



Safe Choices

Develop a Risk Management Process
for your Agriculture Business



Can you afford the risk?

Average costs of incidents to a farm's economy:

- Workplace fatality \$275,000
- Permanent disability \$143,000
- Hospitalization \$10,000
- Non-hospitalized injury \$700

Source: Canadian Agricultural Injury Surveillance Program

Acknowledgment:

Alberta Agriculture, Food and Rural Development for risk analysis concept.

The need for risk management

Agriculture is an exciting, rewarding business. But high production costs, disease, weather, international trade issues and global competition also make it a high-risk business. Successful farmers, producers and rural agriculture business owners use risk management strategies to help their businesses survive when unexpected problems arise.

This simple process of identifying, measuring and planning for health, safety and operational emergencies could mean the difference between success and failure at a crucial time in your business.

Creating a risk management strategy

Creating a comprehensive strategy for all the risks you face as an agricultural business owner is a big task. The most effective approach is to take it a step at a time. Do a strategy for one specific area of your business. When you have it in place, go on to another area and keep adding pieces until you have a complete risk management strategy that will work for you.

Following are the basic steps in developing a safety and health, risk management strategy. Once you have that piece of the strategy in place, you can apply these steps to other aspects of your business operations.

Do a rough draft of the strategy and then have another producer you trust or your Manitoba Agriculture, Food and Rural Initiatives (MAFRI) farm production advisor or business development specialist review it and make suggestions before you write your final plan. Once your plan is complete, review it with other family members or business partners and employees, so everyone knows what the plan entails.

Set the scope of your analysis

Review and understand your current situation and define your goals for the business. Think about the health and safety problems that could come up and decide on the best way to handle them. You might want to talk to other family members, other farmers or your local agriculture representative for ideas and suggestions.

Write a complete list of all the areas you need to look at and then choose which area you are going to work on first. That will become the first part of your overall strategy.

1. Identify the Risks

Risks are events that will have a negative effect on your business if they occur. Planning for the unexpected is not an exact science but you can anticipate some things. To identify risks, start by asking questions like these:

- What could cause a serious injury /illness event in your business?
- What injuries or illnesses could cause a substantial cost increase?
- What safety and health issues in your business cause you concern?
- What events could force you out of business?
- Do other members of your family work on the farm/in the business? What would happen to your business if one of them left or were injured?
- Do you hire casual employees? If so, what would happen to your business if they left or were injured on the job?
- Do you use chemicals in your operations? What would happen to your business if there was a spill and someone was exposed or environmental contamination occurred?

2. Assess the Risks

Once you identify the risks, you need to look at how likely these things are to happen and what affect they would have on the business if they did. Events that can be handled fairly easily and quickly aren't as high risk as events that can threaten the survival of the business. The risk matrix in the Safe Choices worksheet (page 5) will give you an idea of how to measure the impact of each of the risks you identified in Step 1. It will help you rate risks into four basic categories: accept, transfer, reduce and avoid. For example you might want to rate the possible effects of the following kinds of problems:

- Would having a family member injured and unable to work during seeding or harvest cause your business to fail?
- How important is it to your bottom line to have reliable employees to help you run a year-round livestock operation?
- How likely is it an employee would get hurt and perhaps sue you if you didn't provide protective gear for handling chemicals?

Use the *Farm Family's Guide to Safety and Health* and the *Farm Family's Safety Checklist* available from Manitoba Agriculture, Food and Rural Initiatives, as guides in identifying and assessing the safety and health risks on your farm.

3. Develop Risk Control Strategies

Once you have assessed what level of risk each event presents, you need to decide whether you can live with the risk, deal with the problem easily if it comes up, need to take precautions or need to change a situation. If the event would devastate your business, you need to think of ways to avoid the problem (risk) or handle it effectively if it comes up. You need to ask what you can do to reduce the likelihood and reduce the impact of the risk:

- Sample strategy at the source: Fix or replace damaged or missing guards so that no one can come in contact with moving parts.
- Sample strategy along the path: Install an exhaust fan to remove welding fumes from the welding area of the workshop.
- Sample strategy for the worker: Have everyone understand that using safety devices and following procedures will permit them to go home injury free at the end of the work day.

The *Farm Family's Guide to Safety and Health* will help you in developing risk control strategies.

4. Reassess Risks

Once you have figured out how much risk you can tolerate and ways to avoid or reduce the risks you've identified, you need to reassess them in light of your strategy. Now that you've thought of ways to address the risks, what kind of affect will they have on the business if you use your strategy? The Safe Choices worksheet will help you figure out how effective your strategy is. If a risk is now avoided or is reassessed as acceptable to you, then you've been successful. If not, you'll have to go through the process again until you can accept or avoid each risk.

Final Suggestions – When you're finished this process, you will have a much better idea about your business's safety and health risks, and how to manage them. Safe Choices is meant to be a tool to help you write a strategy. Once you have used it for health and safety, apply it to other aspects of your business to help you manage.

For more information or help with the Safe Choices process contact:

Provincial Farm Safety Co-ordinator
903-401 York Avenue Winnipeg R3C 0P8
www.gov.mb.ca/agriculture/farmsafety
Toll free: 1-800-282-8069 Ext. 2315

OR

Your local Manitoba Agriculture, Food and Rural Initiatives Farm Production Advisor or Business Development Specialist.

Risk Management Worksheet

1. Identify Risks

Identify all the safety and health risks that could negatively affect the performance of your business.

List the risks you've identified on the worksheet. (Page 7).

2. Assess Risks

To determine the likelihood and impact of a particular risk, review the risk assessment guidelines (below). Determine whether the risks you listed are of high, medium or low likelihood; and high, medium or low impact. Enter that information in the worksheet.

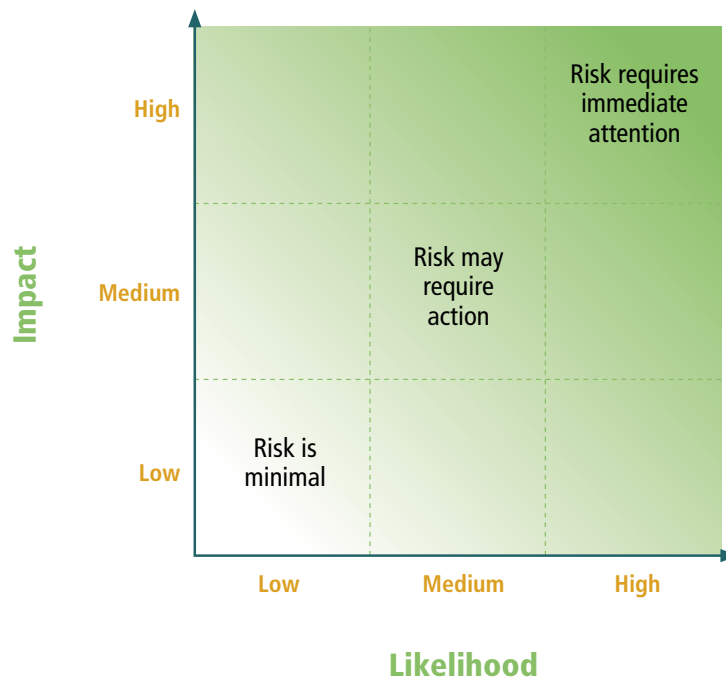
Risk Assessment Guidelines

Likelihood	Description
High	An incident is likely to occur
Medium	An incident will occur about half the time
Low	An incident is unlikely to occur

Impact	Description
High	The incident will threaten the survival of the business
Medium	The incident will affect production or financial performance of the business, but long-term survival is not threatened
Low	The incident will cause small performance variations, but profitability and survival objectives are still achieved

The Risk Matrix

An effective business manager learns to recognize safety and health risks that require action as well as those that are acceptable. Based on their ranking, plot each of your risks on the risk matrix graph (below) in the appropriate area (ex: high, medium or low impact; and high, medium or low likelihood). The graph indicates which risks **are minimal, may require action or require immediate attention**.



3. Develop Risk Strategies

Developing strategies to manage your risk is crucial in business. Based on where each of your identified risks falls on the Risk Matrix, develop some strategies to avoid, transfer or lessen the risks.

Consider these questions:

- What can the business do to reduce the likelihood of the risk?
- What can the business do to reduce the impact of the risk?

4. Reassess Risks

With strategies in place, will the identified risks be as likely to happen? Will the impact be as high? Consider the following questions and use the risk assessment guidelines (page 4) to reassess your identified risks **with the risk strategies in place**.

- Are the reassessed risks acceptable, or do they require further action?
- Do you need to consider further strategies to reduce the likelihood or impact of each risk?

Plot these newly ranked risks on the Risk Matrix to determine your next course of action. You might want to keep reassessing the risks (by coming up with more solutions to the problems) until they become acceptable.

Risk Management Worksheet

Business Area Analyzed: Employee safety/training

Date Analyzed: March 3

Date for Review: 9-12 months

1. Identify Risks	2. Assess Risks		3. Develop Strategies	4. Reassess		5. Result
	Likelihood	Impact		Likelihood	Impact	
<i>A casual employee is injured the first day of working with the cattle</i>	<i>M</i>	<i>H</i>	<i>Provide detailed training, with supervision, before allowing employees to do any work independently</i>	<i>L</i>	<i>M</i>	<i>Minimal Risk</i>
<i>A family member becomes ill after handling and applying chemicals without wearing any protective equipment</i>	<i>H</i>	<i>H</i>	<i>Restock personal protective equipment when you buy chemicals and direct everyone on how and when to wear the equipment</i>	<i>L</i>	<i>M</i>	<i>Minimal Risk</i>
<i>The tractor operator has a condition which prevents him from being able to turn his head to the right to look back at the towed equipment</i>	<i>H</i>	<i>H</i>	<i>Reassign the work. Have the person with the physical limitation operate a tractor equipped with rear view mirrors or do other tasks not requiring him to look back over the right shoulder</i>	<i>L</i>	<i>L</i>	<i>Avoided</i>

Risk Management Worksheet

Business Area Analyzed:

Date Analyzed:

Date for Review:

1. Identify Risks	2. Assess Risks		3. Develop Strategies	4. Reassess		5. Result
	Likelihood	Impact		Likelihood	Impact	

Risk Management Worksheet

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Other farm safety and health resources available from Manitoba Agriculture, Food and Rural Initiatives and the Workplace Health and Safety Division:

- Farm Family's Guide to Safety and Health
- Farm Family's Safety Checklist
- Creating Safe Play Areas on Farms
- Farm Family Walkabout
- Making Farming Safe for Senior Farmers
- ON GUARD www.pami.ca

Contact local MAFRI GO Office or Workplace Safety and Health Division Office

www.gov.mb.ca/agriculture/farmsafety

www.gov.mb.ca/labour/safety



**SAFE
FARMS**



GROWING**Opportunities**