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(Neb.)-New Microloans Expand Small Farm Finance Options



By: Roxie Graham-Marski Posted at: 01/31/2013 10:31 AM

(LINCOLN)-New and beginning farmers and ranchers in Nebraska now have the opportunity to apply for an agricultural Microloan credit option. The U.S. Department of Agriculture's Farm Service Agency (FSA) has announced the new program designed to help farmers and ranchers with credit needs of \$35,000 or less. The loan features a streamlined application and simplified qualification process built to fit the needs of new and smaller producers.

"This innovative offering will be more customer-friendly than our larger, more traditional loan programs," said State Executive Director Dan Steinkruger. "Farms and ranches seeking a smaller loan for start-up or operational needs now have a great new tool to consider. For those selling at Farmers' Markets or through community-supported agriculture operations (CSAs), a Microloan might serve their needs perfectly. And the reduced paperwork associated with the new Microloan will help expedite the process for everyone."

In 2012, the Farm Service Agency provided \$186.8 million in farm loan assistance to agricultural producers of all sizes in Nebraska. That year, operating loans accounted for the majority of the loans extended (1,411 loans for \$95.4 million), while farm ownership loans were fewer (315 loans for \$91.5 million). In 2012, 64% of all FSA direct and guaranteed farm loans were made to Nebraska beginning farmers and ranchers.

"The interest rate of 1.25 percent on the new FSA Microloan is also a great benefit for farmers and ranchers who are just starting out, in need of capital and on a tight budget," according to Steinkruger. "Producers in every Nebraska county can contact their nearest FSA office for details and to determine if they qualify for a Microloan." The Microloan term can be up to seven years.

In response to tighter financial markets, USDA has expanded the availability of farm credit, helping farmers refinance loans across the U.S. Since 2009, USDA has provided more than 128,000 loans to family farmers totaling more than \$18 billion. Over 50 percent of the loans went to beginning and socially disadvantaged farmers and ranchers.

For more information on Microloans and other FSA programs, please contact your local USDA Service Center. Questions may be directed to the Dawes/North Sioux County Office in Chadron at 432-4616, the Sheridan County Office in Rushville at 327-2489, or the Box Butte County Office in Alliance at 762-4322.

--Farm Service Agency