



News Release

Release No.:

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USDA Expands Access to Credit to Help More Beginning and Family Farmers *Changes Increase Eligibility and Financing Options for Hard Working Families*

WASHINGTON, Oct. 7, 2014 – Agriculture Deputy Secretary Krysta Harden today announced that the U.S. Department of Agriculture (USDA) will improve farm loans by expanding eligibility and increasing lending limits to help more beginning and family farmers. As part of this effort, USDA is raising the borrowing limit for the microloan program from \$35,000 to \$50,000; simplify the lending processes; updating required “farming experience” to include other valuable experiences; and expanding eligible business entities to reflect changes in the way family farms are owned and operated. The changes become effective Nov. 7.

“USDA is continuing its commitment to new and existing family farmers and ranchers by expanding access to credit,” said Harden. “These new flexibilities, created by the 2014 Farm Bill, will help more people who are considering farming and ranching, or who want to strengthen their existing family operation.”

The microloan changes announced today will allow beginning, small and mid-sized farmers to access an additional \$15,000 in loans using a simplified application process with up to seven years to repay. Microloans are part of USDA’s continued commitment to [small and mid-sized farming operations](#).

In addition to farm related experience, other types of skills may be considered to meet the direct farming experience required for farm loan eligibility such as operation or management of a non-farm business, leadership positions while serving in the military, or advanced education in an agricultural field. Also, individuals who own farmland under a different legal entity operating the farm now may be eligible for loans administered by USDA’s Farm Service Agency (FSA). Producers will have an opportunity to share suggestions on the microloan process, and the definitions of farming experience and business structures through Dec. 8, 2014, the public open comment period.

FSA is also publishing a *Federal Register* notice to solicit ideas from the public for pilot projects to help increase the efficiency and effectiveness of farm loan programs. Comments and ideas regarding potential pilot projects will be accepted through Nov. 7, 2014.

Since 2010, USDA has made a record amount of farm loans through FSA — more than 165,000 loans totaling nearly \$23 billion. More than 50 percent of USDA’s farm loans now go to beginning farmers. In addition, USDA has increased its lending to socially-disadvantaged producers by nearly 50 percent since 2010.

These programs were made possible by the 2014 Farm Bill, which builds on historic economic gains in

rural America over the past five years, while achieving meaningful reform and billions of dollars in savings for taxpayers. Since enactment, USDA has made significant progress to implement each provision of this critical legislation, including providing disaster relief to farmers and ranchers; strengthening risk management tools; expanding access to rural credit; funding critical research; establishing innovative public-private conservation partnerships; developing new markets for rural-made products; and investing in infrastructure, housing and community facilities to help improve quality of life in rural America. For more information, visit www.usda.gov/farmland.

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