Agricultural Risks: An Introduction

November 19, 2013

Federal Reserve Bank

Of Chicago

David Oppedahl

Senior Business Economist

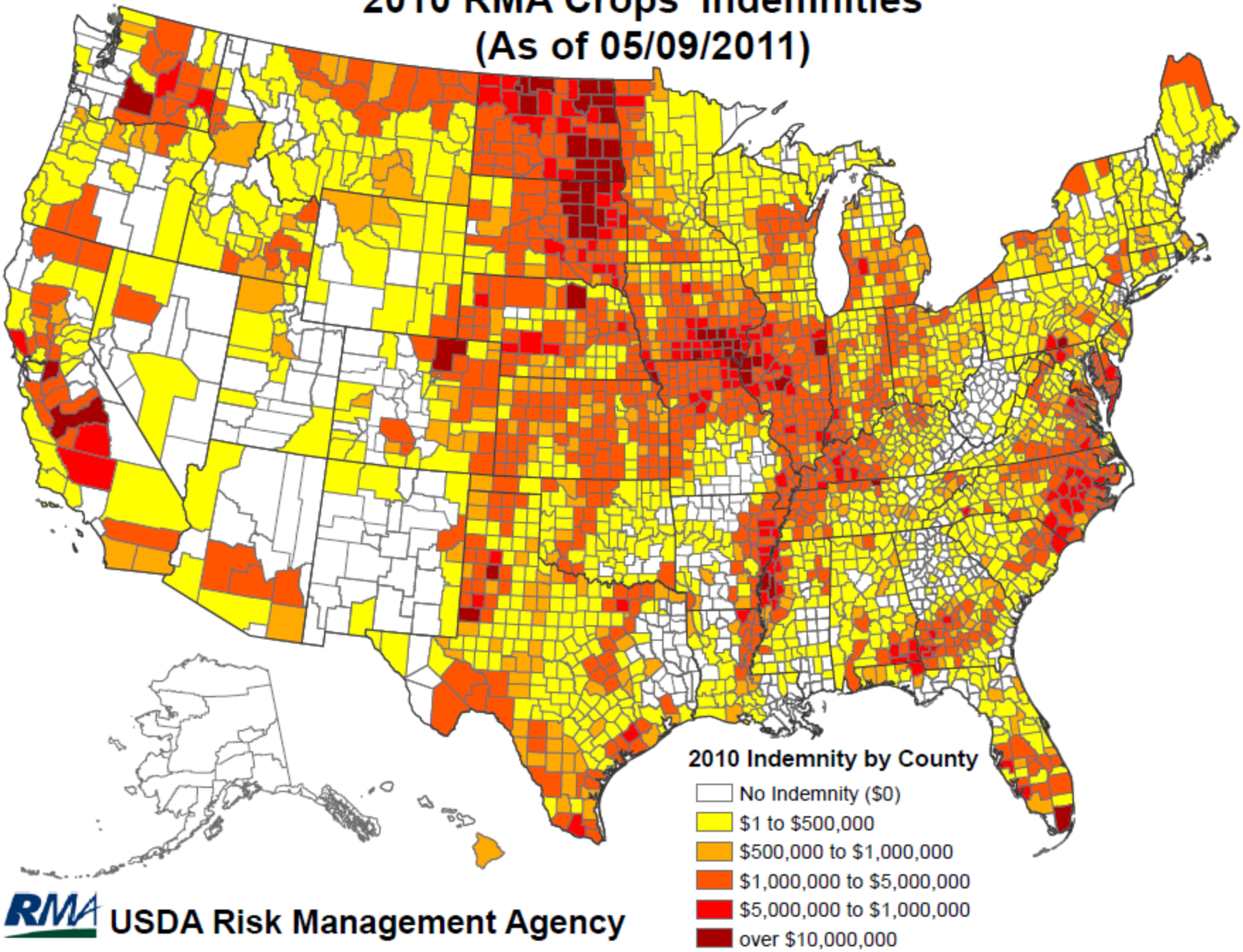
312-322-6122

david.oppedahl@chi.frb.org

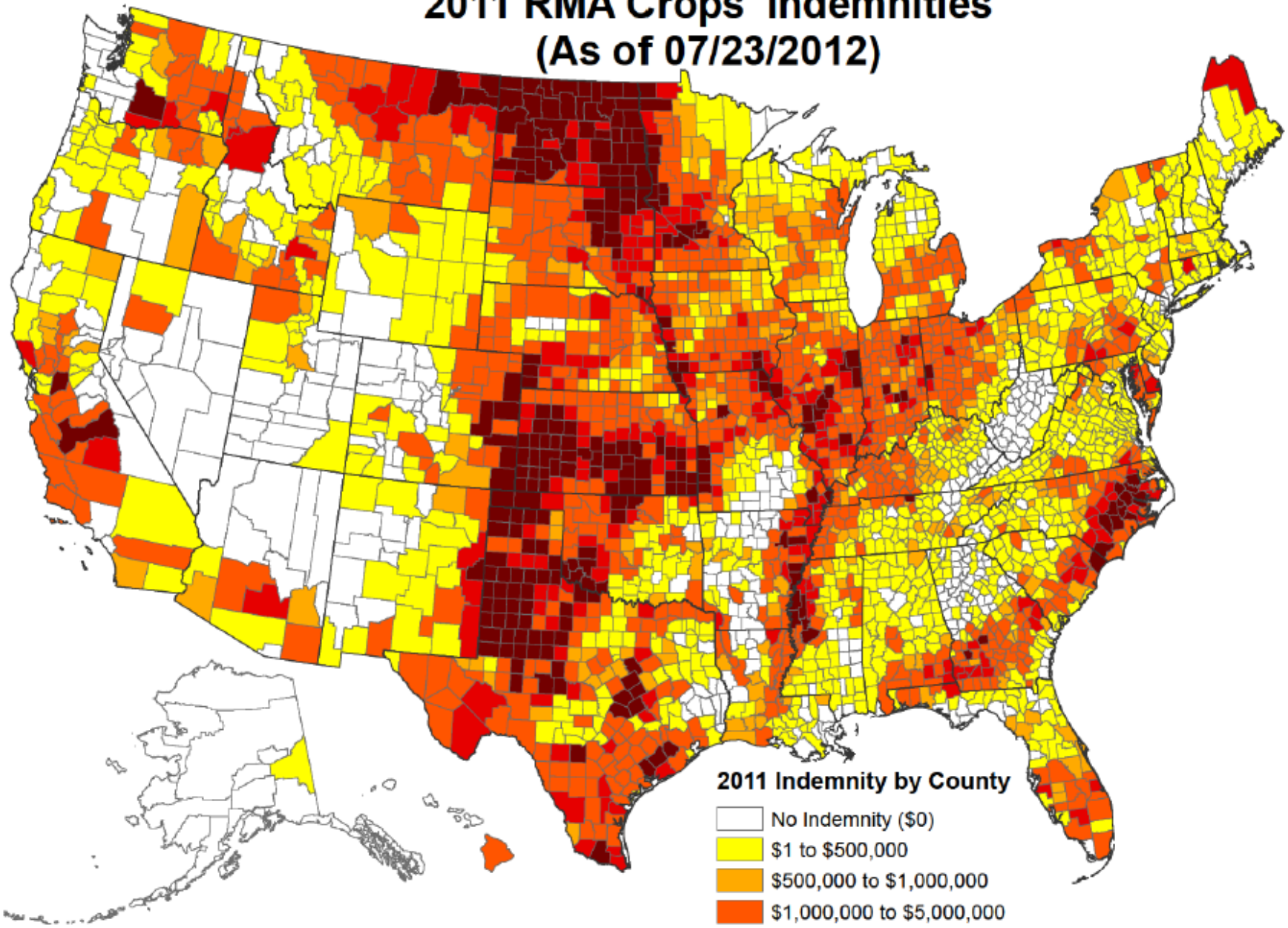
Agricultural Risks in 2012

http://www.gocomics.com/patoliphant/2012/08/08 © Universal Uclick - All Rights Reserved.

2010 RMA Crops' Indemnities
(As of 05/09/2011)

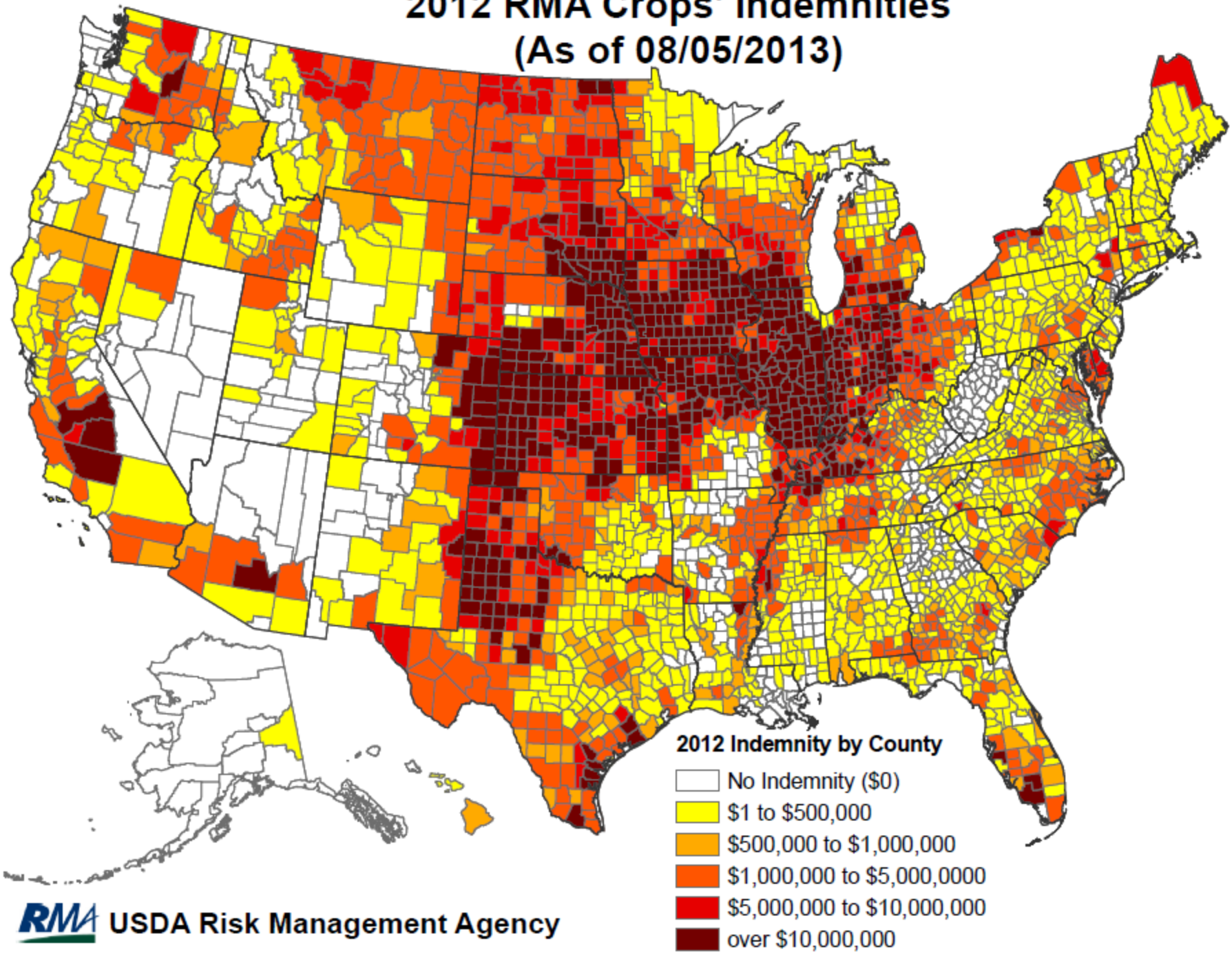


2011 RMA Crops' Indemnities
(As of 07/23/2012)



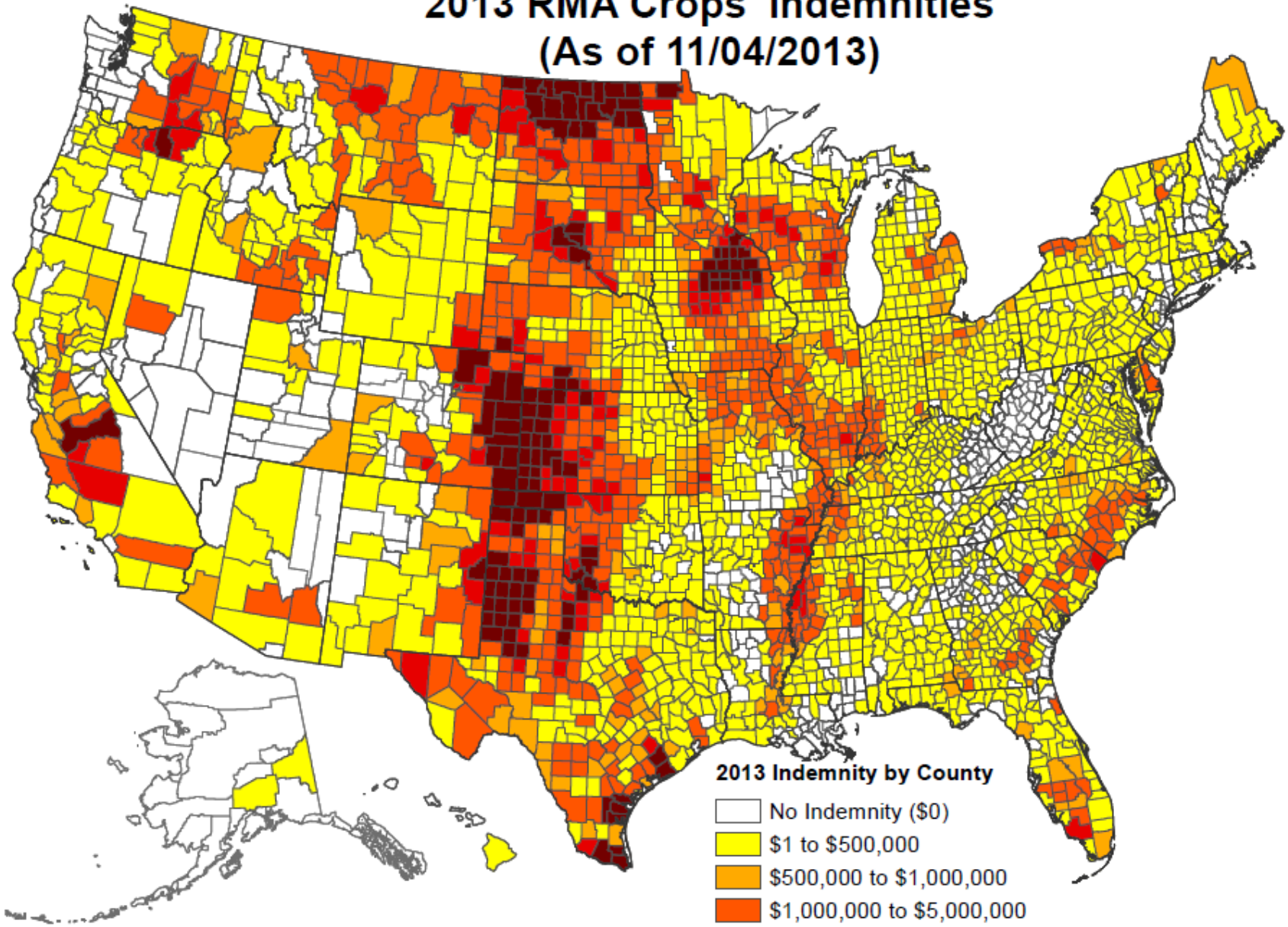
RMA USDA Risk Management Agency

2012 RMA Crops' Indemnities
(As of 08/05/2013)



RMA USDA Risk Management Agency

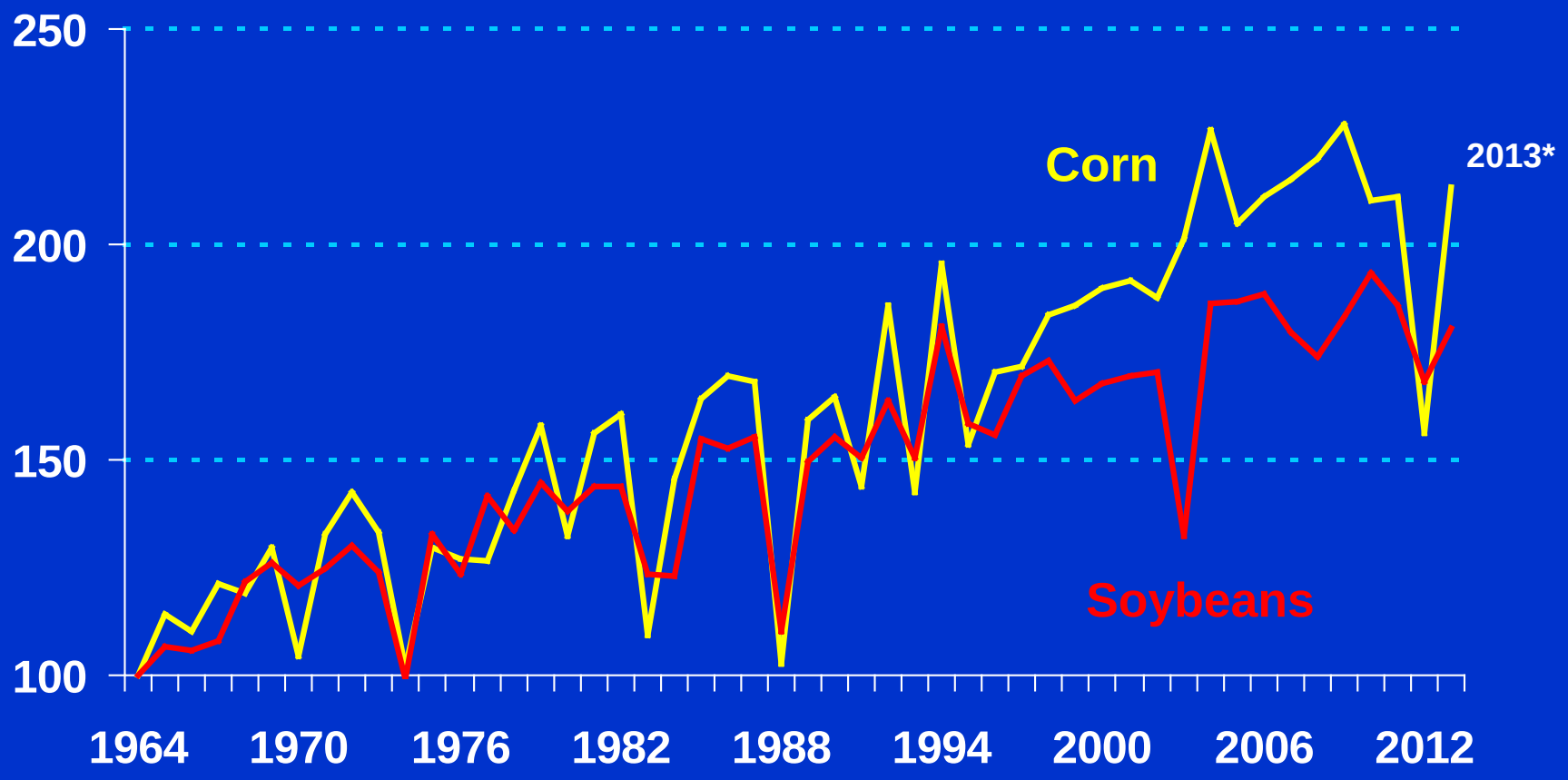
2013 RMA Crops' Indemnities
(As of 11/04/2013)



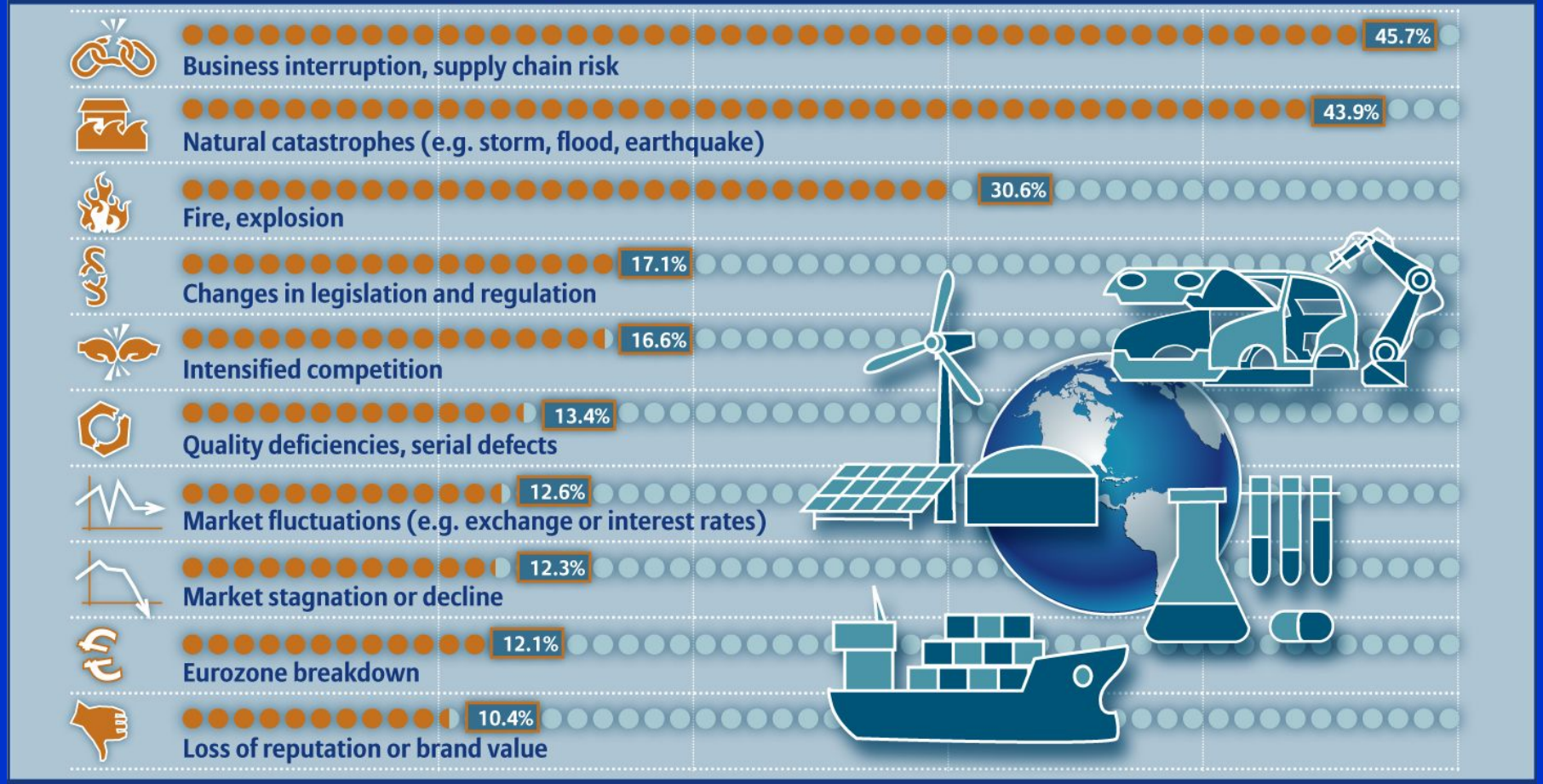
USDA Risk Management Agency

7th District Crop Yield Indexes

(1964=100)



Top 10 global business risks for 2013



The Allianz "Risk Barometer" survey was conducted among risk consultants, underwriters, senior managers and claims experts in the corporate insurance segment of both Allianz Global Corporate & Specialty and local Allianz entities. Figures represent the number of responses as a percentage of all survey responses (843).

Source: Allianz Global Corporate & Specialty

Sources of Agricultural Risks

- **Production Risk – weather, disease, pests**
- **Price or Market Risk – input costs, sale prices**
- **Financial Risk – interest rates, credit access**
- **Institutional Risk – govt. policy, regulations**
- **Human or Personal Risk – health, labor issues**

Reference: Economic Research Service, USDA, website

www.chicagofed.org