

# RIGHT RISK™

## R I G H T R I S K N E W S

### Farming at the Edge: Thriving as Agricultural Risk Intensifies

**R**ecent changes in federal support have significantly impacted farm and ranch management. Reduced availability of government data, fewer personnel managing agricultural programs, and shrinking resources for crop insurance could pose challenges to agricultural producers. According to recent reports by the U.S. Department of Agriculture (USDA), federal budget cuts and workforce reductions have notably affected the delivery of critical agricultural services (USDA, 2024). These developments mean farm and ranch managers may need to increasingly consider alternative strategies to safeguard their operations.

#### Types and Sources of Risk Due to Reduced Government Support

##### *Market and Supply Chain Data Risk*

Good decision-making starts with good information—but that's harder to come by when government support shrinks. Farm and ranch managers have long relied on regular USDA reports for timely updates on prices, supply levels, and demand conditions. When these updates are delayed, scaled back, or canceled altogether, it creates big challenges.

A good example came during the 2013 federal government shutdown. For more than two weeks, USDA stopped publishing its regular market reports, including the Crop Progress, World Agricultural Supply and Demand Estimates (WASDE), and Grain Inspections reports. Without those, producers couldn't see how harvest was progressing nationwide or where prices might be headed. Some farmers delayed marketing their crops and missed higher prices; others sold early out of fear, only to watch the market rise days later. Either way, the lack of reliable data made it nearly impossible to plan effectively.

Livestock producers were hit too. USDA meat export paperwork and inspections were paused during the shutdown, holding up international shipments. At the same time, the usual reports on meat production and prices weren't available. That left ranchers flying blind when trying to figure out the best time to market their animals.

Even without a shutdown, today's reductions in agency staffing and delayed reports could create similar blind spots. Disruptions in supply chains—like fertilizer or feed—might now go unnoticed until they become a crisis. When accurate, up-to-date information isn't available, producers face greater exposure to price swings, input cost spikes, and missed marketing opportunities. The lesson: producers must be prepared to navigate without a government compass. That means building better backup systems for staying informed.

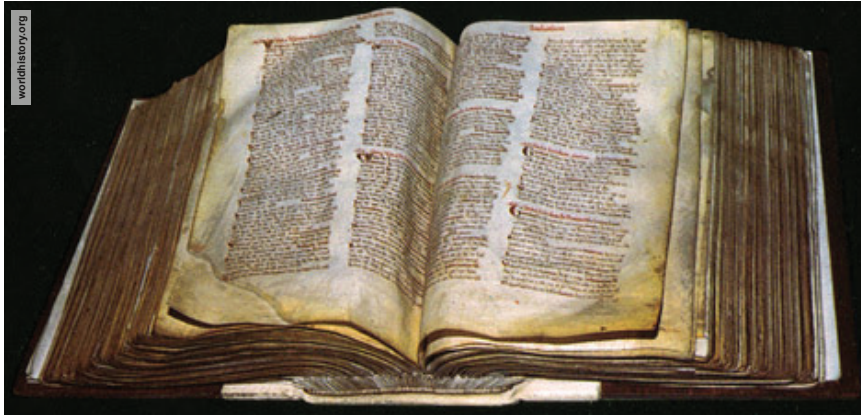
##### *Financial and Conservation Program Management Risk*

Many agricultural producers depend on government-backed loans and conservation programs. Reduced government personnel and delayed loan application processing could lead to financial planning uncertainty. For instance, farmers needing timely financial assistance to purchase seasonal inputs might experience costly delays, negatively impacting planting or harvesting cycles. Additionally, producers involved in conservation practices risk losing valuable advice and program support, potentially affecting eligibility for future funding and compliance with environmental regulations. Delays or inaccuracies in conservation program information could also lead to unintended damages or regulatory penalties, exacerbating financial and operational stress. In some cases, producers might miss out on updates about key deadlines or face long waits to get their paperwork processed. Missing a signup window or failing to file the right documentation could affect eligibility for cost-share funding or even trigger compliance problems.



### *Crop Insurance Program Risks*

Crop insurance is vital for managing production risks associated with weather, pests, and diseases. However, reduced workforce at agencies administering these programs may slow policy renewals and claims processing. Farmers could face delayed compensation after crop losses, complicating their cash flow management and potentially leading to credit issues. Consider a rancher unable to promptly receive insurance payments following a wildfire—such delays could severely impact their financial stability, recovery efforts, and future investment decisions, potentially jeopardizing long-term operational viability.



### **Alternative Information Sources and Services to Fill Gaps**

#### *Private Sector and Cooperative Resources*

Agricultural cooperatives, industry associations, and private entities offer valuable alternatives to government data. These organizations often provide detailed market analysis and timely updates through newsletters, bulletins, and online resources. For example, commodity associations regularly publish market insights tailored specifically to their producers, helping them navigate price fluctuations and market conditions effectively. Regional cooperatives also distribute

supply-chain intelligence and pricing forecasts critical to making informed operational decisions, offering a crucial safety net when traditional government reporting becomes scarce or unreliable.

#### *University Extension and Educational Resources*

University extension services are reliable sources of up-to-date agricultural information and can help with generalized decision making and understanding government programs. However, they do not replace government agencies, employees, or data. Extension programs provide timely market reports, economic analyses, and educational opportunities specifically designed for producers. Websites like RightRisk.org and state extension offices regularly host webinars, publish management guides, and offer direct consultation services. Utilizing these resources ensures continued access to credible information despite reduced government services. Extension specialists can provide personalized advice tailored to specific regional conditions, enhancing decision-making accuracy and reliability during times of uncertainty.

### **Practical Strategies for Mitigating Risks**

#### *Diversifying Information Sources*

Relying on a single source for key information—especially when it comes from the government—is getting riskier. That’s why producers may need to consider drawing from a range of resources, including private firms, local cooperatives, and university extension services. But here’s the catch: most of those “alternative” sources still build their forecasts using USDA data. When USDA reports get delayed or canceled, much of what’s left is just estimation or educated guesswork. Without that base layer of reliable government info, even seasoned analysts are working with gaps.

So the real trick isn’t just using more sources—it’s understanding which ones rely most heavily on USDA data, and knowing how to cross-check what you hear. Talk with your local advisors, other producers, or trusted consultants. Look for consistency across reports, and don’t be afraid to ask questions when something feels off. It can also be important to let USDA know which data you use and how it helps your operation. They listen more than you might think. If you depend on the Crop Progress report or livestock price summaries to make key decisions, say so. The more feedback they get, the better chance those reports stay prioritized—even in tight budget years.

#### *Self-reliance and Proactive Planning*

Being ready for what’s next is one of the best ways to manage risk. Proactive planning—like running through “what if” scenarios before things go wrong—can make a huge difference when uncertainty hits. Tools like the Risk Scenario Planning tool and the RightRisk Analytics Toolbox from RightRisk.org can help farm and ranch managers explore different futures. These tools let producers plug in market changes, weather shifts, or input price swings to see how those would affect their bottom line. Many producers use them to test ideas before making big decisions—like whether to expand, diversify, or adjust their marketing strategy.





Maintaining cash reserves, setting up contingency plans, and looking ahead can help reduce the sting of unexpected events. For example, a ranch that used scenario planning to diversify its income—say by adding custom grazing or direct-to-consumer sales—might stay afloat even if calf prices suddenly drop. Today, many operations are still tied to a single commodity. With changing weather patterns and shifting markets, it may be time to take another look at diversification. Planning ahead doesn't remove risk—but it puts you in the driver's seat when trouble comes.

### Additional Insights

Managing uncertainty is stressful, and acknowledging this psychological aspect is essential. Producers should recognize stress signs early and seek support through community networks or extension-provided mental health resources. Adhering to a structured risk management plan reduces stress by clearly outlining actionable steps during times of uncertainty. The USDA funds a network to help producers find stress and mental health support in their own region. You can find hotlines, counselors, and workshops through programs listed at [Farmers.gov](https://farmers.gov).

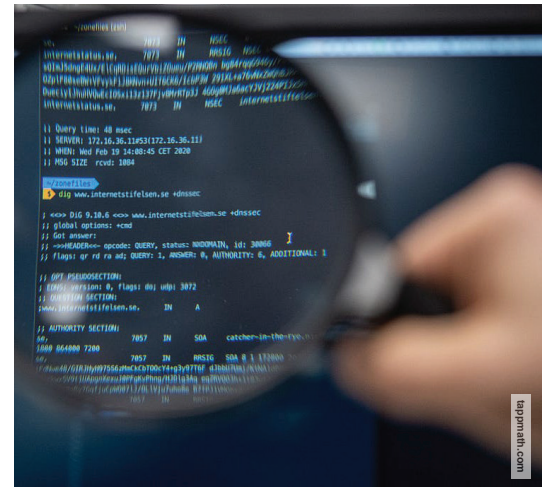
Continuous learning and flexibility are foundational skills. Producers who actively engage in learning new management approaches and remain adaptable to changing conditions are better positioned for success. Regular participation in educational programs, workshops, and online training courses offered through trusted institutions and extension services can significantly enhance management capacity.

### Conclusion

Reduced government availability and fewer federal workforce resources have created new challenges for agricultural risk management. Producers must respond by diversifying their information sources, strengthening local networks, and proactively planning for uncertainty. By actively seeking alternative information, leveraging technology, and collaborating with community networks, farm and ranch managers can effectively mitigate risks and thrive even in changing circumstances.

### References

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## ~ OTHER RIGHTRISK NEWS ~

### NEWS RELEASE - APRIL 30 | RIGHTRISK

#### AG FINANCE UPDATE: Farm Lending Increases Alongside Larger Operating Loans

THE VOLUME of farm operating loans increased sharply compared to the same period a year ago alongside an increase in the number of large loans. Demand for non-real estate agricultural loans has grown over the past year alongside elevated production expenses and a contraction in farm sector liquidity . . .

### NEWS RELEASE - APRIL 24 | RIGHTRISK

#### Federal Reserve Beige Book Summary on the Ag Sector

ECONOMIC ACTIVITY was little changed since the previous report, but uncertainty around international trade policy was pervasive across reports. Just five Districts saw slight growth, three Districts noted activity was relatively unchanged, and the remaining four Districts reported slight to modest declines. Agricultural conditions were fairly stable across multiple Districts. Cuts to federal grants and subsidies along with declines in philanthropic donations caused gaps in services provided by many community organizations. The outlook in several Districts worsened considerably as economic uncertainty, particularly surrounding tariffs, rose . . .



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## HIGHLIGHTED PUBLICATION: *EVALUATING RISK STRATEGIES*

An eBook designed to accompany the *Evaluating Risk Strategies* online module. Over 30 pages provide an introduction to risk strategies and sources of risk, risk terminology, and how is risk estimated, risk management strategies, what a strategy is, risk management goals and objectives, policies and plans, evaluating risk strategies, evaluating decisions, recognizing strategic decisions, changing strategies, and quantifying variations in outcomes, as well as evaluating decisions looking in the rear-view mirror, and how to tell if a strategy successful.



To read more or to access the text, see: [RightRisk.org](http://RightRisk.org) > Courses > *Evaluating Risk Strategies*

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	<b>April 3   Social Media Post</b> <i>Managing Limited Irrigation Water: Identifying the Best Available Option</i>		<b>April 22   Social Media Post</b> <i>Problem Work Situations via Ag Help Wanted</i>
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