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Credit Risk Management Plan

Agri-Inputs & Farm Supply

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This guide explains what the tool produces, how to use the output, and what to watch for. The actual output (draft/report) is generated on the tool page.

Background

Produces a credit-risk management plan for the whole dealership — exposure limits, concentration and crop-failure risk, provisioning, monitoring and reduction, so credit never sinks the business. Use it to manage portfolio risk. For per-farmer decisions use the Credit Assessment tool.

Purpose of this tool & output

Control the credit exposure of the business

How the output is used

Use it to control total credit exposure across the business — concentration limits, ageing buckets and provisioning so one bad season does not sink the shop.

Important cautions

A correlated crop failure hitting many credit farmers at once is the systemic risk that sinks dealers — cap single-crop concentration, provision for bad debt, and build cash sales over time. Tighten credit sharply in drought/price-crash seasons.

Companion documents

- Farmer Credit Policy Designer
- Farmer Creditworthiness Assessment
- Harvest Collection Strategy
- Farmer Ledger & Receivables Tracker
- Bad-Debt & Chronic Default Recovery

This is AI-assisted guidance. Verify with a qualified professional before any binding decision. Fees, authorities and processes vary by state and change over time — confirm with your state authority.