



### **How much risk is “right” in your operation?**

RightRisk™ is a risk management game originally conceived and used in Colorado over the past couple of years with producers, agricultural lenders, extension professionals, and other groups to teach risk concepts and strategies for risk management. A recently funded Western Center for Risk Management Education grant will make this risk simulation game available for distribution in the Western States using a spreadsheet for group presentations and on the World Wide Web for individual users.

The internet version will allow participants to continue their risk education after attending an on-site presentation or to begin learning on their own using the software and associated educational information. Different scenarios make the game more applicable to individual situations. The associated web site is a central clearinghouse for information on various tools for risk management, articles/presentations on techniques for risk management in the west, and a chance to practice risk management strategies in a game setting.

### **How it works**

RightRisk™ begins with a chance for the user to select a scenario that closely matches their production situation, for example, an “alfalfa hay-cow calf operation”. The game then presents a series of opportunities for the user to choose various risk management strategies and tools on a quarterly basis. As the user “steps” through a production year, the game keeps track of production yields, inventories, market prices, forward prices, etc. So, similar to managing an actual farm/ranch, the user can see the financial results of management decisions related to risk.

### **Who should use RightRisk™?**

Many different educational programs and software resources exist to assist crop farmers in assessing and managing risk. However, few resources are readily available to U.S. livestock producers. RightRisk™ has been designed specifically for these types of operators. RightRisk™ will improve management and decision-making skills and increase confidence, as well as, provide users with the opportunity to use information about the risk-bearing capacity of the farm/ranch in decision-making.

Programs offered to agricultural lenders over five meetings last year, showed educators in Colorado that most lenders believe their customers could use help to better manage their business risks. Their survey demonstrated that 25 of the 67 respondents felt risk management (including specific risk management strategies) would be of interest. All 35 of the lenders providing written comments indicated risk management education would be well received by their customers. Look for a RightRisk™ session scheduled in your area this fall or for more information see RightRisk.org on the World Wide Web.