



Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE



FSA Farm Loans for Beginning Farmers Ranchers and Veterans

FARM PRODUCTION AND CONSERVATION
FSA | NRCS | RMA | Business Center

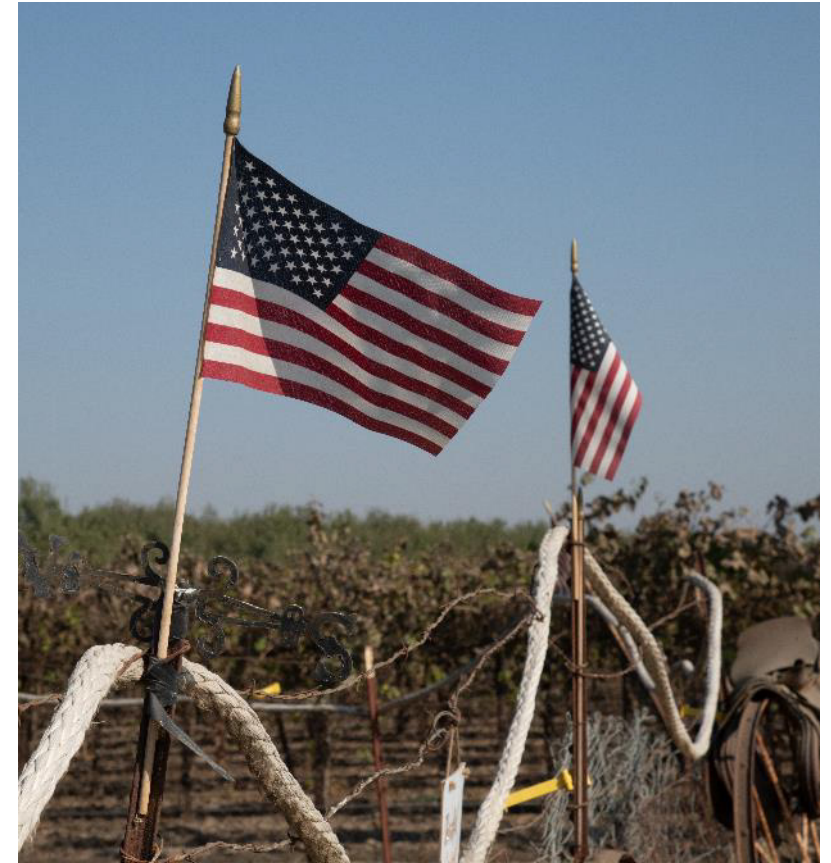
Veteran is defined as:

- Any person who served in the military, naval, or air service during any war as defined in section 101(12) of title 38, United States Code.
- National Guard members must have served for 20 years or more and been discharged other than dishonorably or been deployed on active duty for at least 180 consecutive days during their service commitment.



USDA defines a veteran farmer as:

- a farmer who has served in the Armed Forces
- has not operated a farm for more than 10 years; or
- was discharged or released from that service under conditions other than dishonorable and first obtained status as a veteran during the most recent 10-year period.
- Entity applicants:
 - the majority interest must be held by veteran farmers
 - for married couples, the veteran farmer must have at least 50 percent ownership in the farm business and make most of the management decisions, contribute a significant amount of labor, and generally be recognized as the operator of the farm.



Beginning Farmers & Ranchers

- An individual who:
 - has not operated a farm or ranch for more than 10 years
 - substantially participates in the operation and meets the eligibility requirements for the program they are applying for.



FSA Provides Progression Lending

- The Farm Service Agency:
 - Is the lender of first opportunity for those who may not otherwise qualify for ag credit.
 - Makes and services direct loans through supervised credit with intentions of graduating borrowers to commercial credit.
 - Loan funds are from the U.S. Treasury.
 - Offers loan guarantees for loans made by conventional lenders.



Applying for FSA Farm Loans

Any producer can apply for FSA's loan programs.

Loan applicants must:

- Be a citizen of the United States, a U.S. non-citizen national or qualified alien under federal immigration law.
- Operator of a family farm or ranch.
- Satisfactory credit history and unable to obtain credit elsewhere at reasonable rates and terms.
- Legal capacity to incur the obligations of the loan.
- Not be delinquent on any federal debts.



FSA Farm Loans



FSA offers direct farm ownership and operating loans to producers who want to establish, maintain, or strengthen their farm or ranch. Direct loans are processed, approved and serviced by FSA loan officers.



Direct farm term operating loans can be used to purchase livestock, farm machinery and equipment. Annual loans can be used for farm expenses and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.



Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

Microloans

- Maximum loan amount
 - \$50,000 operating loans
 - \$50,000 farm ownership loans
- An abbreviated application package
- Repayment Terms
 - 1-7 years for operating loans
 - Up to 40 years for farm ownership loans
- Interest Rate
 - Operating Loan- 4.75% for April 2026
 - Farm Ownership- 5.75% for April 2026



Direct Operating Loans

- Can be used to purchase:
 - Livestock
 - Equipment
 - Production expenses
 - Refinance operating expenses
- Maximum loan amount
 - \$400,000
- Repayment terms depend on:
 - the type of loan
 - collateral
 - the producer's ability to repay
- Interest rate
 - 4.75% for April 2026



Repayment Terms

- **Annual Operating Loans**
 - Not to exceed 24 months from the date of the note.
 - Repayment is scheduled when income is planned to be available.
 - Example of eligible loan purposes feed, fuel, fertilizer, and other farm related expense.
- **Term Operating Loans**
 - Maturity is limited to 7 years from the date of the note.
 - Can be amortized longer with a balloon installment however must be adequately secured by basic security.
 - May be limited to useful life of security.

Direct Farm Ownership Loans

- Can be used for:
 - Purchasing real estate
 - Capital improvements
 - Soil and Water Conservation Protection
 - Loan Closing Costs
- Maximum loan amount
 - \$600,000
- Repayment Terms
 - Up to 40 years
- Interest Rate
 - 5.75% for April 2026



Current Loan Interest Rates

Program	Interest Rates
Farm Operating – Direct	4.750%
Farm Operating – Microloan	4.750%
Farm Ownership – Direct	5.750%
Farm Ownership – Microloan	5.750%
Farm Ownership – Direct, Joint Financing	3.750%
Farm Ownership – Down Payment	1.750%
Emergency Loan – Amount of Actual Loss	3.750%
Effective April 1, 2026	

Tips for Working with a Local Loan Official

- Be prepared
 - How much money are you requesting?
 - What are you growing or producing?
 - Do you have a market for your product?
 - Do you have production history?
 - Research reasonable production and sales for your local area.
- Know your credit history
- Have honest and open communication with the loan official
- Draft a balance sheet and income/expense projection
- Provide a Schedule-F or sales receipts



Documentation to Bring to the Office



What type of information should farmers prepare for an initial meeting with a loan official?



- Current Balance Sheet
- Crop Production and Sales Records
- Projected Income and Expenses



If you have specific questions while preparing your information, contact your local FSA loan official.

Communication is Key



FSA IS YOUR PARTNER AND TOGETHER WE HAVE COMMON GOALS FOR YOUR FARM ENTERPRISE.



REACH OUT TO YOUR LOCAL FSA FARM LOAN TEAM EARLY WITH ANY QUESTIONS, HYPOTHETICAL, OR SPECIFIC SCENARIOS.



STRONG RELATIONSHIP BUILDING WITH YOUR LOCAL FSA FARM LOAN TEAM ENABLES SHARING YOUR SUCCESS AND CHALLENGES.

Farm Loan Assistant Tool

- Find a USDA Farm Loan that might be right for you by answering a few short questions.
- Learn about your eligibility and find application guides to help you prepare for your USDA Service Center visit with a loan officer.
- [Loan Assistance Tool / Portal \(usda.gov\)](https://www.usda.gov/loan-assistance)



Check out FSA websites

To learn more, visit FSA's website:
www.fsa.usda.gov

To learn more about FSA's loans:
[Farm Loan Programs \(usda.gov\)](http://www.usda.gov)

Find your FSA location:
<https://www.fsa.usda.gov/state-offices>

Get connected and stay informed

To stay informed of upcoming veteran webinar series and to view previous webinars visit:

<https://www.farmers.gov/your-business/military-veterans>

Subscribe to GovDelivery articles at:

<https://www.farmers.gov/working-with-us/stay-connected>

For tips on getting started with your operation and USDA visit:

<https://www.farmers.gov/your-business/beginning-farmers>

Questions?

USDA is an equal opportunity provider, employer, and lender.