Worksheet

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Risk Analysis

Use the space below to record and compare the results of a five percent decrease in market prices, a five percent increase in expenses, or a two percent increase in interest rates for each whole-farm strategy alternative. You will need to use software or another sheet of paper to calculate the effect of these very real market uncertainties. How do these market and finance-related shocks affect your present business and its future under the whole-farm strategy alternatives that you are considering?

	Base Plan	Strategy#I	Strategy #2
Effect of a 5% decrease in prices			
Net farm income			
Net cash flow			
Effect of a 5% increase in expenses			
Net farm income			
Net cash flow			
Effect of a 3% increase in interest rates			
Net farm income			
Net cash flow			