



Financing Agricultural Businesses

Type of Loan	Purpose	Maximum Loan Amount	Rates and Terms	Agency
<p>Basic 7(a) Loan Program</p> <p>Go ></p>	<p>Starting, acquiring, and expanding a small business. This type of loan is the most basic and the most used among Small Business Administration (SBA) business loan programs.</p>	<p>\$5 million</p>	<p>Interest Rates: Negotiated between the applicant and lender, subject to the SBA maximums</p>	<p>SBA</p>
<p>Certified Development Company/ 504 Loan</p> <p>Go ></p>	<p>The purchase of land, including existing buildings; purchase of improvements, including grading, street improvements, utilities, parking lots, and landscaping; construction of new facilities or modernizing, renovating, or converting existing facilities; and/or purchase of long-term machinery and equipment.</p>	<p>\$5.5 million</p>	<p>Interest rates on 504 loans are pegged to an increment above the current market rate for 5-year and 10-year U.S. Treasury issues.</p>	<p>SBA</p>

<p>SBA Microloans</p> <p>Go ></p>	<p>Working capital; Inventory or supplies; Furniture or fixtures; Machinery or equipment</p>	<p>\$50,000</p>	<p>Term: 6 years</p> <p>Interest rate generally between 8 and 13 percent.</p>	<p>SBA</p>
<p>SBA Disaster Assistance</p> <p>Go ></p>	<p>Provide financial assistance to victims of disasters or to individuals in a declared disaster area.</p>			<p>SBA</p>
<p>SBA Economic Injury Loans</p> <p>Go ></p>	<p>Assist small businesses, small agricultural cooperatives, and nonprofit organizations as they recover from economic losses resulting from physical disaster or an agricultural production disaster.</p>			<p>SBA</p>

<p>USDA Business and Industry Loan Program</p> <p>Go ></p>	<ul style="list-style-type: none"> • Business conversion, enlargement, repair, modernization, or development • Purchase and development of land, easements, rights-of-way, buildings, or facilities • Purchase of equipment, leasehold improvements, machinery, supplies, or inventory • Debt refinancing when new jobs will be created and other conditions are met • Business and industrial acquisitions when the loan will keep the business from closing and/or save or create jobs 	<ul style="list-style-type: none"> • 80 percent for loans of \$5 million or less • 70 percent for loans between \$5 and \$10 million • 60 percent for loans exceeding \$10 million, up to \$25 million maximum 	<ul style="list-style-type: none"> • Maximum term on real estate is 30 years • Maximum term on machinery and equipment is useful life or 15 years, whichever is less • Maximum term on working capital not to exceed 7 years • Interest rates are negotiated between the lender and borrower, subject to Agency review 	<p>USDA Rural Development</p>
<p>Value-Added Producer Grants</p> <p>Go ></p>	<p>Helps agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based, value-added products.</p>	<p>\$75,000 for planning grants; \$250,000 for working capital grants</p>	<p>*Matching funds requirement</p>	<p>USDA Rural Development</p>

**SBA is not an agency within USDA*