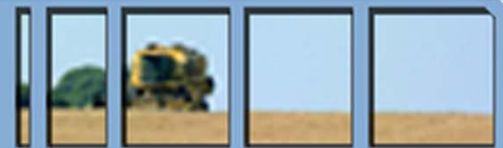


RIGHT RISK™



AG SURVIVOR

Scenario Selection



Risk Management Without Losing the Ranch

John P. Hewlett

Ranch/Farm Management Specialist, University of Wyoming

Jeffrey Tranel

Ag & Business Management Economist, Colorado State University

Rodney Sharp

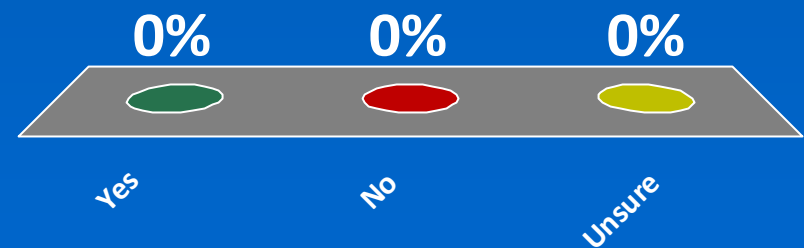
Ag & Business Management Economist, Colorado State University



*A product of:
the RightRisk
Education Team*

Is risk always bad?

1. Yes
2. No
3. Unsure



What is RISK?

RISK: The probability of an event occurring that can impact your:

- **Current profit level**
- **Financial situation
(equity position)**
- **Satisfaction and well-being**

Sources of Risk

- **Production**- yield/quality variability
- **Marketing**- changes in price/external conditions
- **Financial**- variability in debt/equity capital and ability to meet cash demands
- **Legal**- responsibilities for contracts, statutory compliance, tort liability, and business structure
- **Human**- managing people and estate transfers



Example: Hay Storage

Actions

Buy
Hay

Do
Nothing

Sell
Hay



Example: Hay Storage

**Possible
Winter**

Severe



Example: Hay Storage

**Possible
Winter**

Normal



Example: Hay Storage

**Possible
Winter**

Mild



Example: Hay Storage

		Actions		
Winter	Save	Buy	Sell	Do Nothing
		\$52,997	\$53,997	\$54,997

Which would you choose?

RightRisk Payoff Matrix Exercise

Example: Hay Storage

Winter	Prob.	Actions		
		Buy Hay	None	Sell Hay
Severe	1/6	\$36,159	\$34,365	\$31,524
Normal	4/6	\$50,997	\$51,497	\$51,997
Mild	1/6	\$52,997	\$53,997	\$54,997

Example: Hay Storage

		Actions		
Winter	P			Sell Hay
Severe				\$31,524
Normal	4/6	\$50,997	\$51,997	\$51,997
Mild	1/6	\$52,997	\$53,997	\$54,997
Exp. Value		\$48,857	\$49,058	\$49,085

Example: Hay Storage

Winter	Prob.	Expected Value		
		Min. Value	Max. Value	Expected Value
Severe	1/6	\$36,159	\$44,365	\$31,524
Normal	4/6	\$50,997	\$51,497	\$51,997
Mild	1/6	\$52,997	\$53,997	\$54,997
Min. Value		\$36,159	\$34,365	\$31,524

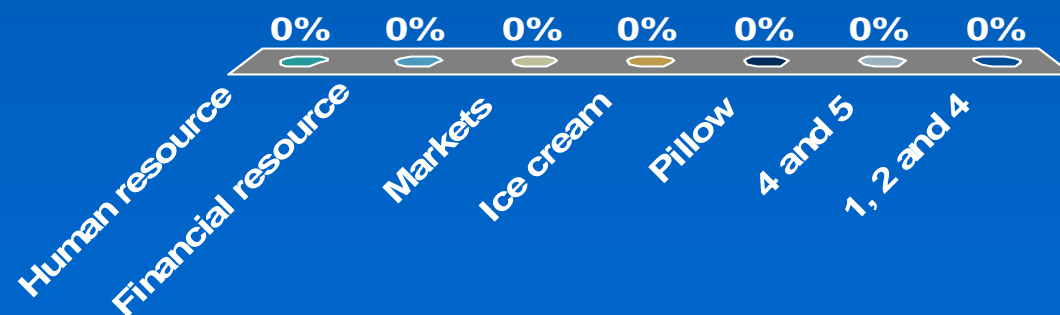
**Maximize
Minimum Value**

Example: Hay Storage



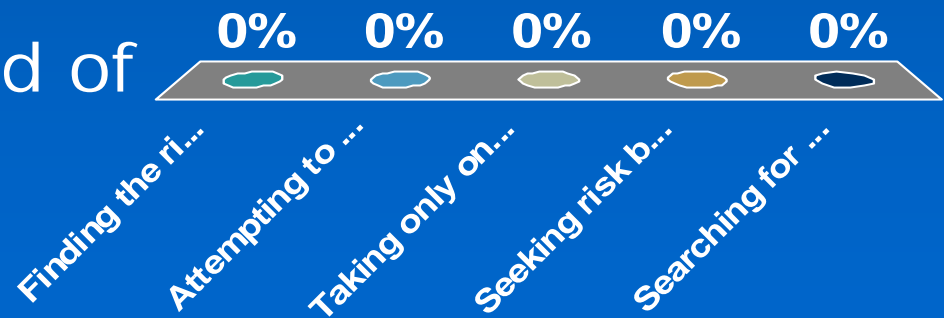
Choose from the one or more items which are not sources of risk

1. Human resource
2. Financial resource
3. Markets
4. Ice cream
5. Pillow
6. 4 and 5
7. 1, 2 and 4



What is good risk management?

1. Finding the risk/return balance that best fits you
2. Attempting to reduce risk to zero
3. Taking only one or two risks each year
4. Seeking risk because you can never have too much
5. Searching for the end of the rainbow





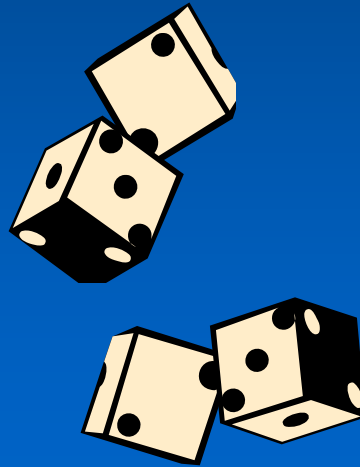
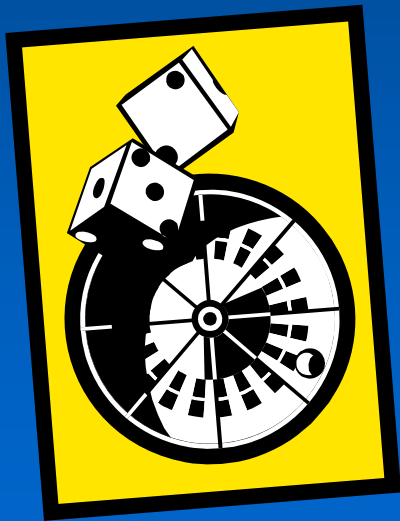
AG SURVIVOR

Scenario Selection



Ag Survivor

Provides an opportunity to practice risk management without the *real world* consequences



**Realistic Farm
Setting and Ag
Economy**

**Actual
Weather, Price
and Other
Probabilities**

**Variety of
Risks and Risk
Management
Scenarios**

**Practice Risk
Management
Without Taking
Risks**

**Customized to
Your Location**

Welcome to RightRisk at RightRisk.org - Microsoft Internet Explorer

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Back Forward Stop Home Search Favorites

Address <http://agecon.uwyo.edu/RightRisk/Default.htm>

RIGHT RISK

Home School Workshops People

a product of the RightRisk Education Team. RightRisk research and education program to help you the farmer and explore risk management decisions and evaluate options.

for you. Using RightRisk, you explore scenarios and your decision-making skills, and your management style.

RightRisk uses real world farm/ranch settings and agricultural economics. It allows many kinds of risk and risk management strategies and lets you compare one strategy against another. You use real probabilities and you see the results. With RightRisk, you can run a model as many times as you like to determine if you are doing well or poorly because of luck or bad strategy.

In the end, the knowledge and practice you gain through RightRisk will help you make better decisions for your farming/ranching operation.

*A product of the RightRisk Education Team:
Colorado State University & University of Wyoming,
University of Arizona, University of Idaho,
Montana State University, University of Nevada, Utah
State University, and Washington State University Extension cooperatively*

Partially funded by:
*Western Center for Risk Management Education
and
USDA - Risk Management Education*

Done Internet

Risks

Outcomes

High Plains Ranch

Decisions

Production Risk



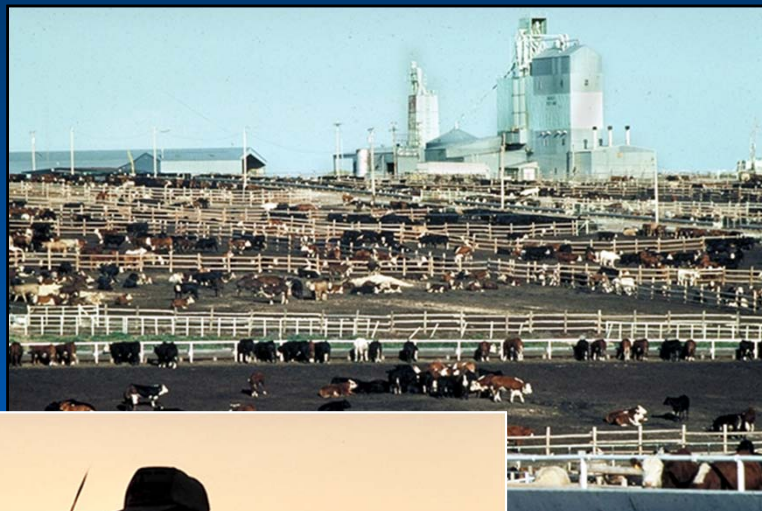
Sources

Weather, pests, disease, technology, genetics, inputs (availability, quality, price), equipment, labor ...

Controls

Diversification, insurance (crop, revenue), buildings, storage, vaccines, labor, production contracts (e.g. ensure input supply and quality), new technologies (e.g. automate watering) ...

Marketing Risk



Sources

Product quality (genetics, disease, handling, input/feed...)

Product price (quality, timing, global market, weather, government policy ...)

Controls

Futures and options, forward contracting, retained ownership, quality controls, storage (timing), cooperatives, niche/value-added marketing...



AG SURVIVOR

High Plains Ranch



Scenario Guide



General Information

Crop Enterprise: Hay

Crop acres:	350	acres	Normal annual yield:	2.5	tons
Production cost per acre:	\$70		Initial market price:	\$105.00	per ton
Inventory:	875	tons	Annual government payment:	\$0	

Livestock Enterprise: Cows

Quantity:	500	head	Output unit:	Weaned Calves	
Production cost per unit:	\$250		Weaning percentage:	94.0	%
Annual Hay Consumption per unit:	1.65	tons	Output weight per unit:	550	lbs.
Replacement percentage:	14.0	%	Initial Output market price:	\$100.00	per cwt.
Sale weight per cull unit:	1110	lbs.	Cull market price:	\$48.00	per cwt.
Grazing Resources:	4500	AUMs	Average Grazing Cost:	\$11.00	per AUM



Expected Revenues			
Sales	Units		Revenue
Weaned Calves	400	head	\$220,000.00
Cull Cows	70	head	\$37,296.00
Hay	50	tons	\$5,250.00
Annual Total:			\$262,546.00

Expected Expenses			
	Units		Expense
Cows	500	head	\$125,000.00
Hay	350	acres	\$24,500.00
Grazing	4500	AUMs	\$49,500.00
Annual Total:			\$199,000.00

Expected Annual Net Farm Income: \$63,546.00





AG SURVIVOR

High Plains Ranch



General



General Information

Crop Enterprise: Hay

Crop acres:	350	acres	Normal annual yield:	2.5	tons
Production cost per acre:	\$70		Initial market price:	\$105.00	per ton
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Expected Revenues

Sales	Units		Revenue
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Cull Cows	70	head	\$37,296.00
Hay	50	tons	\$5,250.00
Annual Total:			\$262,546.00

Expected Expenses

	Units		Expense
Cows	500	head	\$125,000.00
Hay	350	acres	\$24,500.00
Grazing	4500	AUMs	\$49,500.00
Annual Total:			\$199,000.00

Expected Annual Net Farm Income	\$63,546.00
Expected 2 Year Total Annual Net Farm Income	\$127,092.00

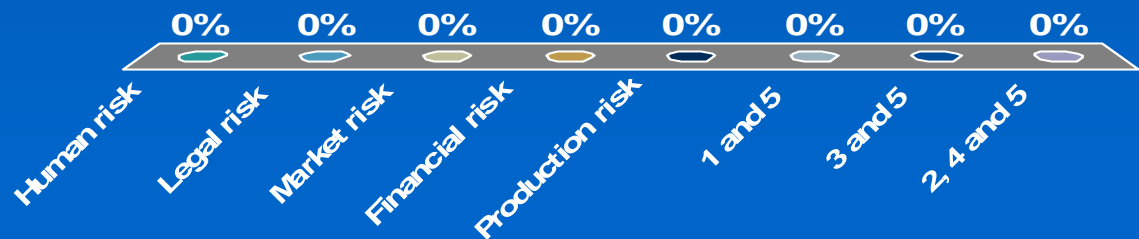


Year 1	Decision
Period 1	PRF-VI Insurance AGR-Lite Insurance
Period 2	Fertilize Meadows Livestock Risk Protection (LRP)
Period 3	LRP Feeder Cattle Buy (+) or sell (-) hay
Period 4	Early Weaning Buy (+) or sell (-) hay PRF-VI Insurance



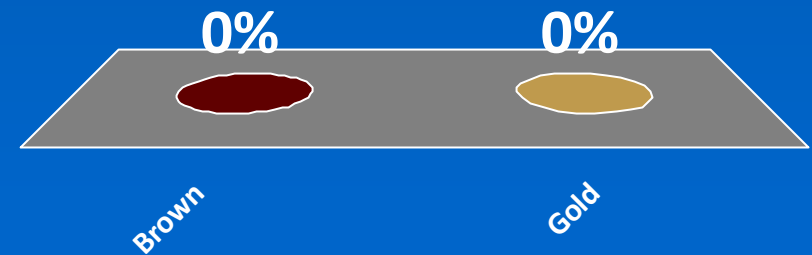
What are the risks you will manage for the High Plains Ranch?

1. Human risk
2. Legal risk
3. Market risk
4. Financial risk
5. Production risk
6. 1 and 5
7. 3 and 5
8. 2, 4 and 5



Please select a Team.

1. Brown
2. Gold





AG SURVIVOR

High Plains Ranch



15

Risk 1 (Winter Conditions)	Probability	----- Weaned Calves -----		Hay Price	Hay Use	Grazing AUMs
		Price	Weaning % Weaning Wt			
Severe winter	20%		-2.0%	+\$15.00	+50	
Normal winter	65%			-\$10.00		
Milder than normal	15%			-\$20.00	-50	

Risk 2 (Corn Planting Intentions)	Probability	----- Weaned Calves -----		Hay Price	Hay Use	Grazing AUMs
		Price	Weaning % Weaning Wt			
High acreage	20%	+\$15.00		-\$5.00		
Expected acreage	60%	+\$5.00		+\$5.00		
Low acreage	20%	-\$10.00		+\$10.00		

Commodity	Cash Price	Contract Price	Current Inventory	Expected Harvest	Expected Feed Use	Contract Quantity	Average Contract Price
Hay	\$105.00		875		825		
Weaned Calves	\$100.00						
Grazing			4,500				

Bank Balance -\$199,000.00

- ? Advice
- i Research
- () Trend

NEXT ►►

Vegetation Index Pilot Program

Revised October 2009

The Risk Management Agency is now offering a pilot Vegetation Index Basic Provisions policy that replaces the Group Risk Plan Basic Provisions for Vegetation Index insurance programs. Two examples of such programs are [Pasture, Rangeland, Forage](#) and [Apiculture](#).

The Vegetation Index Program uses Normalized Difference Vegetation Index (NDVI) data over an approximate 4.8 by 4.8 mile grid. Grids this size reduce the basic risk of county level programs, while decreasing the need to measure actual production.

NDVI data comes from the United States Geological Service, Earth Resources Observation and Science (USGS-EROS) data center for the conterminous United States. The USGS-EROS database contains data from 1989 to the present. In addition, temperature data is used to constrain the NDVI results when there are extreme temperatures. Daily temperature data comes from the National Oceanic and Atmospheric Administration (NOAA).

Currently, there are two crop insurance programs, Pasture, Rangeland, Forage and Apiculture, which are controlled by the Vegetation Index Basic Provisions. The Vegetation Index Basic Provisions and the specific crop provisions, together with the actuarial documents, are all part of the complete insurance program.

The program is country to test the climates, soils, and humid South Northeast, the Southern Great and the intern

The NDVI is a greenness that conditions and a direct measure of production: vegetation or coverage is based on the grid, and NO Losses for the based on the (expected grid interval(s) selected are averaged (final grid index) covered by the index). indemnified.

The insurance is designed against a de grid. It is production receive a p: calculates c The only i

Vegetation Index policy is having a final grid index less than the trigger grid index. Because the program is designed for producers whose production and vegetation health and vigor tend to follow the average vegetation index patterns for the grid, and not individual crop production, it is important that you review the historical indices, additional tools, and information provided on the RMA Web site to determine if the program is suitable for you.

The Pasture, Rangeland, Forage and Apiculture Rainfall Index and Vegetation Index pilot programs are being tested in select counties and States. You can view a map and a list of the counties and States where each index is available at: <http://www.rma.usda.gov/policies/pasturerangeforage>, for Pasture, Rangeland, Forage or at: <http://www.rma.usda.gov/policies/ri-vi-apiculture.html> for Apiculture.

Contact Us

United States Department of Agriculture
Risk Management Agency
1400 Independence Ave., SW, Stop 0801
Washington, D.C. 20250-0801
Web site: <http://www.rma.usda.gov>
Email: rma.mail@rma.usda.gov

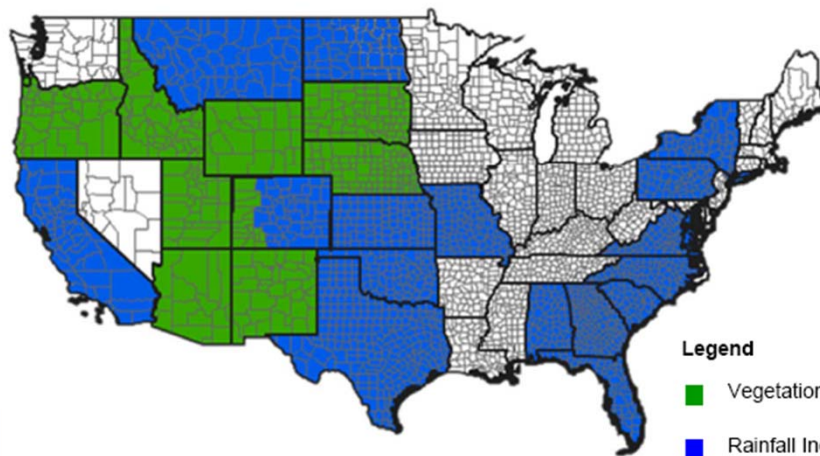
Risk Management Agency

Vegetation Index/PA-2004

Download Copies from the Web
Visit our online publications/fact sheets page at:
<http://www.rma.usda.gov/pubs/rme/fctsh.html>

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Legend

- Vegetation Index (14)
- Rainfall Index (13)

This fact sheet gives only a general overview of the Federal Crop Insurance Program and an evaluation of your risk management needs, contact a crop insurance agent.



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High Plains Ranch



Decision Description - Windows Internet Explorer



Pasture, Rangeland, and Forage - Vegetative Index (PRF-VI) Insurance

Insurable Acres: 16,200

Base Value: \$8.84/acre

Productivity Factor (%): 100

PRF-VI is an insurance product offered for grid areas that are 4.8 miles by 4.8 miles in size. Indemnities are based on a vegetation index measurement for each grid over a 3-month period. Producer protection is established by choosing a coverage level, productivity factor, and one or more 3-month interval for the production year (April-October). Each month can only be insured in a maximum of one covered interval. An indemnity is paid if the Final Grid Index, determined by satellite-based measures of the actual vegetation, is less than the Trigger Grid Index. This coverage decision is for the next production year and must be purchased by September 30th.

This scenario decision focuses solely on coverage for rangeland using a productivity factor of 100 on all acres of rangeland for the High Plains Ranch. If you wish to purchase PRF-VI coverage, please select the coverage level and enter the percentage of acres to be covered during each coverage interval. Premiums are due July 1 and will be deducted from your bank balance in mid-June.

Close Window



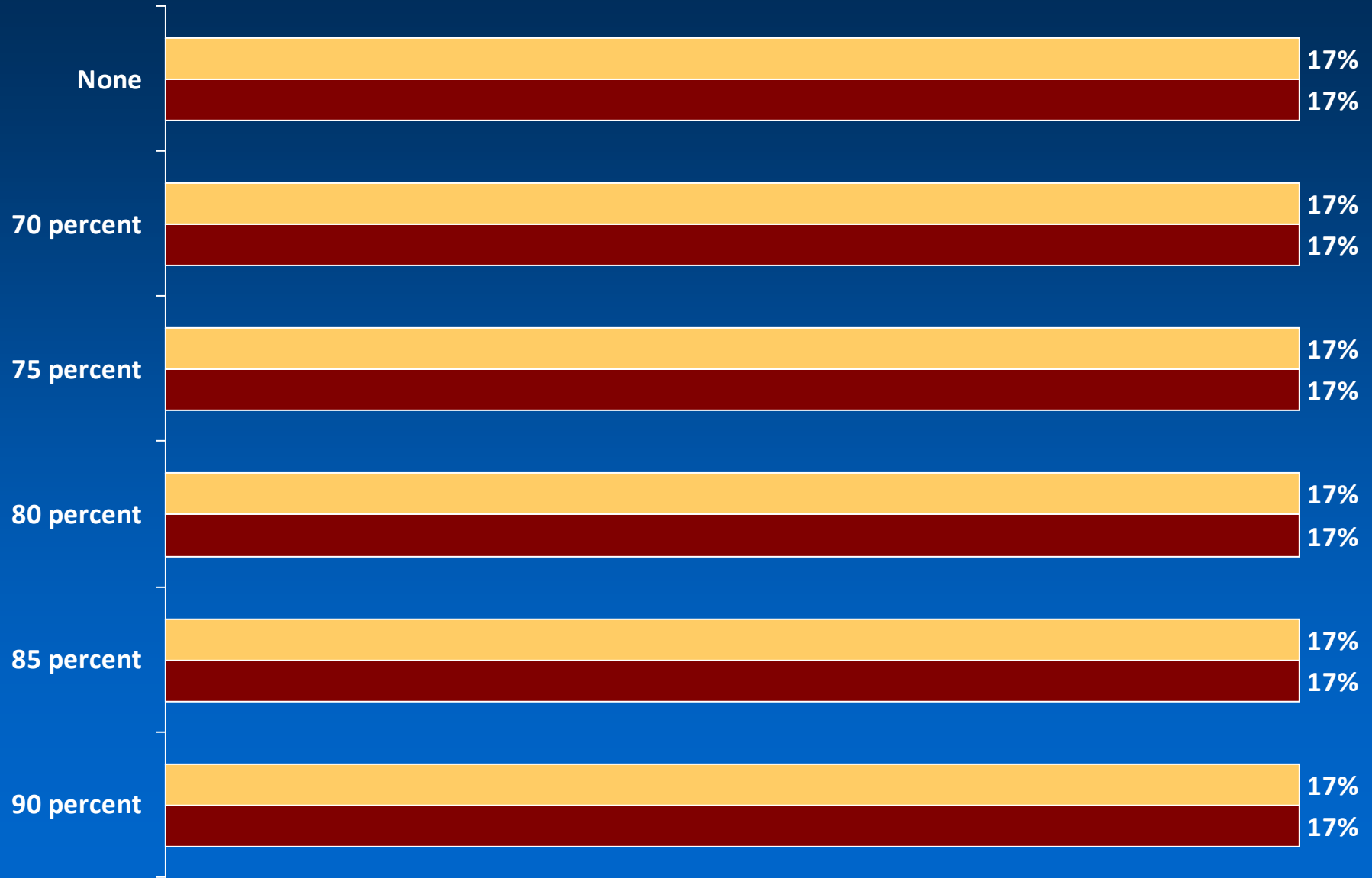
PRF-VI Insurance: *coverage level*

1. *None*
2. 70 percent
3. 75 percent
4. 80 percent
5. 85 percent
6. 90 percent



To Decision 2

PRF-VI Insurance: coverage level



■ Brown ■ Gold

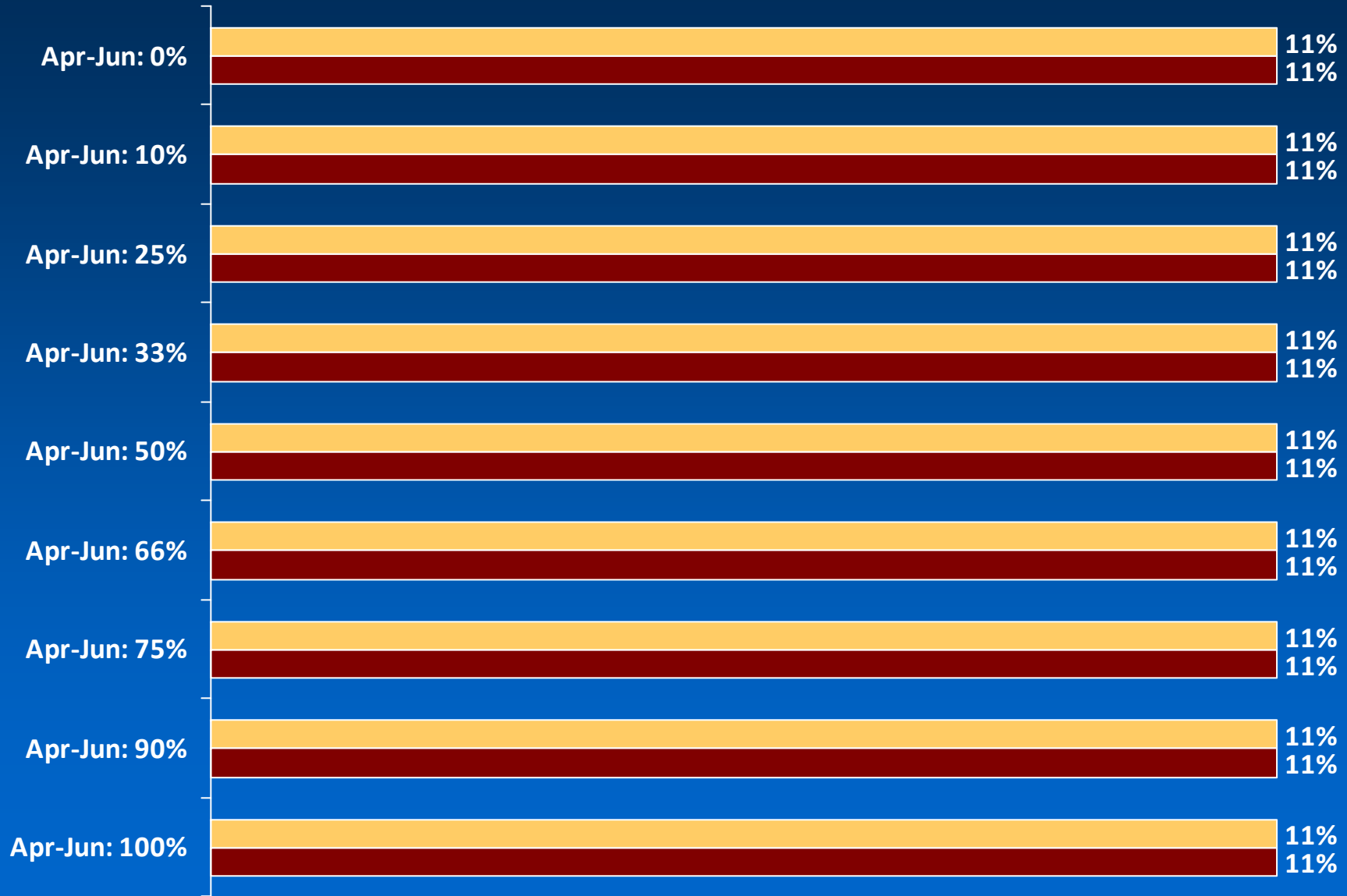


PRF-VI Insurance: *intervals*

- 1. Apr-Jun: 0%
- 2. Apr-Jun: 10%
- 3. Apr-Jun: 25%
- 4. Apr-Jun: 33%
- 5. Apr-Jun: 50%
- 6. Apr-Jun: 66%
- 7. Apr-Jun: 75%
- 8. Apr-Jun: 90%
- 9. Apr-Jun: 100%

Index Interval	Apr-Jun	May-Jul	Jun-Aug	Jul-Sep	Aug-Oct	Total Coverage Level (%)
% of Acres	0		0	0	0	Please Select

PRF-VI Insurance: intervals



■ Brown ■ Gold

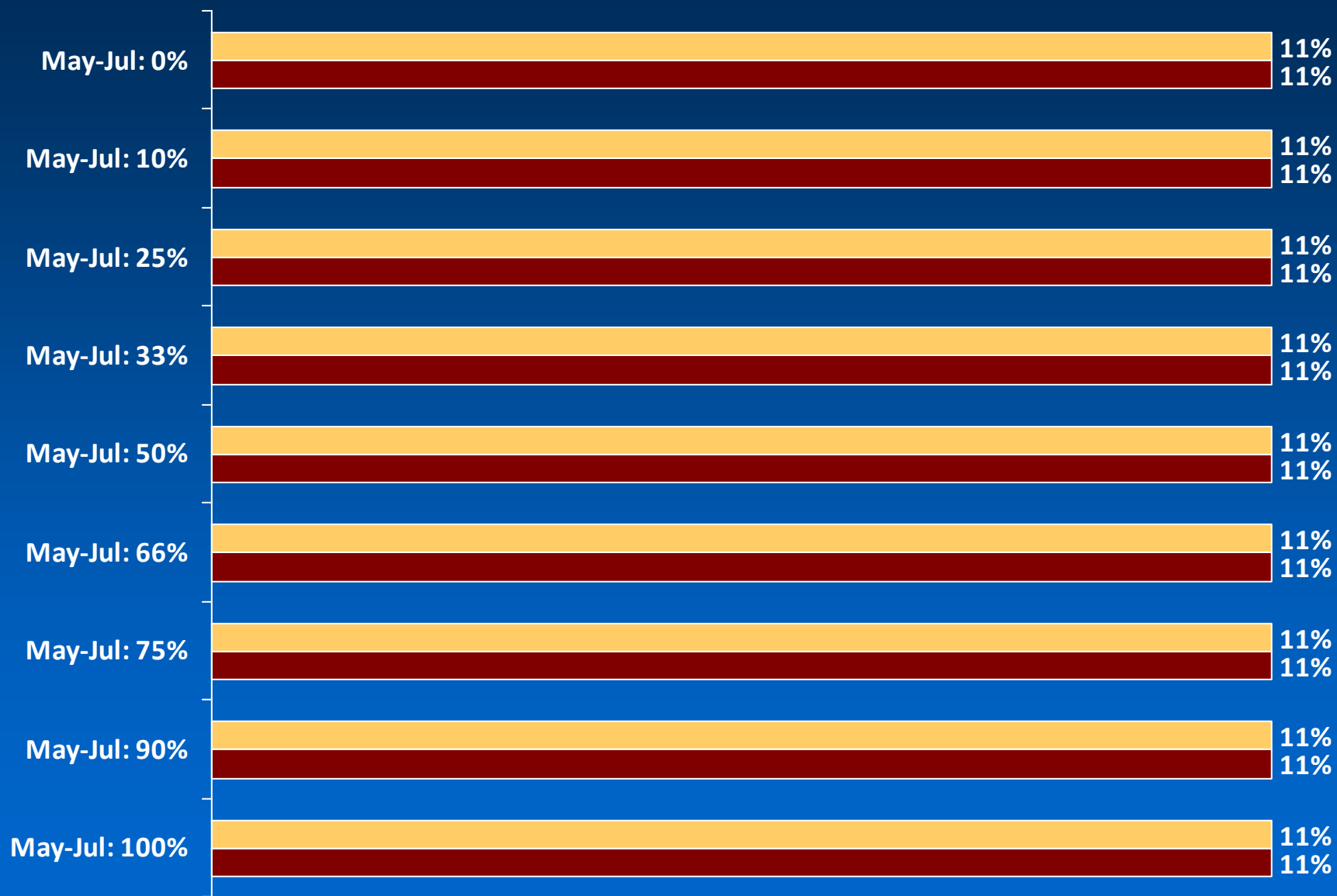


PRF-VI Insurance: *intervals*

Index Interval	Apr-Jul	May-Jul	Jun-Aug	Jul-Sep	Aug-Oct	Total Coverage Level (%)
% of Acres	0	0		0	0	Please Select <input type="button" value="v"/>

1. May-Jul: 0%
2. May-Jul: 10%
3. May-Jul: 25%
4. May-Jul: 33%
5. May-Jul: 50%
6. May-Jul: 66%
7. May-Jul: 75%
8. May-Jul: 90%
9. May-Jul: 100%

PRF-VI Insurance: intervals



■ Brown ■ Gold

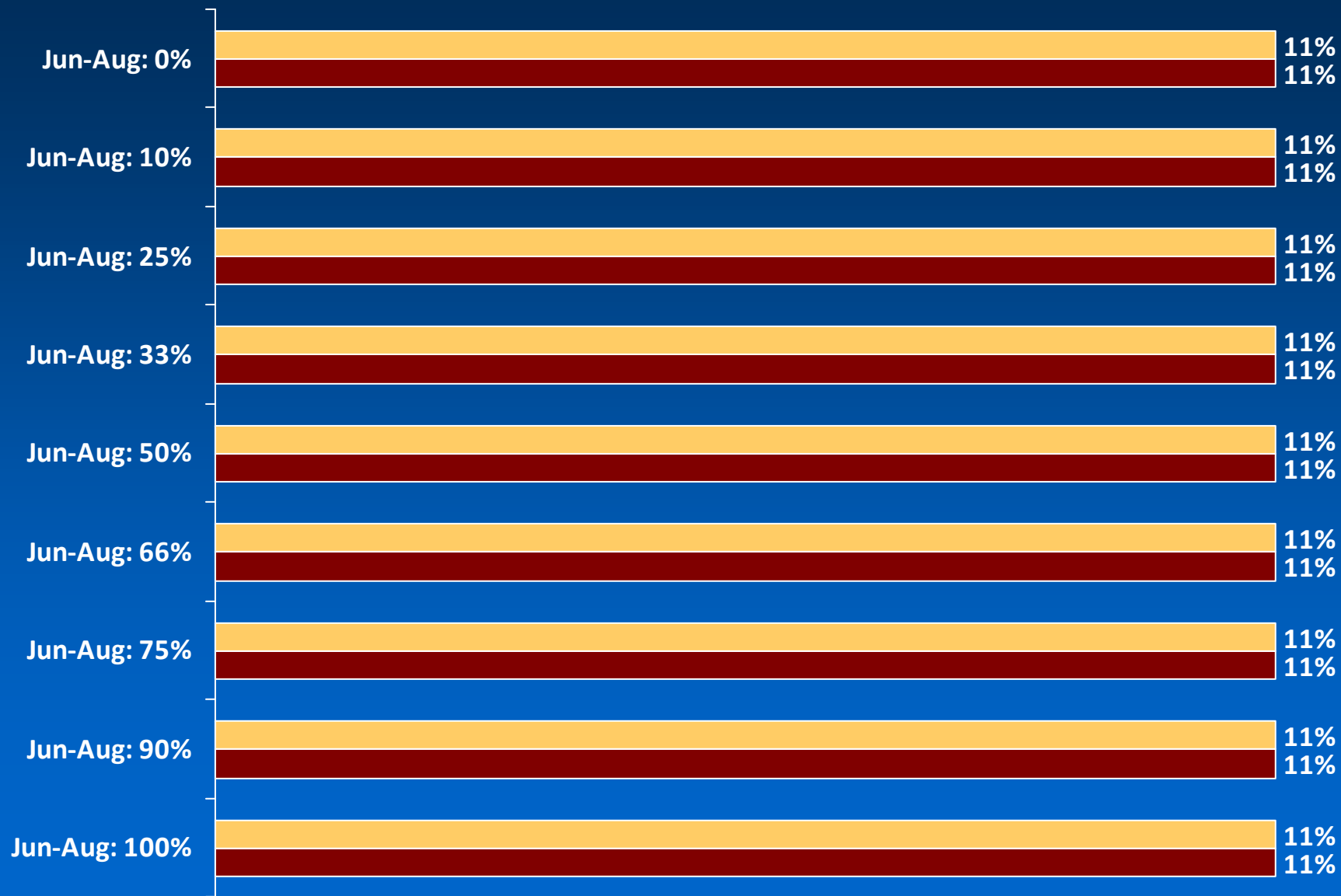


PRF-VI Insurance: *intervals*

1. Jun-Aug: 0%
2. Jun-Aug: 10%
3. Jun-Aug: 25%
4. Jun-Aug: 33%
5. Jun-Aug: 50%
6. Jun-Aug: 66%
7. Jun-Aug: 75%
8. Jun-Aug: 90%
9. Jun-Aug: 100%

Index Interval	Apr-Jun	May-Jul	Jun-Aug	Jul-Sep	Aug-Oct	Total Coverage Level (%)
% of Acres	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="border: 2px solid red;" type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>	Please Select <input type="button" value="v"/>

PRF-VI Insurance: intervals



■ Brown ■ Gold

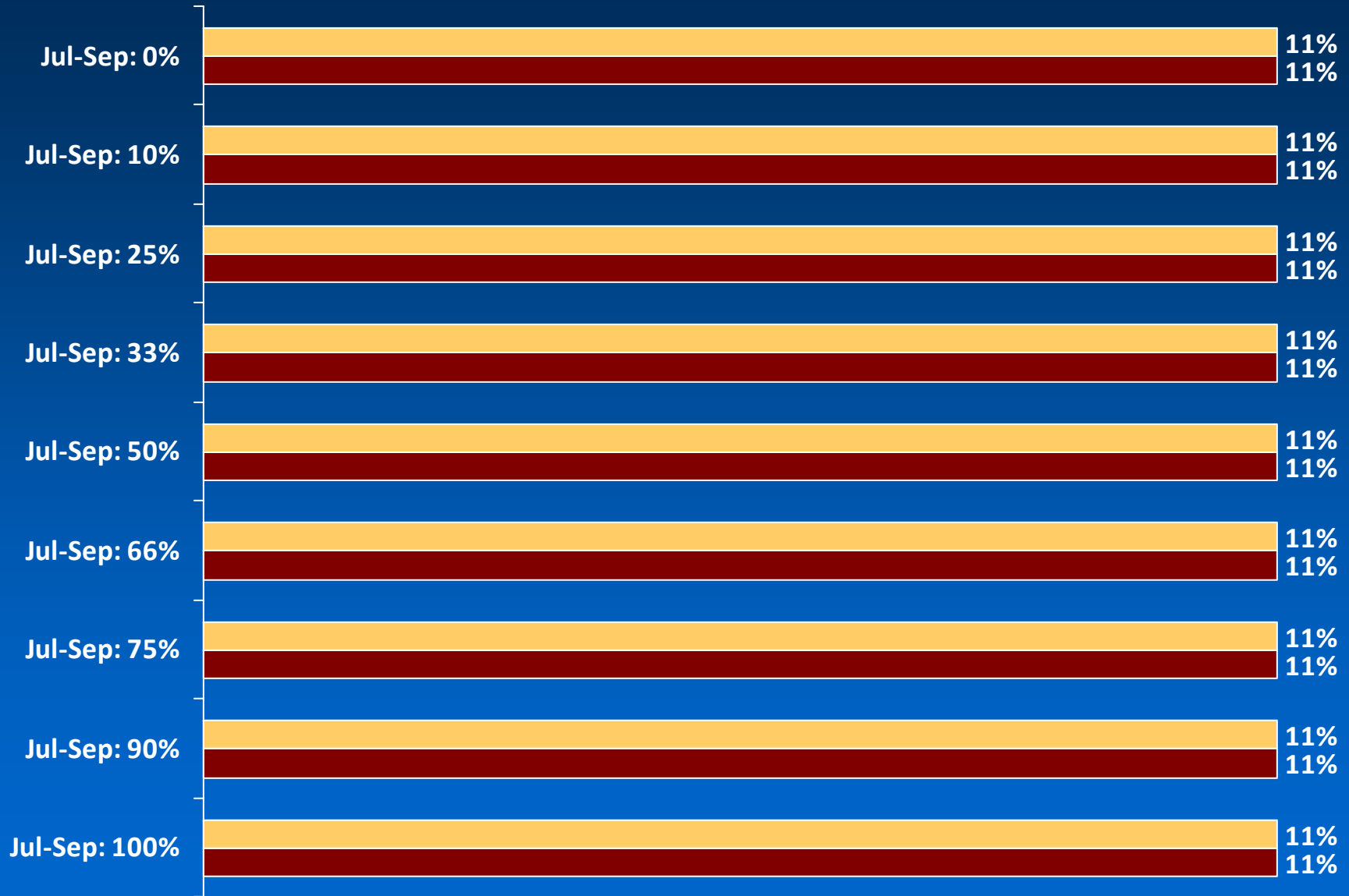


PRF-VI Insurance: *intervals*

Index Interval	Apr-Jun	May-Jul	Jun-Aug	Jul-Sep	Aug-Oct	Total Coverage Level (%)
% of Acres	0	0	0	0		Please Select <input type="button" value="v"/>

1. Jul-Sep: 0%
2. Jul-Sep: 10%
3. Jul-Sep: 25%
4. Jul-Sep: 33%
5. Jul-Sep: 50%
6. Jul-Sep: 66%
7. Jul-Sep: 75%
8. Jul-Sep: 90%
9. Jul-Sep: 100%

PRF-VI Insurance: intervals



■ Brown ■ Gold

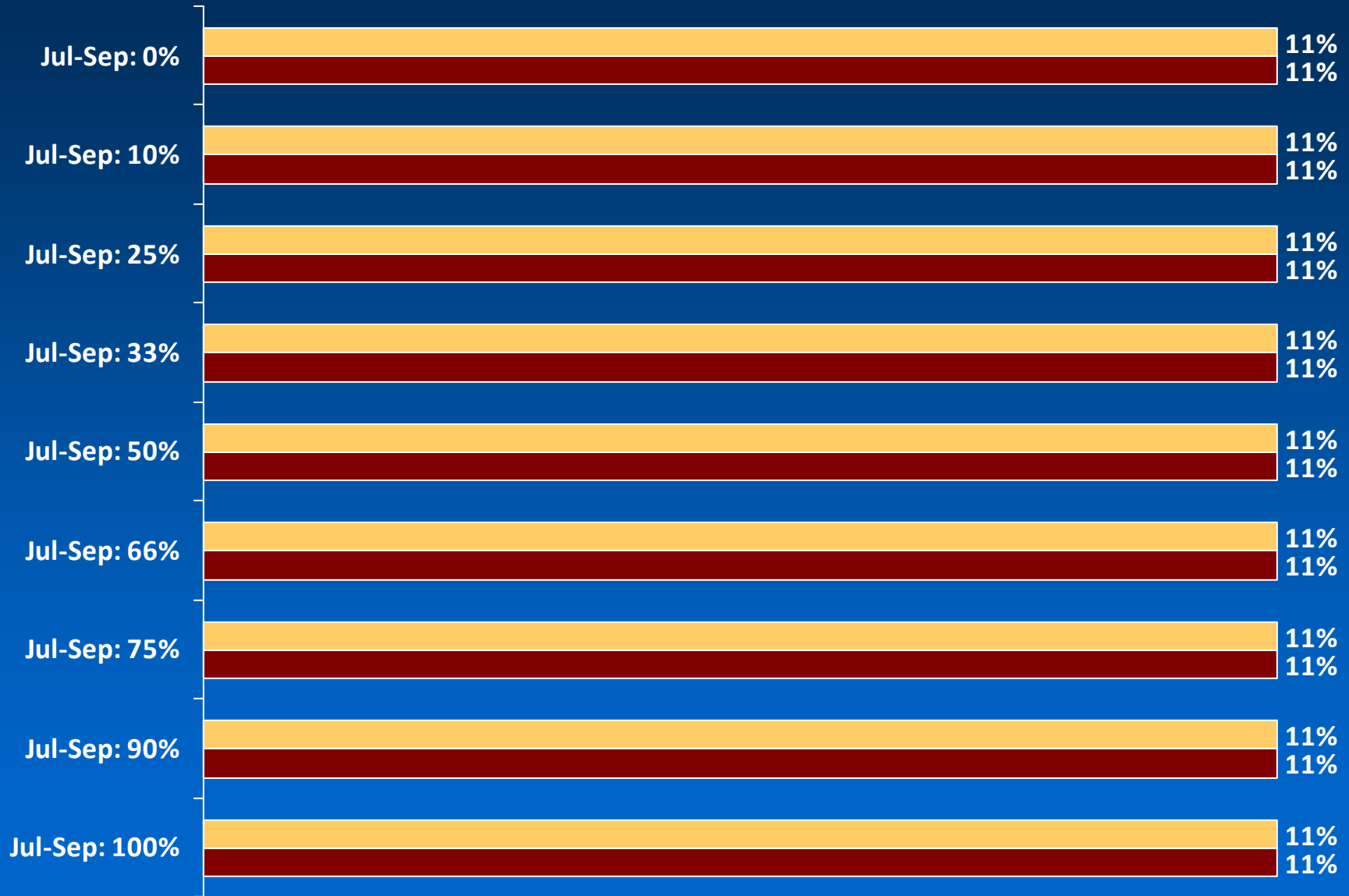


PRF-VI Insurance: *intervals*

1. Aug-Oct: 0%
2. Aug-Oct: 10%
3. Aug-Oct: 25%
4. Aug-Oct: 33%
5. Aug-Oct: 50%
6. Aug-Oct: 66%
7. Aug-Oct: 75%
8. Aug-Oct: 90%
9. Aug-Oct: 100%

Index Interval	Apr-Jun	May-Jul	Jun-Aug	Jul-Sep	Aug-Oct	Total Coverage Level (%):
% of Acres	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	Please Select <input type="button" value="v"/>

PRF-VI Insurance: intervals



■ Brown ■ Gold



AG SURVIVOR

High Plains Ranch



Decision Description - Windows Internet Explorer



AGR-Lite Insurance

AGR-Lite is a whole-farm/ranch revenue protection insurance plan that covers revenue losses from crops, livestock, and unprocessed livestock products. The plan protects against low revenue due to losses in production and declines in product quality and market price.

Coverage must be purchased before March 15th of the current crop year by providing 5 years of Schedule F tax return information and a plan for the current production year. This scenario decision assumes your approved Adjusted Gross Revenue for insurance is \$343,921.

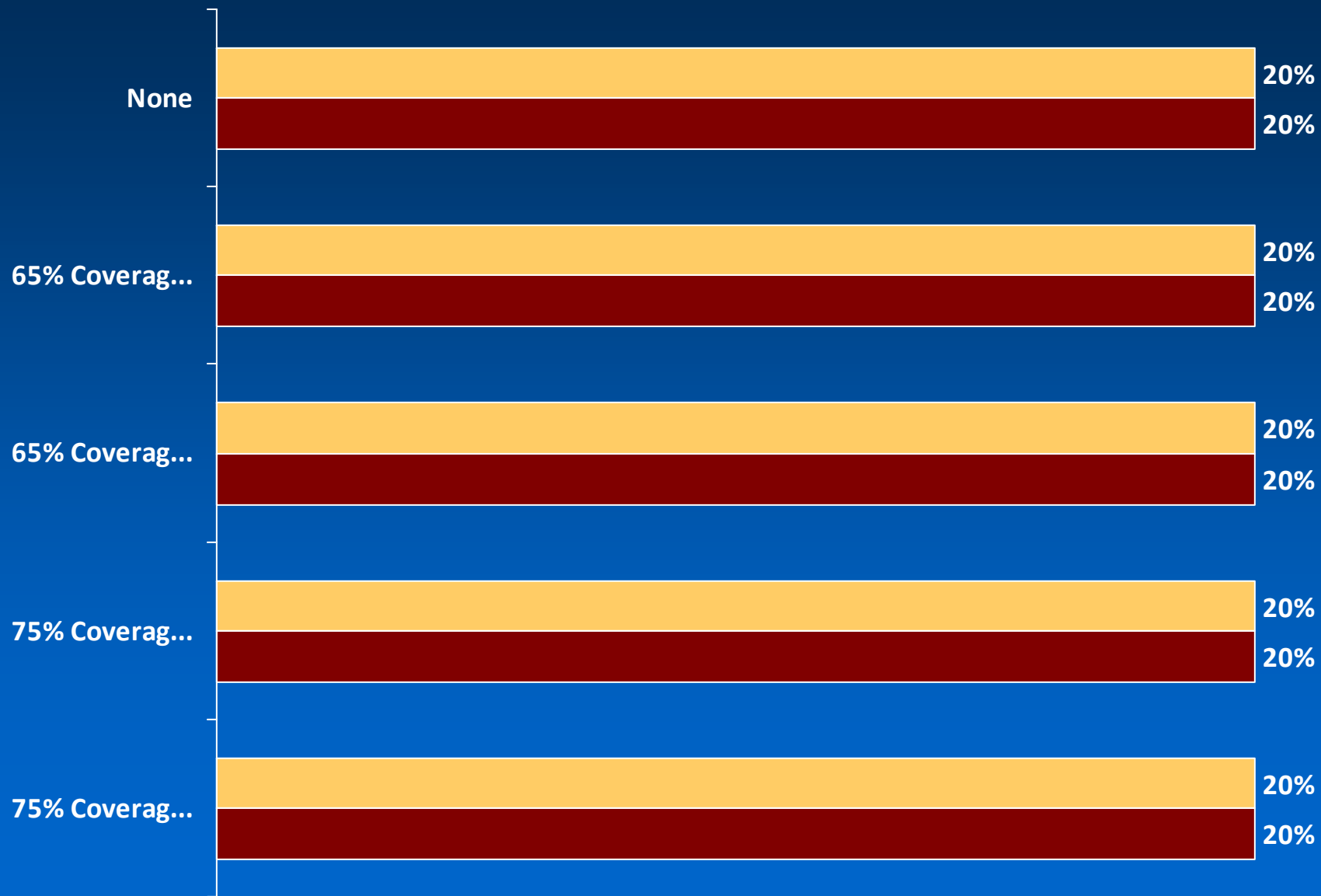
Close Window



AGR-Lite Insurance?

1. *None*
2. 65% Coverage +
75% Payment Rate
3. 65% Coverage +
90% Payment Rate
4. 75% Coverage +
75 % Payment Rate
5. 75% Coverage +
90% Payment Rate

AGR-Lite Insurance?



■ Brown ■ Gold





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High Plains Ranch



Decision 1



Decision 2



Risk 1 (Spring Precipitation)	Probability	----- Weaned Calves -----		Hay Price	Hay Yield	Grazing AUMs
		Price	Weaning % Weaning Wt			
Excellent	20%	+\$1.00		-\$10.00	+35	+135
Normal	50%	-\$2.00		-\$3.00		
Poor	23%	-\$6.00		+\$10.00	-30	-135
Very poor	7%	-\$8.00		+\$15.00	-60	-450



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High Plains Ranch



Decision Description - Windows Internet Explorer



Fertilize Meadows

Fertilization of hay meadows is one strategy for providing adequate stored feedstuffs for winter feeding or perhaps providing another source of income through hay sales. However, decision-makers will need to carefully consider the increased production expenses from fertilizer and application costs compared with the expected increase in hay yield.

This scenario decision focuses on whether or not to add an additional 40 lbs/acre of nitrogen fertilizer to your hay meadows. If you have average weather, expect this additional fertilizer to increase yields by 0.24 tons/acre.

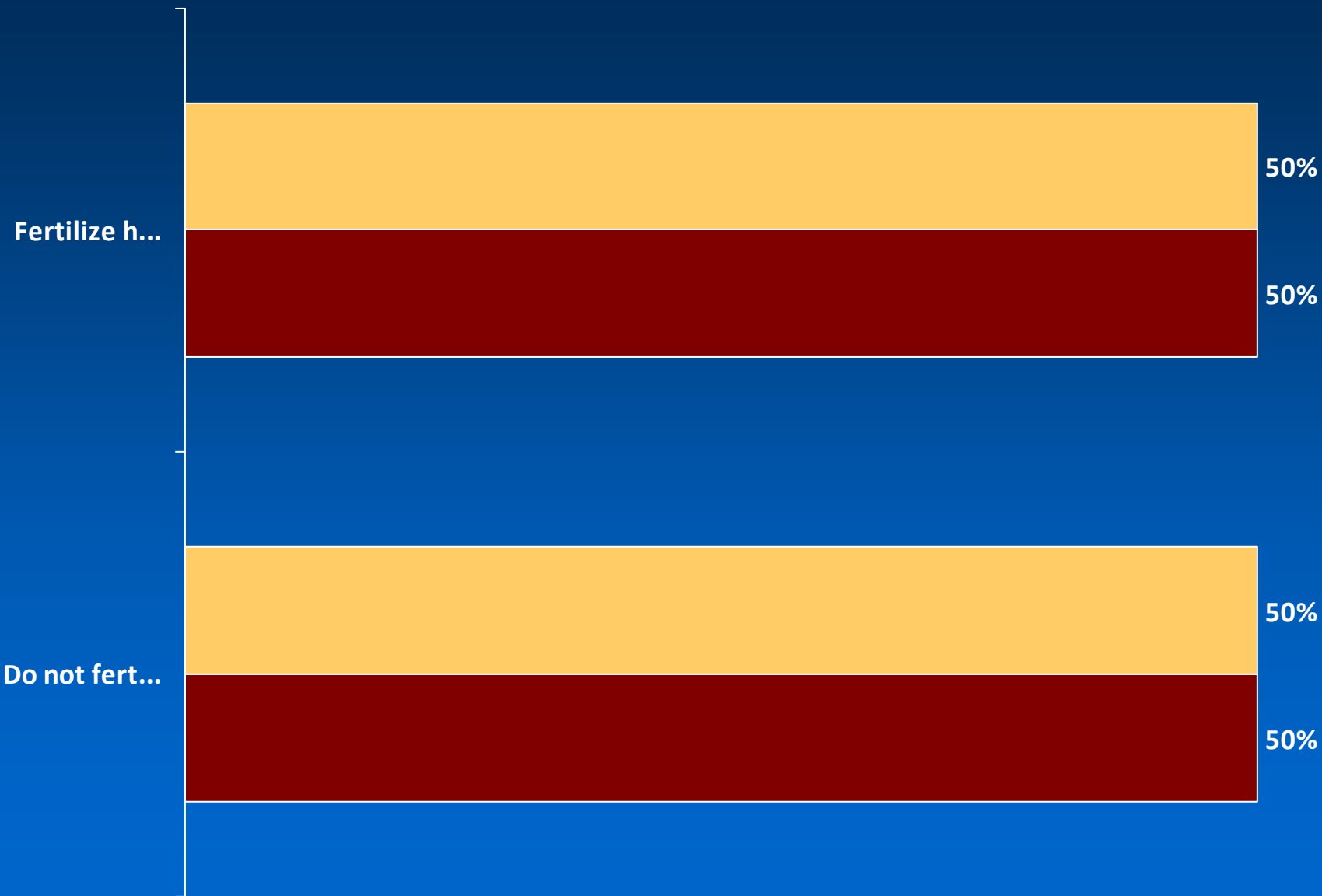
Close Window



Fertilize Meadows?

1. Fertilize hay meadows
2. Do not fertilize hay meadows

Fertilize Meadows?



■ Brown ■ Gold



Livestock Risk Protection Feeder Cattle

Revised May 2009

General Background

Livestock Risk Protection (LRP)-Feeder Cattle is designed to insure against declining market prices. Cattle producers may select from a variety of coverage levels and insurance periods that match the time their feeder cattle would normally be marketed (ownership may be retained).

LRP-Feeder Cattle insurance may be purchased throughout the year from approved livestock insurance agents. Premium rates, coverage prices, and actual ending values are posted online daily.

Coverage Availability

Cattle producers submit a one-time application for LRP-Feeder Cattle coverage. After the application is accepted, specific coverage endorsements may be purchased for up to 1,000 head of feeder cattle that are expected to weigh up to 900 pounds at the end of the insurance period. The annual limit for LRP-Feeder Cattle is 2,000 head per producer for each crop year (July 1 to June 30). All insured calves and cattle must be located in a State approved for LRP-Feeder Cattle at the time insurance is purchased.

RMA Web Site

Daily LRP Coverage Prices, Rates, and Actual Ending Values: <http://www.rma.usda.gov/tools/livestock.html>

Premium Calculator:
<http://www.rma.usda.gov/tools/premcalc.html>

Approved livestock agents and insurance companies:
<http://www.rma.usda.gov/tools/agent.html>

Related AMS online livestock reports:
http://marketnews.usda.gov/portal/jg/paf_dm

The length of insurance coverage available for each specific coverage endorsement is 13, 17, 21, 26, 30, 34, 39, 43, 47, or 52 weeks.

Coverage is available for the calves, steers, heifers, predominantly Brahman, and predominantly dairy cattle categories. Feeder cattle producers may also choose from two weight ranges: under 600 pounds and 600-900 pounds.

LRP-Feeder Cattle insurance is available to producers with feeder cattle in the following 37 States: Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

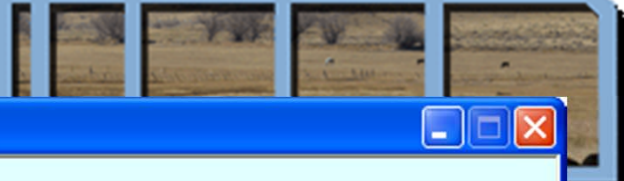
Coverage Levels, Prices, and Rates

Cattle producers may select coverage prices ranging from 70 to 100 percent of the expected ending value. At the end of the insurance period, if the actual ending value is below the coverage price, the producer will be paid an indemnity for the difference between the coverage price and actual ending value.

The LRP-Feeder Cattle program's coverage prices, rates, actual ending values, and per hundredweight cost of insurance may be viewed on the Risk Management Agency's Web site. Actual ending values are based on weighted average prices as reported in the Chicago Mercantile Exchange Group Feeder Cattle Index. Actual ending values will be posted on Risk Management Agency's Web site at the end of the insurance period.



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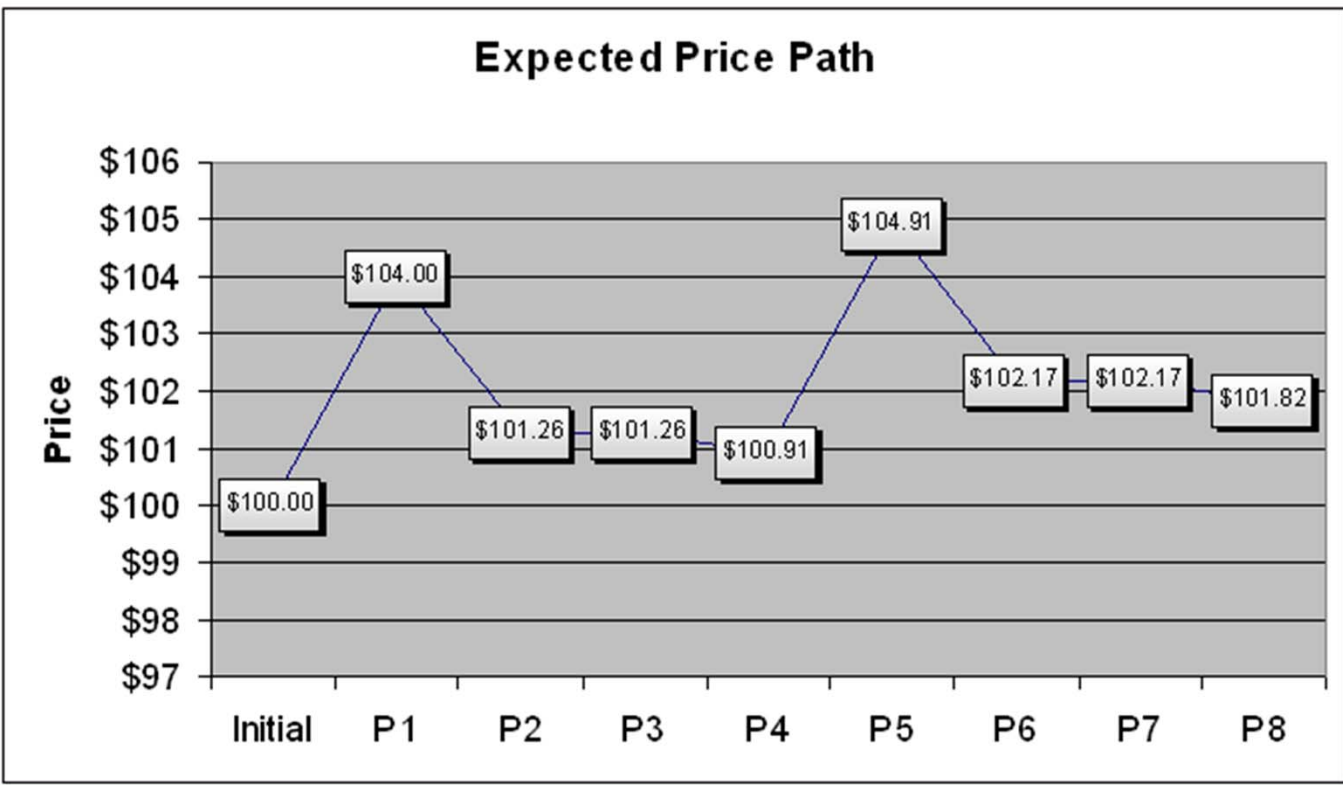


Livestock Trend - Windows Internet Explorer

Weaned Calves

Decision

The number of weaned calves
price for
price for



Close Window

Hay Trend



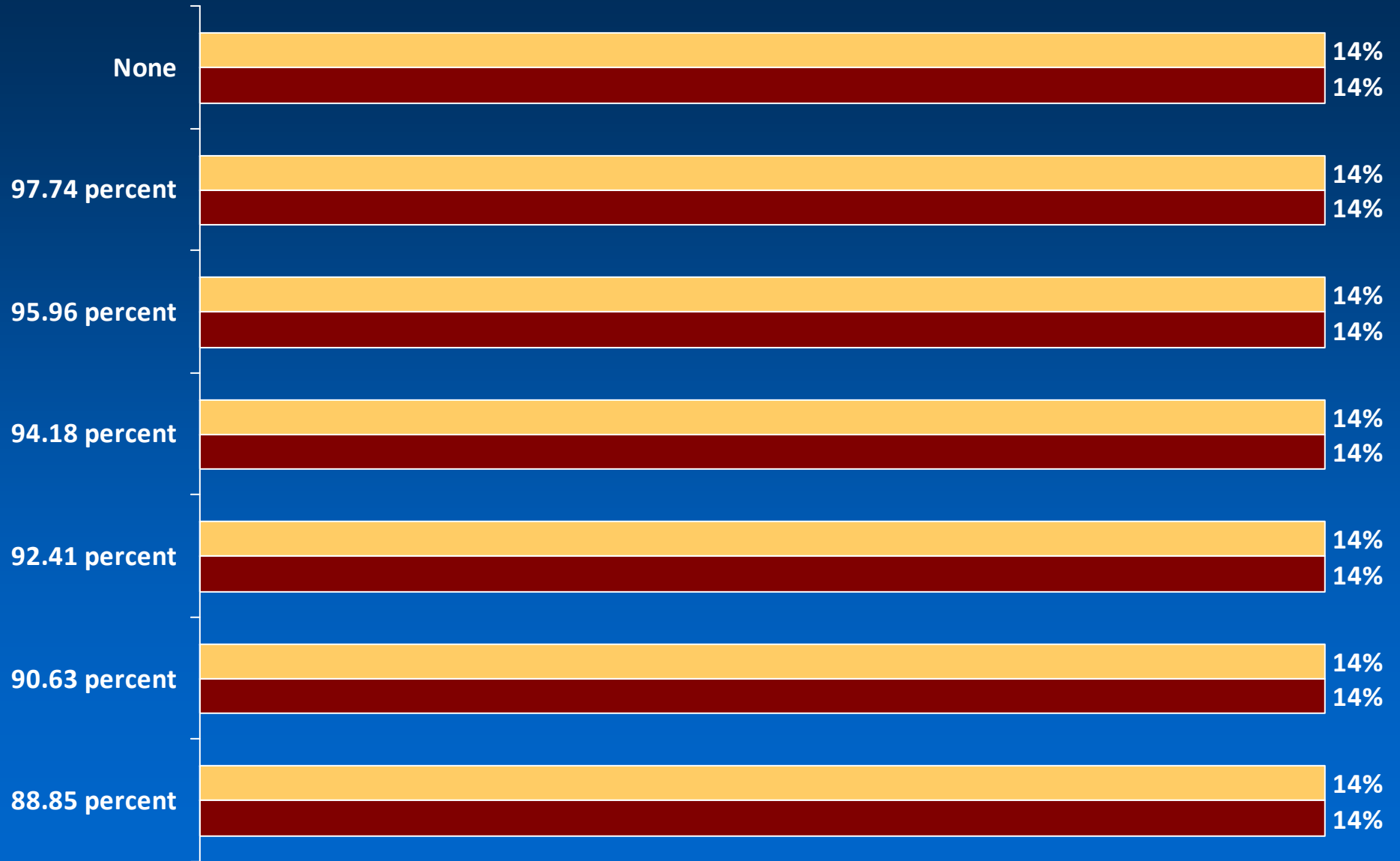
LRP Insurance on calves – *coverage level*

1. *None*
2. 97.74 percent
3. 95.96 percent
4. 94.18 percent
5. 92.41 percent
6. 90.63 percent
7. 88.85 percent



To Period 3

LRP Insurance on calves – coverage level



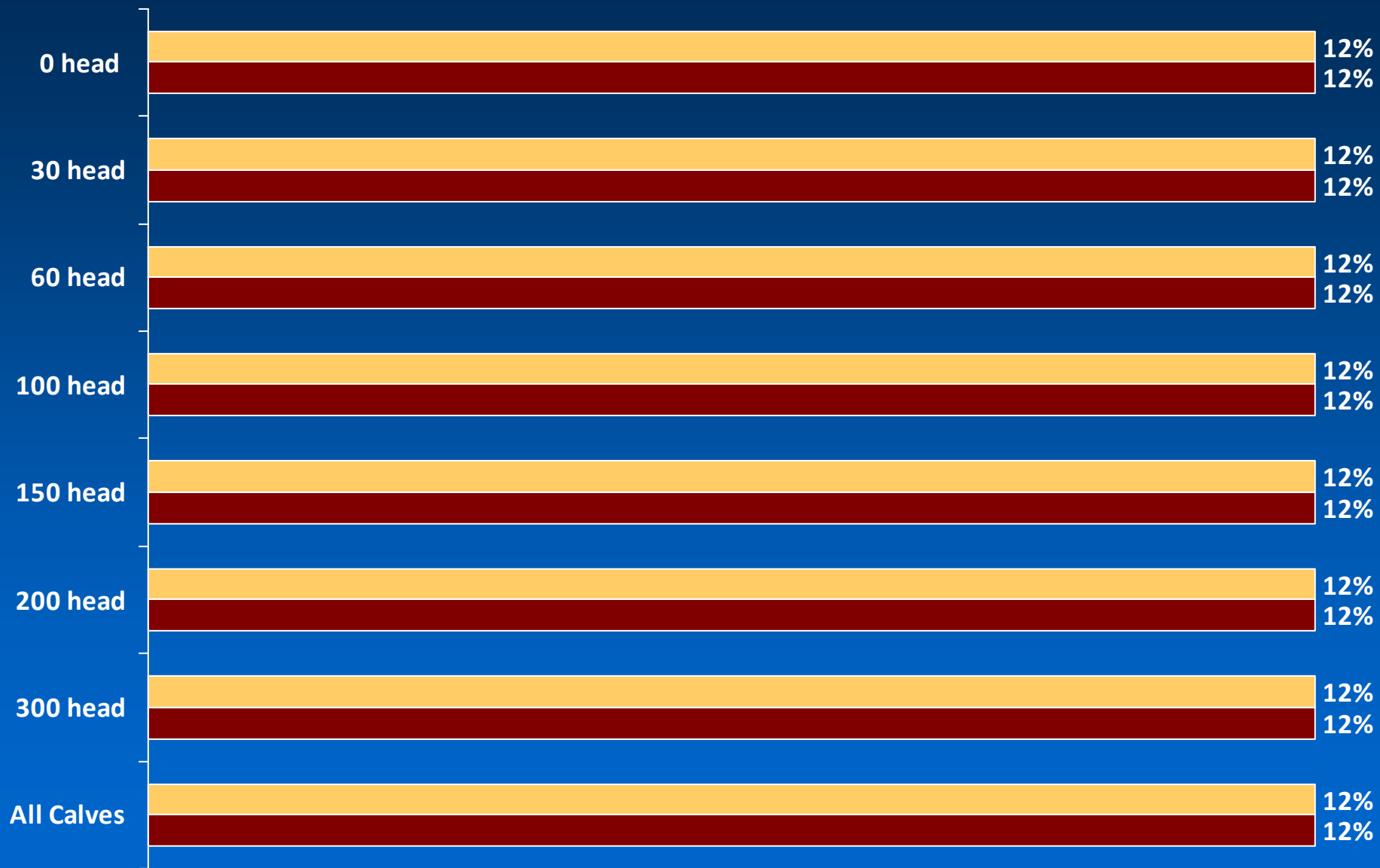
■ Brown ■ Gold



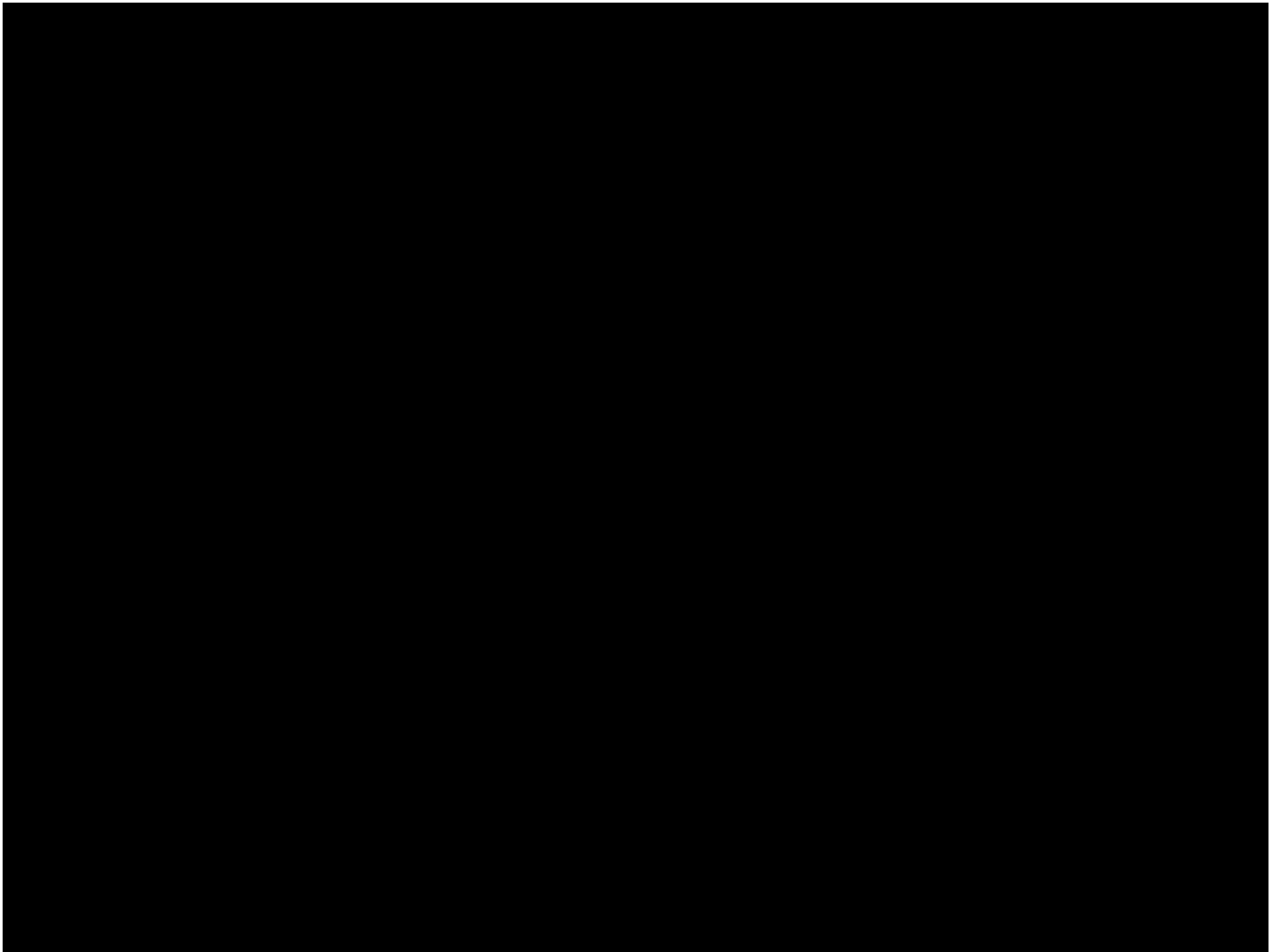
LRP Insurance on calves – *number of head*

1. 0 head
- Do Nothing
2. 30 head
3. 60 head
4. 100 head
5. 150 head
6. 200 head
7. 300 head
8. All Calves

LRP Insurance on calves – number of head



■ Brown ■ Gold





AG SURVIVOR

High Plains Ranch



Decision 1



Decision 2



Risk 1 (Summer Precipitation)	Probability	----- Weaned Calves -----		Hay Price	Hay Yield	Grazing AUMs
		Price	Weaning % Weaning Wt			
Poor	20%	-\$2.00		+\$10.00	-15	-135
Average	60%					
Good	15%	+\$2.00		-\$10.00	+50	+135
Too much	5%	+\$2.00		+\$10.00	-10	-45



AG SURVIVOR

High Plains Ranch



Decision 1



Decision 2



LRP-Feeder Cattle ([more...](#))

Coverage Level Number of Head Coverage Price:

None

Premium: \$0.00

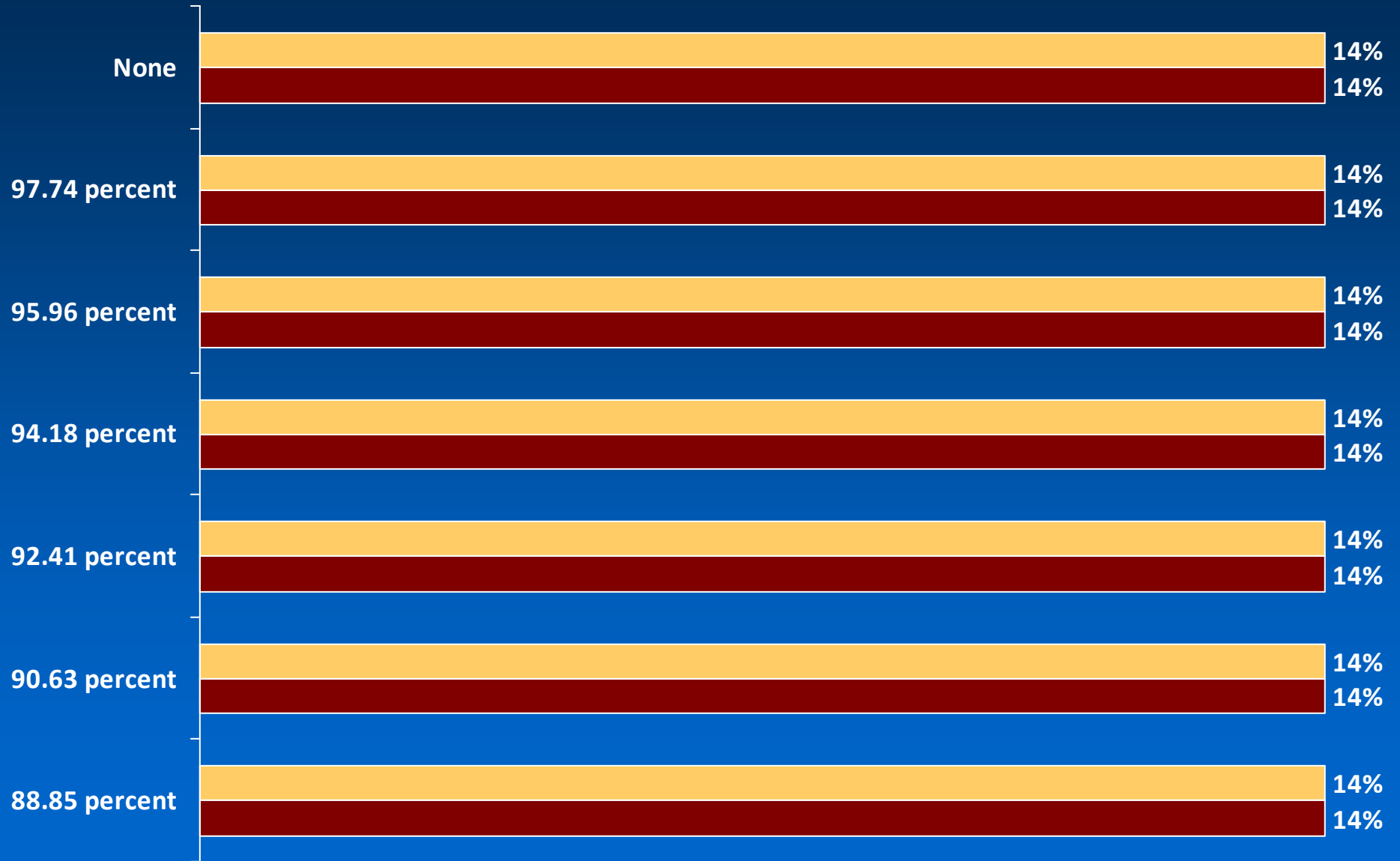


LRP Insurance on calves – *coverage level*

1. *None*
2. 97.74 percent
3. 95.96 percent
4. 94.18 percent
5. 92.41 percent
6. 90.63 percent
7. 88.85 percent



LRP Insurance on calves – coverage level



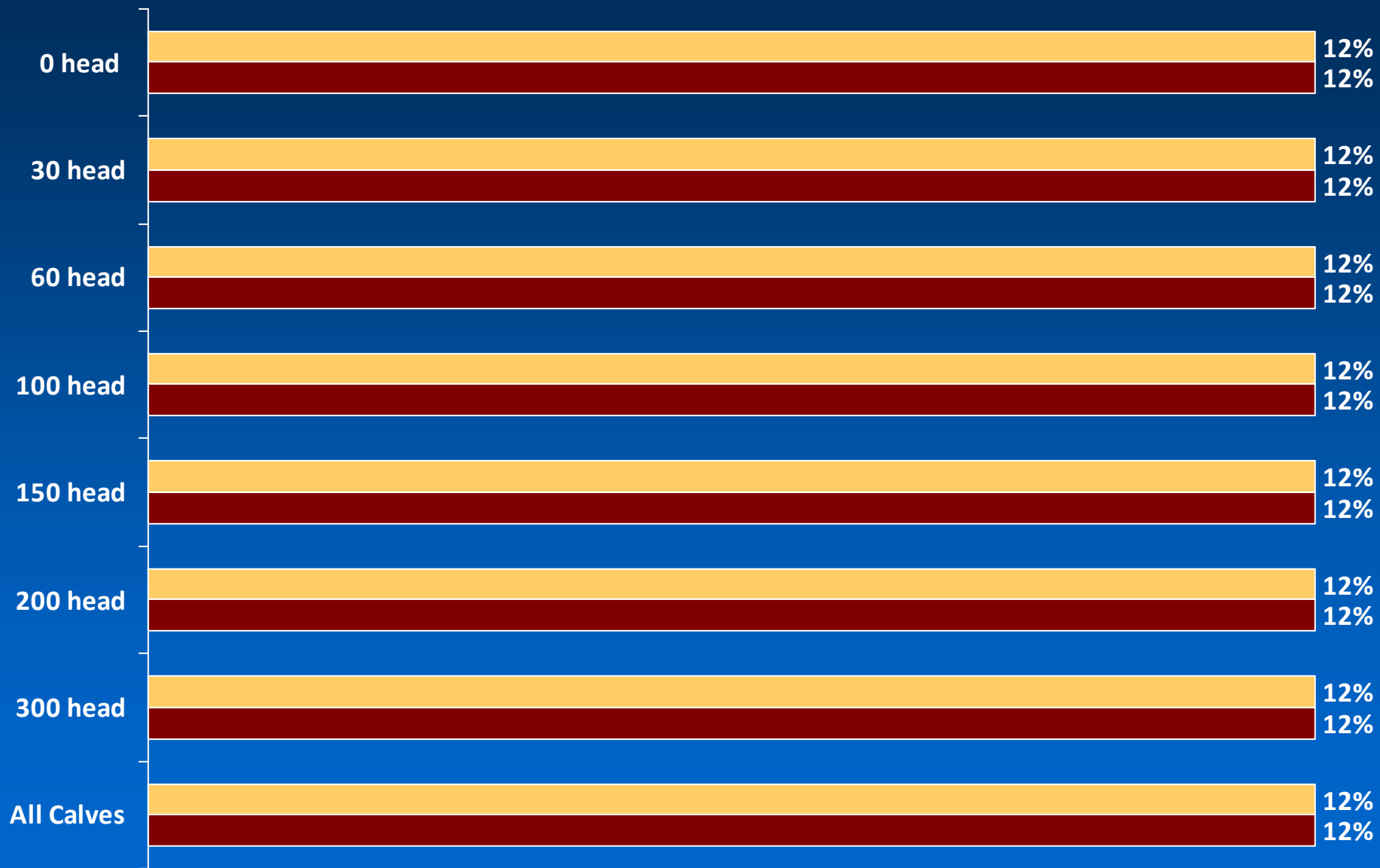
■ Brown ■ Gold



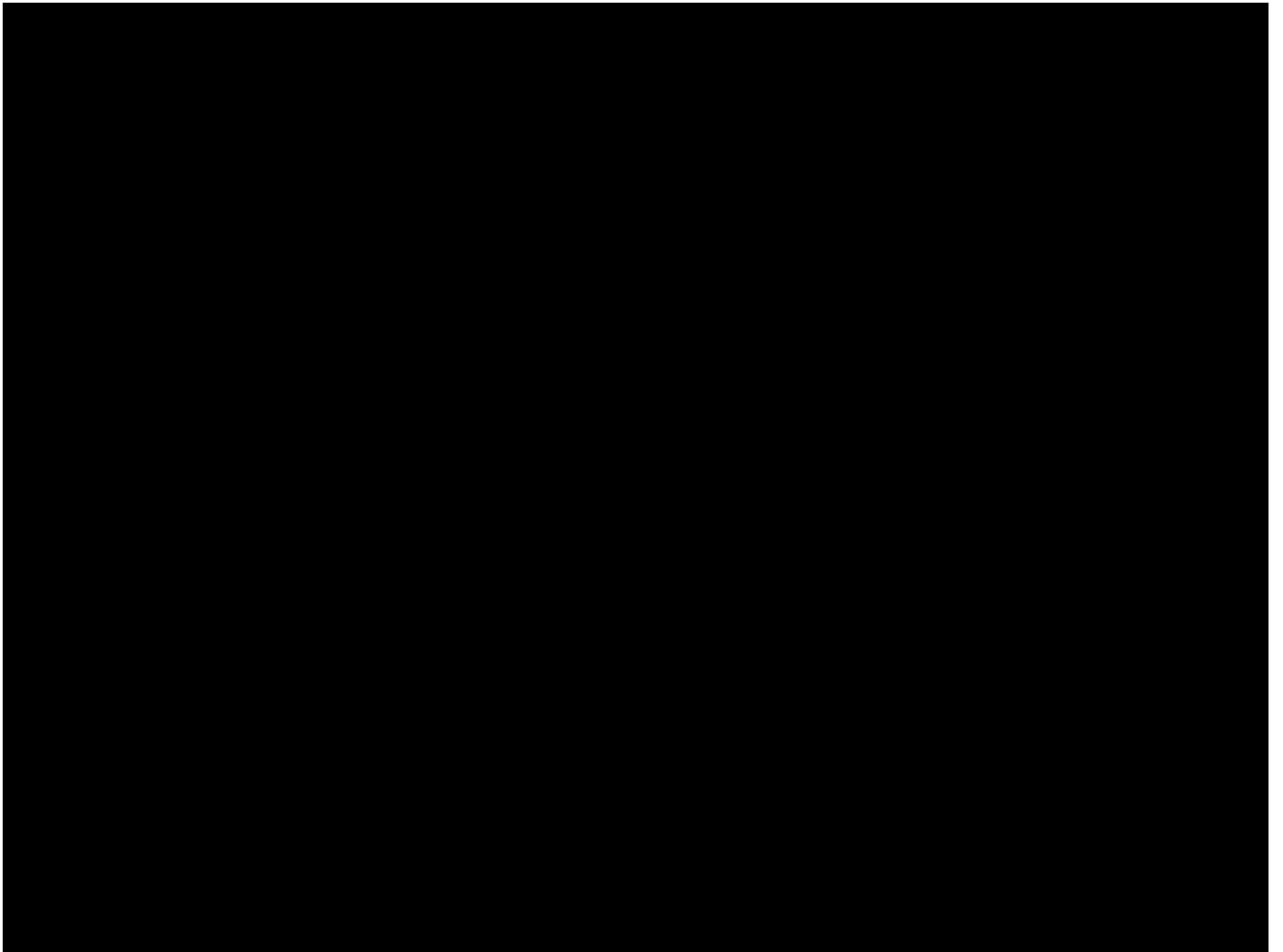
LRP Insurance on calves – *number of head*

1. 0 head
- Do Nothing
2. 30 head
3. 60 head
4. 100 head
5. 150 head
6. 200 head
7. 300 head
8. All Calves

LRP Insurance on calves – number of head



■ Brown ■ Gold





AG SURVIVOR

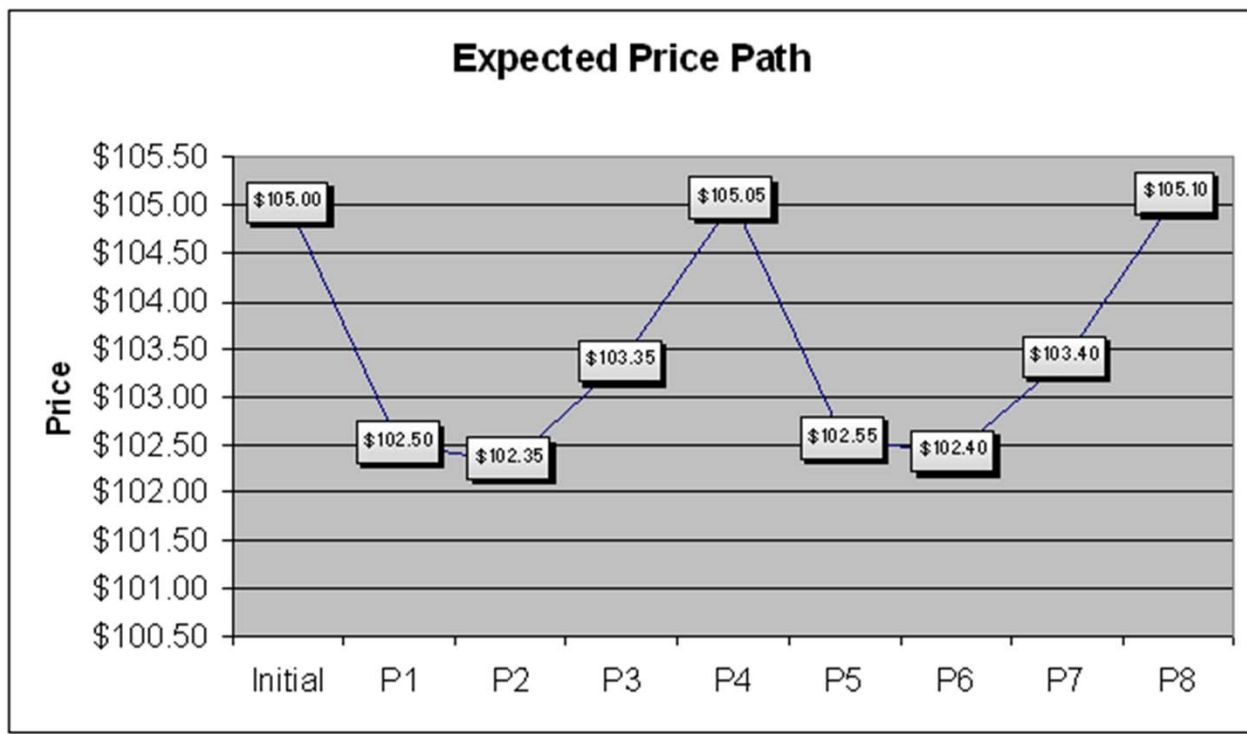


Crop Trend - Windows Internet Explorer

Decision

Hay left during sales w

Hay



Close Window

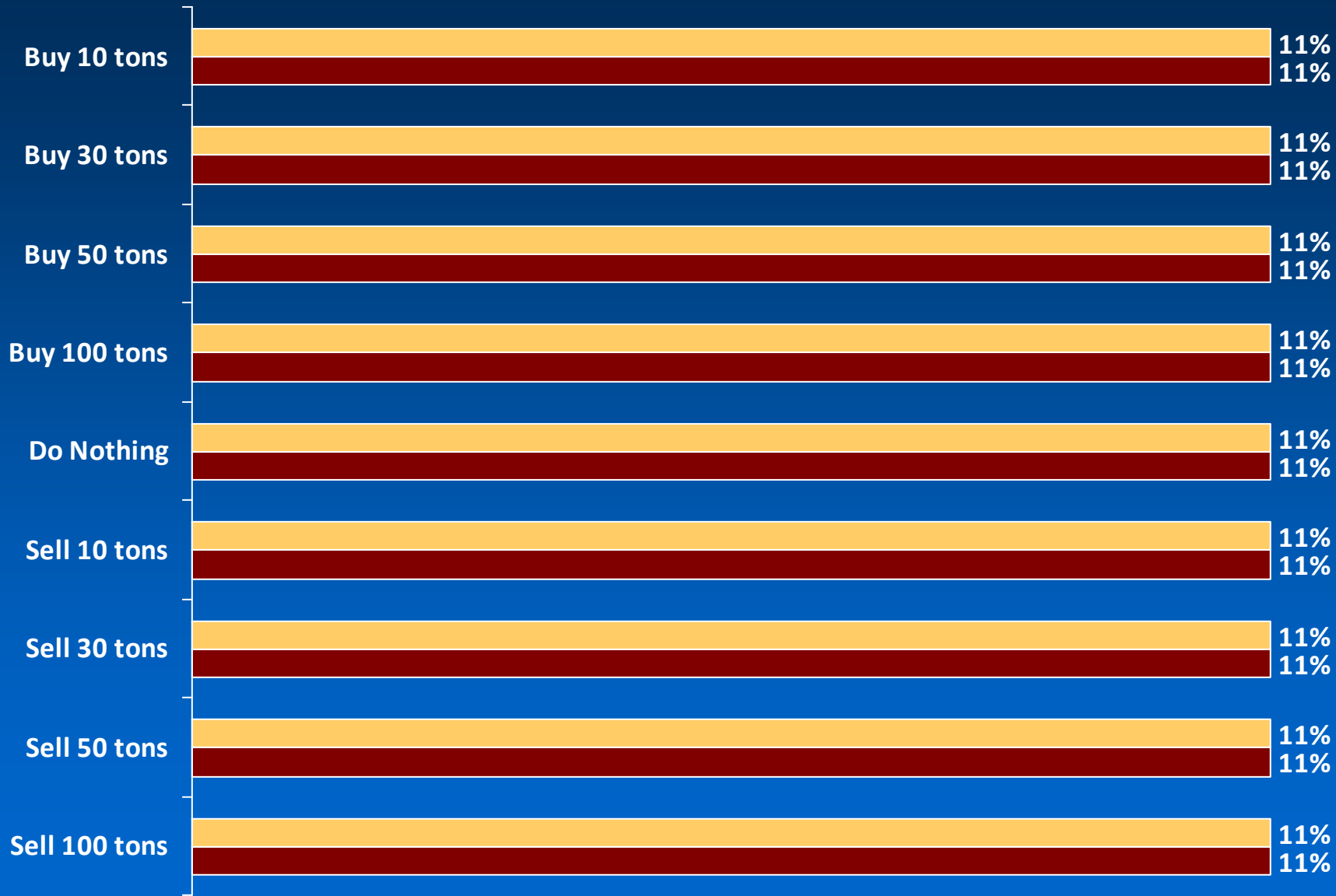
Livestock Trend



Buy or Sell Hay?

1. Buy 10 tons
2. Buy 30 tons
3. Buy 50 tons
4. Buy 100 tons
5. Do Nothing
6. Sell 10 tons
7. Sell 30 tons
8. Sell 50 tons
9. Sell 100 tons

Buy or Sell Hay?



■ Brown ■ Gold





AG SURVIVOR

High Plains Ranch



Decision 1

Decision 2

Decision 3

Risk 1 (Late-Season Forage Production)	Probability	----- Weaned Calves -----			Hay Price	Hay Use	Grazing AUMs
		Price	Weaning %	Weaning Wt			
More than adequate	11%				-\$10.00		+135
Normal	65%						
Inadequate	12%			-5	+\$5.00		-135
Extreme shortage	12%			-15	+\$10.00		-270

Risk 2 (U.S. Corn Production)	Probability	----- Weaned Calves -----			Hay Price	Hay Use	Grazing AUMs
		Price	Weaning %	Weaning Wt			
Extremely high	5%	+\$9.00			-\$10.00		
Above average	35%	+\$2.00			-\$5.00		
Average	55%	-\$2.00			+\$5.00		
Below average	5%	-\$8.00			+\$10.00		



AG SURVIVOR

High Plains Ranch



Decision Description - Windows Internet Explorer



Early Weaning

One strategy for responding to conditions where forage is short is to wean early. The choice here is whether to wean all or some of the calves 60 days early to reduce the forage demand. Expect total forage demands to be reduced by 1 AUM per calf weaned early. Early weaned calves sell at a lighter weight (100 lbs. lighter) than those held to the normal sale date.

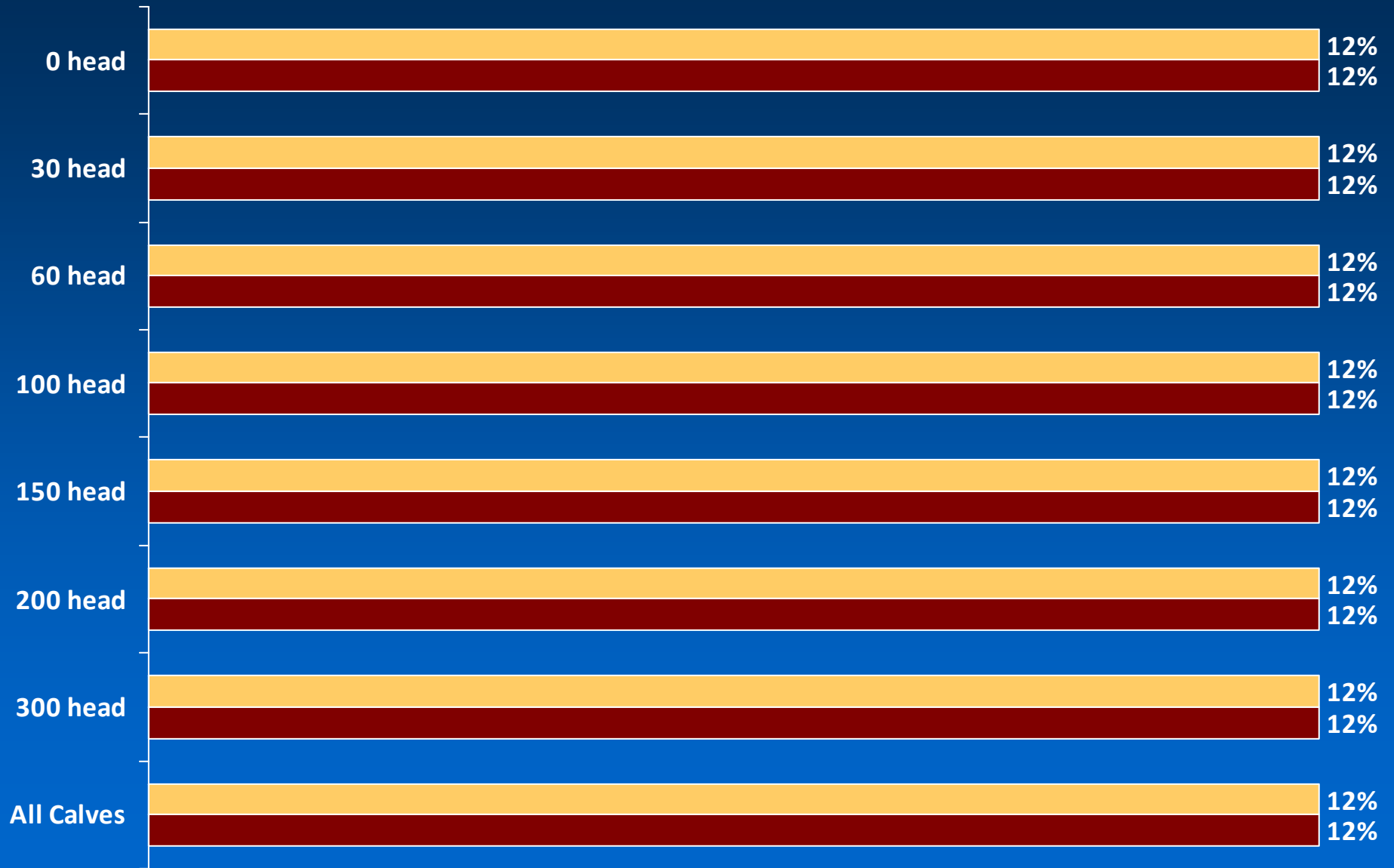
Close Window

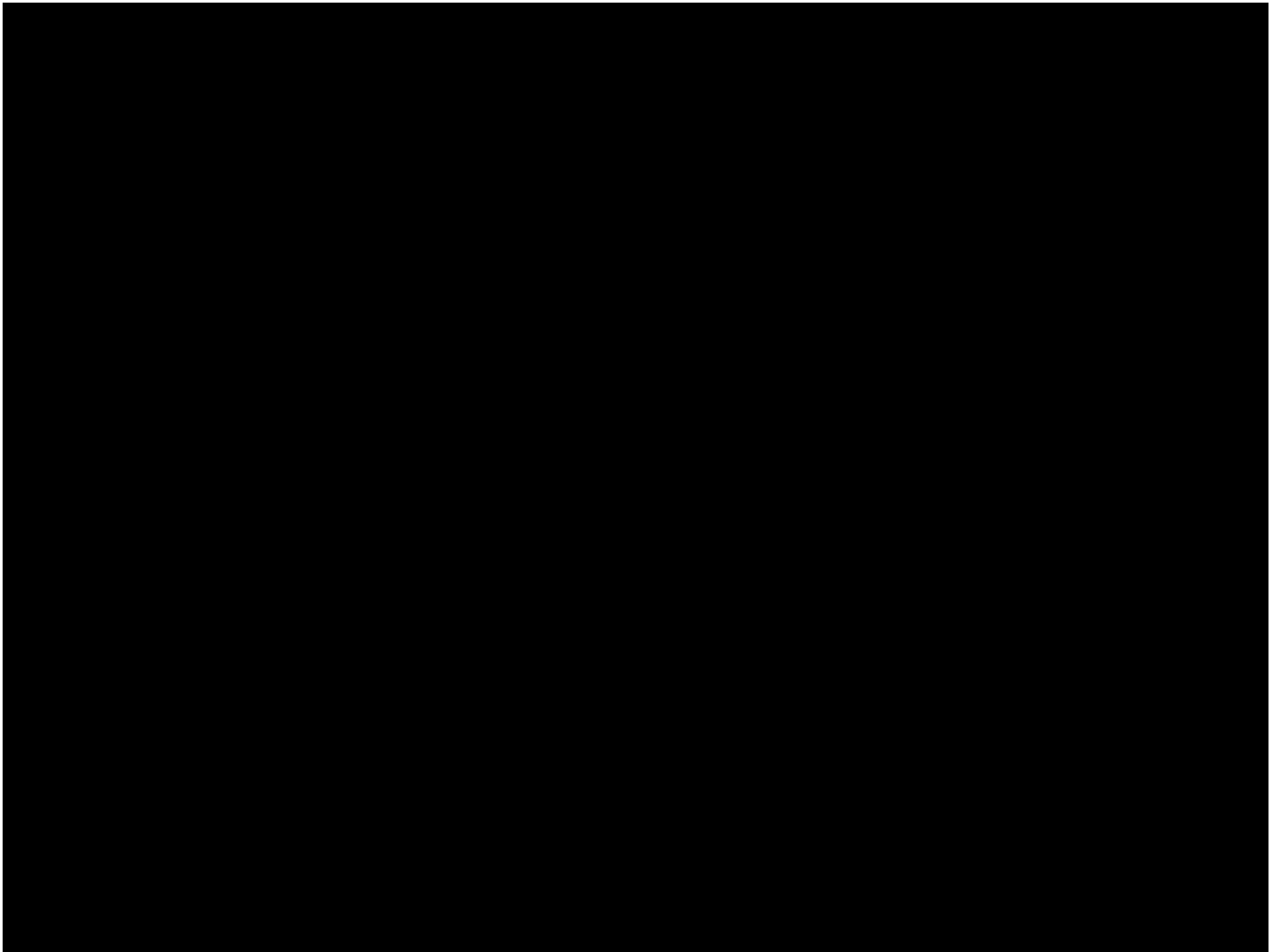


Early wean calves – *number of head*

1. 0 head
2. 30 head
3. 60 head
4. 100 head
5. 150 head
6. 200 head
7. 300 head
8. All Calves

Early wean calves – number of head







AG SURVIVOR

High Plains Ranch



Decision 1



Decision 2



Decision 3



Buy or Sell Hay ([more...](#))

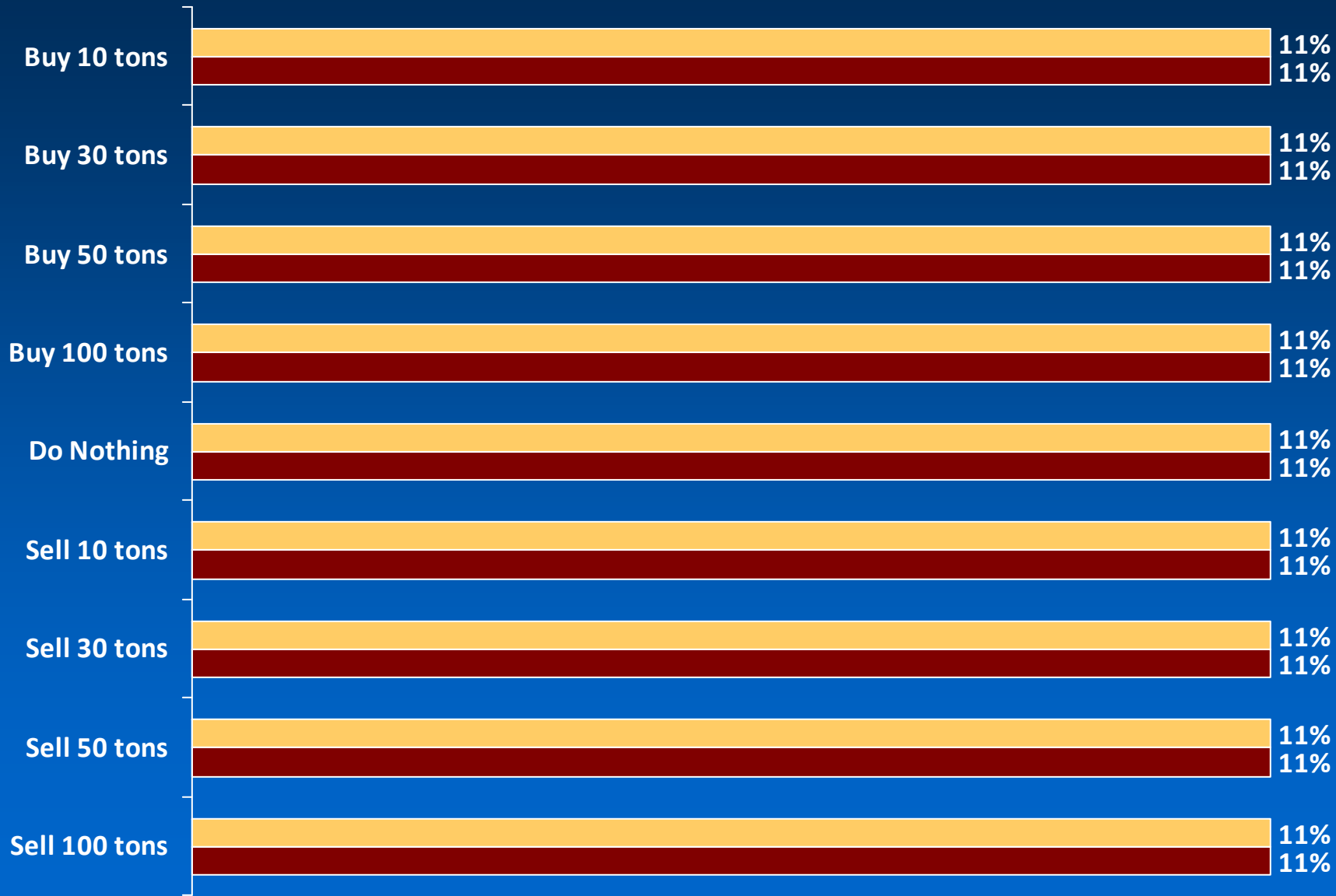
I wish to Buy or Sell tons at \$97.00 per ton.



Buy or Sell Hay?

1. Buy 10 tons
2. Buy 30 tons
3. Buy 50 tons
4. Buy 100 tons
5. Do Nothing
6. Sell 10 tons
7. Sell 30 tons
8. Sell 50 tons
9. Sell 100 tons

Buy or Sell Hay?



■ Brown ■ Gold





AG SURVIVOR

High Plains Ranch



Decision 1



Decision 2



Decision 3



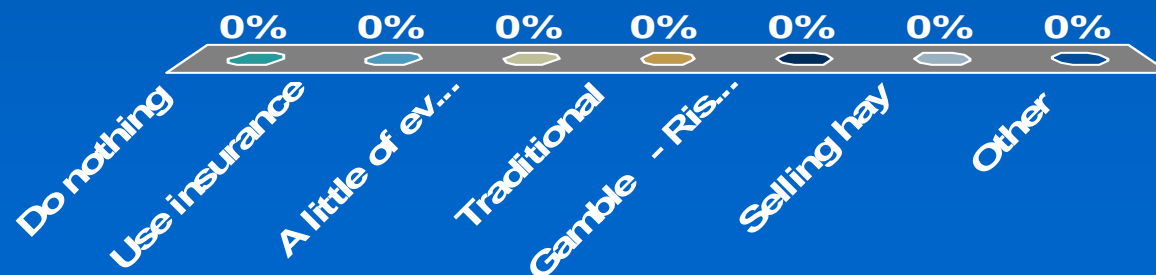
Pasture, Rangeland, and Forage - Vegetative Index (PRF-VI) Insurance ([more...](#))

Index Interval	Apr-Jun	May-Jul	Jun-Aug	Jul-Sep	Aug-Oct	Total Coverage Level (%)
% of Acres	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	Please Select <input type="button" value="v"/>
Insured Acres	0	0	0	0	0	0
Producer Premium						<input type="button" value="Submit"/>



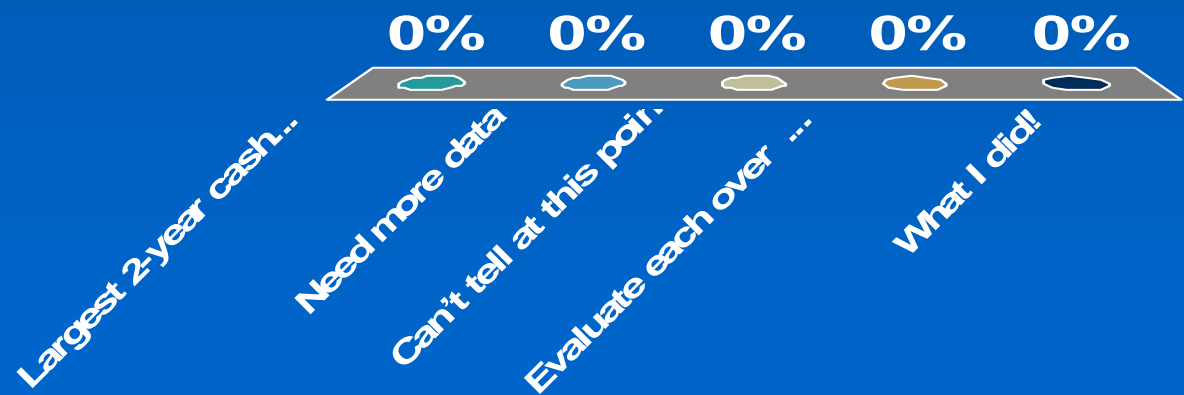
What strategy did you try to follow?

1. Do nothing
2. Use insurance
3. A little of everything
4. Traditional
5. Gamble
- Risk seeking
6. Selling hay
7. Other



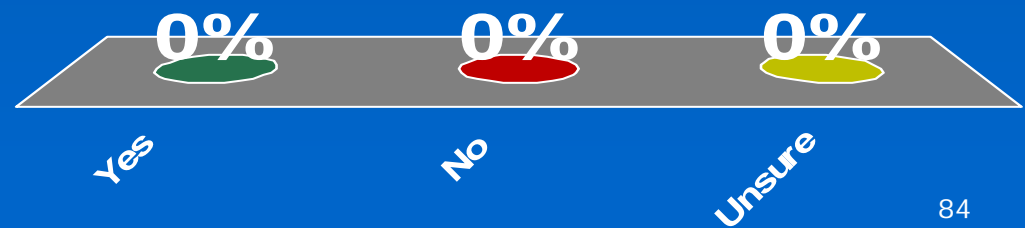
How would you select the best strategy?

1. Largest 2-year cash balance
2. Need more data
3. Can't tell at this point
4. Evaluate each over the long run
5. What I did!



Is Risk Always Bad?

1. Yes
2. No
3. Unsure

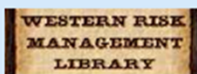


Ag Survivor: The Chance to Practice Different Strategies

- **Ag Survivor** is designed to be a hands-on tool for producers to use and explore potential results of risk management strategies.
- It can help you learn about your own risk management style.
- **We** hope the knowledge gained from using **Ag Survivor** can help you think about potential risk management strategies for your operation.
- It isn't a decision-aid that tells you how much a particular strategy will return you on your specific operation.

• Investigate other risk management information resources through the RightRisk links library...

• Western Risk Management Library



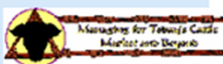
The Western Risk Management Library is host to over 677 articles, fact sheets, and presentations on managing risk in western agricultural operations. Explore the five main sources of risk: production, market, financial, legal, and human resource risk.

• Risk and Resilience in Agriculture



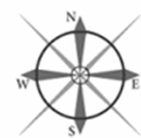
The *Risk and Resilience in Agriculture* materials are designed with the purpose of helping agricultural producers develop individual and family strategies to best deal with today's agricultural business environment.

• Managing for Today's Cattle Market and Beyond



Managing for Today's Cattle Market and Beyond is a well-planned collection of 36 outstanding papers, produced by 29 authors from 18 states. The project was conceived by the Western Extension Marketing Committee for extension and classroom audiences.

• National Ag Risk Education Library



The Library contains three major sections, the main Ag Risk Library section, the Specialty Crop Library section, and the FINBIN financial database.

...Plus more available at...

WWW.RightRisk.org

Return



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Risk

Strategies

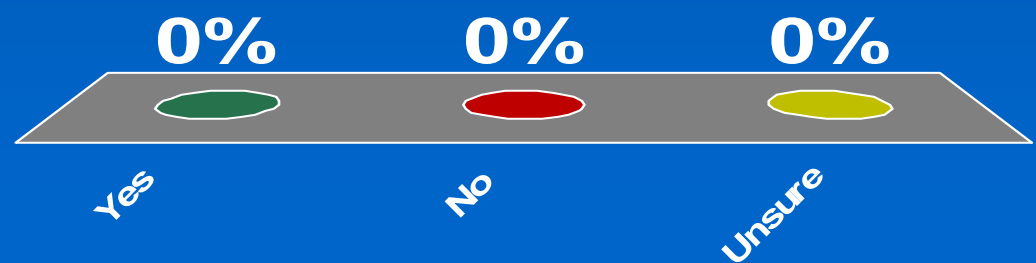
Profit

Management



Are you ever finished managing risk?

1. Yes
2. No
3. Unsure



QUESTIONS?

