

Welcome to the Ag Biz Masters Year One Webinar!

February 18, 2026

12:00-1:30 PM



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Agenda for Today

- SWOT Analysis
- Building Confidence: What Lender's Want to See
- Alumni Spotlight

SWOT Analysis

Winifred McGee





SWOT ANALYSIS

Understanding Your Farm's Strategic Position

Winifred McGee
Business Consultant, The University of Scranton SBDC

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Small Business Development Center
The University of Scranton

Helping businesses start, grow, and prosper.

About the SBDC

- The SBDC offers **educational programs and consulting services** to entrepreneurs looking to **start or grow their small businesses**.
- Professional SBDC consultants work with entrepreneurs in confidential, one-on-one sessions, **at no cost**, to help them with a range of business topics.
- University of Scranton students (graduate and undergraduate) serve as interns, assisting with business consulting.

We help businesses start, grow, and prosper.

About the SBDC

SBDC Services

Consulting



Training



Information



Resources



Referrals



About the SBDC

Pennsylvania Small Business Development Centers are funded in part through a cooperative agreement with the **U.S. Small Business Administration**; by the **Commonwealth of Pennsylvania through the Department of Community & Economic Development**; through Service Center host institutions, in this case **The University of Scranton**; and by other sources of state and federal funding.

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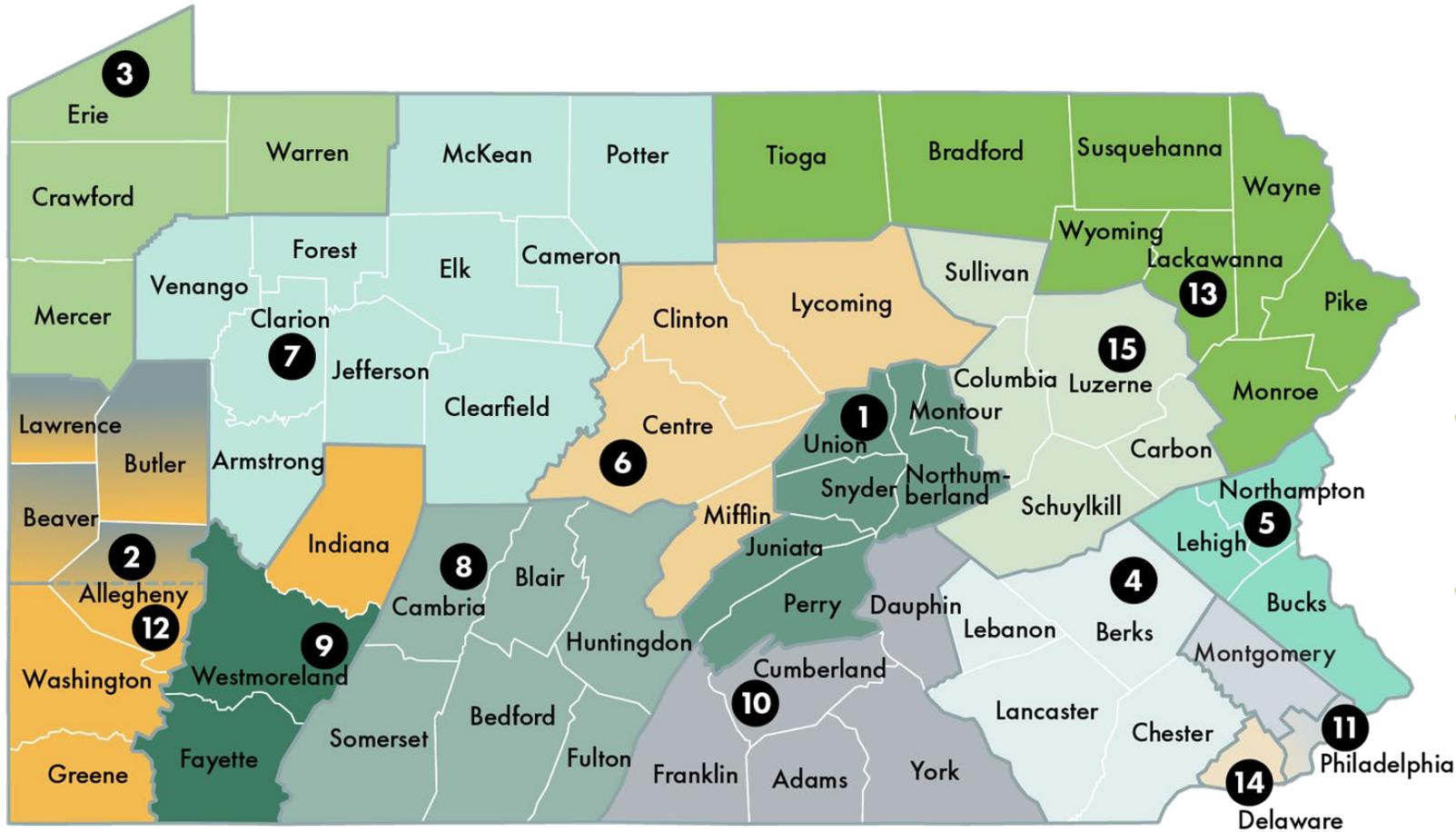


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The Pennsylvania Small Business Development Centers (SBDCs) at **PennWest University Clarion, Penn State University, Bucknell University,** and **The University of Scranton** established the Agriculture Center of Excellence to assist Pennsylvania farmers, food producers, farmers markets, retail food establishments, restaurants, and all ag-related businesses



To learn about other areas of consulting across the PASBDC, visit www.pasbdc.org.

PASBDC Agriculture Center of Excellence

AGRICULTURE

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The Pennsylvania SBDC Agriculture Center of Excellence offers no-cost, confidential business assistance to PA farmers, food processors, farmers' markets, restaurants, retail and wholesale food entities, food trucks, agritourism, and ag-related support services. SBDC consultants with expertise in agribusiness can provide guidance on:

- Market and competitive research
- Business planning for growth and diversification
- Business and generational transition planning
- Assistance in financial projections and assumptions
- Demographic reports
- Grant research and review
- Industry professional networking and referrals

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SWOT ANALYSIS

Understanding Your Farm's Strategic Position

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Strengths

Opportunities

• replacement of youth and financial institutions

Threats

• very hard to predict
• hard to predict

Weaknesses

• costs
• convinced of...
• strong competition



A New Way to Use SWOT

- Explore the balance between
 - Your current Strengths and Weaknesses
 - Ever-changing Opportunities and Threats
- Two decades ago, Strength and Weakness analysis were the main foci of the SWOT
- Now, Opportunities and Threats lead the way to prepare for
 - Future short-term shocks
 - Longer term implications

What's a SWOT analysis?

A SWOT analysis is a tool that helps you evaluate the Strengths, Weaknesses, Opportunities, and Threats (SWOT) involved in any business enterprise — including farms and ranches.

A SWOT analysis can help you gain insights into the past and think of possible solutions to existing or potential problems — either for an existing business or new venture. For a SWOT analysis to work well, every member of your team (your family and/or employees, lawyer, accountant, and insurance agent) should be involved in the process.

After you read this overview, you will find a description of a sample farm and have a chance to go through a SWOT analysis for it. This exercise should help prepare you for doing your own SWOT analysis.



Strengths

Strengths are considered mostly internal. For example, what do you and your family, employees, and management team bring to the business? If you are planning to start a business, you or an employee or family member may have previous experience in that industry. If not, this may be viewed as a weakness. If you already know where to go to find the help you need, this would be considered a strength for this analysis.

Weaknesses

Weaknesses are also generally considered internal and are the factors you will need to address to run a successful business. For a start-up business, an example might be a lack of experience in the selected industry. Another example may be that your family members do not completely support

you in this venture. You may lack qualified employees, or perhaps your business will not support full-time employees. If you identify these as weaknesses, don't worry because existing businesses may have similar weaknesses.

Opportunities

Opportunities are considered mostly external. What opportunities are available for your business? You may be able to take advantage of low interest loan packages for start-ups or grants for feasibility studies. You may have an idea that has not been tried in your area and know there is a demand for the product you plan to produce. Be aware that people with potential businesses tend to be much more optimistic than those with existing operations.

Threats

Threats are also considered mostly external. Threats from outside of your business will directly affect you, but you may have very little control over them. If you are starting a new business, there may be local regulations that negatively impact your business. Unforeseen competition (local or foreign), dissolution of markets, and adverse weather may also have a negative effect on your new business. Many of these threats will also negatively affect an existing business. Rising interest rates may have a greater impact on existing businesses than on start-ups.

Letting SWOT Frame Your Plan

- Business plans center on your organizational objectives



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- Take advantage of **Opportunities** for sustainability/resilience



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- Recognize **Threats** early for proactive counter-actions



Letting SWOT Frame Your Plan

- Business plans center on your organizational objectives
- Take advantage of **Opportunities** for sustainability/resilience
- Recognize **Threats** early for proactive counter-actions
- Use **Strengths** to achieve objectives

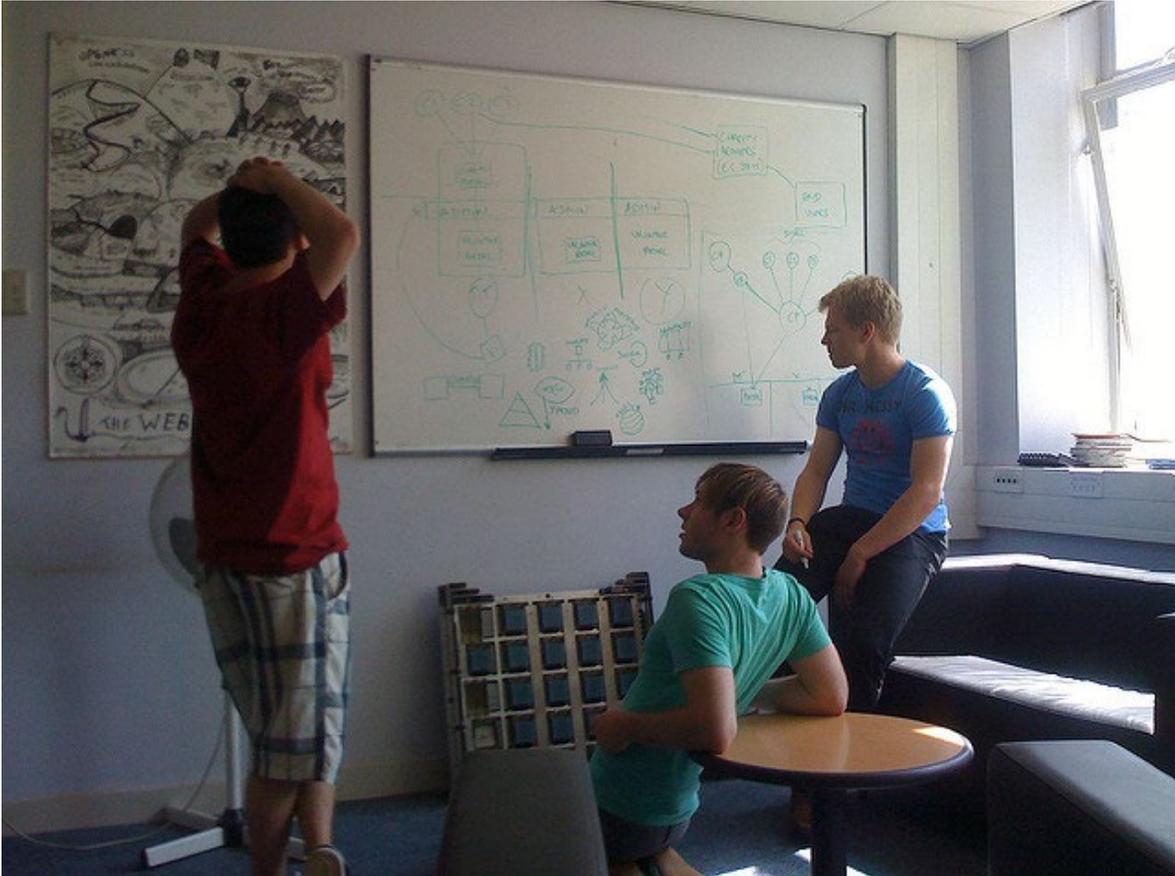


Letting SWOT Frame Your Plan

- Business plans center on your organizational objectives
- Take advantage of **Opportunities** for sustainability/resilience
- Recognize **Threats** early for proactive counter-actions
- Use **Strengths** to achieve objectives
- Recognize **Weaknesses** that may limit success



SWOT is Still a “Team” Activity



“Brainstorming” by Paul Downey on flickr.com CC BY 2.0

- Gather stakeholders
- Solicit honest opinions
- Get everything “on the table”
- Collect all thoughts, then sort into categories, assign, and PLAN

Meet the Ryans

- Small dairy operation
- 3 Generations
 - Jean
 - Paul & Margaret
 - Jane, Hal, & Susan
- New enterprise
- Ties to current production
- Branching out in new directions

5

Exercise: Sample SWOT Analysis

Here is an example of a small farm that needs to diversify in order to remain sustainable. This farm family needs to conduct a SWOT analysis. Read the example and conduct your own SWOT analysis for the Ryan family. When you are done, you can check your answers against the answers prepared by experienced users of the SWOT analysis tool. Those answers are on the page after your fill-in-the-blanks page. If your answers are close to the experts' answers, you are ready to do your own SWOT analysis.

Meet the Ryan Family

The Ryan family has operated a dairy farm for over 50 years. Paul Ryan, age 48, took over the dairy from his father 20 years ago. The dairy is average-sized for the area: the Ryans milk 60 cows, grow most of their own forage and grain, and raise their own heifers. The family withdraws about \$30,000 from the farm business each year for living expenses. The dairy is located in a rural area, but urban and suburban areas are close by. The nearest city has a population of 100,000.

Margaret Ryan, 42, is Paul's wife. They have three children: Jane, Hal, and Susan. Margaret used to work on the farm, but for the last 8 years she has been working full-time as a clerk-typist in the school district office. Take-home pay from this job is \$18,000, plus health, dental, and other benefits that extend to the whole family. At this point, Margaret oversees the finances with Paul, occasionally milks, and manages the household.

Jane Ryan, 21, has just received her bachelor's degree in culinary arts from the local community college. During the summers, Jane works full-time on the farm with the milking. She is considering farming as an occupation, but would like to continue her work in value-added food production.

Hal Ryan, 16, is in high school and works with his father part-time during the school year, and full-time during the summer. He is not interested in the dairy or in any type of farming and would rather attend a university and study science, engineering, or economics.

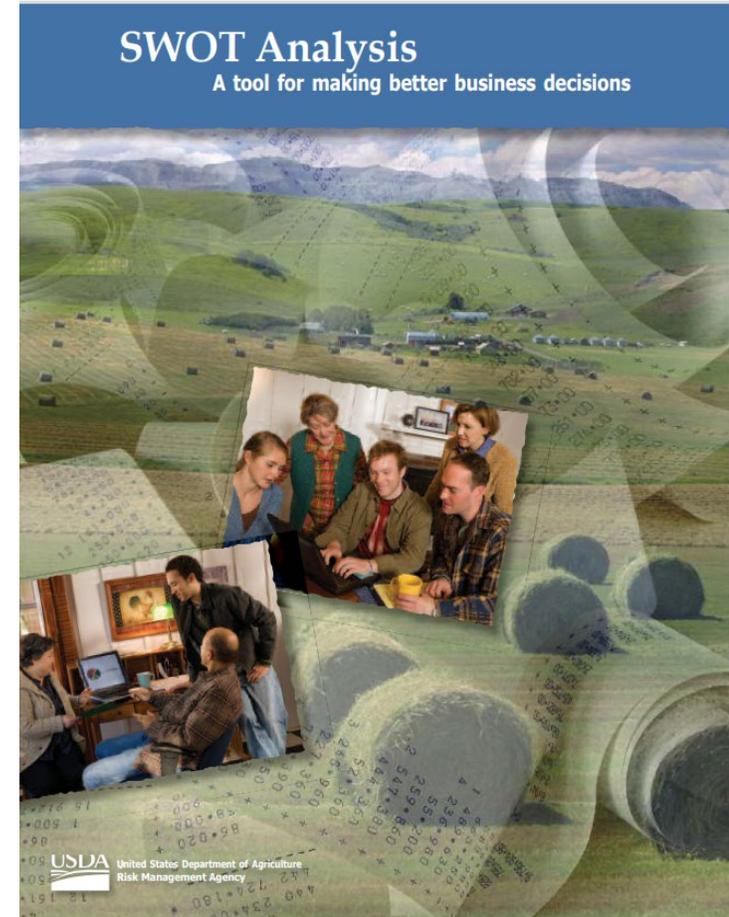
Susan Ryan, 12, is a middle school student who really enjoys the farm. She takes care of the calves after school, belongs to 4-H, and has just begun to show an interest in helping with the crops, although she is too young to drive the tractor.

Jean Miller, 64, is Margaret's mother. Since the death of her husband 5 years ago, Jean has lived with the Ryans. She shares an interest in cooking with her granddaughter, Jane.



Today's Assignment

- Pre-class activities
 - Review the SWOT Guide
 - Read the Sample SWOT Scenario
 - Complete the Exercise Sheet
 - Check Exercise Answers
 - Note any items you listed that were not on the “answer sheet” to share today
- Your Goal: do a SWOT analysis to support your business plan



Thank you!

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Break

Building Confidence: What Lender's Want to See

Rachel Eck

February 18, 2026



Introduction



Rachel Eck

YBS Relationship Manager

What can you expect to learn?

- Understand what lenders look for in a loan application and why these factors matter
- Identify the key components of the “Five Cs of Credit”: Character, Capital, Capacity, Collateral, and Conditions
- Recognize the information and documents needed to prepare for a loan request
- Explore tips for building a strong financial foundation as a beginning farmer

Getting to Know You Questions



Perspectives with a Lender

Navigating the Loan Process

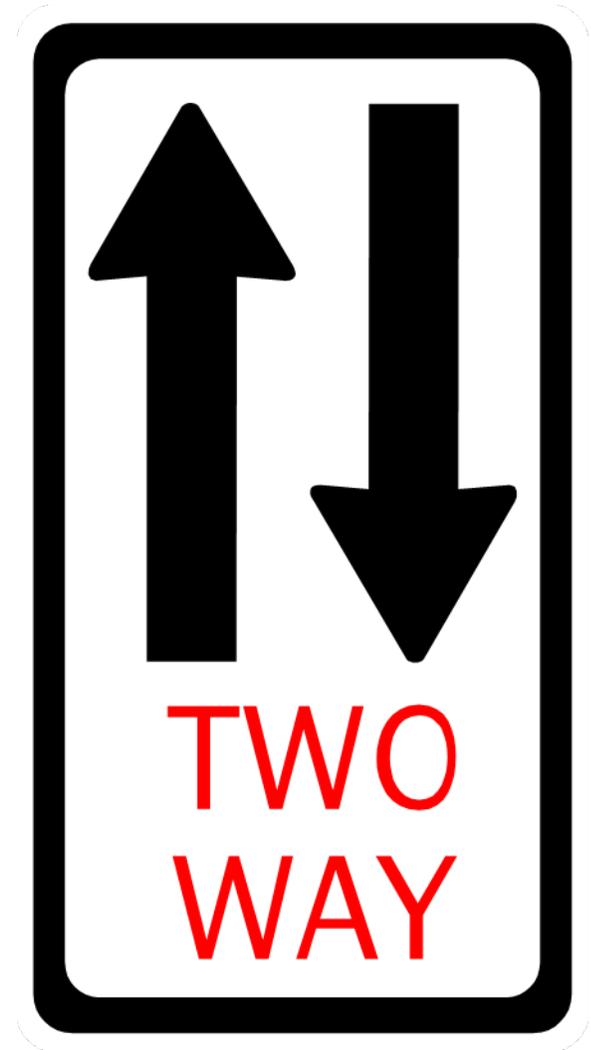
We'll help answer two questions:

- What does my lender want from me?
- What does Farm Credit look for in a loan application?



A two-lane road

- The borrower-lender relationship is a two-lane road, and both parties have the same goal.
- Both want to ensure the long-term viability of your business and have high expectations for one another.



Purpose of your loan

WHY?

**HOW
MUCH?**

Information about you/your business

- Basic contact information (photo identification)
- Information about your financial position and income
 - Balance sheet
 - W-2 or paystub
- If you are a farm business, you will need to provide:
 - Business balance sheet (inventories, equipment values, etc.)
 - 3-5 years of income and expenses (tax returns) or projections if you are just starting
 - Profit and Loss Statements if needed

Other supporting information

Common other information provided:

- Business plan
- Estimates or builder's contracts
- Sales agreements
- Etc.

How do lenders make decisions?

5 C'S OF CREDIT

CHARACTER

A lender will look at a borrower's reputation and standing in the local ag community.



CAPITAL

A borrower's personal investment in the ag operation.

CAPACITY

A borrower's ability to repay the loan based on current income and debt.



COLLATERAL

Lenders will evaluate the land being used to secure the loan.

CONDITIONS

The state of the overall economic environment, including interest rates and purpose of the loan.



Character

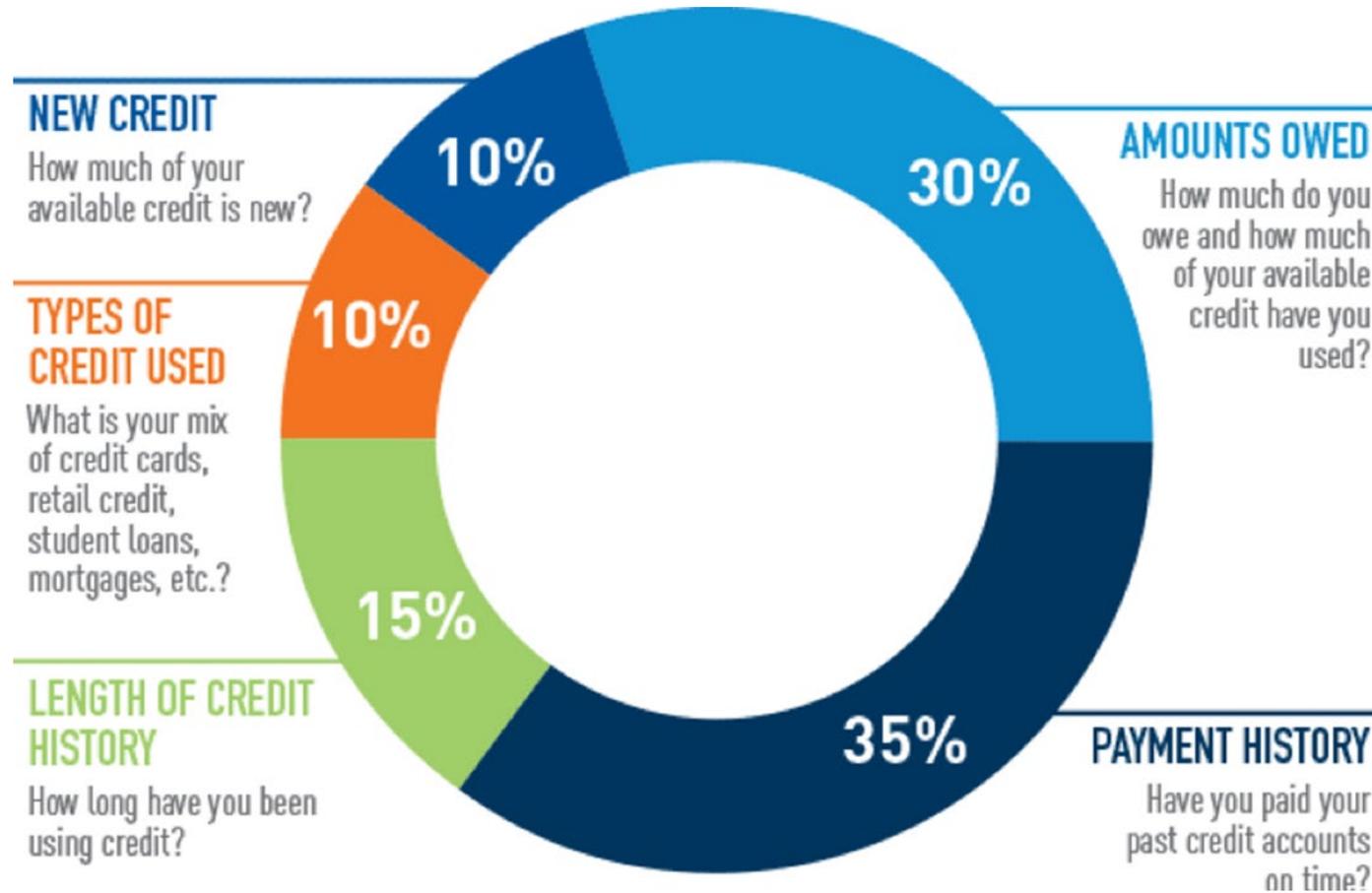
- Honesty and ethics
- Open and regular communication
- Business plan for their operation
- A person's credit score can indicate their character

CHARACTER

A lender will look at a borrower's reputation and standing in the local ag community.



What's in a credit score?



Capital

- A balance sheet
- The financial position of a business/person at a particular point in time

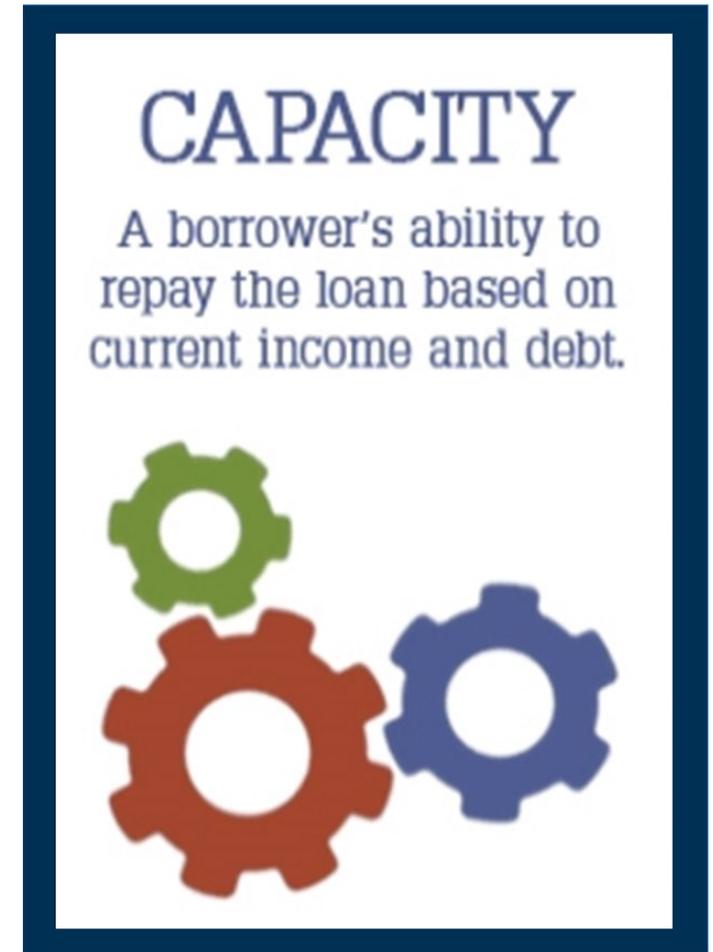
Two questions to consider:

- How does net worth grow?
- Earned, gifted, appreciated in value?



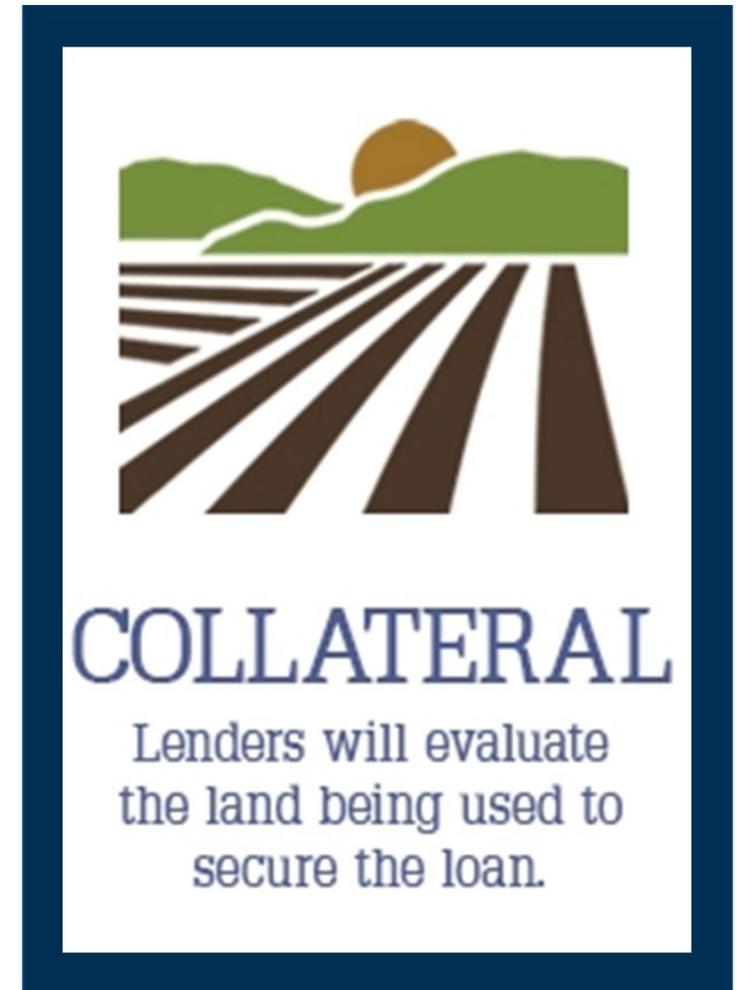
Capacity: Repayment Ability

- The business' profitability and its ability to meet all obligations
 - As shown on the income statement and positive cash flow projections
 - A good indication of meeting obligations without financial strain.



Collateral: Security for the Loan

- Secondary source of repayment
- Down payment
 - Your equity in the loan
 - Cash down or other collateral pledged
 - Requirements based on asset financed and loan term



Conditions: Terms

- Loan amount
- Amortization (repayment) period
- Purpose of the loan
- Loan covenants:
 - Financial reporting in the future
 - Maintain insurance
 - Assignment required
 - Other depending on situation

CONDITIONS

The state of the overall economic environment, including interest rates and purpose of the loan.



Qualities to look for in a lender

- Skills, knowledge and experience in your industry
- Loan products and other services that meet your needs
- Customer support
- Reliability
- Transparency

Four tips for beginning farmers

LET'S
GET
STARTED

- Learn: gain skills to help you in your future
 - Look for opportunities to build your business and financial management skills
- Build your balance sheet
 - And strengthen it!

Four tips for beginning farmers

LET`S
GET
STARTED

- Create your business plan and budget
- Keep good records so you know how your business performs

What does a good borrower look like?

- Good credit history
 - Consistent on time payments
 - Low or no delinquencies
- Healthy debt-to income ratio
 - Good indication of managing current debt obligations while taking on new debt.
- Adequate collateral
 - Secure loan if needed

Any Questions?



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Break



Alumni Spotlight



Next Steps

- Complete today's surveys
- Complete modules
- HOMEWORK
 - Complete your own SWOT Analysis



Live Course WEBINAR Check-in.

Join us as
we conclude the course with Danny Jordan who will
present on the importance of Balance Sheets.

March 4, 2026

Session Time: Noon-1:30pm



Webinar Survey

<https://www.surveymonkey.com/r/7RMM8XH>



Questions?

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