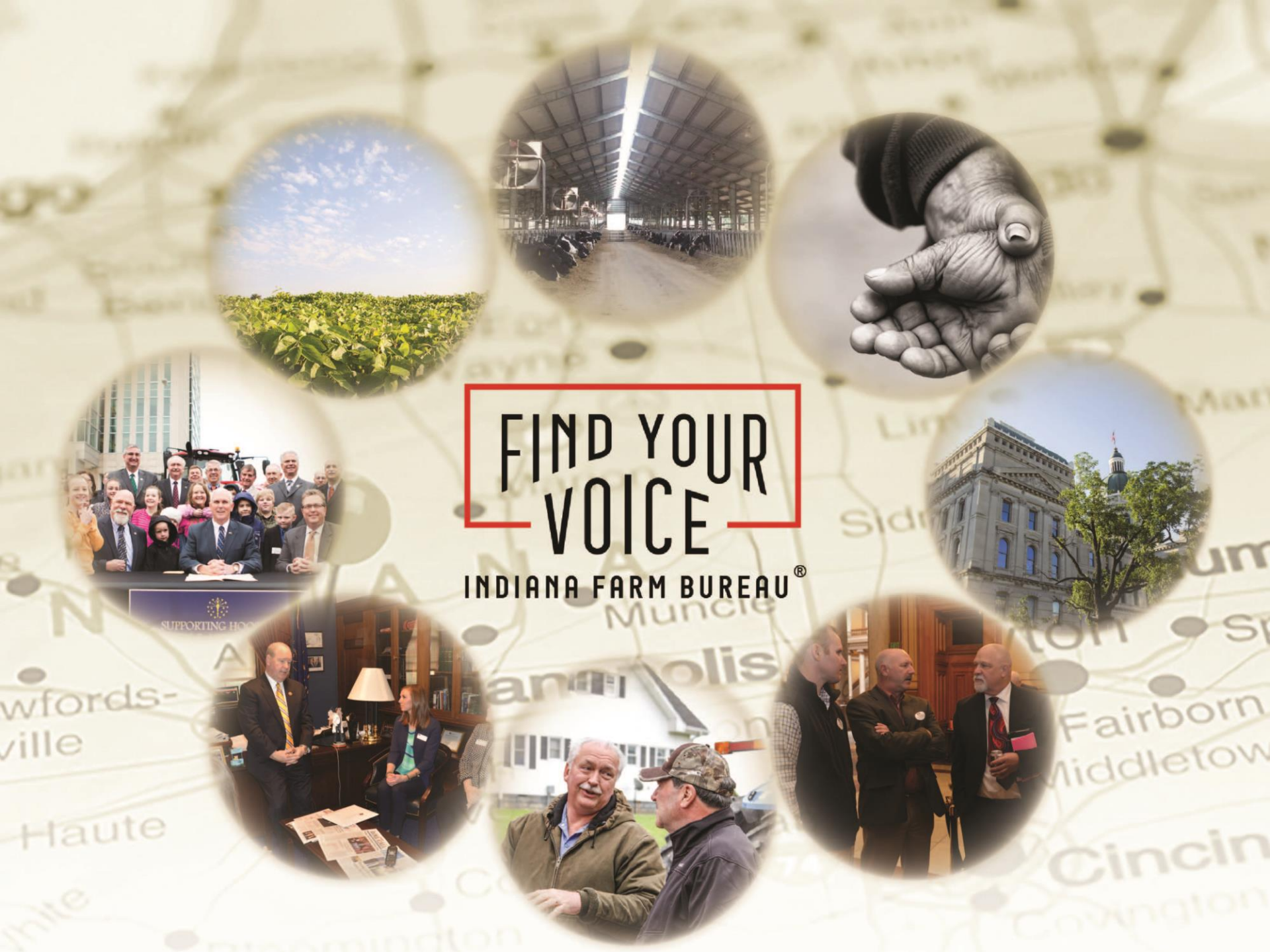




# FIND YOUR VOICE

INDIANA FARM BUREAU®



# Questions to Consider

- What are the goals for Indiana's future in agriculture?
- Given the farm economic conditions, what do farmers need help with?
- What are your farm's priorities moving forward?
- What role do you see yourself having in the next years related to agriculture?
- What role would you like to see the Farm Bill play?

# V. Credit

# Increase Availability of Agricultural Credit

## Issue

- Demand for credit is rising, but commercial lenders are disqualifying more farmers for regular credit
- FSA (lender of last resort) experienced significantly higher demand for direct loans and guarantees during farm economy downturn
- In FY 2016 funds are expected to cover only about 30% of the need
- Direct loan statute capped at \$300,000\*
  - 75% farm ownership loan funding reserved first 11 months of year
  - 50% operating loan funding reserved first 11 months of the year
- Guaranteed loans statute capped \$1,392,000 per borrower\*
  - 40% both ownership & operating for first 6 months of FY
- Direct emergency loans are available during/after natural disasters

\*Limits are adjusted annually for inflation

# Increase Availability of Agricultural Credit

## 2014 Farm Bill Changes

- Gave USDA discretion to allow alternative legal entities to qualify for farm ownership loans
- Granted USDA discretion to allow alternatives to meet 3-year experience requirement for direct loans
- Created microloan programs
- Eliminated term limits on guaranteed farm operating loans
- Increased max down payment loan under farm ownership loan program to 45% or \$667,000
- Authorized appropriations of \$150 million annually through FY 2018 for conservation loans