

*Participant  
Packet  
A*

# HOW GOOD ARE YOUR RISK MANAGEMENT SKILLS

County: \_\_\_\_\_

**A = Yes, Always**

**B = Sometimes**

**C = No, Never**

Date of Mtg: \_\_\_\_\_

Participant #: \_\_\_\_\_

Rate Yourself (A, B, C)

Pre Workshop	Post Workshop	1 Year Later		Question
			1.	Do I recognize the major sources of risk in my operation?
			2.	Have I identified my level of tolerance to risk?
			3.	Do I have a clear understanding of which risks I can manage myself, and which risks I will shift to others?
			4.	Do my consultants clearly understand my approach to risk?
			5.	Do I have a plan in place to mitigate the effect of: Financial risks such as changing interest rates? Human resource risks such as shortages of skilled labor? Government risks such as changing environmental regulations? Price risks for inputs and outputs? Production risks such as bad weather, disease, etc? Interpersonal risks such as injury, illness, death, and divorce?
			6.	Am I inclined to "lock in" profitable prices?
			7.	Does my lender understand and support my risk management plans?
			8.	Do I seek professional assistance in developing risk management plans?
			9.	Have I calculated my cost of production for the commodities I produce?
			10.	Have I identified short- and long-term goals and do my risk management Strategies support those goals?
			11.	Have I done everything possible to reduce my lenders risk exposure, thereby insuring the lowest possible interest rate?
			12.	Do I have adequate insurance against: Injury and illness Death Crop failure Fire and other natural disasters Liability
			13.	Have I planned for the orderly transition of my business upon my death or retirement?
			14.	Do I thoroughly understand all the contracts that I have signed?
			15.	Am I aware of and do I follow environmental regulations and record keeping requirements?
			16.	Do I have a will?

### To Figure Your Score:

For each question,  
(a) = 5 points, (b) = 3 points, (c) = 1 point

Number of questions for which your answer is

(a) \_\_\_\_\_ x 5 = \_\_\_\_\_

(b) \_\_\_\_\_ x 3 = \_\_\_\_\_

(c) \_\_\_\_\_ x 1 = \_\_\_\_\_

**Total Score = \_\_\_\_\_**

### Total Score - What it Means:

Between 101-125 - Excellent risk manager  
(Tip: You shouldn't have any surprises.)

Between 86-100 - Good risk manager  
(Tip: You should be sleeping well at night.)

Between 71-85 - Average risk manager  
(Tip: You might have some surprises.)

Below 70 - Below average risk manager  
(Tip: You need to reconsider your strategies.)



## *Warm-Up Exercise*

*The risk that dairy producers face day in and day out can take many forms from low prices to the hired milker not showing up for the morning milking. To get today's discussion started, please name three risks, other than price, that could negatively impact your operation this next year. That is, what events could happen that will result in a hurt to your operation.*

1.

2.

3.