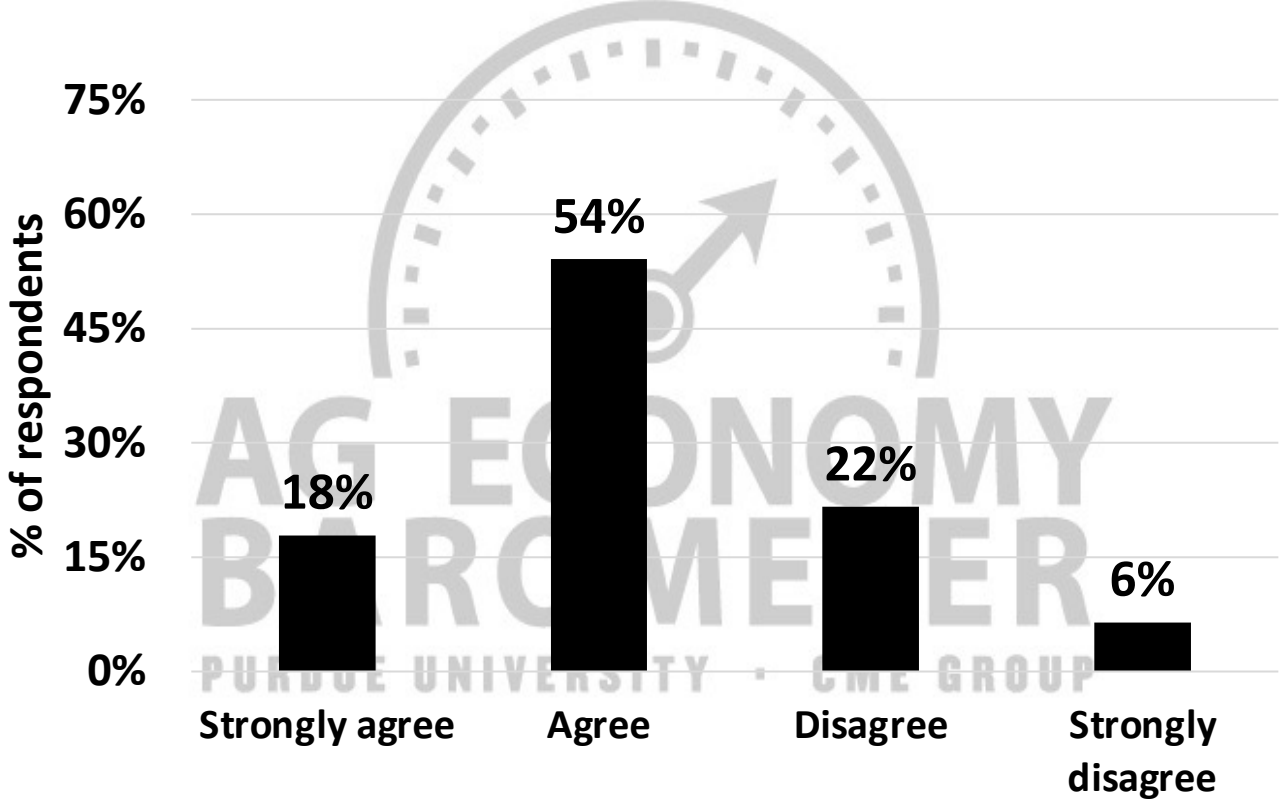
Source: Purdue Center for Commercial Agriculture, Strategic Risk Survey, April 2023

We have low per unit fixed costs relative to our most efficient competitors.



Strategic Risk and Managing Costs

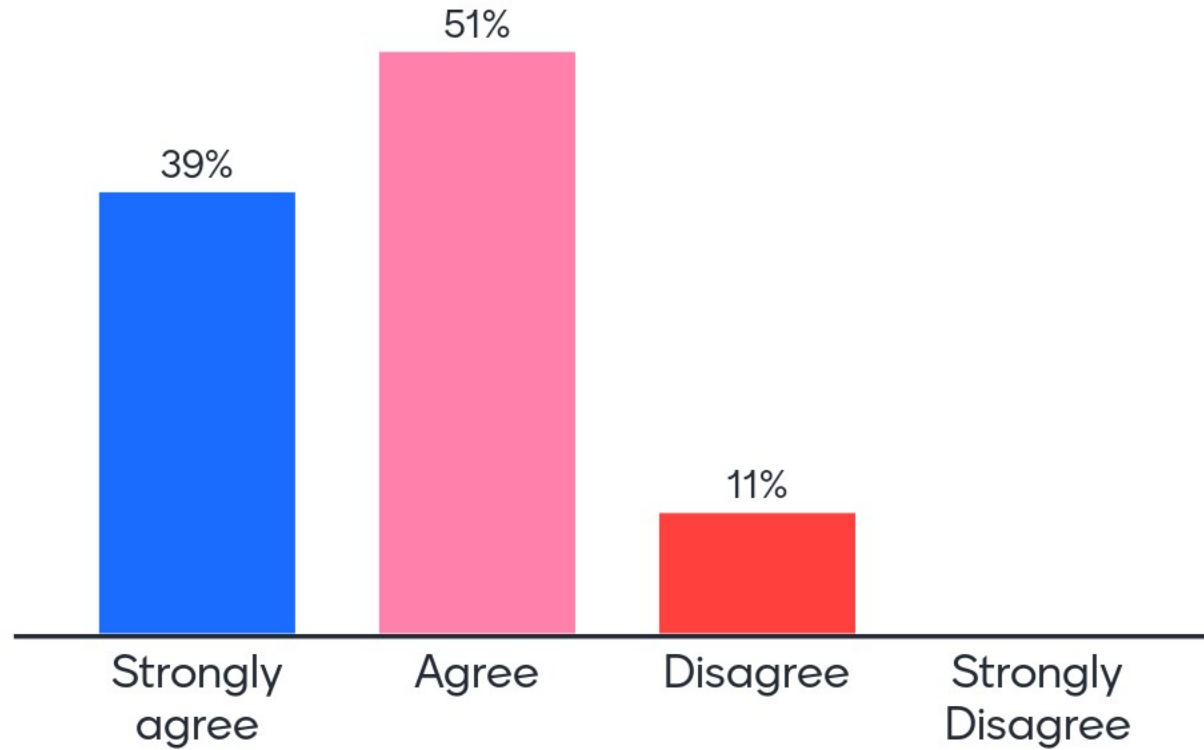
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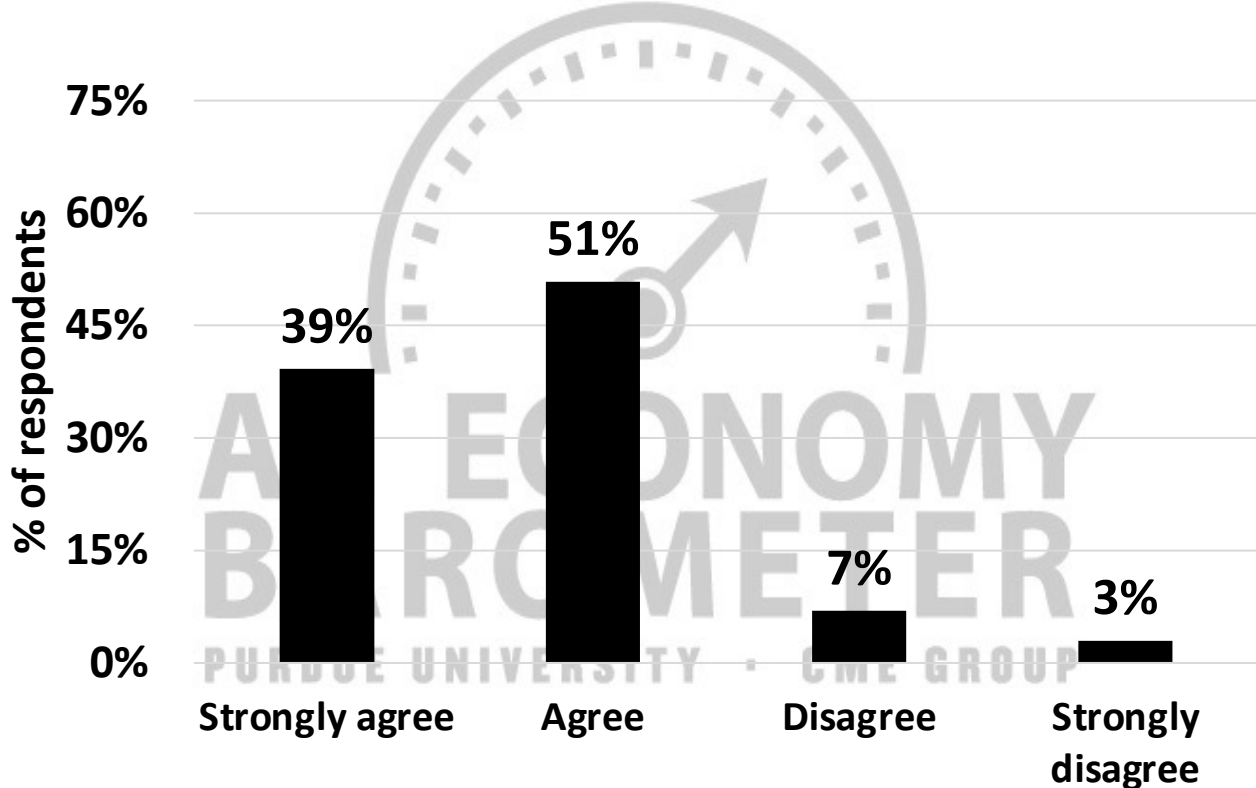


We have a strong balance sheet.



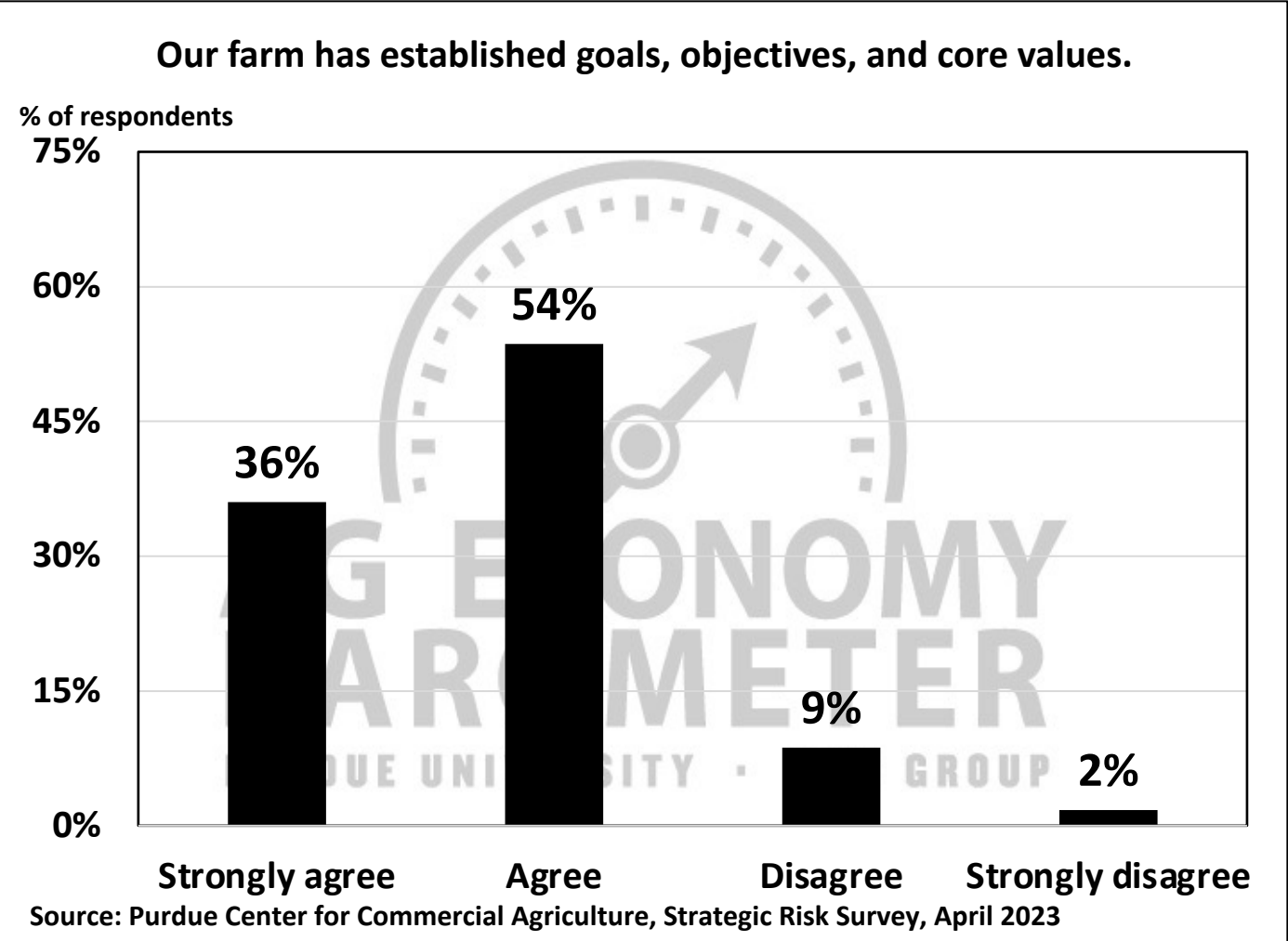
Strategic Risk and Managing Assets

We have a strong balance sheet.

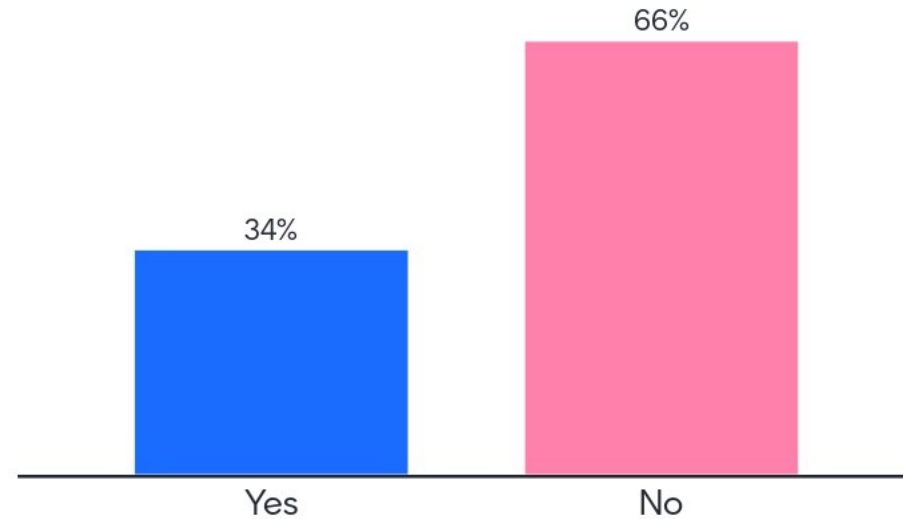


Source: Purdue Center for Commercial Agriculture, Strategic Risk Survey, April 2023

Strategic Risk and Managing People and Overarching Strategy



Is there someone from your farm who is a part of the "next generation" that is attending this conference?



Strategic Risk and Managing People and Overarching Strategy

Managing People and Strategy

- Your Life Cycle vs Life Cycle of the Business
- Business Plan
- Succession Plan
- Defined Roles



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