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## USDA Announces April 2023 Lending Rates for Agricultural Producers

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WASHINGTON, April 3, 2023 – The U.S. Department of Agriculture (USDA) announced loan interest rates for April 2023, which are effective April 3, 2023. USDA's Farm Service Agency (FSA) loans provide important access to capital to help agricultural producers start or expand their farming operation, purchase equipment and storage structures or meet cash flow needs.

### **Operating, Ownership and Emergency Loans**

FSA offers farm ownership and operating loans with favorable interest rates and terms to help eligible agricultural producers, whether multi-generational, long-time, or new to the industry, obtain financing needed to start, expand or maintain a family agricultural operation. FSA also offers emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters or quarantine. For many loan options, FSA sets aside funding for underserved producers, including veterans, beginning, women, American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, and Hispanic farmers and ranchers.

Interest rates for Operating and Ownership loans for April 2023 are as follows:

- [Farm Operating Loans](#) (Direct): 4.750%
- [Farm Ownership Loans](#) (Direct): 4.750%
- [Farm Ownership Loans](#) (Direct, Joint Financing): 2.750%
- [Farm Ownership Loans](#) (Down Payment): 1.500%
- [Emergency Loan](#) (Amount of Actual Loss): 3.750%

FSA also offers guaranteed loans through commercial lenders at rates set by those lenders.

To access an interactive online, step-by-step guide through the farm loan process, visit the [Loan Assistance Tool](#) on farmers.gov.

## **Commodity and Storage Facility Loans**

Additionally, FSA provides low-interest financing to producers to build or upgrade on-farm storage facilities and purchase handling equipment and loans that provide interim financing to help producers meet cash flow needs without having to sell their commodities when market prices are low. Funds for these loans are provided through the Commodity Credit Corporation (CCC) and are administered by FSA.

- [Commodity Loans](#) (less than one year disbursed): 5.875%
- [Farm Storage Facility Loans](#):
  - o Three-year loan terms: 4.375%
  - o Five-year loan terms: 4.000%
  - o Seven-year loan terms: 4.000%
  - o Ten-year loan terms: 3.875%
  - o Twelve-year loan terms: 3.875%
- [Sugar Storage Facility Loans](#) (15 years): 4.000%

## **Simplified Direct Loan Application**

FSA developed a new, simplified direct loan application for producers seeking a direct farm loan. The new application, reduced from 29 to 13 pages, provides improved customer experience for producers applying for loans and enables them to complete a more streamlined application. Producers now also have the option to complete an electronic fillable form or a traditional paper application for submission to their local FSA service center.

## **Pandemic and Disaster Support**

FSA broadened the use of the Disaster Set-Aside (DSA), normally used in the wake of natural disasters, to allow farmers with USDA farm loans who are affected by COVID-19, and are determined eligible, to have their next payment set-aside. Because of the pandemic's continued impacts, producers can apply for a second DSA for COVID-19 or a second DSA for a natural disaster for producers with an initial DSA for COVID-19. The set-aside payment's due date is moved to the final maturity date of the loan or extended up to 12 months in the case of an annual operating loan. Any

principal set-aside will continue to accrue interest until it is repaid. Use of the expanded DSA program can help to improve a borrower's cashflow in the current production cycle.

FSA also reminds rural communities, farmers and ranchers, families and small businesses affected by the year's winter storms, drought, hurricanes and other natural disasters, that USDA has programs that provide assistance. USDA staff in the regional, state and county offices are prepared to deliver a variety of program flexibilities and other assistance to agricultural producers and impacted communities. Many programs are available without an official disaster designation, including several risk management and disaster recovery options.

### **Inflation Reduction Act Assistance for Distressed Producers**

On Aug. 16, 2022, President Biden signed the Inflation Reduction Act (IRA) into law. It is a historic, once-in-a-generation investment and opportunity for the agricultural communities that USDA serves. Section 22006 of the IRA provided \$3.1 billion for USDA to provide relief for distressed borrowers with certain FSA direct and guaranteed loans and to expedite assistance for those whose agricultural operations are at financial risk. In October 2022, USDA provided approximately \$800 million in initial IRA assistance to more than 11,000 delinquent direct and guaranteed borrowers and approximately 2,100 borrowers who had their farms liquidated and still had remaining debt. In April 2023, USDA intends to provide a new round of relief starting that will include approximately \$123 million in automatic financial assistance for qualified direct and guaranteed borrowers. Qualifying borrowers will receive an individual letter detailing the assistance as payments are made. Eligibility for these new categories of automatic payments include:

- Assistance to direct loan borrowers who were past due on a qualifying direct loan as of September 30, 2022, but by fewer than 60 days, and remained delinquent on that loan as of March 27, 2023.
- Assistance to borrowers who restructured a qualifying direct loan after February 28, 2020, through primary loan servicing available through FSA.
- Assistance to borrowers whose interest owed on their qualifying direct loan debt exceeds the principal owed (on a loan-by-loan basis)

For more information producers can contact their [local USDA Service Center](#) or visit [farmers.gov/inflation-reduction-investments/assistance](https://farmers.gov/inflation-reduction-investments/assistance).

### **More Information**

Producers can explore available options on all FSA loan options at [fsa.usda.gov](https://fsa.usda.gov) or by contacting their [local USDA Service Center](#).

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate-smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit <https://www.usda.gov>.

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