

**Financial Products for Farmers**

1. **IRC’s Microenterprise Loan**

Clients can access microcredit from IRC offices operating microenterprise loan ranging from $300 to $15,000 if they qualify. Phoenix and San Diego offices have a robust microloan program for our clients. San Diego will soon be able to serve all IRC offices in California. Farmers in California and Phoenix should contact IRC offices for more information.

1. **Individual Development Account**

This is a program that helps farmers save for certain period of time (minimum of 6 months) and have their savings 100% matched so that they can use it for their farming businesses. Single farmer can save up to $2,000 and a couple up to $4,000. Please contact your MicroE department for more detail.

1. **Farm Service Agency**

FSA makes direct and guaranteed farm ownership and operating loans to family-size farmers and ranchers who cannot obtain commercial credit from a bank, Farm Credit System institution, or other lender. FSA loans can be used to purchase land, livestock, equipment, feed, seed, and supplies. Loans can also be used to construct buildings or make farm improvements.

For more information please go to: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=landing>

**Before applying for an FSA loan, make sure you know the type of loan you want. You may need to apply for more than one type of loan too. The following are the common types of loans.**

1. **Farm Ownership loans:**  will help you purchase or enlarge a farm or ranch, construct a new or improve an existing farm or ranch building, pay closing costs, and pay for soil and water conservation and protection.
2. **Operating loans:**  will help you purchase livestock and equipment and pay for minor real estate repairs and annual operating expenses.
3. **Emergency loans**: will help you if you suffered a qualifying loss caused by natural disasters that damaged your farming or ranching operation. Emergency loan funds may be used to restore or replace essential property; pay all or part of production costs associated with the disaster year, pay essential family living expenses, reorganize the farming operation, and refinance certain debts.
4. **Conservation loans:** will help you complete a conservation practice in an approved conservation plan.
5. **Land contract guarantees:**  provide certain financial guarantees to the seller of a farm or ranch through a land contract sale to a beginning or socially disadvantaged farmer or rancher.

**Farm Loan Programs Information Chart**

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| **Type of Loan** | **Maximum Loan Amount** | **Rate and Terms** |
| Direct Farm Ownership | $300,000 | ● Term: Up to 40 years ● Interest rate: fixed\*\* |
| Direct Down Payment | The lowest of the following:● 45% of the farm or ranch purchase price● 45% of the appraised value● $225,000 | ●Term: Up to 20 years ● Interest rate: fixed\*\* |
| Direct Operating | $300,000 | ● Term: 1 to 7 years ● Interest rate: fixed\*\* |
| Direct Emergency | The lowest of the following:● 100% actual or physical losses● $500,000 | ● Term: 1 to 7 years (possibly up to 20 years) for non-real estate purposes● Up to 40 years for physical losses on real estate● Interest rate: fixed\*\* |
| Guaranteed Farm Ownership | The maximum loan amount is adjusted annually for inflation\* | ● Term: Up to 40 years ● The interest rate is negotiated by you and your lender. |
| Guaranteed Operating | The maximum loan amount isadjusted annually for inflation\* | ● Term: 1 to 7 years ● The interest rate is negotiated by you and your lender. |
| Guaranteed Conservation | The maximum loan amount isadjusted annually for inflation\* | ● Term: Up to 20 years ● The interest rate is negotiated by you and your lender. |

Source: <http://www.fsa.usda.gov/Internet/FSA_File/fsa_br_01_web_booklet.pdf>

\* To determine the maximum loan limit for the current year, please check with your local

FSA loan officer at: <http://offices.sc.egov.usda.gov/locator/app>; <http://www.fsa.usda.gov/Internet/FSA_File/guaranteed_farm_loans.pdf>.

\*\* Direct loan interest rates are adjusted monthly and are posted online at

http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=fi r

 and at your local FSA office. Once your loan is closed, the interest rate is fixed at the rate in effect on the date of loan approval or loan closing, whichever is lower.

For more information on different types of loan, please go to the following links:

* Farm Loan Program Information:

[http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=landing(link is external)](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=landing)

* Loans for Beginning Farmers and Ranchers:

[http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=bfl(link is external)](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=bfl)

* Minority and Women Farmers and Ranchers,  [http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=sdl(link is external)](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=sdl)
* Microloans,  [http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=dflop(link is external)](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=dflop)

**Eligibility Requirements for Direct Loans (farm ownership, operating, emergency)**

For information on the eligibility requirement of the FSA loans, please see the attachment or the handbook: <http://www.fsa.usda.gov/Internet/FSA_File/fsa_br_01_web_booklet.pdf>

1. **KivaZip (www.kivazip.org)**

KivaZip is a new project of the international development organization, Kiva. They provide 0% interest loans with a 6-month grace period for agricultural projects. New borrowers can request up to $5000. Loans are made under the premise of “lending circles” in that borrowers have to first show support from their own networks. Then, the remainder of the loan is crowd funded through Kiva’s online community of lenders. To be a successful KivaZip participant, IRC staff would most likely need to provide support/assistance in navigating the process and in developing the online profile. [www.kivazip.org](http://www.kivazip.org)

1. **Farm Credit System Institutions**

There are many farm credit institutions giving loan for businesses to farmers, ranchers, agribusiness, etc. Please check the following websites.

<http://www.fca.gov/info/directory.html>

<http://www.fca.gov/info/organization.html>

<http://www.farmcreditnetwork.com/about>

<http://www.usda.gov/wps/portal/usda/usdahome?navid=HOUSING_ASSISTA>

<http://www.farmcreditnetwork.com/about>

1. **American Bankers Association:** Many members of theABA provide agricultural loans or provide credit and other financial services to those living and working in rural America for nearly 100 years. . Below is the list of the top 1000 banks that give loans to farmers.

 <http://www.aba.com/Tools/Research/Documents/Top100AgBanksbyDollarVolume.pdf>

**Most of these loans have eligibility similar to regular loans.**

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