DAIRY SECTOR Top risk concerns & strategies in 2019

MARKETING RISK



49%

consumer food preferences 59% market access



PRODUCTION RISK



Top concerns weather 86% unfavourable yield outcome 61% pests / disease 47%

Top strategies diversification of business lines 65% crop &/or livestock insurance 51% leveraging technology for production 27%

FINANCIAL RISK

/ concerned* with O financial risk overall

Top concerns sufficient working capital 71% unfavourable interest rate change

meeting debt payment obligations 49%

Top strategies

hire financial professional (e.g. accountant) 46% AgriInvest government program 40%

27%

67%

44%

33%

cash reserves || adjust capital cost to meet efficiency target

LEGAL RISK

23% concerned* with legal risk overall

Top concerns

new laws / regulations 73% claims / lawsuits against operation no specific concerns indicated 18%



HUMAN RISK

34% concerned* with human risk overall

Top concerns workplace safety (e.g. accidents) employee well-being (e.g. stress) 54% succession planning

Top strategies life insurance disability insurance farm safety protocol

2019 (July) Vision study - Risk Management: Ag production concerns & strategies Sample size (n): 245 Dairy producers (primary sector)

49%

*Overall risk concern percentages reflective of top two box ratings (4&5) on a five point scale where '5' equals 'highly concerned" in response to the question: "Overall, how concerned are you with the following type of risk as it relates to your operation today?"