

Check Your Blind Spots



FARM MANAGEMENT CANADA
GESTION AGRICOLE DU CANADA

360° of Farm Risk Management

Farm Management Canada

- Established in 1992 as an umbrella for farm business management activities in Canada
- Connecting farmers with business management tools, information, resources, and training
- Connecting industry stakeholders to share insights and enhance practices
- Working with governments, consultants, advisors and academia to enhance their services
- Promoting new ways of thinking about farm business management



What is risk?

- Uncertainty that can lead to poor planning and decision-making.

What is risk management?

- Thinking strategically in advance and applying a process by which uncertainty can be reduced.
- The process of:
 - identifying, evaluating, and understanding your risks
 - mitigating possible negative impacts and benefitting from potential rewards in taking calculated risks



A look at Managing Risk in Agriculture...

KPMG International Cooperative Sector Risk Readiness Matrix

Figure 30: Risk and readiness matrix

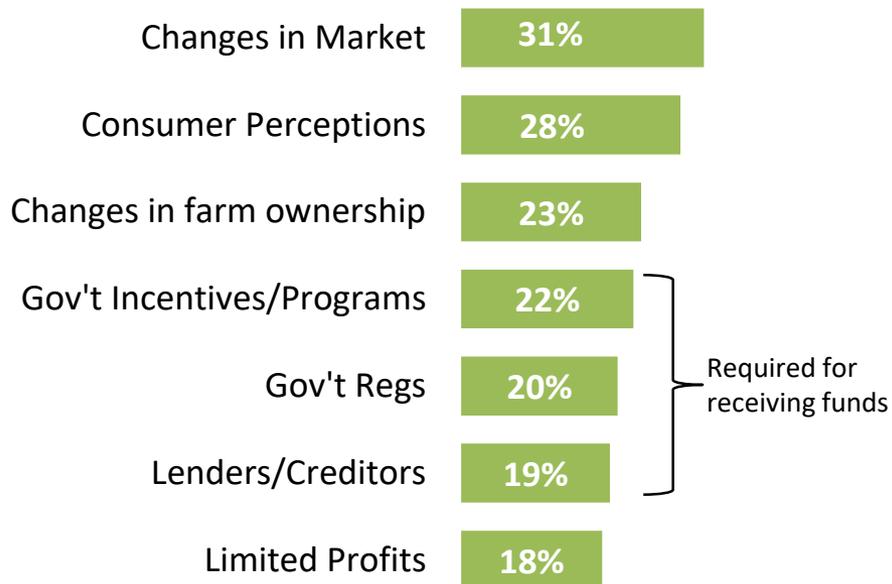


Source: KPMG International analysis, 2012

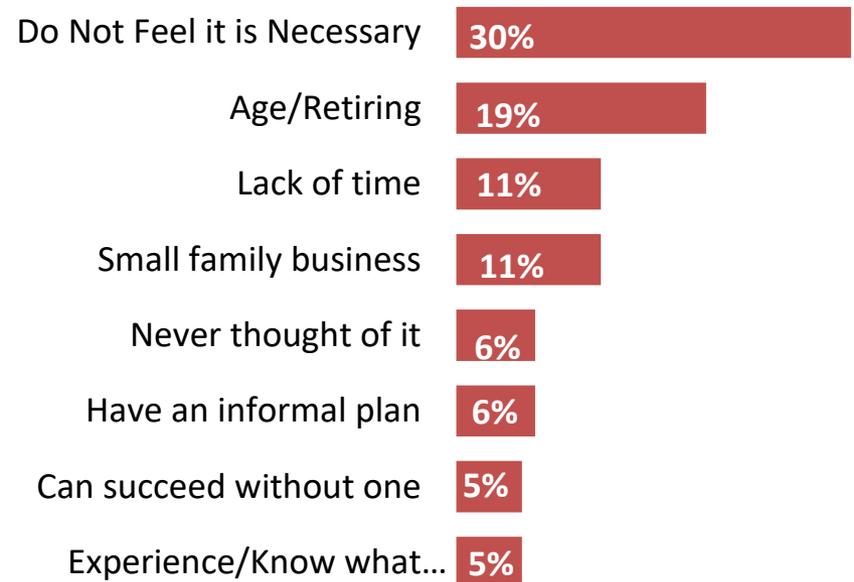
A look at Managing Risk in Agriculture...

30% of farmers have a risk management plan of some type*

Drivers to Plan Development



Barriers to Plan Development



* Typically limited to financial: market contracts, diversification, off-farm income, insurance. Risk management and contingency planning has decreased over the past 5 years.



Observations

- Lack of attention to risk outside of production and price volatility
- ‘Other’ risks treated in isolation (ex. safety, environment, etc.)
- Most Risk Management is reactive, isolated and limited in scope
- Lack of a connection between risk and farm business management
- Lack of perceived solutions – prevention, mitigation, management
- We need a ‘big picture’ approach and structure to managing risk



A New Approach

1. Risk is **Complex**, however...
 - Risk **can be Managed**
 - **Help** is available
 - Risk is linked to **Opportunity**
2. There is a better approach, going forward...



Managing Farm Risk

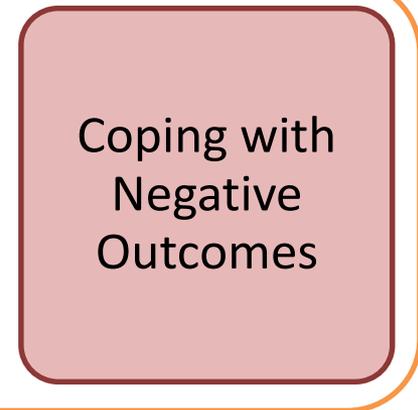
Proactive planning to best manage both what is...

- ✓ IN the farmers' control
- ✓ OUTSIDE of the farmers' control

Farm Business Management



Insurance & Government Programs



“An ounce of prevention is worth a pound of cure.”



Introducing...



AgriShield

Funded through the AgriRisk Initiative (ARI) to design a comprehensive risk assessment and planning tool

In partnership with:



AgriShield®

- **Overall Objectives:** Minimize threats and maximize opportunities
 - Identify, Assess, Prioritize risks (in a holistic / comprehensive way)
 - Learn best practices and resources available
 - Create risk management plans that feed into business planning
 - Analyze trends regarding risk management practices and resources needed to continue to meet industry needs
- **Intended users include:**
 - Producers (individually or as a group)
 - Advisors and other professionals
 - Researchers
 - Governmental agencies and insurance companies



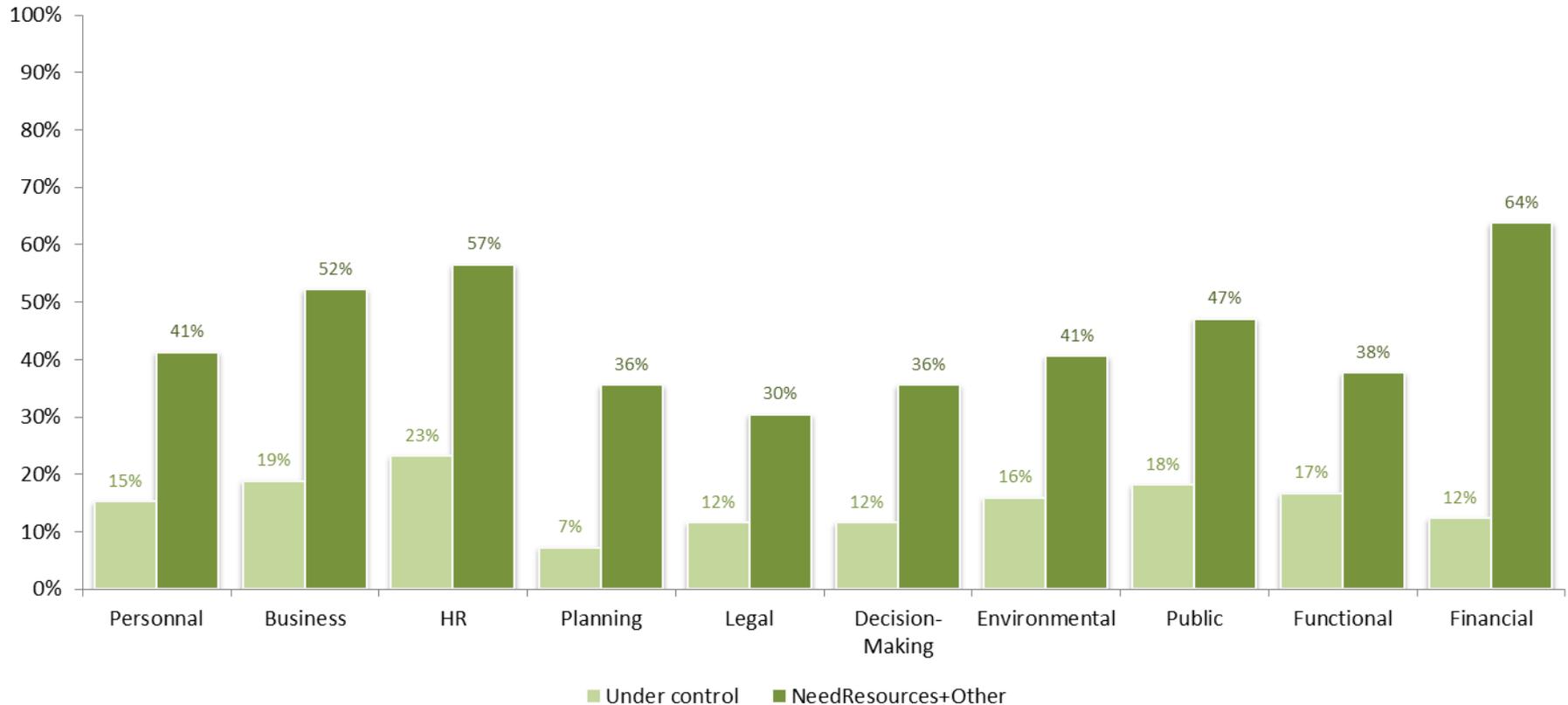
Our Development Process

1. **Project advisory team** - diverse cross-section of industry stakeholders
2. **Focus groups** - with farmers, farm advisors, and private industry stakeholders from various production sectors, regions and age groups across Canada
3. **Environmental scan** of resources available
4. **One-on-one interviews** - with industry experts to capture key best risk management practices (ex. farm safety)
5. **Beta testing** - virtually and in-person with people from various backgrounds
6. **Pilot testing** - virtually with people from various backgrounds



Risks under control / requiring more resources

- No clear consensus on which risk categories need resources
- **But** the need is throughout



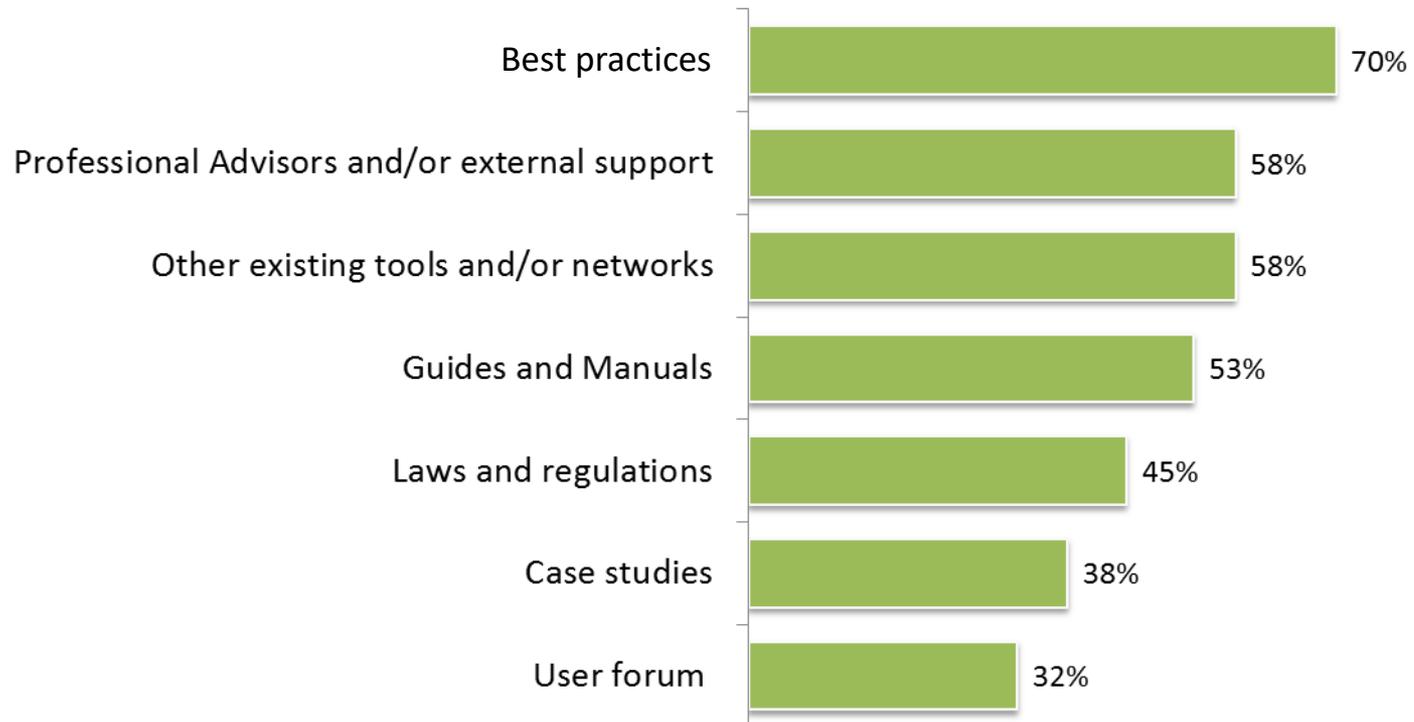
Functionalities and applications

- There is a need for an ACTION ORIENTED tool
- Make decisions and plan next steps + access to resources are the most important



Functionalities and applications

- Interest in a diversity of resources
- Best practices is the preferred resource, and it is at the forefront of the tool



Design and Functionality: the Process

1. Identify the risk(s)
2. Assess the risk(s) – frequency, severity, preparedness
3. Prioritize the risk(s)
4. Analyze best practices to apply
5. Plan for the risk(s) – mitigation, management
6. Access resources available

In recognition that most risk planning is currently reactive...

3 points of entry:

1. I want to deal with a specific situation (HR, Succession, etc.)
2. I want to assess my exposure to risk (comprehensive)
3. I want to access the knowledge database (external resources)





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 Information and Resources

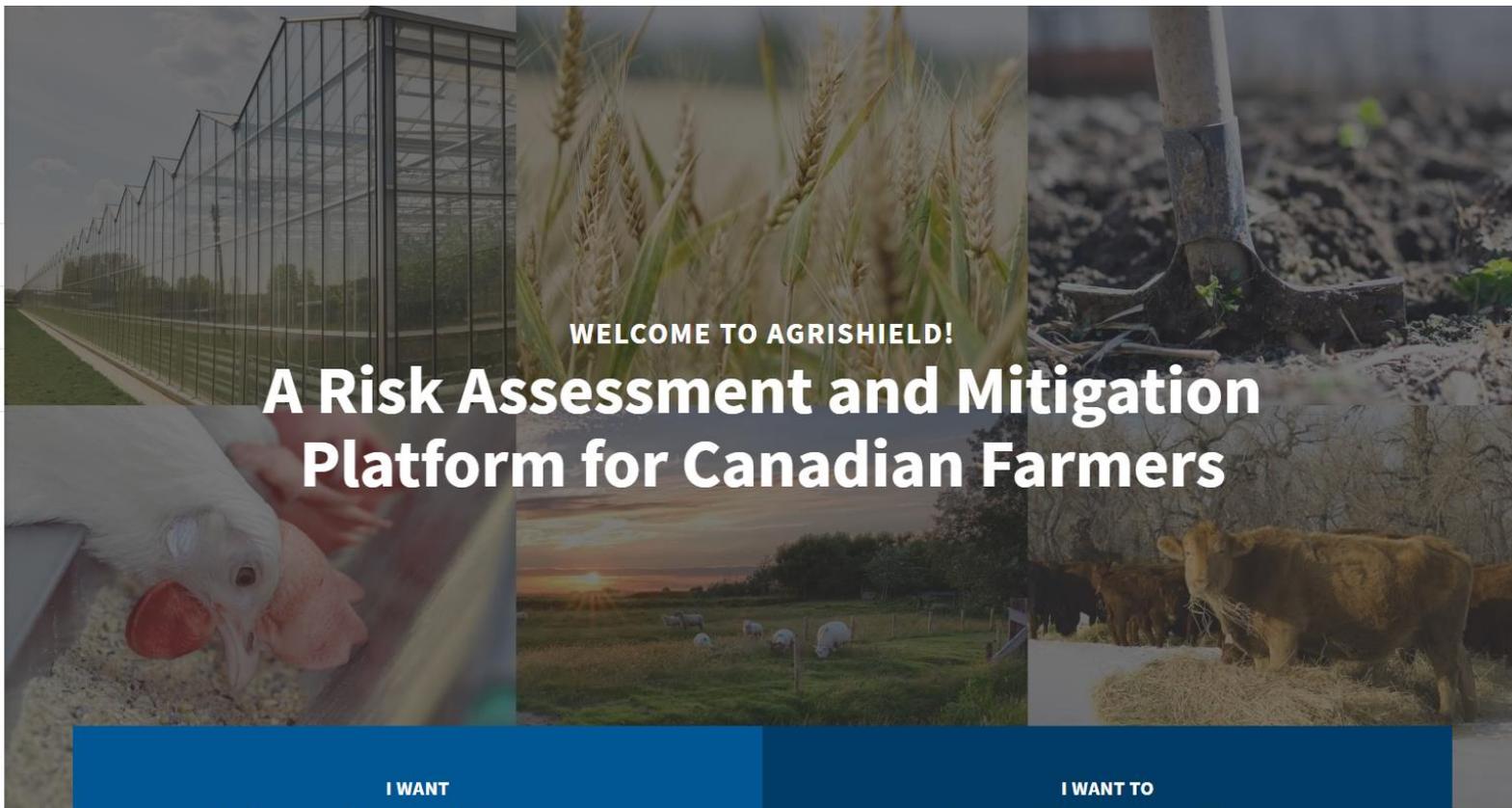
 Risk Assessment Module

 Log In

About Us

About Risk Management

Français



WELCOME TO AGRISHIELD!

A Risk Assessment and Mitigation Platform for Canadian Farmers

I WANT

Information and Resources



I WANT TO

Assess Risk on my Farm



FARM MANAGEMENT CANADA
GESTION AGRICOLE DU CANADA

KNOWLEDGE, LEADERSHIP, PROSPERITY
CONNAISSANCE, LEADERSHIP, PROSPÉRITÉ

Risk Assessment Module

AgriShield

Information and Resources

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WELCOME TO AGRISHIELD!

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I WANT Information and Resources

I WANT TO Assess Risk on my Farm

About Us

About Risk Management

A

Click on “I want to **Assess Risk on my Farm**” to access the topic selection page



Risk Assessment Module

- A. If you're not sure what you would like to assess first, you may select the "Risk Roadmap" at the bottom of the page to help you determine the order in which you should assess your risks.
- B. If you already know where you want to start, simply select the risk category that you wish to assess.

AgriShield

- Information and Resources
- Risk Assessment Module
- Scorecard
- Action Plan
- My Account

Select a topic below to assess your risk

- People**
 - Occupational Health and Safety
 - Personal Well-being
 - Hired Labour
 - Family Relations
 - Contractors and Advisors
- Finance**
 - Money Management
 - Investments
- Markets**
 - Sourcing, Selling and Trade
- Management**
 - Business Strategy and Development
 - Technology and Innovation
 - Transition Planning
 - Operations
- Business Environment**
 - Public Trust and Consumer Advocacy
 - Politics, Policies and Regulations
- Production**
 - Environment and Climate
 - Animal Health and Welfare
 - Nutrient Management
 - Pest Management
 - Soil, Water and Biodiversity Management

Not sure where to start? Take a few moments to create your Risk Roadmap

Risk Roadmap



Risk Assessment Module: Risk Roadmap

- A. If you selected the Risk Roadmap, complete the questionnaire and the results will provide you with an order in which you should assess the risks for your farm.
- B. Note: *You may choose to reset the Risk Roadmap questionnaire at any time.*

The screenshot shows the 'Risk Assessment Module' interface. On the left is a navigation menu with categories: People, Finance, Markets, Management, Business Environment, Production, and Risk Roadmap (highlighted). The main content area is titled 'NOT SURE WHERE TO START? Risk Roadmap'. Below the title is a progress bar with steps 1 through 6, and a 'Reset Questionnaire' button. The questionnaire content includes:

- Occupational Health and Safety**
 - How often have you experienced issues related to Occupational Health and Safety on your farm? (Scale: 1 Never to 5 Very often)
 - To what extent have those issues affected your farming operation? (Scale: 1 Not at all to 5 Very much)
- Personal Well-being**
 - How often have you experienced issues related to your Personal Wellbeing (e.g. physical or mental fatigue, social isolation, disability, etc.)? (Scale: 1 Never to 5 Very often)
 - To what extent have those issues affected your farming operation? (Scale: 1 Not at all to 5 Very much)
- Hired Labour**
 - How often have you experienced issues related to Hired Labour on your farm? (Scale: 1 Never to 5 Very often)
 - To what extent have those issues affected your farming operation? (Scale: 1 Not at all to 5 Very much)

Two callout boxes are present: a green box with 'B' pointing to the 'Reset Questionnaire' button, and a green box with 'A' pointing to the 'Personal Well-being' section.

Risk Assessment Module: Risk Roadmap

- A. The Risk Roadmap allows you to establish priorities (Start here, Continue Here, And Lastly) in order to assess the most relevant risks for your operation first.
- B. Once this is done, click on **“Assess Your Risk Exposure”** to access the questionnaire for that risk category.
- C. You may also click on **“Related Resources”** to access the *Information and Resources* page for that risk category.

The screenshot displays the 'Your Risk Roadmap' interface. It features a sidebar on the left with navigation options like 'Your Risk Profile' and 'Your Risk Roadmap'. The main content area is titled 'Your Risk Roadmap' and includes a sub-header 'SCORECARD'. Below this, there are three sections: 'Start Here', 'Continue Here', and 'And Lastly'. Each section lists various risk categories with two buttons: 'Related Resources' and 'Assess Your Risk Exposure'. Callout 'A' points to the 'Start Here' section. Callout 'B' points to the 'Assess Your Risk Exposure' button for 'Occupational Health and Safety'. Callout 'C' points to the 'Related Resources' button for 'Occupational Health and Safety'. The footer of the interface includes 'EMBELE 2021' and '© 2021 Farm Management Canada'.



Risk Assessment Module

- A. Once you have selected a risk category, read every question and select your answers.
- B. You may choose to reset a questionnaire at any time in order to reassess that risk category.
- C. Use the menu bar on the left to access the questionnaires for other risk categories.

The screenshot displays the 'Risk Assessment Module' interface. On the left is a dark blue navigation menu with icons and text for various categories: People, Occupational Health and Safety, Finance, Markets, Management, Business Environment, Production, and Risk Roadmap. The 'Personal Well-being' category is highlighted in yellow. The main content area has a header with the text 'ASSESS YOUR RISK EXPOSURE FOR Personal Well-being'. Below this is a 'PROGRESS' indicator with three steps, where the first step is active. A 'Reset Questionnaire' button is located in the top right. The main content area contains a paragraph explaining the questionnaire's purpose, followed by a section titled '1 Physical or mental fatigue' with a descriptive paragraph. Below this are three question blocks. The first two are multiple-choice questions with 5-point Likert scales. The third is a yes/no/N/A question with radio buttons. Three green callout boxes with white letters 'A', 'B', and 'C' point to specific elements: 'A' points to the Likert scale for the first question, 'B' points to the 'Reset Questionnaire' button, and 'C' points to the 'Personal Well-being' menu item.

Risk Assessment Module

ASSESS YOUR RISK EXPOSURE FOR
Personal Well-being

People

Occupational Health and Safety
Personal Well-being
Hired Labour
Family Relations
Contractors and Advisors

Finance

Markets

Management

Business Environment

Production

ⓘ Risk Roadmap

PROGRESS 1 2 3

Reset Questionnaire

The following questionnaire will help you assess your exposure to risk and your level of preparedness.

1 Physical or mental fatigue

Farming is not only physically demanding but it can also be incredibly stressful. This situation can induce physical and mental fatigue, which can lead to mental and physical ill-health. Signs of mental ill-health include, feeling down or depressed, inability to concentrate, difficulty making decisions and sleep disturbances.

→ Based on your knowledge and experience:

- How often do you feel physical or mental fatigue while working on your farm? 1 2 3 4 5
Never Very often
- To what extent would an incident related to this situation affect your farming operation? 1 2 3 4 5
Not at all Very much

→ Are the following practices currently used on your farm?

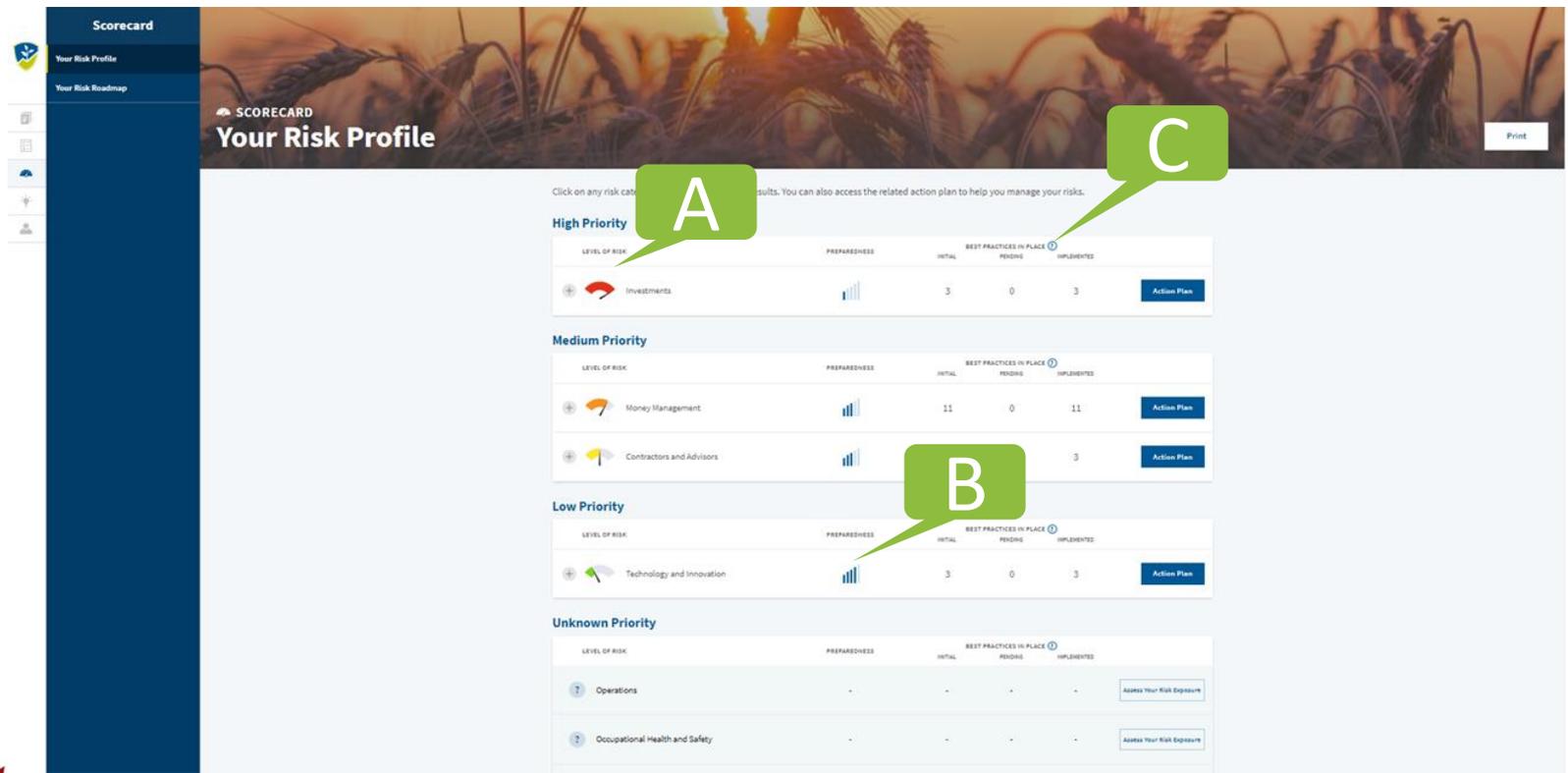
- Schedule regular medical check-ups and health assessments Yes No N/A
- Adopt a healthy diet and exercise regularly Yes No N/A



Risk Assessment Module: Risk Profile

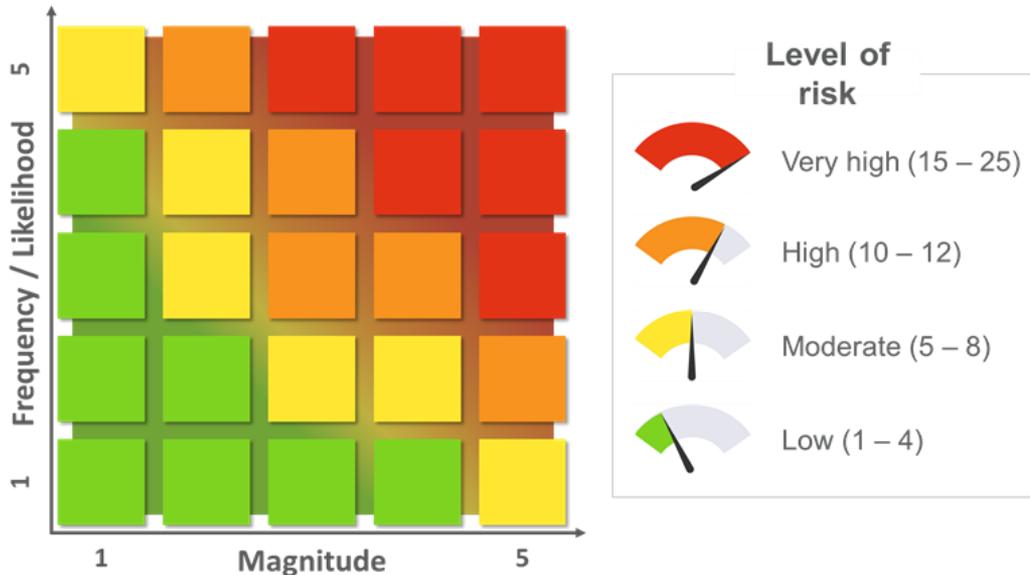
Once you have completed one or more questionnaires in the risk assessment, the *Risk Profile* section will present an overview of the risk level for each risk category based on the information you provided :

- A. **Risk level:** Red = Very High; Orange = High; Yellow = Moderate; Green = Low
- B. **Preparedness Level:** 1 Bar = Not prepared; 5 Bars = Very well prepared
- C. **Best practices (BPs) in place:** Initial = # of BPs in place during the assessment; Pending = # of BPs selected in the Action Plan that are not yet completed; Implemented = # of BPs implemented after the initial assessment



Understanding the scoring system – Risk level

- Risk categories can be given four different levels of risks: Red (Very High), Orange (High), Yellow (Moderate), Green (Low).
- The risk level of the risk situation is determined by the frequency (or likelihood) and magnitude (or potential impact) of a risk category, based on your answers. The formula to measure the risk level is the frequency (1 to 5) of that risk situation occurring multiplied by magnitude (1 to 5) of the effect of that risk situation on your farm.



Risk Assessment Module: Action Plan

The Action Plan module allows you to put a plan in place and identify the actions you wish to implement to manage your risks

- A. For each risk situation, you may select a best practice or an action to implement and then complete the other fields including: Notes, Person responsible and Timeline.
- B. Click on “**Print**” to create a PDF of the expanded view of the Action Plan .

The screenshot displays the 'Action Plan' module interface. On the left is a dark blue sidebar with navigation options: Action Plan, People, Finance, Markets, Management, Business Environment, and Production. The main content area has a header 'YOUR ACTION PLAN Finance' and a 'Print' button in the top right corner. Below the header is a welcome message and a 'How it Works' button. There are three tabs: 'SHOW ALL' (selected), 'SHOW PENDING ACTIONS', and 'SHOW IMPLEMENTED ACTIONS'. The main content is divided into sections: 'Investments' and 'Money Management'. Under 'Investments', there are three risk situations, each with a description, a status indicator (INITIALLY IMPLEMENTED), and a list of actions. A green callout box labeled 'A' points to the 'Select a practice or action' dropdown menu in the first risk situation. Another green callout box labeled 'B' points to the 'Print' button in the top right corner.

Resource Hub Module



On the homepage, click on “I want Information and Resources” or scroll down to the middle section of homepage to access the Resource Hub



Resource Hub Module

- A. In order to navigate between the 6 risk families, simply select the one you want.
- B. Once you have selected a risk family, select the risk category that you want.
- C. Click on “**Access Resources**” to access the Information and Resources section for the risk category you have selected.

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Information and Resources

Risk Assessment Module

Scorecard

Action Plan

My Account

Select a risk category to access related information and resources

People

Finance

Markets

Management

Business Environment

Production

Occupational Health and Safety

Personal Well-being

Hired Labour

Family Relations

Contractors and Advisors

Occupational Health and Safety

→ Dangerous machinery and equipment

→ Hazardous materials

→ Fatigue and stress

→ Children on the farm

→ Inadequate safety planning

Access Resources

About Us

About Risk Management



Resource Hub Module

- A. Once you have accessed the Information and Resource page for a specific risk category, you may change to another risk category by using the menu bar on the left.
- B. The main sections on each Information and Resources page are the following:
- Did you Know (Facts & Figures)
 - Resources (Organizations, Multimedia, Articles and Tools)
 - Risk Situations and Best practices
 - Tips and Advice

The screenshot shows the 'Information and Resources' page. On the left is a dark blue navigation menu with a white 'A' callout pointing to it. The menu items are: People (Occupational Health and Safety, Personal Well-being, Hired Labour, Family Relations, Contractors and Advisors), Finance, Markets, Management, Business Environment, and Production. The main content area has a white 'B' callout pointing to it. It features a 'Did you know?' section with four facts, a 'Resources' section with a table of organizations for Canada and New Brunswick, a 'Risk Situations and Best Practices' section with three items, and a 'Tips and Advice' section with one tip.

Information and Resources

Did you know?

- Innovation investments can offer you tax credits [Source](#)
- Innovation is not restricted to research activities but also includes commercialization, training and counselling [Source](#)
- If yields stayed at the same level as 1961, today we would need twice the acreage to produce the same amount of food [Source](#)
- 5% of Canadian farms have a renewable energy-producing system on their operation [Source](#)

Resources

The resources presented below can help you manage your Technology and Innovation risk.

ORGANIZATIONS	MULTIMEDIA	ARTICLES	TOOLS
Canada <ul style="list-style-type: none">• Canadian International Grains Institute (CIGI)• Agriculture Institute of Canada (AIC)• Agriculture and Agri-Food Canada - Science and Innovation See More Organizations from Other Provinces		New Brunswick <ul style="list-style-type: none">• Department of Agriculture, Aquaculture and Fisheries - Crop Sector Development Unit	

Risk Situations and Best Practices

Below are examples of risk situations and practices to help you address your risks.

- **Insufficient or excessive information**
 - Stay informed (e.g. by attending conferences, subscribing to newsletters, talking to other farmers, participating in business trips) on the new technologies, processes and methods available in your sector or in others
 - Seek advice from neutral and recognized sources (e.g. qualified advisors, extension groups) to prioritize information on the different types of innovations available
- + **Innovation planning**
- + **Introduction of a new technology, process or method**

Tips and Advice

- Individuals and businesses that are taking on debt to finance the expansion or upgrading of their farm business should consider using credit insurance to protect their families and dependants from the worry of handling debt. Most financial institutions that provide loans to producers also provide a type of credit insurance, usually in the form of term insurance.



About Risk Management Module

The About Risk Management section contains an overview of risk and risk management, a self assessment for risk tolerance, approaches to risk management and a summary of the different types of insurance. It is meant to complement the information contained in AgriShield®.



What is Risk and Risk Management

What do we know about Risk

Self-Assessment for Risk Tolerance

Approaches to Risk Management

Insurance

Bibliography



Next Steps

- Launch full version April 1, 2019
- Recruit users:
 - Producers (individuals, groups)
 - Advisors and private industry
 - Government and extension
- Assess and benchmark data re: risk assessment trends
- Continue to collect resources for the knowledge database



Next Steps: Additional Opportunities

- Integrate Risk Management into the overall **Strategic Planning Process** for Canada's farms
- **Recognize the link** between farm business practices and governmental **BRM (Business Risk Management) Programs**
- **Incentivise** risk management practices:
 - Greater access to government cost-share programming for skills development and advisory services
 - Access to capital, better interest rates and fees from lenders
 - Better coverage, fees waived from insurance programs
- **Create education and training programs** around a comprehensive approach to risk management



Thank you...questions?



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