

RESILIENCY COLORADO AGRICULTURE

Equipping farmers and ranchers to absorb and recover from shocks and stresses to their agricultural production and livelihoods.

MARKETING OR PRICE RISK

Fluctuations in prices paid for inputs or received for outputs.

PRODUCTION RISK

Fluctuations in yields (quantity + quality).

INSTITUTIONAL OR LEGAL RISK

Anything that changes the rules of the game. Outside influences on the business.

HUMAN RISK Uncertainty attributed to the character, health, or behavior of the people involved in the business.

FINANCIAL RISK Not having sufficient cash to meet expected obligations, generating lower than expected profits, and losing equity.

Contact an ABM Economist for more information:



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MAR	KETING	RISK						TRUE	FALSE	
1. I knov	v the costs of	of product	ion for the	commod	ities I pro	duce.				
2. I unde	erstand and	track the	local basis	of the con	nmodities	I produce.				
3. I regul	larly pre-ha	rvest price	e my comr	nodities.						
4. I unde	erstand how	v to use fut	tures and o	ptions ma	irkets to re	educe price	risk.			
5. As a cow/calf producer, I know how to use feeder cattle futures and										
options to cross-hedge my weaned calves. 6. I understand how to utilize the forward pricing tools available through										
my local commodity buyers.										
	7. I use a written marketing plan to manage price risk on my operation.									
	I rate my overall resiliency to market risk as: (1= I do a poor job of marketing my commodities 10 = I am a master marketer)									
1	2	3	4	5	6	7	8	9	10	
	ANCIA	_						TRUE	FALSE	
1. I have	a current b	ousiness pl	an for my	farm/ranc	h.					
2. I use software (such as Quickbooks) to keep financial records.										
3. I develop financial statements (balance sheet, income statement, statement										
of cash flows, and statement of owner's equity) from my farm/ranch records. 4. I regularly analyze my financial statements and use the information to help										
make business decisions.										
5. I know the costs of production (i.e. develop enterprise budgets) for the enterprises on my farm/ranch.										
6. I compute the "key" financial ratios for my farm/ranch.										
I rate my overall resiliency to financial risk as: (1= my financial management and decision making skills are poor 10 = I know and										
	ny financial and the fina									
1	2	3	4	5	6	7	8	9	10	
INS.	TITUTIC	DNAL/I	LEGAL	RISK				TRUE	FALSE	
1. I knov	v my rights	and dutie	s under co	ntract law						
2. I use written contracts and lease agreements.										
3. I regularly consult with an attorney to develop contracts and lease agreements.										
4. I have a written plan to reduce and manage environmental hazards.										
5. My family has regular family meetings to discuss mine and my spouse's final wishes and instructions, our estates, etc.										
6. I and my spouse have a retirement plan which states when we plan to										
retire, what we might do in retirement, and how we will pay for our retirement. We have discussed the plan with our family.										
7. I and my spouse have a plan to pay for any assisted living costs. We have discussed the plan with our family.										
8. I and my spouse have developed and implemented a plan for the										
succession of our business(es).										
I rate my overall resiliency to institutional/legal risk as: (1= have no written plans 10 = have regular family business meetings and all plans are written										
and bein	ng impleme		4			7	0		10	
HIIIV	MAN RI	SK	4	5	6	/	8	TRUE	FALSE	
			res and lor	ng work he	ours of far	ming/rancl		IKUL	TALSE	
The significant time pressures and long work hours of farming/ranching are not affecting my physical and emotional well-being.										
2. I eat and sleep regularly and dealing with family issues.										
3. I am concerned (dealing) with the health of a family member and/or aging parents.										
4. I am not overly concerned with debt.										
5. I am not experiencing stress nor having health issues due to the ever changing										
economic conditions of agriculture (changing costs and prices).										
6. I am taking care of my farm/ranch, machinery, and animals. 7. I am paying my hills – including payroll taxes – in a timely manner.										
7. I am paying my bills – including payroll taxes – in a timely manner.										
8. I have a written employee manual.										
I address employee issues in a timely/reasonable manner. I rate my overall resiliency to human risk as: (1= excessively concerned 10 = have few concerns										
	with issues						10 =	Have IEW (. OHCC1118	
1	2	3	4	5	6	7	8	9	10	
PRC	DUCT	ON RI	SK					TRUE	FALSE	
	v the costs o	-	ion for eac	ch of my e	nterprises.					
2. I am a	low cost p	roducer.								
	evaluated t									
	evaluated t r my farm/i		ss of poter	ıtial enterj	orises and	enterprise				
	lop and eva		nnual pro	duction pl	an.					
	ze crop/con					n risk.				
I rata my	overall res	siliency to				poor job of	managi	ing my pro	duction	
	0 = I am gr	eat at man	aging my	production						