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## **Vilsack announces more funds for farm loans**

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Ag Secretary Tom Vilsack announced the availability of \$760 million for approved but previously unfunded USDA direct farm ownership and operating loans throughout the country. The money was part of a supplemental spending bill signed into law last month.

USDA will deliver the loan funds to producers as quickly as possible, Vilsack said Thursday during a rural issues forum in West Salem, Wisconsin.

According to USDA, \$400 million has already been channeled to Farm Service Agency state offices to clear a \$150 million backlog of direct operating loans to 2,200 farmers and also fund new applications.

The remaining \$360 million will be distributed to 1,800 farmers with approved but unfunded direct ownership loans totaling \$322 million, USDA said.

Tighter credit standards at commercial banks forced more farmers to turn to USDA for financing this year. Under secretary Jim Miller recently told a House subcommittee that demand for FSA farm loans surged to the highest level in more than two decades and noted that 45 percent operating loan applications were from new customers, up from around 20% normally.

Producers can use Direct Farm Ownership loans to buy farmland, construct or repair buildings and other fixtures, and promote soil and water conservation. Operating Loans may be used to purchase items such as livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance, and other operating expenses. Operating Loans can also be used to pay for minor improvements to buildings, costs associated with land and water development, family subsistence, and to refinance debts under certain conditions. The maximum amount for either type of loan is \$300,000.

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