

Risk matrix template



How to conduct a risk assessment of your farm business is outlined in section 7, **Risk management, Module 3**, of GRDC's 'Farming the Business'.

	Risk categories	Impact	Likelihood	Risk index	Ranking	Strategy
1. Commercial and legal relationships	1. Contracts and leasing arrangements	a. land leasing				
		b. machinery leasing				
		c. share farming				
		d. contract to supply				
		e. employment contracts				
		f. bank mortgages				
		g. other agreements				
		a. partnership				
		b. company				
	c. trusts					
2. Economic environment	1. Exchange rates	a. exchange rates				
		a. interest rates				
	3. Marketing environment/deregulation	a. regulation				
		d. deregulation				
	4. Marketing environment for products	a. prices				
		b. supply situation				
		c. quality issues (QA)				
		d. competitors				
		e. substitutes				
		f. stability				
	5. Environment for inputs and services	a. prices				
		b. supply situation				
		c. quality issues (QA)				
		d. competitors				
		e. substitute				
f. stability						

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Risk categories	Impact	Likelihood	Risk index	Ranking	Strategy
1. Weather events	a. low rainfall & drought				
	b. frost				
	c. flood				
	d. hail				
	e. windstorm				
	f. extreme temperatures				
	g. excessive rain				
	h. high tides				
2. Fire	a. assets				
	b. crop/livestock				
3. Earthquake	a. earthquake				
4. Biological	a. pests - crops				
	b. pests - livestock				
	c. diseases - crops				
	d. diseases - livestock				
5. Current environmental conditions	a. salinity				
	b. erosion				
	c. water table				
	d. soil suitability				
1. Government assistance	a. natural disaster relief				
	b. financial assistance				
2. Foreign country political environment	a. suppliers				
	b. buyers				
3. Domestic government policy	a. taxation and levies				
	b. fiscal policy				
	c. monetary policy				
4. Lobby groups	a. environmental				
	b. animal welfare				
	c. land rights				
3. Natural environment					
4. Political environment					

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	Risk categories	Impact	Likelihood	Risk index	Ranking	Strategy	
5. Farm systems management	1. Information provision	a. professional					
		b. public domain					
	2. Information accessibility	a. professional					
		b. public domain					
	3. Equipment & machinery reliability	a. machinery					
		b. fixed structures					
		c. electrical/electronic equipment					
	4. Maintenance accessibility	a. machinery					
		b. fixed structures					
		c. electrical/electronic equipment					
	6. Farm business management	1. Management	a. experience				
			b. strategic				
c. tactical							
d. financial							
2. Occupational health and safety		a. electrical					
		b. gas					
		c. mechanical (standing)					
		d. mechanical (moving)					
3. Quality management		e. mechanical (power tools)					
		f. chemical					
		g. fixed structures					
		a. quality procedures					
4. Security		b. quality standards					
		a. theft					
		b. arson					

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Strategy	Ranking	Risk index	Likelihood	Impact	Risk categories
					a. personal expenditure
					b. family relationships
					c. personal goals
					d. other income
					e. succession planning
					f. people management internal
					g. people management external
					1. Owner / operator
					2. Employees and contractors
					3. Professional assistance
					4. Other off-farm personnel income
					7. Leadership and people
					a. accountants
					b. bankers
					c. advisers (financial and physical)

This template to complete this risk assessment can be downloaded at: www.grdc.com.au/FBMtemplate-RiskManagementAssessment