

# Welcome to the Ag Biz Masters Year Two Webinar!

MARCH 13, 2025

12:00-1:30pm



888.339.3334  
[HorizonFC.com](http://HorizonFC.com)

# Agenda for Today

- 3 Steps to a Profitable Farm with Charlotte Smith
- Perspectives with a Lender with Danny Jordan
- Course Wrap-up

# 3 Steps to a Profitable Farm

Charlotte Smith



# Break



# Perspectives with a Lender

Danny Jordan, YBS Relationship Manager  
Horizon Farm Credit



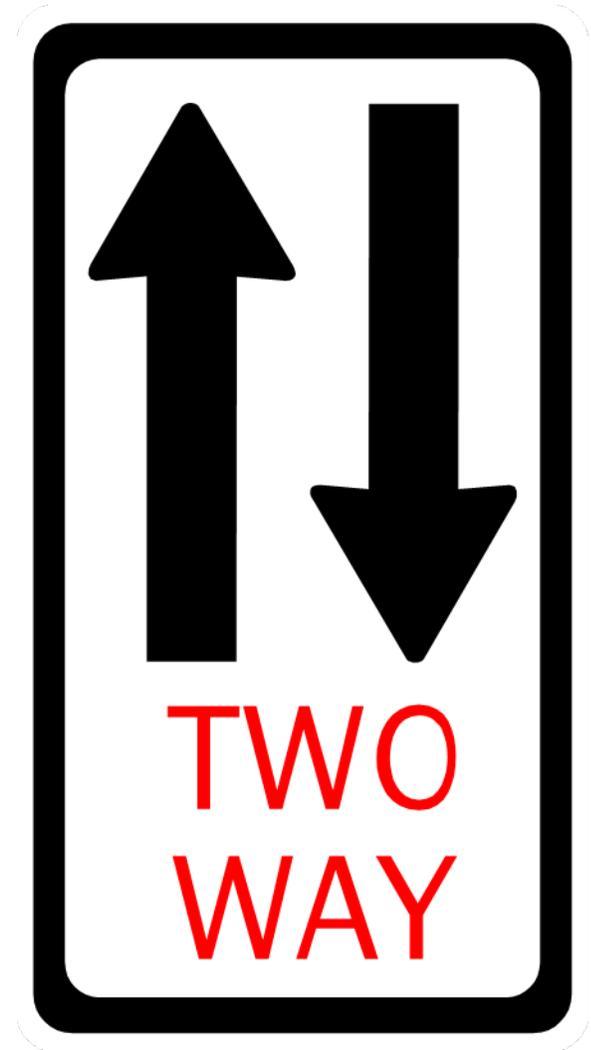
# Getting a loan

- 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

# 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

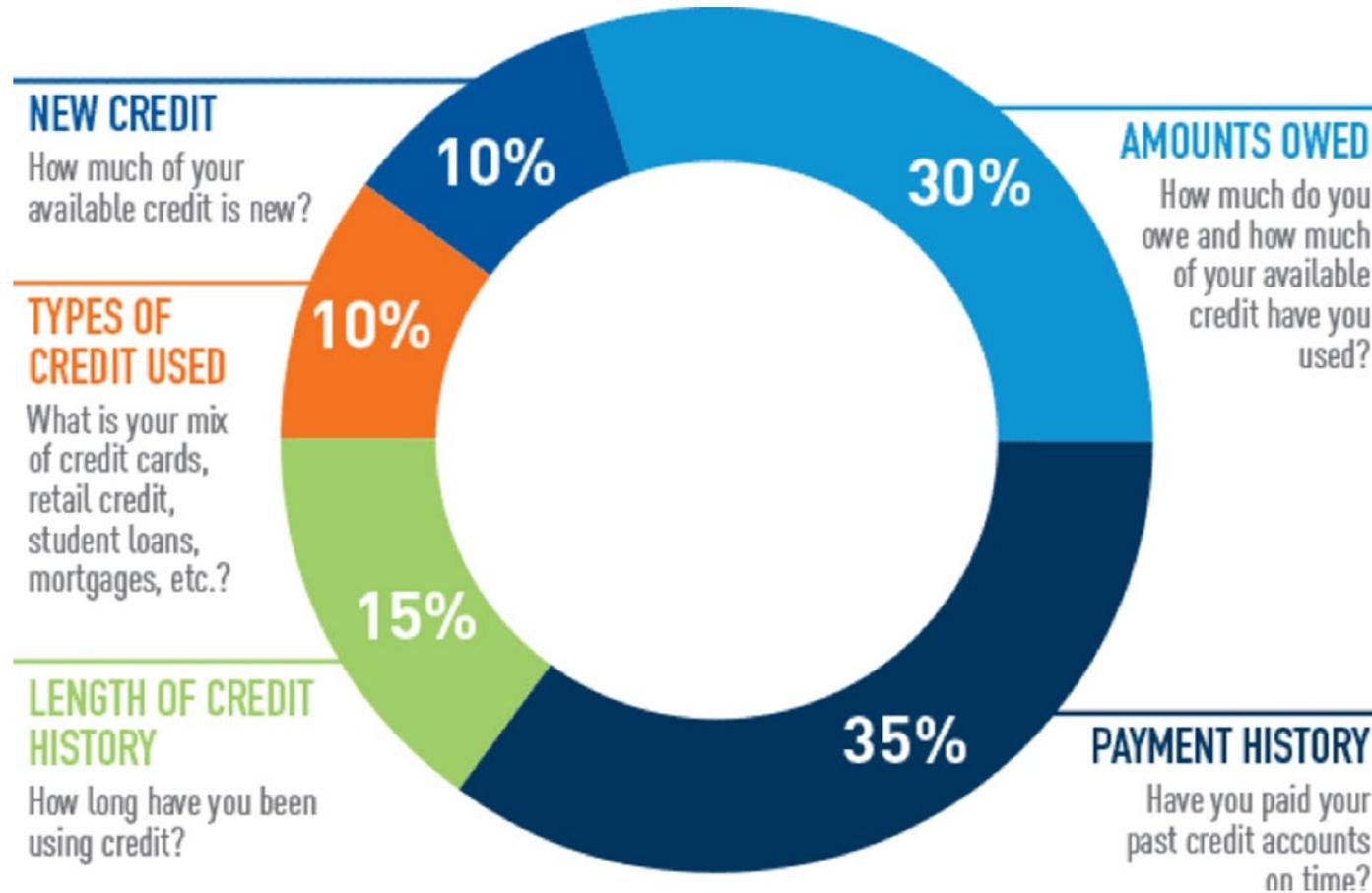
- Honesty and ethics
- Open and regular communication
- Business plan for their operation
- A person's credit score can indicate their character

## CHARACTER

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

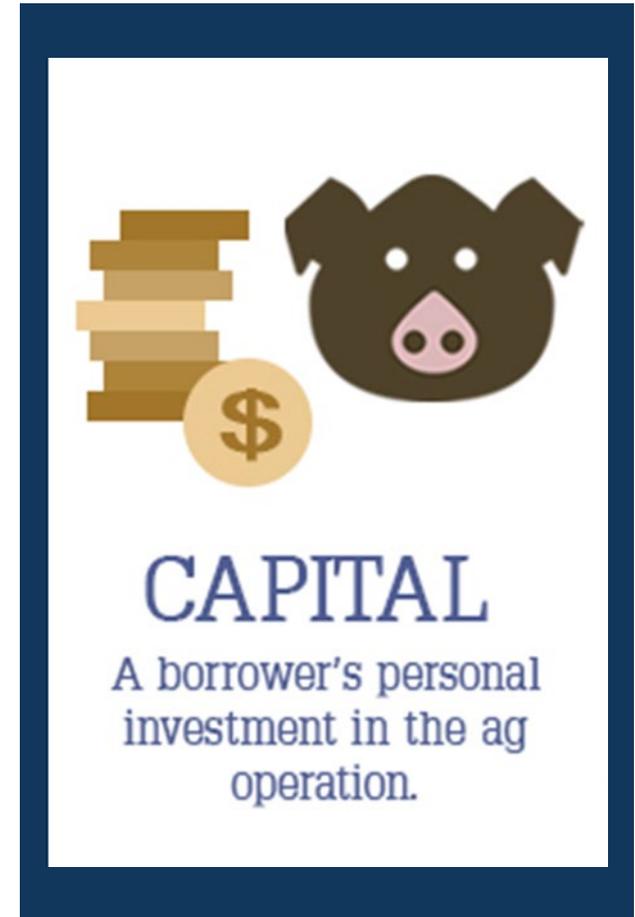


# What's in a credit score



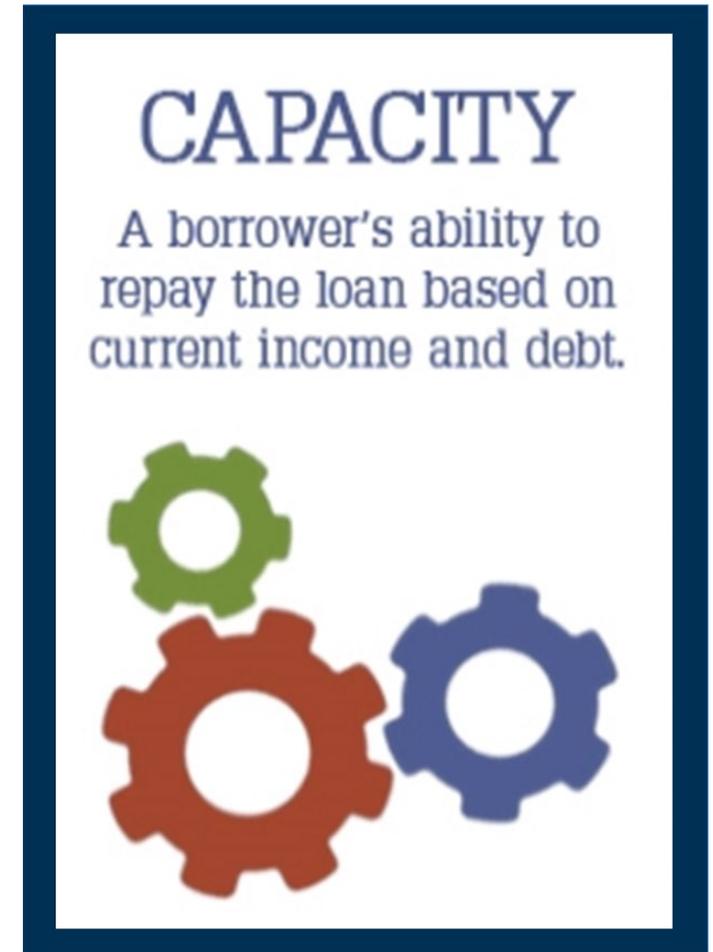
# Capital

- A balance sheet
- The financial position of a business/person at a particular point in time
- How does net worth grow?
- Earned, gifted, appreciated in value?



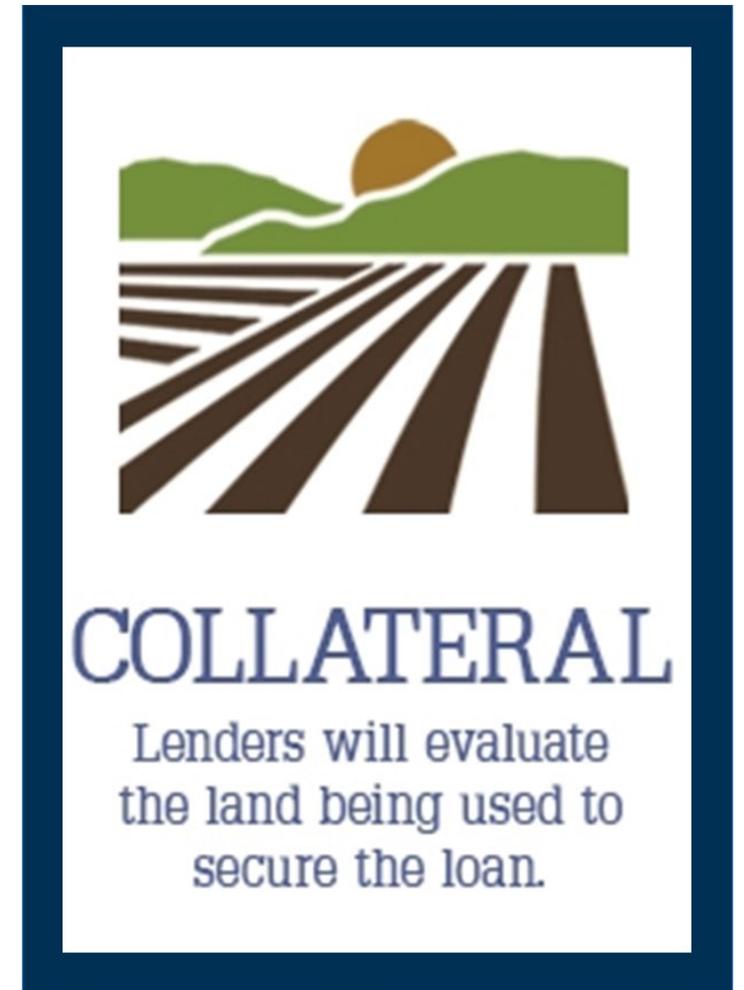
# Capacity: Repayment Ability

- The business' profitability and its ability to meet all obligations
  - As shown on the income statement and cash flow projections



# 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
  - Other depending on situation



# Qualities to look for in a lender

- Skills, knowledge and experience in your industry
- Loan products and other services that meet your needs
- People

# Four tips for beginning farmers



- 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



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

**Any questions?**

# JumpStart Grant Introduction



888.339.3334  
[HorizonFC.com](http://HorizonFC.com)

# What is the JumpStart grant?

- JumpStart is a competitive grant program for farmers in the start-up phase of business (less than two years of farming experience or planning to start farming within the next two years).
  - If you are a beginning farmer returning to a family operation, you must be starting a new venture or enterprise to be considered a startup farmer.

# Eligibility

- 18 years of age or older, as of March 28, 2025
- Two years or less of farming experience **OR** be planning to start farming within the next two years
- Reside in Horizon Farm Credit's territory
- Open to both full and part-time farmers
- Current Farm Credit customers and non-customers alike are eligible to apply, as long as the other eligibility criteria are met

# The Application Process

- Submitting a complete application found at [horizonfc.com/jumpstart](https://horizonfc.com/jumpstart).
- Completing a business plan. You can locate a template to use at [horizonfc.com/jumpstart](https://horizonfc.com/jumpstart).
- Taking the online Ag Biz Basics course. A link and a coupon code are provided on [horizonfc.com/jumpstart](https://horizonfc.com/jumpstart).
- There is no fee to apply.

# Deadline to Apply

- The application period runs January 13, 2025 through March 28, 2025.
- Online applications are preferred.
  - Those needing to have hard copies mailed can request them by calling 888.339.3334 and asking for Johanna Rohrer.

**Applications are available at  
[horizonfc.com/jumpstart](https://horizonfc.com/jumpstart)**



# Course Wrap-up

- Complete all five of your eLearning modules and the course evaluation in FCU
- All class assignments and modules need to be completed by **April 15, 2025** to be eligible for the course fee scholarship reimbursement.
- Look for reimbursement checks to be mailed via check in early June and your course graduation ceremony invite to your choice of four regional Beginning Farmer Networking events coming to a location near you!

<https://www.surveymonkey.com/r/LDD98R2>

# Questions

Johanna Rohrer

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