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Recovery Act Allocates Millions for Direct Operating Loans to Farmers and Ranchers

(Jackson, MS), March 9, 2009 – Ricky Carnegie, Acting State Executive Director for USDA's Farm Service Agency in Mississippi announced today that FSA will immediately use \$145 million of the \$173 million provided in the Recovery Act for its Direct Operating Farm Loan Program, which will give 2,042 farmers - almost 50% are beginning farmers and 10% are socially disadvantaged producers - direct loans from the agency. "These loans will be used to purchase items such as farm equipment, feed, seed, fuel and other operating expenses and will stimulate rural economies by providing American farmers funds to operate," said Carnegie.

The maximum loan amount for FSA Direct loans is \$300,000. Applicants who meet all eligibility requirements will be considered.

In keeping with the president's goal for the Recovery Act, this loan funding is intended for proper investment into the agricultural sector, to benefit both family farmers and rural economies. The Recovery Act was designed to preserve or create millions of jobs throughout the country and these loans help ensure that recipients remain financially viable and local agri-businesses benefit from direct purchases.

Here is a hypothetical example of purchases made with a \$100,000 direct operating loan:

- Used Farm Tractor: \$45,000
- Livestock: \$18,000
- Seed: \$15,000
- Fertilizer: \$10,000
- Fuel: \$12,000

The effect of this loan reaches the local implement dealership, sale barn, the grain seed distributor, the fertilizer distributor and a local fuel dealership.

For specific information on direct operating loans and other FSA farm loan programs, please visit your FSA county office or our website at <http://www.fsa.usda.gov>.