

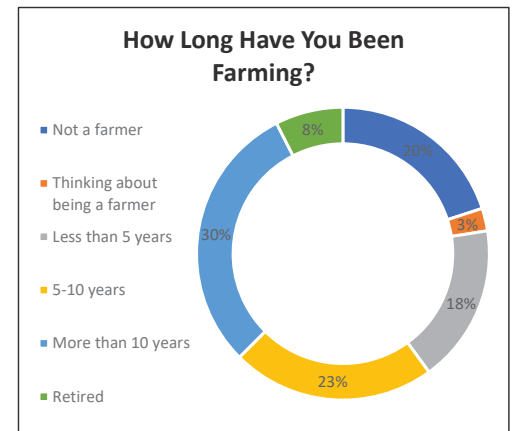


ALASKA RIGHTRISK NEWS

Roundtable Issues Across Alaska Agriculture

RightRisk professionals conducted four small group educational events (Roundtables) throughout Alaska – Delta Junction, Fairbanks, Soldotna, and Palmer – in January 2023. RightRisk collaborated with Alaska Farm Bureau, Alaska’s soil and water conservation districts, and University of Alaska-Fairbanks Cooperative Extension to encourage producers to participate in the Roundtables. A fifth Roundtable in Homer did not have sufficient participation to be conducted.

Jeff Tranel and John Hewlett facilitated conversations by delivering an initial presentation and using a personal response system to collect anonymous data about relevant questions. Tranel and Hewlett then selected one of six prepared presentations to deliver education pertaining to the issue of greatest concern to Roundtable participants. Printed materials about many critical issues were also distributed to participants. Additionally, all presentations and resources were made available to all Alaskan producers via RightRisk’s Alaska-specific web page: Alaska.eRightRisk.com.



Roundtable Participants

There was a total of 40 participants in the Roundtables. They varied greatly in farming tenure, enterprise mix, and gender. A total of 41 percent of participants reported that they have been farming for ten years or less. Another 30 percent indicated they are retired farmers. When asked their gender, Roundtable respondents were 44 percent female, 51 percent male, and 5 percent preferred not to answer. Further, 82 percent of the participants reported having participated in past programs delivered by RightRisk professionals.

The enterprise mix of Roundtable participants included flowers, vegetables, fruit, traditional crops, and a variety of animal enterprises. Delta Junction is a primary cropping area in Alaska, and two participants reported growing small grains. Hay is grown in every part of the state, and 33 percent of participants reported a hay enterprise.

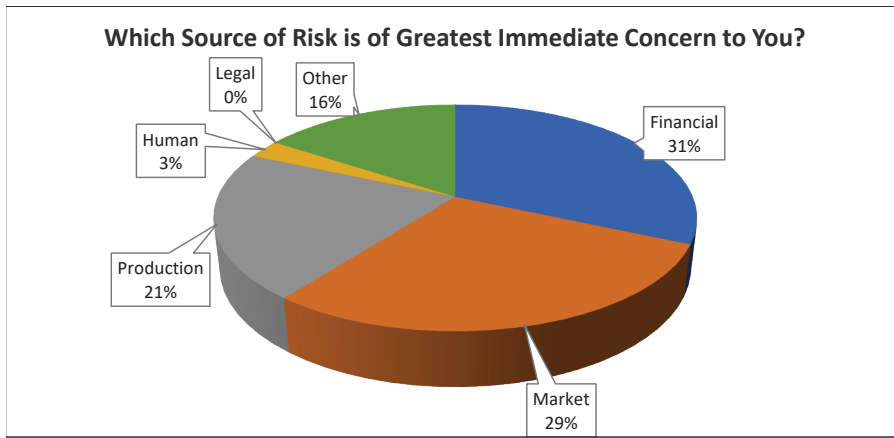
Most participants in the Roundtables (74 percent) did not have an agri-tourism enterprise. However, two participants indicated an interest in or are investigating adding an agri-tourism enterprise to their farm business.

Risk Sources of Greatest Concern

Alaskan farmers and ranchers expressed significant concerns about current issues. A frost in July 2022 caused yields to be much lower than expected. Also, there was little precipitation in the Spring (dry growing conditions), but too much rain during hay harvest. Hence, both quantity and quality of hay were impacted by the wet growing conditions. Producers reported that hay prices paid by animal owners was about \$700 per ton plus \$6,000 per load hauling costs. This input cost is at least four times the cost for farmers and ranchers in the Lower 48, and revenues are not significantly higher.

How Much Risk is Right for You?

Which of the Following Financial Risks are of Greatest Concern to You?	
Understanding my financial situation	8 percent
Knowing my costs of production for each enterprise	31 percent
Identifying sources of operating money and calculating the costs	22 percent
Managing income tax liability	8 percent
Rapidly increasing input costs	28 percent
Other	0 percent
None	3 percent



Roundtable participants reported that financial risks (32 percent of respondents), market risk (29 percent), and production risk (21 percent) were of greatest immediate concern. Market risk was reported to be the source of risk of greatest concern over the next few years.

Participants were then asked about which of six specific financial risks was of greatest concern. Knowing Costs of Production for Each Enterprise (31 percent of responses) and Rapidly Increasing Input Costs (28 percent of responses) were two financial risks of greatest concerns across the groups.

Similarly, 51 percent of participants indicated that Determining a Profitable Selling Price was of great interest, and 49 percent of the responses indicated that Input Costs was the production risk of greatest interest.

Availability of Labor was the human risk of greatest concern to Roundtable participants (29 percent of responses). An additional 18 percent of respondents indicated Estate and Succession Planning was of concern, while 16 percent reported concerns about the Cost of Labor. Government Regulations and Tort Liability accounted for 65 percent of participants' concerns regarding legal risks.

Crop insurance was a topic of discussion during the four Roundtables. Multiple producers expressed concerns and frustrations with the lack of support (there are no agents in the state of Alaska) and applicability of crop insurance policies to growing conditions in Alaska as compared with the Midwest.

Future Actions

More than half the participants indicated the Roundtable program was valuable to them (22 percent reported A Lot and 34 percent reported Very Much). In total, 94 percent of participants reported an increase in understanding of the risk management topics discussed, and the remaining 6 percent were not sure of a change in understanding.

One objective for the Roundtables was to encourage participants (and other farmers) to use partial budgeting to make at least one farm business decision. A total of 60 percent of the participants indicated they are likely or very likely to use partial budgeting to make at least one farm business decision. No participants (0 percent) indicated they would not do so following the Roundtable series.



RightRisk has worked over many years to develop good will throughout Alaska and is viewed as a reliable source of information, education, and coaching. A majority of Roundtable participants (56 percent) indicated they are Likely or Very Likely to attend a future educational program delivered by RightRisk.

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RightRisk helps decision-makers discover innovative and effective risk management solutions

- *Education*
- *Coaching*
- *Research*

RightRisk News is brought to you by the RightRisk Team

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How much risk is right for you and your operation?



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