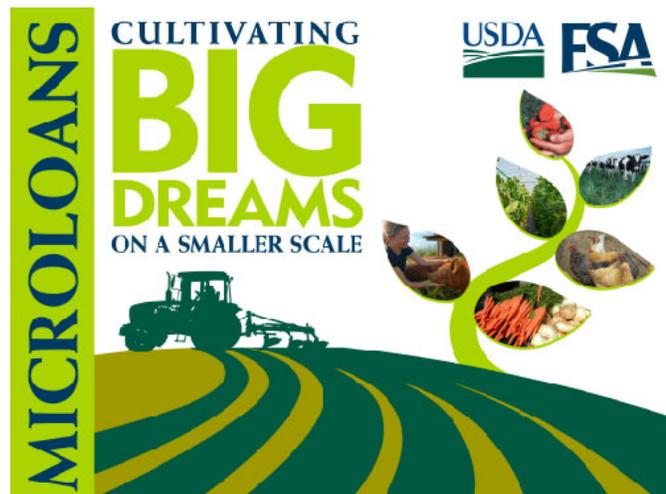


New USDA Microloans Expand Small Farm Finance Options

By Val Dolcini, State Executive Director of the USDA Farm Service Agency in California
02/07/2013 - CA Certified Organic Farmer Web Blog

There's a new USDA loan program that might be the perfect fit for beginning farmers and ranchers seeking access to capital. On January 15, the USDA Farm Service Agency rolled out a new Microloan program designed to help farmers and ranchers with credit needs of \$35,000 or less. This new credit tool simplifies and streamlines the process for farmers obtaining loans under \$35,000; it cuts the paperwork burden in half and is built to fit the needs of smaller-scale farmers and ranchers.

According to the 2007 Census of Agriculture, 71% of all farm operations gross less than \$25,000 per year. These farmers and ranchers are not typically served by agricultural lenders and may in fact have difficulty obtaining financing from commercial banks. The Microloan program is designed to better serve the unique capital needs of these operations. For growers who sell their crops at farmers' markets or through Community Supported Agriculture operations (CSAs), the Microloan program could be a great financial option to consider.



Farmers can use Microloan funds to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation supplies, delivery vehicles, and annual expenses such as seed, utilities, land rents, marketing, and distribution expenses. The current interest rate for Microloans is 1.25%, which is also a great benefit for farmers and ranchers who are just starting out, need capital, and are operating on a tight budget.

Val Dolcini, State Executive Director of the USDA Farm Service Agency in California, has challenged his loan teams to aggressively market this new loan program, and encourages interested farmers and ranchers to contact him directly. For more information, please visit California's FSA website at www.fsa.usda.gov/ca.