

Farm Loans

Farm Loan Program Funding

June 2024



Overview

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) makes and guarantees loans to family farmers to purchase farmland and finance agricultural production. Farmers may apply for direct loans at local FSA offices. Guaranteed loans are available from local commercial lenders who apply for loan guarantees from FSA. All programs are administered through local FSA county offices.

Funding Source

Each year, the U.S. Congress appropriates funds for FSA farm loans as part of the USDA budget. The funds generally are appropriated for the government's fiscal year, which runs from Oct. 1 through Sept. 30 of the following year. The amount of funds appropriated does not always meet the demand for loans and occasionally the funds are depleted before the end of the federal fiscal year.

Congress may pass a supplemental appropriations bill to make additional funds available. If Congress does not appropriate additional funds, loans cannot be funded until the next fiscal year when new appropriations become available.

Reserved Loan Funds

FSA reserves loan funds for targeted underserved producers. The law requires FSA to reserve

or target a portion of its direct and guaranteed operating and farm ownership loan funds for use exclusively by

underserved groups whose members include American Indians or Alaskan Natives, Asians, Blacks or African-Americans, Native Hawaiians or other Pacific Islanders, Hispanics, women and new farmers.

Targeted funding for underserved groups whose members have been subjected to racial, ethnic or gender prejudice is based upon census data.

Funds are reserved for exclusive use by new farmers as follows: Direct Operating, 50 percent; Guaranteed Operating, 40 percent; Direct Farm Ownership, 75 percent; and Guaranteed Farm Ownership, 40 percent. Funds remain targeted for beginning farmers in the guaranteed programs until April 1 of each fiscal year. In the direct programs, funds are targeted for beginning farmers until Sept. 1 of each fiscal year.

Applying for a loan when program funds are depleted

Farmers may apply for a loan even when funds have been depleted for a loan program. In this case, FSA still accepts, processes and approves loan applications, subject to funding. Approved applications are placed on a waiting list and then funded based on the date the application was received in the FSA office, so applicants are encouraged to apply for a loan even when there are no funds available. Applicants who have been approved can contact their local FSA office to determine if funds are available for the loan.

For More Information

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- 1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410;
- 2) fax: (202) 690-7442; or
- 3) email: program.intake@usda.gov.

Guidance documents lack the force and effect of law, unless expressly authorized by statute or incorporated into a contract. USDA may not cite, use, or rely on any guidance that is not available through their guidance portal, except to establish historical facts.