



FSA Farm Loans: Lender of First Opportunity

Welcome.

USDA/Farm Service Agency

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FSA Farm Loans: Lender of First Opportunity

Who We Help



We energetically target groups such as:

- Beginning farmers
- Socially disadvantaged farmers (women, minorities)

We look outward and also help:

- Farmers who have commercial credit but have hit hard times and now require a safety net
- A diversified farmer with several operations on one farm
- Value-added farming operations
- Organic and specialty farmers
- Multi-generational family farm
- Modernizing and expanding farmers





FSA Farm Loans: Lender of First Opportunity

FSA helps thousands of *Wisconsin* farm families....

- o 3,260 farm families with \$510 million of direct loans
- o 2,024 farm families with a \$953 million of guaranteed loans

..... Less than 1.2% past due on payments

(Statistics as of 12/31/13)





FSA Farm Loans: Lender of First Opportunity

We offer more than just loans.

Farm Planning

- o New, young, socially disadvantaged farmers and emerging agricultural enterprises
- o Get on the right track with our farm planning services
- o The success of our customers is the cornerstone of our business

Financial Counseling

- o Professionals with training and backgrounds in lending and agriculture.
- o Customers gain a sounding board and source of guidance





FSA Farm Loans: Lender of First Opportunity

How we do it is even more important.

Sustained Service

- o Staying with the customer long after the loan is closed
- o Monitoring the customer's financial progress
- o A safety net for returning to Farm Loan Programs after graduating to commercial credit
- o Flexible in tough times

In addition to loans, we also offer customers a support team.

- o We treasure our customers and the values of family farms.
- o We put our customers first and help them succeed.
- o Many types of loan options.
 - o Farm planning and counseling.
 - o Supervised credit and assistance.
 - o Sustained financial planning services.





FSA Farm Loans: Lender of First Opportunity

FSA Has Two Primary Types of Loans.

Direct Loans

- o FSA loan officer works directly with you
- o Comprehensive financial planning services
- o Repayment terms tailored to you.
- o Low interest, extended repayment

Operating, Youth and Real Estate

Guaranteed Loans

- o Talk directly with a lender, like a bank, farm credit, credit union.
- o FSA acts like a “co-signor” in case of loss to lender
- o Fall short of lender’s normal standards due to repayment or collateral
- o Repayment terms are usually the lender’s.

Operating and Real Estate





FSA Farm Loans: Lender of First Opportunity

General qualifications for all loans.

- o Be family-sized *farm*, not just a rural residence
- o Experience or education
- o Decent credit history
- o Collateral
- o Business plan/cash flow that shows you can repay the loan and everything else





FSA Farm Loans: Lender of First Opportunity

Direct Farm Loans.



Borrowing directly from the US government.

- o Government loan, government money.
- o Small to larger operations, expansions.





FSA Farm Loans: Lender of First Opportunity

Direct Farm Loans.

MicroLoans.

- o Buy livestock, equipment, crop inputs, feed, expenses, refinance debt
- o Low, fixed interest rate (2.00% as of 2/1/14)
- o Repayment terms tailored to your operation. Typically 1 – 7 years.
- o Maximum of \$35,000
- o Collateral – Value must last the term of repayment
- o *Streamlined application process*





FSA Farm Loans: Lender of First Opportunity

Direct Farm Loans.

Operating Loans.

- o Buy livestock, equipment, crop inputs, feed, expenses, refinance debt
- o Low, fixed interest rate (2.00% as of 2/1/14)
- o Repayment terms tailored to your operation. Typically 1 – 7 years.
- o Maximum of \$300,000
- o Collateral





FSA Farm Loans: Lender of First Opportunity

Direct Farm Loans.

Youth Loans.

- o Teach responsibility, caretaking, money
- o 4-H or FFA Project
- o Low, fixed interest rate (2.00% as of 2/1/14)
- o Repayment terms tailored to the project.
- o Maximum of \$5,000





FSA Farm Loans: Lender of First Opportunity

Direct Farm Loans.

Real Estate Loans.

- o Purchase farmland, building sites, construction, repair
- o Low, fixed interest rate depending on program
(1.5% - 5% as of 2/1/14)
- o Repayment terms tailored to you, usually 20 - 30 years.
- o Maximum of \$300,000
- o Collateral
- o Popular for generational transfers





FSA Farm Loans: Lender of First Opportunity

Guaranteed Farm Loans.



Partners With Local Lenders.

- o Directly from your lender.
- o Lender's loan, lender's money.
- o Small to larger operations, expansions.
- o Maximum of \$1,355,000 (as of 10/1/13)





FSA Farm Loans: Lender of First Opportunity

Guaranteed Farm Loans.

Operating Loans.

- Up to \$1,355,000 (as of 10/1/13)
- Buy livestock, equipment, crop inputs, general operating expenses.
- Usually 1 – 7 years
- Line of credit available





FSA Farm Loans: Lender of First Opportunity

Guaranteed Farm Loans.

Real Estate Loans.

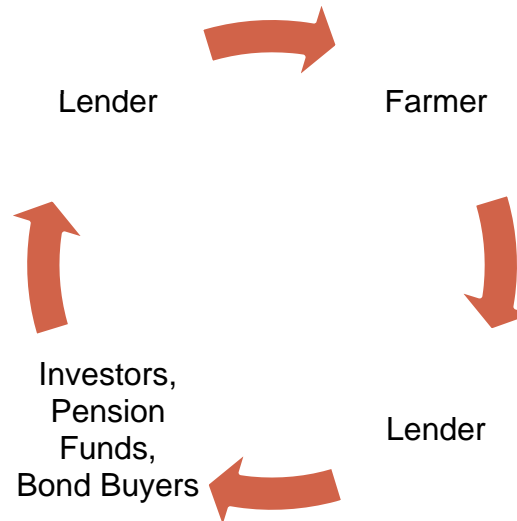
- o Up to \$1,355,000 (as of 10/1/13)
- o Buy farmland, construction, repairs, refinancing.
- o Usually 20 - 30 years
- o Popular now to be sold on **secondary market to lock in interest rates for a long period of time.**



Guaranteed Farm Loans.

Real Estate Loan Secondary Market.

- o Long-term fixed rates unheard of with ag loans.
- o Monthly variable all the way to 30 year fixed.





FSA Farm Loans: Lender of First Opportunity

Our Promise.



We'll do what it takes to be the lender of first opportunity for agricultural producers in our community.





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Contact Us.



On the web: www.fsa.usda.gov/wi

Phone number in “US Gov’t” section





United States Department of Agriculture

Farm Service Agency

Non-Insured Crop Disaster Assistance Program for Aquaculture



United States Department of Agriculture

Non-Insured Crop Disaster Assistance Program (NAP)

The Farm Bill that was recently passed into law did make some changes to the NAP program. Please contact your local Farm Service Agency office in the coming months for additional information regarding these changes as they are published and implemented.



United States Department of Agriculture

Non-Insured Crop Disaster Assistance Program (NAP)

The NAP program provides coverage for crops that are not eligible for coverage through the Federal Crop Insurance Program. Aquaculture is eligible for NAP coverage.



What kind of coverage does NAP provide for aquaculture?

For NAP purposes, aquaculture is considered a “value loss” crop. This means that the amount of loss is determined based on the dollar value of the inventory before and after the disaster



What kind of coverage does NAP provide for aquaculture?

- Under current rules, a payment would be issued if the “value ” of the inventory after a loss decreased by more than 50% as compared to the “value” of the inventory immediately before the loss. Payments are issued at 55% of the FSA determined value of the inventory.
- The loss must exceed 50% by pay group. Loss of one type of fish or age of fish, when the policy contains multiple types and ages, does not necessarily mean that losses will exceed 50%.



What does NAP coverage cost?

The current cost is \$250 per “crop” per year. Most species of aquaculture are considered one “crop” and therefore only one \$250 fee is required



United States Department of Agriculture

By when must I buy NAP coverage?

The deadline for 2014 coverage has passed. If you would like coverage for 2015, it must be purchased by no later than September 1, 2014.



What are my obligations if I purchase NAP coverage?

- You must certify your inventory by no later than September 30, 2014 (gallons, pounds or inches by species)
- You must notify us of any loss within 15 days of the occurrence of the loss or within 15 days of when the loss becomes apparent (the coverage year begins the later of September 1, 2014 or 30 calendar days after you purchase the coverage and ends no later than September 30, 2015)
- Inventories should be maintained on a regular basis through out the crop year indicating the species size and number of fish present. Inventories will be requested if a notice of loss is filed for any disaster that occurs.



What type of species are eligible for NAP coverage?

- any species of aquatic organisms grown as food for human consumption
- fish raised as feed for fish that are consumed by humans
- ornamental fish propagated and reared in an aquatic medium



What are other NAP program requirements?

- must be raised by a commercial operator on private property
- must be raised in water in a controlled environment. A controlled environment is an environment in which everything that can practicably be controlled with structures, facilities, growing media (including but not limited to water and nutrients) by the producer, is in fact controlled by the producer, as determined by industry standards.



What are other NAP program requirements?

- the producer must own or lease the property with readily identifiable boundaries
 - the producer must have control of the waterbed
 - the producer must not have control over only a column of water
 - the producer of the facility is free to conduct operations without interference from other persons
 - the producer must be in compliance with USDA highly erodible land and wetland conservation provisions



Eligible species must be:

- placed in the facility by the producer and must not be growing naturally in the facility. Species indigenous to the facility are not eligible.
- planted or seeded on the property in containers, wire baskets, net pens, or similar device designed for the protection and containment of the seeded species.



Flood prevention, including, but not limited to:

- placing the facility in an area not prone to flood
 - in the case of raceways, devices or structures designed for the control of water level



Growing media providing an aquatic medium that:

- provides nutrients necessary for the production of the species
- protects the species from harmful species or chemicals



Fertilization or feeding :

Evidence must be provided by the producer at the request of FSA. FSA must be satisfied that the producer has an adequate supply of vitamins, minerals, or chemicals designed for the control of water quality and application equipment



Irrigation and water quality:

Aquacultural operators shall have systems and practices in place to ensure that the species have adequate, quality water or aquatic medium. This includes having equipment designed to control the chemical balance and oxygenation of water.



Predator control:

Losses of aquacultural species because of pressure from other aquatic or nonaquatic species or man should not be a major factor if the following good aquacultural practices are followed:

- the aquacultural species are not placed in an area prone to suffer loss from predators
- the aquacultural species are placed in an environment designed to prevent loss from predators



Disease control:

Disease is not a recognizable cause of loss unless disease in the aquacultural species can be tied to damaging weather or other adverse natural occurrence. The operator of the aquacultural facility should have implemented an effective disease control program.



If you suffer a loss you may be required to provide documentation that shows/indicates:

- feeding and fertilization
- reproduction
- hatchery operation
- production, inventory, or both
- predator control
- leases
- water quality
- stocking
- onsite specialized equipment
- production site preparation
- any other requested documentation



Ineligible Disaster Conditions:

The loss of eligible species must be a **direct** result of natural disaster. Losses because of managerial decisions or losses of species normally incurred in the production cycle of the species, that is, normal death losses, are not eligible. NAP does **not** provide protection against:

- brownout
- failure of power supply
- the inability to market species as a result of quarantine, boycott, or refusal of a buyer to accept production
- units that are not growing environments completely meeting the requirements as specified in previous slides
- collapse or failure of equipment or apparatus used in the facility

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