

Farm Risk Management

Whether you're a first-generation farm owner or farming has been in your family for decades, you know that managing risk is vital to your success. Any loss to your crops, animals, or equipment can have devastating consequences for your business.

Indirect losses are not covered by insurance. The best option to prevent loss is to control your risks. The health of your family, your community, and your profit can depend on it.

Loss prevention concepts to keep in mind:

- Leadership: Set safety goals and expectations for all your employees
- Planning: Identify hazards associated with your farm, and develop plans to address those hazards
- Commitment: Give employees the authority to stop work if they feel they're in an unsafe situation and the ability to address the risk
- Enforcement: Don't take shortcuts; emphasize the use of caution
- Diligence: Follow safety procedures and keep looking for ways to improve

Planning Ahead

Preparing for loss long before there's a chance of something going wrong gives you a chance to check your process while there's time to improve it. The steps to risk control are simple.

1. Identify a risk
2. Select the technique(s) that will address the risk — see below
3. Assign a date to put the technique in place
4. Decide who is responsible for applying the technique
5. Monitor success of the technique when it's put in place
6. Adjust the process as needed

Risk Control Techniques

- Avoid hazards when possible
- Reduce risks that can lead to an accident
- If there is a loss, reduce the impact or severity
- Separate physical property or equipment so it is less likely to be harmed or do damage
- Duplicate key equipment or operations when possible
- Transfer risk to a subcontractor so there is less you are directly responsible for at any time