What is a SWOT?
SWOT is an acronym that stands for strengths, weaknesses, opportunities and threats. A SWOT analysis begins by identifying the internal strengths and weaknesses of the farm business. After completing the internal analysis, document the opportunities and threats that may affect the farm based on the economic and business environment surrounding it. These two, O and T, exist independently of the farm business. These are referred to as the external components of the SWOT analysis.

Strengths and Weaknesses
Strengths are your competitive edge and are within your control to change, like competencies, knowledge, and skills. They are resources that the farm business can use to fulfill the mission of the business. Weaknesses are limitations, faults or defects in the farm business that restrict it from reaching its potential. Some areas to consider when evaluating your strengths and weaknesses include: market access, financial resources, key staff, access to abundant natural resources, operational efficiencies and capacity, established customers, contacts, equipment, information and processing systems, contracts, image and reputation, management knowledge and skills, communication skills and other competency categories.

Opportunities and Threats
An opportunity is an external condition(s) that could positively impact the performance of the farm. The farm businesses’s competitive advantage is enhanced if the opportunity is acted upon in a timely manner. Threats are external conditions that could negatively impact the performance of the farm in the future. Some of the external factors (national and international) that could impact the farm business are: governmental regulations, input providers, economic environment, politics, consumer’s tastes and preferences, market trends, new technology, competitors and other external conditions. After identifying the external factors, it is useful to rank each factor based on its importance and probability of occurrence to the farm business.

Using the SWOT
Once the analysis is complete, it is time to review the information to formulate strategies that are readily apparent. Keep in mind, the overall strategy is to build on strengths, resolve weaknesses, exploit opportunities and avoid threats. This is partially accomplished by matching the farm business’s strengths with external opportunities. The real challenges are to convert the internal weaknesses into strengths and the external threats into opportunities.

Adapted from Joerger, P. (January 2004). “How to Position for Tomorrow and Beyond.” *AG News and Views.*
SWOT-ing my Farm Business

**Internal Factors**
The strengths of my farm include:

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The weaknesses that we need to improve include:

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**External Factors**
The opportunities which my farm may take advantage of include:

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The threats posed to my farm include:

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