

## Farm Service Agency

- The Farm Service Agency (FSA) is an agency under the United States Department of Agriculture (USDA).
- FSA's Farm Loan Program has loan programs available to assist existing farmers and ranchers as well as beginning farmers and ranchers

## Farm Loan Programs

- The Agency targets a portion of its loan funds to small and [Beginning Farmers and Ranchers](#) (BF). A beginning farmer is defined as one who:
  - Has not operated a farm or ranch for more than 10 years
  - Does not own a farm or ranch greater than 30 percent of the average size farm in the county as determined by the most current Census for Agriculture
  - Meets the loan eligibility requirements of the program to which he/she is applying
  - Substantially participates in the operation

## TYPES OF LOANS

- Farm Ownership (FO)
  - ✓ \$300,000, up to 40 year term
- Farm Operating (OL)
  - ✓ \$300,000 annual, 1-7 year term
- Emergency Loans (EM)
  - ✓ \$500,000 terms vary
- Youth Loans
  - ✓ \$5,000, 1-7 year term
- Guaranteed Loans
  - ✓ \$1,399,000, terms depends on bank terms

## How Can I Get Started?

- Farm Operating Term Loan (TOL)
  - Purchase of breeding stock and/or equipment
  - Up to \$300,000
  - 1 to 7 year term
- Farm Operating Annual Loan (AOL)
  - Pay annual operating expenses (feed, repair, etc.)
  - Up to \$300,000
  - 1 year

## How Do I Buy a Farm or Ranch?

- Farm Ownership (FO)
  - \$300,000, up to 40 year term
- Participation Loans
  - Joint with other lender or seller
  - At least 50% by another lender the
  - Interest rate 2.5%
  - 40 year term
- Beginning Farmer Down Payment
  - At least 5% Down Payment
  - 45% provided by FSA up to \$300,000 maximum
  - Interest rate is currently 1.5%
  - 20 year term

## Interest Rates

Program	Interest Rates as of November 1, 2015
Farm Operating - Direct	2.50%
Farm Ownership - Direct	3.875%
Farm Ownership - Direct, Joint Financing	2.50%
Farm Ownership - Direct Down Payment, Beginning Farmer/Rancher	1.50%
Emergency Loan - Amount of actual loss	3.50%

# ELIGIBILITY

- Unable to obtain other financing
- Operated a Farm or Ranch for 3 years (Direct FO only)
- Citizen of the United States or qualified alien
- Must be 18 years of age or older (except youth loan)
- Not be delinquent on Federal debt
- Must have acceptable credit history
- Must have acceptable managerial ability
- Must be an operator of a family size farm

# Application Tips

- What kind of operation will you have?
- What do you need to operate your farm?
- How will you market your products?
- How much money do you need to borrow?
- Have a written proposed operating plan (business plan)
- Have financial records available (tax returns, income statements, financial records, and production records)
- Have a copy of your leases or legal description of the property to buy
- Check your credit report
- Write down your goals

# Youth Loans



# Youth Loans

- Organized groups might be 4-H Clubs, Future Farmers of America, Vo-Ag, or similar organizations
- 10 to 21 years old



# Youth Loans

- The maximum amount for FSA youth loans is \$5,000.00 (principal balance).

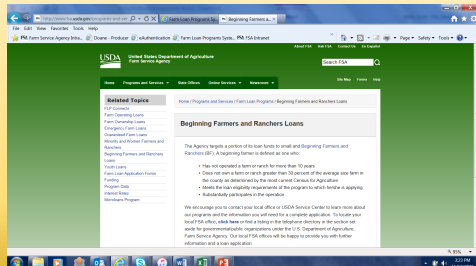
Funds can be used to buy livestock, equipment, and supplies; buy, rent, or repair needed tools and equipment; and pay operating expenses for running the project.



# Additional Information

- Local FSA Office
- Local Extension Service
- Neighbors, Relatives, Friends
- Websites:
  - FSA's Beginning Farmer and Ranchers
  - Start2Farm
  - USDA New Farmers web page

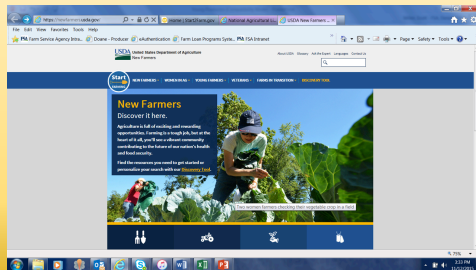
[www.fsa.usda.gov/programs-and-services/farm-loan-programs/beginning-farmers-and-ranchers-loans/index](http://www.fsa.usda.gov/programs-and-services/farm-loan-programs/beginning-farmers-and-ranchers-loans/index)



<http://start2farm.gov/>



<https://newfarmers.usda.gov/>



## Where to Apply

<http://offices.sc.egov.usda.gov/locator/app?state=co&agency=fsa>

