

### ***Practical Exercise: Risk Assessment of Broiler Enterprise in Koboko, Uganda***

An agricultural risk assessment on broiler chickens was conducted for a small association of 12 farmers raising broiler chickens in Koboko. With the help of a consultant, a stakeholder committee was formed including representatives of two other farmers groups that the broiler farmers belonged to, the Koboko Town Council Farmers Forum and Koboko District Farmers association; representatives of 2 local SACCOs and 1 local bank; a local NAADS agent; a large poultry input supplier from a nearby city; and one of the main wholesale buyer of broilers also from a nearby city. After some discussion, the broiler farmers identified failure in raising broiler chickens, as making anything less than a small profit the first year of the effort.

Several members of the stakeholder committee volunteered to survey a number of informants: the broiler farmers themselves were asked questions relating to their understanding of and preparation to manage risks from all categories. Then surveys were conducted with various people who knew the broiler farmers and their farming operation, including colleague farmers from the two farmers associations, the financial service providers (bank, SACCOs) who had dealt with these broiler farmers in past, the poultry supplier and poultry buyer, and the NAADS agent. The surveys asked these informants what they knew about the ability of the broiler farmers to manage production, finances, and the risks involved in raising broilers.

After this information was gathered from these community sources, the consultant assisted the stakeholder committee in using sources of information from outside the community to explore other risks that the community might not know about, as well as seeking more information on risks that had been identified in the community survey process. Once this was done, a risk prioritization exercise resulted in identifying the following risks:

- A. Production Risk: Loss of income due to death of poultry from Newcastle Disease
- B. Production Risk: Loss of income due to death of poultry from Avian Flu, not well known
- C. Production Risk: The high cost of electricity for lighting, warming, incubating would too high for the enterprise to manage due to lack of grid electricity, meaning dependence on generator electricity for lighting, warming, incubating.
- D. Market/Price Risk: Not accessing a high-value, high-volume market opportunity to sell broilers to the oil camps along the Nile: farmers were not aware of the opportunity to sell to the oil camps most of which are centered in Nwoya on other side of Nile from Pakwach, several hours drive from Koboko.

Exercise:

1. Determine how each of the risks A through D above should be placed on a risk assessment matrix
2. Assign to each risk, a quantitative value for probability (in terms of the percentage of likelihood that the event will occur) and for impact (in terms of shillings lost if the event occurs), and use these values to calculate the risk as a quantitative value