

How Do Vermont Agricultural Producers Manage Risk?

Various risks threaten the viability of every business, and each operation has to determine how they can remove, reduce or at least moderate the risks that can put their enterprise in jeopardy. The 5 types of risk that challenge all agricultural enterprises are:

- Production risk – quantity and quality of what is produced on the farm
- Price or market risk – uncertainty about prices the farm will receive for commodities produced or prices they must pay for inputs
- Financial risk – debt on the enterprise, impacted by changing interest rates, loans being called in by lenders, and restricted credit availability
- Institutional risk – uncertainties surrounding Government actions, for example: tax laws, regulations that affect operations, adjustments in price or income support payments
- Human or personal risk – human health problems, personal problems or family crisis, employee or labor problems, any of which can interfere with business operations

How do Vermont farmers and growers manage the risks they face? Read a profile of a Vermont producer who shared information about the operation, the biggest risks facing this enterprise, and how they manage those risks.