

VAFA & SDDA Financing Programs Overview

| | Beginning Farmer Bond | Beginning Farmer Down Payment Guaranty | Agribusiness Bond | Livestock Nutrient Mgmt Bond | Value-Added Agribusiness Relending Loan Program | VALU Livestock Guaranty | Livestock Loan Participation | Rural Development Ag Loan Participation | Coop Stock Guaranty |
|---|---|---|---|--|--|--|--|--|--|
| Age | At least 18 years old. No upper age limit. | At least 18 years old. No upper age limit. | At least 18 years old. No upper age limit. | At least 18 years old. No upper age limit. | At least 18 years old. No upper age limit. | At least 18 years old. No upper age limit. | At least 18 years old. No upper age limit. | At least 18 years old. No upper age limit. | At least 18 years old. No upper age limit. |
| Eligible projects | Land, machinery, equipment, breeding livestock or farm improvements. | Ag Real Estate and participation in Beginning Farmer Bond | Business involved in processing an agricultural commodity; land, buildings, improvements, and facilities | Any costs incurred for property, or any portion thereof used for the collection, storage, treatment, utilization, processing or final disposal of livestock wastes (nutrients) up to the point where the nutrients have value. | Businesses involved in processing an agricultural commodity; land, buildings (new, modernization, enlargement), equipment, start-up costs and working capital, feasibility studies, and debt refinancing. | Feeder Livestock | Livestock | Land, buildings and facilities; machinery and equipment. Value added ag production or processing ventures. | Stock in an approved cooperative. |
| Maximum Amount of Loan/ Bond/ Guaranty | \$488,600 | 20% of Beginning Farmer Bond amount / 5 years | \$10,000,000 | No limit | \$150,000 | \$100,000 | \$200,000 | \$500,000 | \$10,000 |
| Land Ownership | Can't own more than 30% of county's median farm size now or previously. | Can't own more than 30% of county's median farm size now or previously. | No restriction | No restriction | No restriction | No restriction | No restriction | No restriction | No restriction |
| Income | No restriction | No restriction | No restriction | No restriction | No restriction | Must have 60% of gross income from agriculture | Must have 60% of gross income from agriculture | Must have 60% of gross income from agriculture | Must have 60% of gross income from agriculture |
| Net Worth Requirement | Under \$400,000 | Under \$400,000 | None | None | None | None | None | None | None |
| Application Fee | \$100 | None | \$200 | \$200 | \$200 | None | None | None | None |
| Closing Fee | 1.5% of VAFA bond amount. (\$500 minimum) | None | 1.5% of VAFA bond amount on first \$500,000, 1.25% on next \$500,000, 1.00% on next \$1 M and .75% on any amount over \$2 M. (\$500 minimum). | | None | None | None | None | None |
| Application Deadline | One week prior to VAFA meeting—the VAFA usually meets the last Thursday of every month. | Anytime | One week prior to VAFA meeting—the VAFA usually meets the last Thursday of every month | | 45 days prior to VAFA meeting | Anytime | Anytime | Anytime | Anytime |

Confidential Finance counseling is available through the SDDA free of charge to SD Farmers and Ranchers. Agricultural Lenders are required to request mediation if a borrower has \$50,000 or more in debt before taking legal action.

To request either of these services, please contact the South Dakota Department of Agriculture at 605-773-5436