

Production Risk Management: *Checklist for Farms and Agribusinesses*

Ed Farris, Michael Langemeier, Jenna Nees, and Kelly Heckaman

- ✓ Do you have a plan for dealing with the following production risks in which you evaluate every 12 months?
 - Control or minimize risk through management practices
 - Reduce production variability
 - Transfer some or all of the risk

- ✓ In the past year, have you planned to implement or implement any of the following practices to reduce your production variability?
 - Diversification (such as producing 2 or more enterprises)
 - Maintain flexibility (such as maintaining excess production capacity)
 - Vertical integration (such as completing one or more stages in the production/distribution of a product)
 - Apply new technology (such as precision agriculture or new disease-resistant or drought-resistant seed varieties)

- ✓ If you do feel that you need to reduce your product variability, then have you completed the following in the last year:
 - Evaluated whether or not you should diversify your operation
 - Evaluated if there are ways to utilize your equipment/resources in the most efficient/flexible way
 - Evaluated if you could integrate one or more segments of your small farm and agribusiness
 - Evaluated if there are new technology available to assist you in becoming more efficient

- ✓ Do you have any of the following strategies in place to transfer risk?
 - Have a written (preferred method, not oral) contract in place for production
 - Have a written (preferred method, not oral) contract in place for marketing
 - Have insurance
 - Property and casualty insurance
 - Health, life, and disability insurance
 - Liability insurance
 - Crop insurance

For more information, check out the [webinar recording](#) on this topic or the Purdue Institute for Family Business site on [Contingency Planning!](#)

This material is based upon work supported by USDA/NIFA under Award Number 2018-70027-28586.

