RESILIENCY IN 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.

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## Marketing Risk

1. I know the costs of production for the commodities I produce. **TRUE**
2. I understand and track the local basis of the commodities I produce. **TRUE**
3. I regularly pre-harvest price my commodities. **FALSE**
4. I understand how to use futures and options markets to reduce price risk. **TRUE**
5. As a cow/calf producer, I know how to use feeder cattle futures and options to cross-hedge my weaned calves. **TRUE**
6. I understand how to utilize the forward pricing tools available through my local commodity buyers. **TRUE**
7. I use a written marketing plan to manage price risk on my operation. **TRUE**
8. 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)**

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## Financial Risk

1. I have a current business plan for my farm/ranch. **TRUE**
2. I use software (such as Quickbooks) to keep financial records. **TRUE**
3. I develop financial statements (balance sheet, income statement, statement of cash flows, and statement of owner's equity) from my farm/ranch records. **TRUE**
4. I regularly analyze my financial statements and use the information to help make business decisions. **TRUE**
5. I know the costs of production (i.e. develop enterprise budgets) for the enterprises on my farm/ranch. **TRUE**
6. I compute the "key" financial ratios for my farm/ranch. **TRUE**
7. I rate my overall resiliency to financial risk as:
   
   **(1= my financial management and decision making skills are poor - 10 = I know and understand the finances of my business and use the information to make business decisions)**

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## Institutional/Legal Risk

1. I know my rights and duties under contract law. **TRUE**
2. I use written contracts and lease agreements. **TRUE**
3. I regularly consult with an attorney to develop contracts and lease agreements. **TRUE**
4. I have a written plan to reduce and manage environmental hazards. **TRUE**
5. My family has regular family meetings to discuss mine and my spouse's final wishes and instructions, our estates, etc. **TRUE**
6. I have 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. **TRUE**
7. I and my spouse have a plan to pay for any assisted living costs. We have discussed the plan with our family. **TRUE**
8. I and my spouse have developed and implemented a plan for the succession of our business(es). **TRUE**
9. 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 being implemented)**

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## Human Risk

1. The significant time pressures and long work hours of farming/ranching are not affecting my physical and emotional well-being. **TRUE**
2. I eat and sleep regularly and dealing with family issues. **TRUE**
3. I am concerned (dealing) with the health of a family member and/or aging parents. **FALSE**
4. I am not overly concerned with debt. **TRUE**
5. I am not experiencing stress nor having health issues due to the ever changing economic conditions of agriculture (changing costs and prices). **FALSE**
6. I am taking care of my farm/ranch, machinery, and animals. **TRUE**
7. I am paying my bills – including payroll taxes – in a timely manner. **FALSE**
8. I have a written employee manual. **TRUE**
9. I address employee issues in a timely/reasonable manner. **FALSE**
10. I rate my overall resiliency to human risk as:
   
   **(1= excessively concerned - 10 = have few concerns and deal with issues and conflicts in a timely and reasonable manner)**

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## Production Risk

1. I know the costs of production for each of my enterprises. **TRUE**
2. I am a low cost producer. **FALSE**
3. I have evaluated the riskiness of my current enterprises. **TRUE**
4. I have evaluated the riskiness of potential enterprises and enterprise mixes for my farm/ranch. **TRUE**
5. I develop and evaluate an annual production plan. **TRUE**
6. I utilize crop/commodity insurance to manage production risk. **TRUE**
7. I rate my overall resiliency to production risk as:
   
   **(1= I do a poor job of managing my production risk - 10 = I am great at managing my production risks.)**

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