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*DOI: <https://doi.org/10.36059/978-966-397-367-8-36>*

**ORGANIZATIONAL METHODS OF RISK  
AND UNCERTAINTY REDUCING AT THE ENTERPRISES  
OF AGRICULTURAL SPHERE**

The sources of risk and uncertainty in agricultural sphere have various nature but can be classified in five directions of management: production and technology, market and prices, finance, legislation and employees [1]. Risk management in agricultural sphere is supposed to reducing the possibilities of unfavorable results or mitigating its negative effects.

Risk management practitioners distinguish organizational methods of risk and uncertainty reducing in agriculture sphere, being based on: risk-aware culture; campaign to focus on the risks and the relevant controls; Know Your Customer (KYC) procedures [2]. At this, risk can be reduced by: economic research and forecasting; consumer research and screening; product research and quality control; staff development and risk awareness training. Risk aware culture for the enterprises of agricultural sphere may include (Table 1).

Table 1

**Components of risk aware culture as a part of risk management  
at the enterprises of agricultural sphere**

Leadership	Strong leadership within the organization in relation to strategy, projects and operations
Involvement	Involvement of all stakeholders in all stages of risk management process
Learning	Emphasis on training in risk management procedures and learning from events
Accountability	Absence of an automatic blame culture, appropriate accountability for actions
Communication	Communication and openness on all risk management issues and cases learnt

*Source: developed by author on the basis of [2; 3]*

Campaign to focus on the risks and the relevant controls may include: risk awareness training of personnel; awareness poster campaigns; site inspections; arrangements for reporting defects; risk-reporting helpline; allocation of responsibilities; leaflets and brochures.

KYC procedures enable agricultural businesses to know and understand their customers and their financial dealings better, that in turn, help them manage their risks prudently. KYC key elements are: customer identification procedures; customer acceptance policy; monitoring of customers' transactions; risk management.

Risk organization improvements for agricultural businesses are recommended to include: holistic vision of top managers for all the risks faced by the business; aggregated reporting for risk management; comprehensive assessment of the value of the organization based on the optimal balance of risk and return; concentration of key functions of risk management at the level of one unit or group; involvement of all services in the risk management and business support; implementation of cross-cutting risk control; staff motivation with regard to achievement of targets for profitability of operations to manage their risks.

Numerous risks in agriculture arise due to errors in planning. Efficient planning and proper risk management techniques should make for eliminating future risks.

Thus, scientific forecasting and marketing research of future economic conditions will make the risk managers aware of likely opportunities and threats to the business environment in future. Accordingly, the business entity in agriculture sphere can make the required changes to its products, prices of the products, its distribution channels and sales promotion techniques.

A business can reduce the losses arising from technological obsolescence through continuous technological research and development in the organization. Thus, it can develop new and remunerative products before the present products become obsolete.

Credit screening and control through careful screening of the customers, prompt collection of the outstanding debts and tight inventory control will also help the firm to reduce the amount of risks.

Risk of competition can be reduced through collective action by the competing businesses in agriculture which may agree to restrict output, allocate markets or charge uniform prices.

Various safety programs for businesses in agriculture may include: fire fighting equipment and sprinkler system; burglar alarms, night watchman, safety vaults; cold storage or refrigeration; special packing; proper pest control methods; safe work environment etc.

Summary. In a business of agriculture risks and uncertainties are unavoidable but mostly manageable. Risk management in agriculture sphere includes choosing the alternatives for reducing risks which affect utmostly on the business financial results. Organizational methods of risks and uncertainty reducing are one of such alternative.

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