

# KNOWLEDGE EXCHANGE PARTNER

VOLUME 14 | ISSUE 11 | NOVEMBER 2020

## THIS ISSUE:

The Importance of Software Updates	1
Building Financial Security for your Dairy Farm in a Time of Uncertainty	2

Editor: Chris Laughton  
[Chris.Laughton@FarmCreditEast.com](mailto:Chris.Laughton@FarmCreditEast.com)

Contributors:  
 Deanna Pellegrino  
 Tristan Peterson  
 Tom Cosgrove  
 Chris Laughton

“  
**The longer security updates go without being installed, the more time cybercriminals have to create a plan to exploit your devices.**  
 ”

## The Importance of Software Updates

*Written by Deanna Pellegrino, Farm Credit East Information Security Specialist*

Cyber attacks are always on the rise. What some people do not realize, though, is that cybercriminals are constantly looking for vulnerabilities and weaknesses on your devices. Cybercriminals plan an attempt to infiltrate your devices when there are weaknesses within software. The devices that could be affected include your phone, computer, tablet, security camera system, baby monitor, as well as several other devices that you have in your home.

If your device's software has a security vulnerability, a cybercriminal may be able to break into the device in several different ways from anywhere around the world. They may be able to inject your device with a virus, steal data off your device, encrypt your data or take control over your device. If your device does become infected, it is often passed on to your friends, family or business associates and can infect their systems as well. Software updates can protect your devices and keep hackers out.

When a software provider discovers a vulnerability, a “patch” is developed and released. A patch is a small program that will install itself and fixes the vulnerability. Sometimes you may have to update programs or applications that reside on your devices, and these often go overlooked, such as your web browser, messaging app, word processor, etc.

Whenever you download a new application or program, you should check to see if its security is regularly being updated. The longer security updates go without being installed, the more time cybercriminals have to create a plan to exploit your devices.

You will often see little pop-up windows that say, “Windows Updates Available,” “iOS update is available for download,” or a general “Security Update Available.” These are times when you should update the software on your devices. Security updates may happen automatically or may require you to manually install them, but it is important to stay aware of what software is outdated and update as soon as possible.

*Continued on next page*

## Two Ways to Update

**Automatic updates** are one of the ways you can ensure security patches are installed on the software, applications or programs on your device. An automatic update happens whenever an update has been released by the vendor – it automatically downloads and installs the update without any user interaction. The advantage of automatic updates is that you do not have to go seek out updates for your systems. The disadvantage of automatic updates is if the updated program results in a functional problem. Although this is rare, it can still occur.

Ever catch yourself repeatedly clicking on “Update Later” for days, weeks or even months on end? **Manual updates** are another way you may receive updates, but these require you to manually download and install the update on your own. The advantage here is that you can decide what device gets which security update and when, however, it may take you much longer to realize that an update is available or plan time to update your devices. These software update alerts often pop-up at inconvenient times, but the longer you wait, the longer you leave your devices at risk of exploitation.

In addition to keeping up with the regular updates of your existing operating systems and software, making sure you have the most recent version of software is also important. You may be thinking that your Quickbooks 2013 works fine so there’s no need to upgrade to the latest release, but the newer versions also have the most recent security enhancements. So while it may not be necessary to buy the latest software version every year, it’s important not to fall too many versions out of date.

For individuals, families and small business it is recommended to enable and use automatic updates. Up-to-date software provides security to your devices, thus making it difficult to break in. Updating your systems is one of the most effective ways to protect yourself and your data from cybercrime.

## Building Financial Security for Your Dairy Farm in a Time of Uncertainty

*Written by Tristan Peterson, Crop Growers Northeast Marketing Agent*

Many dairy producers struggle to find words to sum up the last 12 months in the industry. The onset of the pandemic was almost like a violent storm that formed quickly. Producers that had sound risk management in place for 2020 had some protection from that storm and this article discusses how to maintain that protection, and if needed, build that shelter for 2021.

Back in December 2019, the industry was experiencing some of the highest milk futures we have seen in the last six years. Producers were looking forward to 2020, genuinely excited for their future. By the end of January however, something changed that few could have anticipated.

The world was quickly coming to a halt, due to an unforeseen virus outbreak, and so was the excitement for the dairy industry’s 2020 outlook. Class III milk futures for the second quarter of 2020 (April, May and June) went from a high of \$17.88/cwt on January 24th to a low of \$11.64/cwt on April 21st. In 12 short weeks, the industry took a \$6.24/cwt hit on Class III milk, and a \$7.32/cwt hit on Class IV milk prices.

Since then, we’ve seen numerous government programs rolled out to provide relief to producers. Along with government relief programs, many dairy cooperatives stepped in to try and balance markets by implementing various supply control measures. Due to the unprecedented level of government support, many producers may assess 2020 as a pretty good year in the end. But was it? If you take out the government relief programs, what was the true impact of COVID-19 on your business?

*Continued on next page*

Continued from previous page

This is why it's critical to plan for the future. With any good market-based risk management plan, it's important to start by knowing your cost of production. How much is it costing you to produce that hundredweight of milk? Once that question is answered, decisions about revenue protection plans become a little easier. The best part of knowing your cost of production is being able to use that to prepare for 2021. This is the foundation of your risk management plan.

Once the foundation has been established, it's time to put up walls to protect your business in 2021. These "walls" include: leveraging the knowledge of your team, being aware of changes in the futures markets, establishing a risk management budget, and layering in your risk management options.

The first wall to build on the foundation of understanding your costs is, "are we leveraging the knowledge of the team around us?" Building a plan is not an easy task, and not one that most producers feel comfortable doing alone. Identifying a team to assist in building your risk management plan will make these decisions much easier.

The next wall to build is being aware of what is happening in the futures markets. Fundamentally, we are looking to establish a market price for the operation to limit downward risk of revenue while still being able to capitalize on upward market movement. With today's technology this has become much easier. It could be a member of your team actively tracking those markets or utilizing the Crop Growers Decision Support Tool to set price alerts to notify you if the markets hit your desired price. Being aware of the markets allows you to capitalize on potentially high futures prices, while establishing a plan to reduce the impact of low prices.

Now that you've established a team to assist you, and you're tracking the futures markets, the next step is determining a budget for your risk management plan. It's important to budget this as a necessary expense, not a potential revenue stream, regardless of whether you are purchasing DRP, DMC, LGM-Dairy or CME options. The intent of the plan shouldn't be to make money, but rather to protect the foundation that you've established.

The last wall to build is establishing a layered coverage strategy. As you're working with your team, tracking futures markets and knowing your budget, you're ready to execute your plan. Whether that means utilizing different options in combination, such as DRP and DMC during the same crop year or covering smaller amounts of your production over the course of several months. Staying the course on your layering approach is key to a successful risk management plan.

Once you've built the four walls, the final step is completing the roof by executing on a comprehensive plan. In 2020 we saw the market equivalent of driving rains and high winds for most of the year and it's unclear what 2021 has in store, so it's important to develop a sound risk management plan to protect your business from the elements.

Regardless of where you are in building your plan, Crop Growers, LLP is here to help. For more information, contact your branch office or visit [CropGrowers.com](http://CropGrowers.com), and tune into a free webinar on December 1, *Dairy Markets — The 2020 Impact and Bracing for 2021*. [Register here](#).

#### CONTACT INFORMATION

We look forward to your questions about Knowledge Exchange Partner and your feedback:

[KnowledgeExchange@FarmCreditEast.com](mailto:KnowledgeExchange@FarmCreditEast.com)

**KNOWLEDGE  
EXCHANGE  
PARTNER**

Farm Credit East Disclaimer: The information provided in this communication/newsletter is not intended to be investment, tax, or legal advice and should not be relied upon by recipients for such purposes. Farm Credit East does not make any representation or warranty regarding the content, and disclaims any responsibility for the information, materials, third-party opinions, and data included in this report. In no event will Farm Credit East be liable for any decision made or actions taken by any person or persons relying on the information contained in this report.

 FARM CREDIT EAST