



# Agriculture

## Direct Loan Program

**Contact:**

Texas Department of Agriculture  
P.O. Box 12847  
Austin, Texas 78711-2847  
(512) 463-7476  
[www.agr.state.tx.us](http://www.agr.state.tx.us)

**Program Description:** The Texas Agricultural Finance Authority provides direct loan to farmers and agriculture businesses. The maximum loan amount cannot exceed \$250,000. The loan proceeds can be used for real estate, improvements, equipment, and working capital. Applicants located within the State who can provide significant benefits for Texas agricultural products, show evidence of creation or retention of employment, and prove evidence of reasonable equity in the project are eligible. The eligible applicant and a participating lender must provide evidence that a direct loan is in the best interest of the applicant, the lender, and the Authority. The owner(s) must provide at least 10% equity of total project for existing businesses, and 25% equity of total project for start-up businesses. Maximum loan term is 20 years.

## Farm and Ranch Finance Program

**Contact:**

Texas Department of Agriculture  
P.O. Box 12847  
Austin, Texas 78711-2847  
(512) 463-7476  
[www.agr.state.tx.us](http://www.agr.state.tx.us)

**Program Description:** The Farm and Ranch Finance Program provides loans to eligible and creditworthy applicants for the purchase of farm or ranch land for agricultural use. The maximum loan amount shall not exceed 95 percent of the appraised value, 95 percent of the purchase price, or \$250,000, whichever is less. An eligible applicant must provide evidence of at least three years of relevant agricultural experience, be a member of a household that intends to use the property to be purchased for agricultural purposes, and have a net worth of less than \$400,000. Interest rates will be determined on a case-by-case basis and will be set by The Texas Agricultural Finance Authority and agreed upon by the applicant and lender. Terms of the loan will be based upon the repayment ability of the applicant, but in no case exceed 20 years.

**Funds:** \$25 million for FY 2001.

## GO TEXAN Partner Program

**Contact:**

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P.O. Box 12847  
Austin, Texas 78711-2847  
(512) 463-7476  
[www.agr.state.tx.us](http://www.agr.state.tx.us)

**Program Description:** The GO TEXAN Partner Program is a \$1 million dollar-per-dollar matching fund for promotion and advertising programs to increase consumer awareness of Texas agricultural products and commodities. Funds may only be used for activities promoting the sale of Texas agricultural products and commodities, including food, fiber, wine, livestock, horticultural, and forestry products. Applicants must be agricultural producers, commodity groups, cooperatives and small businesses that are members of the GO TEXAN program to be eligible to submit a proposal.

**Funds:** \$150,000 for FY 2001.

## Integrated Pest Management Grant Program

**Contact:**

Texas Department of Agriculture  
P.O. Box 12847  
Austin, Texas 78711-2847  
(512) 463-7476  
[www.agr.state.tx.us](http://www.agr.state.tx.us)

**Program Description:** The Integrated Pest Management Grant Program provides grants to nonprofit producers, and educational or research organizations to use and expand the use of Integrated Pest Management in agriculture. Integrated Pest Management is a system of farming that curbs pest populations by using a variety of practices including biological pest controls, pest-resistant crop plants, crop rotations, planting date adjustments, or crop residue destruction and pesticides. Projects for chemical pesticide efficacy testing are prohibited. TDA requires all grantees to comply with the Uniform Grant Management Standards regarding all aspects of their grant, from reasonable expenditures to maintenance of grant-related records.

**Funds:** \$300,000 for FY 2001.

## Linked Deposit Program

**Contact:**

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P.O. Box 12847  
Austin, Texas 78711-2847  
(512) 463-7476  
[www.agr.state.tx.us](http://www.agr.state.tx.us)

**Program Description:** The Linked Deposit Program provides low-interest loans to farmers and agriculture businesses. Maximum loan amounts are between \$250,000 and \$500,000. An eligible applicant must be in the business or entering the business of: processing and marketing agricultural crops; producing alternative crops; producing agricultural crops, the production of which has declined markedly because of natural disasters; producing agricultural crops in using water conservation equipment; or developing water conservation projects, in the State of Texas. Funds may be used for any agriculture-related operating expense, including the purchase or lease of land, or fixed asset acquisition or improvements.

**Funds:** \$5 million for FY 2001.

## Loan Guaranty Program

**Contact:**

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**Program Description:** The Texas Agricultural Financing Authority provides financial assistance through loan guarantees to eligible agricultural businesses that are, or propose to be, engaged in innovative, diversified, or value-added production, processing, marketing, or exporting of an agricultural product or other agricultural-related rural economic development projects. The program provides a guaranty of up to 90 percent, not to exceed \$5 million, to a lender for an approved applicant's business. Loan proceeds can be used for real estate, improvements, equipment, and working capital. Refinancing of existing debt is prohibited except in cases of further expansion or development of a project. Owner(s) must provide at least 10% equity of total project for existing businesses, and 25% equity of total project for start-up businesses. Maximum loan term is 20 years.

## Loan Participation Program

**Contact:**

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**Program Description:** The Texas Agricultural Financing Authority is authorized to provide assistance to lending institutions for eligible agricultural projects through the purchase of an undivided interest in a loan made by a lender. The maximum participation purchased by the Texas Agricultural Financing Authority cannot exceed \$5 million. Loan proceeds may be used for real estate, improvements, equipment, and working capital. Maximum loan term is 20 years. The project for which a lender is requesting a participation must be located within the State, provide significant benefits for Texas agricultural products, show evidence of creation or retention of employment, and show evidence of reasonable equity in the project.

## Young Farmer Loan Guarantee Program

**Contact:**

Texas Department of Agriculture  
 P.O. Box 12847  
 Austin, Texas 78711-2847  
 (512) 463-7476  
[www.agr.state.tx.us](http://www.agr.state.tx.us)

**Program Description:** The Young Farmer Loan Guarantee Program provides loan guarantees for young farmers and ranchers. Loan proceeds may be used for working capital for operating a farm or ranch, including the lease of facilities and the purchase of machinery and equipment, or for any agricultural-related business purpose, including the purchase of real estate for the agricultural-related business. An eligible applicant is an individual who is at least 18 years of age but less than 40 years of age and complies with the application procedures prescribed by the program rules. The Texas Agricultural Finance Authority guarantees up to 90 percent of the loan from a local lender, not to exceed \$250,000. Maximum loan term is ten years.

**Funds:** \$10 million for FY 2001.