# USDA Announces January 2025 Lending Rates for Agricultural Producers

**News Release | | January 02, 2025**

WASHINGTON, Jan. 2, 2025 - The U.S. Department of Agriculture (USDA) announced loan interest rates for January 2025, which are effective Jan. 1, 2025. USDA Farm Service Agency (FSA) loans provide important access to capital to help agricultural producers start or expand their farming operation, purchase equipment and storage structures or meet cash flow needs.

"I encourage our lenders and borrowers alike to work with our local offices and our cooperators to capitalize fully on the existing flexibilities offered through these important programs," said FSA Administrator Zach Ducheneaux.

**Operating, Ownership and Emergency Loans**

FSA offers farm ownership, operating and emergency loans with favorable interest rates and terms to help eligible agricultural producers obtain financing needed to start, expand or maintain a family agricultural operation.

Interest rates for Operating and Ownership loans for January 2025 are as follows:

- Farm Operating Loans (Direct): 5.125%
- Farm Ownership Loans (Direct): 5.625%
- Farm Ownership Loans (Direct, Joint Financing): 3.625%
- Farm Ownership Loans (Down Payment): 1.625%
- Emergency Loan (Amount of Actual Loss): 3.750%

FSA also offers guaranteed loans through commercial lenders at rates set by those lenders. To access an interactive online, step-by-step guide through the farm loan process, visit the Loan Assistance Tool on farmers.gov.

**Commodity and Storage Facility Loans**

Additionally, FSA provides low-interest financing to producers to build or upgrade on-farm storage facilities and purchase handling equipment and loans that provide interim financing to help producers meet cash flow needs without having to sell their commodities when market prices are low. Funds for these loans are provided through the Commodity Credit Corporation (CCC) and are administered by FSA.

- Commodity Loans(less than one year disbursed):5.250%
- Farm Storage Facility Loans:
- Three-year loan terms: 4.125%
- Five-year loan terms: 4.125%
- Seven-year loan terms: 4.250%
- Ten-year loan terms: 4.250%
- Twelve-year loan terms: 4.375%
- Sugar Storage Facility Loans (15 years): 4.500%

**Farm Loan Program Process Improvement**

FSA announced significant changes to Farm Loan Programs through the Enhancing Program Access and Delivery for Farm Loans rule. These policy changes took effect Sept. 25, 2024, and are designed to better assist borrowers to make strategic investments in the enhancement or expansion of their agricultural operations.

FSA also has a significant initiative underway to streamline and automate the Farm Loan Program customer-facing business process. FSA has made various improvements including:

- The Distressed Borrowers Assistance Network, an initiative designed to provide personalized support to financially distressed farmers and ranchers across the nation.
- The Online Loan Application, an interactive, guided application that is paperless and provides helpful features, including an electronic signature option, the ability to attach supporting documents, such as tax returns, complete a balance sheet and build a farm operating plan.
- The Loan Assistance Tool that provides customers with an interactive online, step-by-step guide to identifying the direct loan products that may be a fit for their business needs and to understanding the application process. The tool was recently updated to include features tailored specifically to meet lender needs. The tool allows users to access all resources by identifying themselves as either a producer or lender.
- The Debt Consolidation Tool that allows producers to enter their farm operating debt and evaluate the potential savings that might be provided by obtaining a debt consolidation loan with FSA or a local lender.

- An online direct loan repayment feature that relieves borrowers from the necessity of calling, mailing or visiting a local Service Center to pay a loan installment.
- A simplified direct loan paper application, reduced from 29 pages to 13 pages.
- An educational hub with farm loan resources and videos.

**More Information**
Since the Inflation Reduction Act was signed by President Biden in August 2022, USDA's Farm Service Agency has provided approximately $2.5 billion in immediate assistance to more than 47,800 distressed borrowers. Visit the Inflation Reduction Act Assistance for Distressed Borrowers webpage for more information.

To learn more about FSA programs, producers can contact their local USDA Service Center. Producers can also prepare maps for acreage reporting as well as manage farm loans and view other farm records data and customer information by logging into their farmers.gov account. Producers without an account can sign up today.

FSA helps America's farmers, ranchers and forest landowners invest in, improve, protect and expand their agricultural operations through the delivery of agricultural programs for all Americans. FSA implements agricultural policy, administers credit and loan programs, and manages conservation, commodity, disaster recovery and marketing programs through a national network of state and county offices and locally elected county committees. For more information, visit fsa.usda.gov.

USDA touches the lives of all Americans each day in so many positive ways. Under the Biden-Harris administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit usda.gov.


## Farm Service Agency:

1400 Independence Ave.
SW Washington, DC 20250

## Contact:

FPAC Press Desk

FPAC.BC.Press@usda.gov