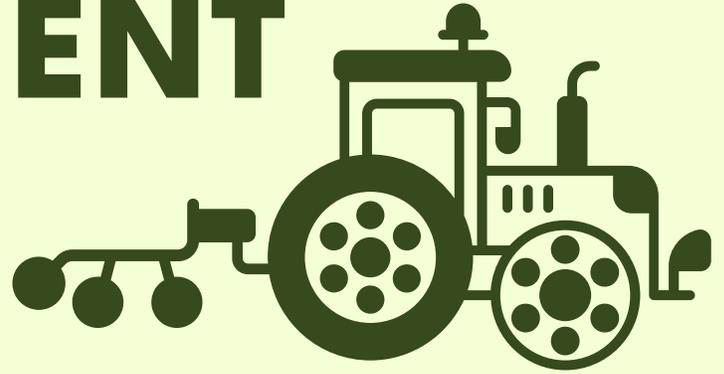


YOUR GUIDE TO RISK MANAGEMENT



Risk is an important consideration of the farming business. The uncertainties impact farming and can cause wide swings in farm income. Risk management involves choosing among alternatives that reduce the effects. Having appropriate crop insurance and risk management/mitigation strategies, can help you be a more prepared and profitable farmer.

TYPES OF RISK



PRODUCTION RISK: Weather, disease, pests, and other factors affect both the quantity and quality of commodities.



PRICE/MARKET RISK: Uncertainty about the prices producers will receive for commodities or the prices they must pay for inputs.



FINANCIAL RISK: Rising interest rates, not having enough cash to meet financial obligations, or lower than expected profits contribute to this risk.



LEGAL/INSTITUTIONAL RISK: Tax laws, local regulations and failure to fulfill business agreements can carry a high cost.



BIOSECURITY: Risks include management in food safety and animal life. The prevention and control of new pests and disease is an ever-rising concern across the commonwealth.



HUMAN RISK: Key sources of human risk involve divorce, death and disability.

INSURANCE/COVERAGE AVAILABLE TO YOU

- Yield Protection
- Revenue Protection
- Pasture, Rangeland & Forage
- Livestock Gross Margin
- Hail/Fire Policies
- Dairy Revenue Protection
- Whole Farm Revenue Protection
- Protection for Organic Crops, Orchards, Vineyards, Processing, Market Vegetables, Tobacco



NEXT STEPS

The USDA's Risk Management Agency manages the Federal Crop Insurance Corporation (FCIC) and works with Approved Insurance Providers (AIP) to sell and service Federal Crop Insurance Agencies. The Pennsylvania Department of Agriculture does not offer/sell crop insurance but is committed to connecting farmers and business owners to resources to help mitigate risk and inform farmers of their options.

1

Complete the [Risk Management Checklist](#) and visit www.rma.usda.gov for more information and resources.

2

Find an Agent Locator through the USDA. Shop around, ask your neighbors and be prepared to have the following:

- Name, address and employer identification number (EIN)
- Year business was established
- Detailed description of business/property/operations
- Detailed description of buildings/structures/square footage
- Employee's names/information
- Vehicle/Equipment information
- Gross annual income and annual gross sales
- Value in items
- Dollar amount in liability protection you are considering
- Description of any past losses

3

Contact your [Local Farm Service Agency \(FSA\)](#) to learn more about crop insurance products and coverage options for your farm/business.



SCAN FOR RESOURCES



[USDA Risk Management Checklist](#)



[Farm Service Agency \(FSA\) Finder](#)



[Agent Locator](#)

ADDITIONAL QUESTIONS? CONTACT US

Corinne Elliott, Business & Risk Management Specialist:
corielliot@pa.gov
717-257-6550



pennsylvania
DEPARTMENT OF AGRICULTURE