

USDA Announces September 2023 Lending Rates for Agricultural Producers

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WASHINGTON, Sept. 1, 2023 – The U.S. Department of Agriculture (USDA) announced loan interest rates for September 2023, which are effective Sept. 1, 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, 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 September 2023 are as follows:

- [Farm Operating Loans](#)(Direct): 5.125%
- [Farm Ownership Loans](#)(Direct): 5.000%
- [Farm Ownership Loans](#)(Direct, Joint Financing): 3.000%
- [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): 6.375%
- [Farm Storage Facility Loans](#):
 - o Three-year loan terms: 4.500%
 - o Five-year loan terms: 4.250%
 - o Seven-year loan terms: 4.125%
 - o Ten-year loan terms: 4.125%
 - o Twelve-year loan terms: 4.125%
- [Sugar Storage Facility Loans](#)(15 years): 4.250%

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.

Disaster Support

FSA also reminds rural communities, farmers and ranchers, families and small businesses affected by the past 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. On May 1, 2023, FSA announced that nearly \$130 million in additional, automatic financial assistance had been obligated for qualifying farm loan program borrowers facing financial risk. This assistance included: ?

- Assistance to direct loan borrowers who were past due on a qualifying direct loan as of Sept. 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 Feb. 28, 2020, through primary loan servicing available through FSA.
- Assistance to borrowers whose interest owed on their qualifying direct loan debt exceeded the principal owed (on a loan-by-loan basis).?

In May 2023, FSA began accepting and reviewing individual requests for assistance if they took certain extraordinary measures to avoid delinquency on their direct FSA loans, such as taking on or refinancing more debt, selling property, or cashing out retirement or college savings accounts. On May 19, USDA mailed a [letter](#) to all FSA direct loan borrowers detailing eligibility and how to request extraordinary measures assistance.

Also in May, FSA started accepting and reviewing individual distressed borrower assistance requests from direct loan borrowers who missed a recent installment or are unable to make their next scheduled installment. All FSA borrowers should have received a [letter](#) detailing the process for seeking this type of assistance even before they become delinquent. As the letter details, borrowers who are within two months of their next installment may seek a cashflow analysis from FSA to determine their eligibility.?

On Aug. 11, 2023, USDA [announced](#) additional automatic assistance for qualifying guaranteed farm loan borrowers facing financial risk. This assistance will provide distressed guaranteed loan borrowers with financial assistance similar to what was already provided automatically to distressed direct loan borrowers. Based on current analysis, this will provide financial assistance to an estimated 3,500 eligible borrowers.

Since payments began in October 2022, USDA has provided \$1.4 billion to more than 22,000 financially distressed direct and guaranteed FSA loan borrowers.

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

More Information To learn more about FSA programs, producers can contact their local [USDA Service Center](#). Producers can also prepare maps for acreage reporting as well as manage farm loans and view other farm records data and customer information by [logging in their farmers.gov account](#). If you don't have an account, [sign up today](#).

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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