

# USDA FSA

US Department of Agriculture  
Farm Service Agency

## Farm Loans

# A Great Place to Start

- The paperwork will help you know your operation in a much better way
- USDA doesn't compete with private banks
- They are in a position to take greater risk



# FSA Loan Application

Find the right property

These loans take more than 60  
days

You have to have an accepted  
offer before you start to fill out  
the paperwork.





**\$1,000,000**





# The Loans

<https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/index>

By providing access to credit, FSA's Farm Loan Programs offer opportunities to family-sized farmers and ranchers to:

- Start, improve, expand, transition, market, and strengthen family farming and ranching operations
- Beginning farmers, racial and ethnic minority farmers and women producers
- Value-added, direct sale, organic, and specialty crop operations
- Young People actively involved in agricultural youth organizations needing financial assistance for income-producing, educational, agricultural projects
- Urban farmers and roof-top producers
- Operations using alternative farming methods such as hydroponics, aeroponics, vertical farming, and freight container farming

### Current Interest Rates

Program	Interest Rates
Farm Operating- Direct	2.750%
Farm Operating - Microloan	2.750%
Farm Ownership - Direct	3.750%
Farm Ownership - Microloan	3.750%
Farm Ownership - Direct, Joint Financing	2.500%
Farm Ownership - Down Payment	1.500%
Emergency Loan - Amount of Actual Loss	3.750%

**Effective as of October 1, 2017**



# Available Farm Loans

- Operating Loans
- Micro-Loans
- Direct Farm Ownership Loans (downpayment loan)
- Guaranteed Loans
- Targeted Loan Audience (youth, 4H, educational)
- Minority and Woman Farmers and Ranchers
- Beginning Farmer and Rancher

# But be realistic...

- No Pie in the Sky plans
- Your other experiences do count
- Show you can do the work on a small scale first



# Great Opportunity

- Get ready for lots of paperwork!
- This is where you really get to know your operation!



# Write your business plan

Executive Summary

Company Description

Market Analysis

Sales and Marketing Strategies

Product Challenges

Company Organization

It's often way more people than you think...

(University support, branding support, art  
director, project sourcing expert, attorney,  
insurance agent)

History and Associations





Balance sheet- assets and liabilities  
Income and expense schedules  
Projected Annual Cash Flow  
Livestock inventory  
Three year production history  
Three year financial history  
Description of farm training and experience  
Profit and Loss



# Important

- Find the right real estate agent
- Find the right bank
- Find the right property that has the natural resources for what you want to grow



# What to expect once you get your FSA loan

- Realistic and supportive FSA loan agent that wants you to succeed
- Yearly audits
- Being transitioned to a traditional bank before the term of the FSA loan ends