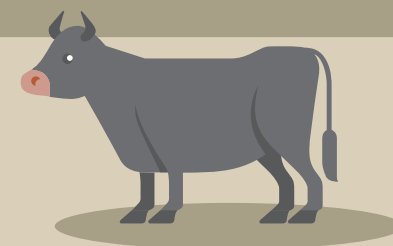
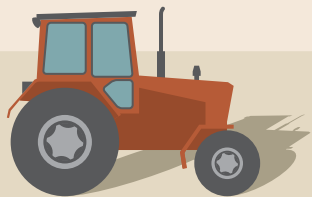


# ENTERPRISE RISK ASSESSMENT

Making sound enterprise management decisions begins with an effective risk management process.



## 1. ESTABLISH THE CONTEXT

### STAGES

#### INTERNAL CONTEXT

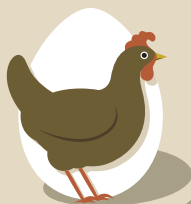
- Environment within the organization that influences how risk is managed
- Resources
- Perspective on risk
- Biases
- Communication
- Select which enterprise

#### EXTERNAL CONTEXT

- External environment in which farm or ranch seeks to achieve objectives
- Legal/regulations considerations
- Stakeholders
- Market considerations
- External risks

#### OBJECTIVES

- How is success defined?
- Selling all production?
- Synergies across enterprises
- Long-term or strategic view



## 3. TREATMENT IMPLEMENTATION



- Selecting a risk treatment includes consideration of the risk criteria, cost of treatment, expected treatment benefits, & risk perception
- Use existing tools to compare management strategies
- Accurate record keeping is essential to evaluating effectiveness

## 2. RISK ASSESSMENT

Conduct a regular assessment of the risks the enterprise is facing.



### RISK IDENTIFICATION

Types of risk:

- Marketing risk
- Production risk
- Financial risk
- Institutional/legal risk
- Human risk

### RISK ANALYSIS

Understanding the Risk:

- Identify threats & describe consequences
- Evaluate likelihood of occurrence
- Consider existing strategies

### EVALUATION

- Assists in deciding which risks should be treated
- Compares risk criteria with current levels of risk
  - ➔ Repeated decisions
  - ➔ Large consequences