Through their farm loan and disaster assistance programs, the Farm Service Agency is able to provide the following assistance to farmers of both land and water: options to mitigate risk of loss, access to critical working capital for operating needs, making improvements, purchasing equipment and constructing storage facilities.

LENDING
USDA’s Farm Service Agency (FSA) provides direct and guaranteed farm ownership and operating loans for farmers of all kinds. Direct loans are made by FSA. Guaranteed loans are made by banks, credit unions, or other lenders, with a guarantee against significant loss of principal or interest on a loan made by FSA.

Loan Purposes – Direct and guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, or promote soil and water conservation. Direct and guaranteed operating loans can be used to purchase equipment, feed, seed, fuel, insurance or other operating expenses. Operating loans can also be used to pay for minor improvements to buildings, costs associated with land and water development, and to refinance debts under certain conditions.

Loan Terms – Repayment terms and interest rates vary according to the type of loan made, but operating loans are normally repaid within seven years and farm ownership loans cannot exceed forty years. Interest rates are calculated monthly, and are the lowest rates in effect at the time of loan approval or loan closing. You can find the current interest rates on the FSA website. The maximum loan amount a farmer can receive for a direct operating or ownership loans is $300,000 and for a guaranteed loan is a combined limit of $1.392 million (2015), a rate adjusted for inflation each year.

RISK MANAGEMENT
The Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to growers of non-insurable crops (including aquaculture) to protect against natural disasters that result in lower yields or crop losses. NAP provides catastrophic level (CAT) coverage based on the amount of loss that exceeds 50% of expected production at 55% of the average market price for the crop. The 2014 Farm Bill authorizes additional coverage levels ranging from 50 to 65% of production, in 5% increments, at 100% of the average market price. Additional coverage must be elected by a grower by the application closing date. Growers who elect additional coverage must pay a premium in addition to the service fee.

STORAGE
The Farm Storage Facility Loan Program (FSFL) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities. The maximum principal amount of a loan through FSFL is $500,000. Participants are required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and handling equipment. Loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the U.S. Treasury Department.

Further information is available at your local FSA office or on our website www.fsa.usda.gov/me.