



COOPERATIVE EXTENSION
College of Agriculture, Forestry and Life Sciences

ENVIRONMENTAL SCAN AND RISK ASSESSMENT

2026 Executive Farm Management Program

January 20, 2026

Environmental Scan

“Environmental scanning is the process by which business leaders monitor both internal and external environments to identify opportunities, threats and emerging trends. This involves observing competitors, customers, industry shifts and broader macroeconomic factors.”

Source: Ken Gosnell, Community Member, “What is an Environmental Scan?”,
<https://www.business.com/articles/what-is-environmental-scanning/Business.com>

Environmental Scan

- Stepping out of day-to-day operations to take a larger or higher view to anticipate change, identify risks and inform strategic planning.
- Looking at what's happening in and around you:
 - Changes in the economy,
 - Customers interest and preferences,
 - What competitors are doing,
 - Opportunities,
 - What might be risky,
 - What matches your operation or what you are looking for.

Environmental Scan Steps:

- 1. Define Scope and Objectives:** Clarify the purpose and boundaries of the scan. What problem or opportunity is the scan intended to address?
- 2. Gather Internal and External Data:** Collect relevant information from inside the company. This can include employee feedback, sales data and customer service insights. Then, move onto external sources, like industry trends, competitor strategies and regulatory changes.
- 3. Identify Patterns and Trends:** Analyze datasets to highlight recurring themes, emerging patterns and changes in market sentiment or technology.
- 4. Analyze Impact on Goals:** Assess how identified trends or changes could affect current business objectives, operational strategies or product offerings.
- 5. Apply Findings to Strategy:** Use insights to inform business planning, allocate resources and guide decision-making for competitive advantage.

Analysis Frameworks for Environmental Scanning

Use structured models to turn external signals into clear business insights.

Compare internal strengths with external threats and opportunities.

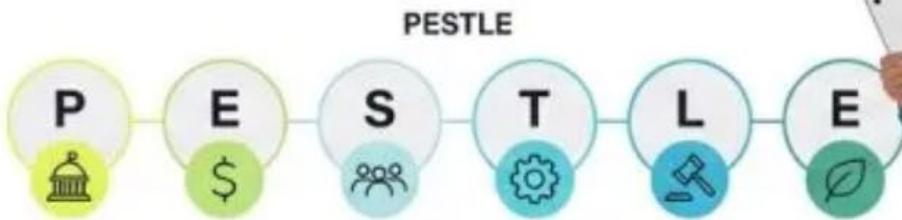


SWOT



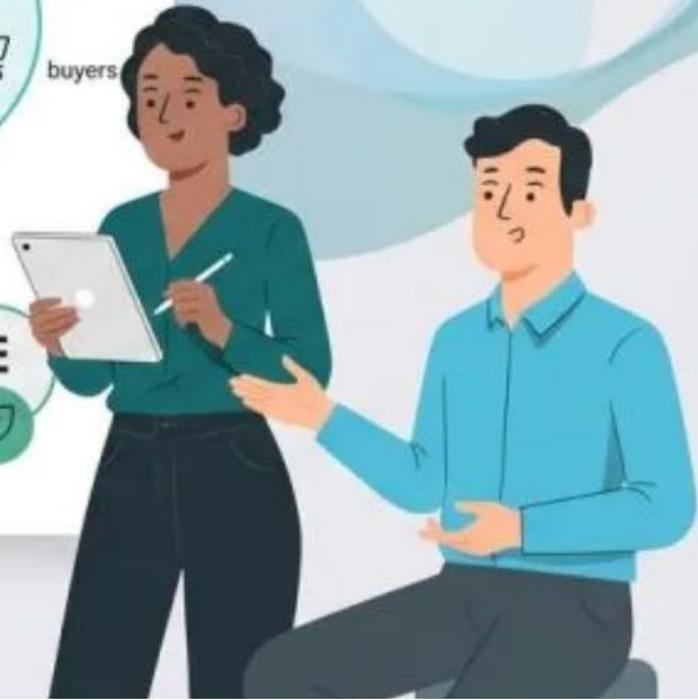
Five Forces

Assess competitive pressure across your industry.



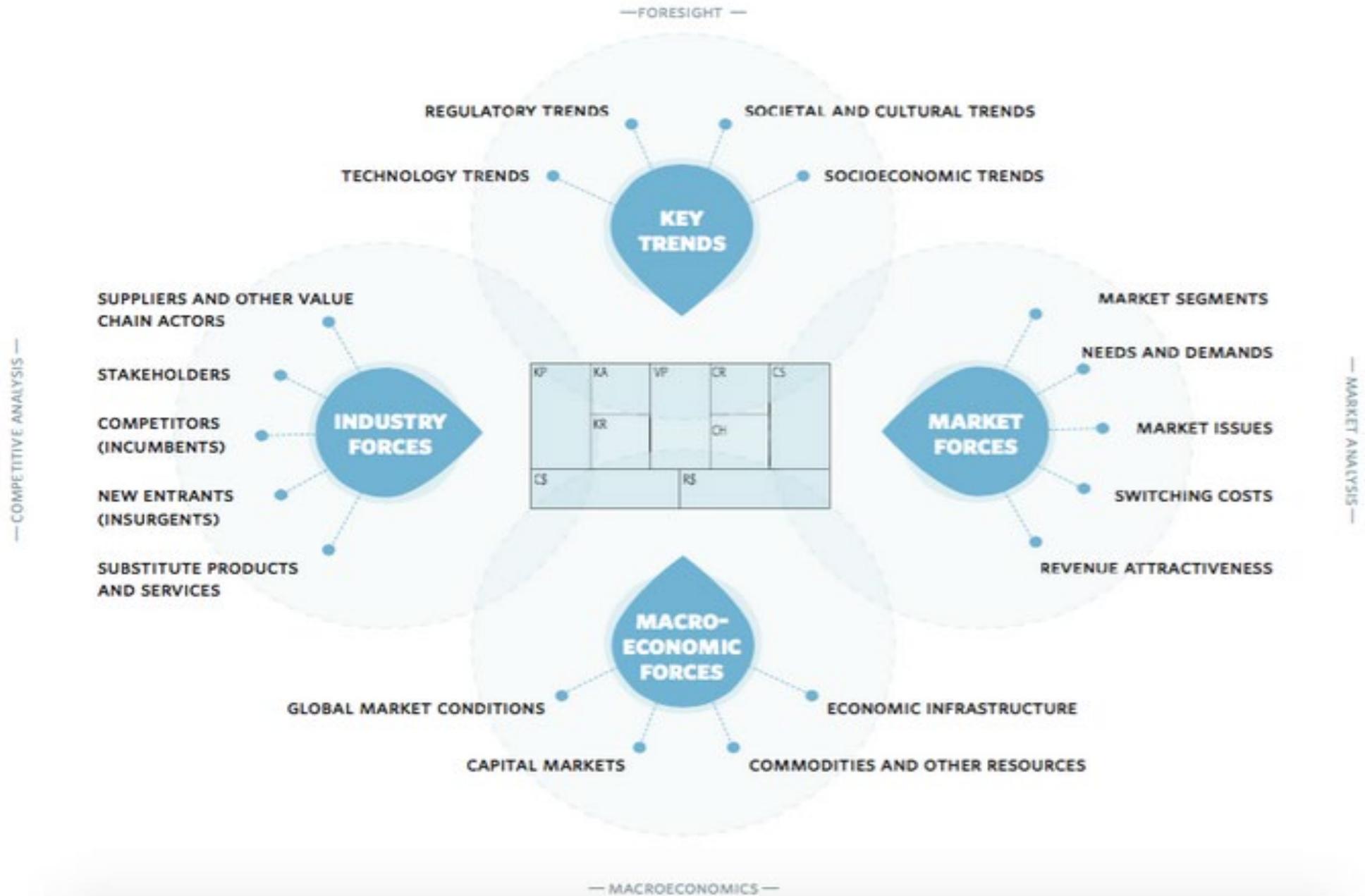
PESTLE

Scan political, economic, social and tech trends regularly.



Environmental Scan

- Do a scan of the risks and how uncertain those risks.
 - **Market Forces:** Key customer issues in your arena, such as growing or shrinking segments; customer switching costs; changing jobs, pains, and gains; and more.
 - **Key Trends :** Key trends shaping your arena, such as technology innovations; regulatory constraints; social trends; and more.
 - **Industry Forces:** Key actors in your space, such as competitors; rising value chain actors; new or fading technology providers; and more.
 - **Macroeconomic Forces:** Macro trends, such as global market conditions; access to resources; high or low commodities prices; and more
- What can you do to manage those risks?



Source: Strategyzer blog post by Nabila Amarsy, October 15, 2015

<https://www.strategyzer.com/blog/posts/2015/10/14/how-to-scan-through-your-environments-disruptive-threats-and-opportunities>

Agricultural Disruptors

- What are some potential disruptors for your farm operation and/or industry?
- Internal and external?
- What is the probability of happening?
- What is the potential impact on the operation?

Environmental, Social & Governance

ESG Concept

Investing

Consumer Preferences

Value Proposition

What are some ESG issues that can influence or disrupt risk management plans?

Climate Smart Agriculture

<https://www.homesteadcapital.com/investment-platform>



Farmland Investor

Homestead invests in high-quality farmland throughout the U.S., creating a diversified portfolio for each Fund across strategically selected regions, crops, lease types, farm operators, and other risk factors.

[Learn More ↓](#)



Farmland Operator

Revive, Homestead's sister company, grows high-value specialty and commodity crops using climate-smart farming practices and technologies to improve profitability and environmental outcomes.

[Learn More ↓](#)



Agriculture Lender

Homestead also offers tailored credit solutions to meet the needs of farm operators. Our ability to offer both equity and credit deepens relationships with farmers and makes us a preferred partner.

[Learn More ↓](#)

U.S. Cotton Trust Protocol Joins Sustainable Apparel Coalition

MEMPHIS, TENN (April 7, 2021) – The U.S. Cotton Trust Protocol announces membership in the Sustainable Apparel Coalition (SAC), a global, industry-wide nonprofit of over 250 members working to reduce environmental impact and promote social justice throughout the global value chain. The Trust Protocol joins leading apparel, footwear, and textile brands, retailers, manufacturers, sourcing agents, service providers, trade associations, nonprofits/NGOs, and academic institutions in a shared vision of an industry that gives more than it takes – to the planet and its people.

Source: National Cotton Council, <https://www.cotton.org/news/releases/2021/prsac.cfm>

By joining the U.S. Cotton Trust Protocol, these members can prove, measure, and verify that they are buying sustainably produced, quality fiber, and that their field-to-mill supply chain is free of environmental and social risk.



Brands & Retailers

Boardriders, Inc.
Clonhadas LTDA
Color Siete S.A.S
Everlane
Gap Inc.
Gildan Activewear
J. Crew
Jiangsu Cerulean Home Co., Ltd.

Levi Strauss & Co.
Madewell
Next
PVH Corp.
Playeras Mark S de R.L. de C.V.
Ralph Lauren Corporation
Servicios Liverpool S.A. de C.V.
Target Corporation
Tesco

Mills & Manufacturers

A.S.F Fibre Mills Ltd.
Aartti International LTD.
AHC Ltd.
adidas Sourcing Limited
Advance Denim Co., Ltd.
Ahmed Fine Textile Mills Limited

Nadeem Textile Mills Limited
Nafeesa Textiles Ltd.
Nagina Cotton Mills Ltd
Naigai Textile Ltd.
Nam Dinh Garment Joint Stock Company
Nam Tien Nam Dinh Joint Stock Company



SUSTAINABLE U.S. PEANUTS

“U.S. Peanuts should – and must – be part of a sustainable future”

"Consumers' purchasing decisions are increasingly dependent upon the trust they have in brands. In addition to quality and safety expectations, this confidence is influenced by the ability to ensure ingredients are sourced responsibly, with key considerations given to environmental and social impacts. The Sustainable U.S. Peanuts Initiative supports this necessary transparency, leveraging reliable aggregated data, while empowering those in the industry to strive for continuous improvement. As the largest purchaser of peanuts in the United States, we support development of the Sustainable U.S. Peanuts Initiative and are proud of the industry's continued progress."



- Brian Reed

JM Smuckers



Sustainable U.S. Peanuts Initiative

The American Peanut Council (APC) launched its nationwide sustainability initiative in late 2021, building on a pilot undertaken by the National Peanut Board and the Georgia Peanut Commission. The new initiative will build on this pilot, incorporating the **Fieldprint Platform metrics for peanuts from Field to Market**, and adding new elements such as a self-assessment questionnaire using a data collection platform for growers. The objectives for the initiative are:



Develop a protocol to verify that peanuts are grown responsibly and by using good agricultural practices accepted by the industry.



Utilize a common data collection platform in collaboration with the cotton industry to make participation as efficient as possible for growers of both crops by avoiding duplication of data entry.



Provide environmental metrics for communication to domestic and international customers, with the assurance that a random sample of growers has been verified.



Communicate best practices and success stories derived from the Sustainable U.S. Peanuts Initiative and other reliable sources to industry stakeholders and their customers.



Drive continuous improvement of farm sustainability and profitability by working collaboratively with shellers, buying points, processors, manufacturers, growers, extension, state grower associations, and other industry groups to find areas of improvement.



Develop the framework proactively so that we can navigate our own course as an industry and avoid having an unfamiliar framework imposed upon the U.S. peanut industry.

Climate Smart Agriculture

<https://www.homesteadcapital.com/investment-platform>



*Building Partnerships for Climate-Smart Commodities
in South Carolina*



WHAT IS A CLIMATE-SMART COMMODITY?

“An agricultural commodity that is produced using agricultural (farming, ranching, or forestry) practices to reduce greenhouse gas emissions or sequester carbon”



USDA-NRCS gave \$70M to the Partnership of Clemson University and SC State

- ❑ US government climate-smart task force and climate-smart initiative
- ❑ Climate change is an increasing issue in the US
- ❑ This project is a step towards improving our future

PRACTICES AND INCENTIVES

Project Goal:

Increase acreage and number of farms using climate-smart practices in SC

Pilot Commodities:

PEANUTS

LEAFY GREENS

FORAGES FOR BEEF CATTLE

FOREST PRODUCTS



Climate-Smart Grown In SC: Year One Enrollment

	Peanut	Leafy Greens	Forages for Beef Cattle
# Farms/ Producers	44	77	104
Enrolled Acres by Practice	Cover Crops 7,192 Residue & Tillage Management 7,292	Cover Crops 433 Reduced Till 368 Mulching 176.7	Incorporation of Legumes 4,249 Prescribed Grazing 3,910 Poultry Litter Application 3,807
Farm Size Range	60 - 5,500 acres	0.5 - 2,680 acres	15 – 1,500 acres
Region Distribution	Upper Central, Midlands, Pee Dee, Lowcountry	Upstate, Upper Central, Midlands, Pee Dee, Lowcountry	Upstate, Upper Central, Midlands, Pee Dee, Lowcountry



What is Risk?

- The chance of loss or an unfavorable outcome associated with an action.
- The possibility of something bad happening.
- Uncertainty is not knowing what will happen in the future.
- The greater the uncertainty, the greater the risk.

Five Primary Sources of Risk

Production risk

Market risk

Financial risk

Legal or institutional risk, and

People or personal risk.



Ag Risk & Farm Management Library



The **Ag Risk & Farm Management Library** website collects, categorizes and organizes thousands of Agriculture Risk and Farm Management materials.

We currate agriculture risk and farm management documents, videos and presentations to help you find the information you need.

The Library has several major components including:

- Documents & Videos – 2,000+ documents organized by Production, Marketing, Financial, Legal, and Human Risk topics
- Crop & Livestock Budgets – More than 2,700 crop budgets representing over 280 crops and more than 400 livestock budgets from over 30 states
- Collections – Collections give you access to materials focused on a specific topic or developed as a comprehensive curriculum
- Conference Materials – A continually growing list of presentations from ag conferences

[Visit AgRisk.umn.edu](http://VisitAgRisk.umn.edu)

Extension Risk Management Education is the driving force behind the Ag Risk & Farm Management Library.

ERME Infographic



2024

See how ERME continues to help farmers manage risks to increase profitability

[View the Infographic](#)

[Read Accessible Version of Infographic](#)

Introduction to Risk Management



This handbook was created to improve the risk management skills of American farmers & ranchers

[Read the handbook](#)

<https://extensionrme.org/AgRiskLibrary>

Production Risk

Any production related activity or event that has a range of possible outcomes is a production risk.

The major sources of production risks:

Weather & climate changes,

Pests & diseases,

Technology,

Genetics,

Machinery efficiency,

Quality of inputs.

Fire, wind, theft, and other casualties are also sources of production risk.

Spider Man Is Stealing Hemp In South Carolina



Published 2 months ago on September 24, 2018

By FITSNews 



  hope_hemp

Marketing Risks

Marketing risk is any market related activity or event that leads to the variability of prices farmers receive for their products or pay for production inputs.

Access to markets is also a marketing risk.

Financial Risks

Financial risk encompasses those risks that threaten the financial health of the business and has four basic components:

- 1) ***The cost and availability of capital;***
- 2) ***The ability to meet cash flow needs in a timely manner;***
- 3) ***The ability to maintain and grow equity;***
- 4) ***The ability to absorb short-term financial shocks.***

Legal Risks

The legal issues most commonly associated with agriculture fall into five broad categories:

- 1) *Contractual arrangements,***
- 2) *Business organization,***
- 3) *Laws and regulations,***
- 4) *Tort liability, and***
- 5) *Public policy and attitudes.***

People Risk

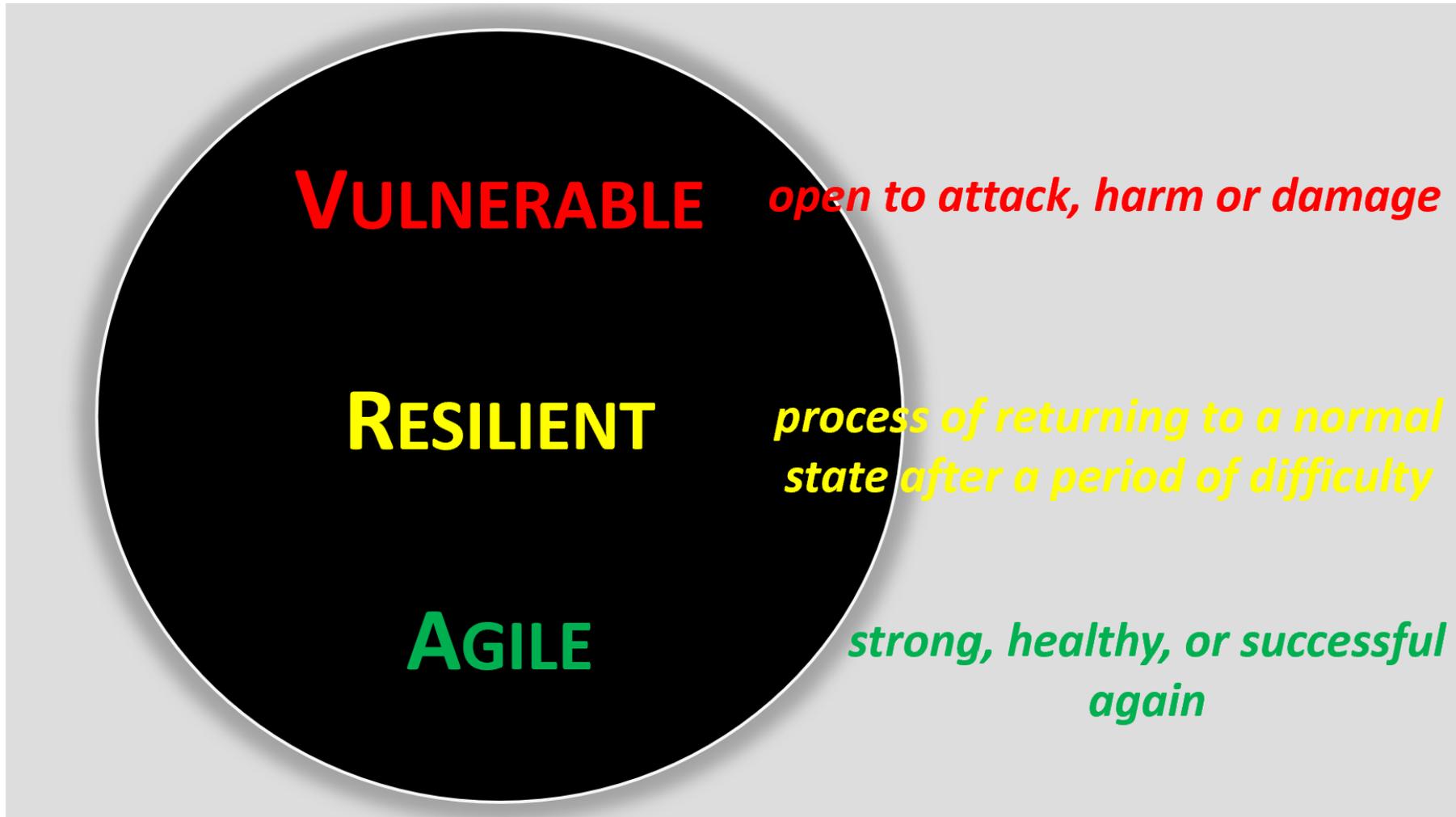
People are both a source of business risk and an important part of the strategy for dealing with risk.

At its core, human risk management is the ability to keep all people who are involved in the business safe, satisfied and productive.

People risk can be summarized into four main categories:

- 1) *Human health and well-being;***
- 2) *Family and business relationships;***
- 3) *Employee management; and,***
- 4) *Transition planning.***

Risk Assessment Tool



Assess:

2026

Risk

Position

Risk Assessment

LEGAL: Have you:

- 1 Reviewed existing business entity structure within the past year?
- 2 Reviewed your financial situation with a business advisor, lender and accountant?
- 3 Reviewed and understood the provisions of all contracts, leases & loans with third parties?
- 4 Reviewed the business exposure to liability arising from:
 - Direct marketing?
 - Public admittance to your property?
 - Environmental & crop protection issues?
 - Water use regulations?
 - Land use issues with neighbors?
- 5 Maintained compliance with government regulations such as:
 - Worker protection?
 - Pesticide use records?
 - Truck and vehicle registrations?
 - Safety inspections?

PEOPLE: Have you:

- 11 Reviewed your personal insurance coverages:
 - Medical and disability
 - Life insurance to cover farm transfer at current values?
 - General liability?
- 12 Conveyed the goals and objectives of the business with
 - Business management team?
 - All family members?
 - All employees?
 - Your attorney, accountant, and lender?
- 13 Confirmed that each team member is fully employed to the extent of his or her education, training and experience?
- 14 Evaluated your risk exposure to employee accidents and dishonesty?
- 15 Provided all employees with comprehensive safety training?

PRODUCTION: Do you have:

- 6 Alternative production methods for existing products?
- 7 Management capability to produce a new or alternative product?
- 8 Fertility or pest protection or rotational restrictions that conflict with any products?
- 9 Access to equipment necessary for producing the products?
- 10 Sufficient crop or livestock insurance coverage in the event of loss?

MARKET: Do you have:

- 16 A WRITTEN marketing plan that coordinates your financial and production plans?
- 17 Knowledge of all marketing opportunities for each product?
- 18 Profitable forward pricing options for products?
- 19 Revenue insurance to manage risk of forward pricing?
- 20 A process for reviewing marketing activities?

FINANCIAL: Have you:

- 21 Developed a WRITTEN business plan that includes:
 - A most likely scenario for the new enterprise and whole business?
 - A worst-case scenario for the business' financial sustainability?
- 22 Determined the cost of production for each enterprise?
- 23 Calculated the break-even market prices for various production levels?
- 24 Evaluated the important financial ratios historically and projected?
 - Profitability
 - Financial Efficiency
 - Debt Repayment Capacity
 - Liquidity
 - Solvency
- 25 Created an advisory team that includes a financial management consultant, lender, accountant, attorney and insurance provider?

Risk Area	Vulnerable < 5	Resilient 5	Agile 5+	Improvement Plan
Legal				
People				
Production				
Market				
Financial				

SWOT Analysis

	INTERNAL	EXTERNAL
	<p>Examine your core competencies</p> <ul style="list-style-type: none"> • What sets your business apart from others? • Unique capabilities of the business • Quality/quantity of resources within your control • Abilities/skills of owners, managers, • Is resource base large enough? • How modern & efficient is the physical plant? 	<p>Vulnerability to outside factors</p> <ul style="list-style-type: none"> • Economic & political change • Domestic & global market forces • Threats to profits/business <ul style="list-style-type: none"> ○ Changing regulations ○ environmental & natural resource constraints • Opportunities <ul style="list-style-type: none"> ○ New technology ○ Changes in lifestyles ○ Changes in consumer habits
P O S I T I V E	<p><u>Strengths</u></p>	<p><u>Opportunities</u></p>
N E G A T I V E	<p><u>Weaknesses</u></p>	<p><u>Threats</u></p>