



FARMER RESOURCE NETWORK  
**RESOURCE GUIDE**

# FARM FINANCING

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**Access to capital always ranks high on the needs of both beginning and established farmers. Doing your homework for your farm business will help you achieve your goals and minimize costly mistakes. The resources below direct you to reliable information and organizations working in the arenas of financial planning, agricultural lending and grant programs and more.**

## GETTING STARTED, GETTING SUPPORT

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While finding capital is understandably front of mind, make sure not to skip the first step: financial planning and developing a farm business plan. Why? Just like you wouldn't take a trip without a map or GPS system, you shouldn't attempt to operate a business without a well-developed plan. A well-written business plan establishes your goals and benchmarks. It also answers the key questions about the business: who, what, where, when, why and how. It determines whether your ideas are viable, thus avoiding the heartache of lost money and time. Finally, and most practically, lenders typically require a business plan to determine whether your business is a wise investment. While business plans aren't always required for grants, creating one prepares you to answer standard grant application questions about your farm business's vision, mission, plan for execution and financial strategy.

These tools offer guidance for understanding farm finances and creating your critical business plan.

- The University of Minnesota's AgPlan is a free online business plan app with detailed instructions, samples and templates. Vimeo's tutorial "[Developing Your Business Plan with AgPlan](#)" video series further helps you walk through the plan step by step.
- Sustainable Agriculture Research and Education (SARE) has a fantastic downloadable guide: [Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses](#).
- The [Farm and Ranch Business Readiness Assessment](#) from FarmBizTrainer highlights a variety of considerations that should be addressed, including a Farm and Ranch Business Health Assessment with goals, a readiness assessment for starting a farm and a health assessment for experienced farmers and ranchers.
- Marbleseed (formerly MOSES) offers a financing book for new, sustainable farmers called [Fearless Farm Finances](#). A free, downloadable PDF is available and an [online course](#) of the same name is also available on YouTube.
- ATTRA's [Planning for Profit in Sustainable Farming](#) discusses some basic questions that will help you plan for profitability. Understanding your financial capability, your costs of production and the potential profitability of alternative ways to market products are examined.
- Many agriculture support nonprofit organizations provide free financial advising services. Farm Aid's [Farmer Resource Network](#) will help you identify possible candidates; just search by your state using the "financial and business planning" category.

- Many state university Extension programs offer free one-on-one financial consultations or local resources. A search under “farm management” or “agricultural economics” on your state Extension’s website should do the trick. [You can find your Extension listings here.](#)

## FUNDING

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Once you’re ready to seek funding, start with ATTRA’s [Financing Your Farm: Guidance for Beginning Farmers](#) for a good overview. Rural Advancement Foundation International’s (RAFI) [Farmer’s Guide to Agricultural Credit](#) is also worth reviewing to understand agricultural lending practices, and to prepare for the application process.

## GRANTS

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Farmers often seek grants for general operating or expansion purposes and are soon discouraged by the lack of unrestricted grant funding. Most granting agencies have specific goals in mind and farmers’ goals may or may not align. To get a sense of what types of activities grants target, take a look at [Ambrook’s Farm Funding Library](#). This online search tool allows for state-based searches for agricultural funding and grant opportunities. While this is a free search, they also offer greater levels of service for a fee.

[State Departments of Agriculture](#) have loan and grant opportunities listed on their websites, as well as other state-based funding opportunities. In addition, [State Conservation Districts](#) (CD) often offer grants for soil and water conservation measures.

## ROLLING GRANTS

Many competitive grants operate on a rolling or intermittent basis. Keep an eye out for opening dates. Many allow you to sign up for notifications:

- [The Farmer Veteran Coalition’s Fellowship Fund](#) offers grants to beginning veteran farmers and ranchers.
- The [FruitGuys Community Fund](#) provides grants to “small farms and agricultural nonprofits that support sustainable agriculture projects with large positive impacts on the environment, local food webs and farm diversity.”
- American Farmland Trust’s [Brighter Future Fund](#) helps farmers improve farm viability; access, transfer or permanently protect farmland; or adopt regenerative agricultural practices.
- Food Animal Concern Trust’s [Fund-a-Farmer Grants](#) improve farm animal welfare, expand humane farming and support capital and operational work related to livestock operations.

## COST SHARE PROGRAMS

While full grants can be fairly rare, some come in the form of cost share programs, where you pay a percentage of project costs and a partner organization pays the balance.

Committed to removing barriers to conservation efforts for producers, the USDA Natural Resource Conservation Service (NRCS) is a perfect example.

- NRCS's [Environmental Quality Incentive Program \(EQIP\)](#) is one of their most popular offerings, providing up to 75% of costs and technical support for a wide array of conservation practices including [high tunnels](#), [irrigation systems](#) and [livestock management](#). Our friends at the National Sustainable Agriculture Coalition (NSAC) have a [great guide on the EQIP program](#).
- The [Conservation Stewardship Program \(CSP\)](#) is geared toward producers who have incorporated some conservation efforts and are ready to commit on a broader scale. CSP pays for conservation practices you may already be using as well as ongoing conservation initiatives. Again, NSAC has [great guide](#) with more information.

To explore your options further, contact your [local NRCS office](#).

The [Rural Energy for America Program \(REAP\)](#) is a USDA program that provides grants and low interest loans to farmers and rural businesses interested in on-farm renewable energy projects and energy efficiency improvements including solar, wind, geothermal and biomass projects. Contact your [local USDA Rural Development office](#) for more information.

## LOANS

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### USDA LOAN PROGRAMS

The Farm Service Agency (FSA) is the USDA's lending division. With lower interest rates and more flexibility with folks who have lower credit scores and/or few assets, they offer [solutions for a wide variety of producers](#) seeking capital to start, expand or diversify their operations. Most FSA loans range between \$400,000 and \$800,000; however, smaller [microloans](#) are often better suited to the needs of small, diversified farms and beginning farmers and ranchers. These loans — up to \$50,000 — have a simplified application process, get processed more quickly and have simplified requirements compared to regular loans.

#### Key observations:

- A farm number is required to apply for FSA grant and loan programs. Please note that the farm number is attached to your land, not you as a farmer. For more information, read RAFI's [Farm Number Guide](#). Contact your local FSA office to make an appointment to begin the process of acquiring your free farm number.
- Most FSA loans typically require three years of farming experience, though one year can be swapped for certain types of education/training or business management experience. Others, including microloans, have more lenient requirements.
- When producers become involved in disputes with the FSA, it's often due to different interpretations of what was said or done. To improve transparency, the FSA is required to provide farmers with a "receipt for service," whether you ask for it or not. Make sure to obtain and retain these critical records as insurance against

potential disagreements down the road. It's also wise to keep written notes of every interaction you have with FSA staff: who you spoke with, when, what was discussed and what was decided upon. Our friends at Farmers Legal Action Group (FLAG) offer further details [here](#).

- Be sure to [sign up for alerts](#) from the FSA to avoid missing out on funding and grant opportunities.

### Guides and tools:

- The National Young Farmer Coalition offers a fantastic overview, [Farm Service Agency Loans: The Ins and Outs of Growing a Farm with Federal Loans](#).
- RAFI's "[Navigating FSA](#)" provides trainings, webinars and articles to help you secure a successful outcome.
- The FSA offers a plain language guide called [Your Guide to FSA Loans](#) that is helpful for farmers of all types.
- Use this [FSA Application Quick Guide](#) to understand the loan process better, eligibility requirements and necessary documents.
- The [USDA Farm Service Agency's Guide for Beginning Farmer Loan Programs](#) offers excellent guidance to FSA programs targeted to the new generation of family farmers.

To apply for and/or discuss programs, contact your [local FSA office](#) to make an appointment or access the USDA's online direct loan application portal after completing the [Loan Assistance Tool](#).

It's important to note that the USDA is making a committed effort to righting the historic wrongs of failing to support and/or discriminating against historically underserved farmers and ranchers. If you are a historically underserved producer, which includes beginning, BIPOC, veteran and limited resource producers, you'll find special provisions including incentives, waivers, priorities, set asides, higher rates of financial assistance and other flexibilities for the FSA and NRCS programs described above. Women farmers are also included in some of these offerings. The [Get Started! A Guide to USDA Resources for Historically Underserved Farmers and Ranchers](#) highlights these benefits for each USDA program.

## ALTERNATIVE LOANS

Nonfederal funding sources also exist. Take your time perusing the options below:

- [Farm Credit](#) is a nationwide network of independent, privately owned lending institutions in all 50 states and Puerto Rico. These cooperatives, owned by farmers, ranchers, farmer-owned cooperatives and others in rural America, typically charge lower interest rates on accounts than traditional banks.
- [Community development financial institutions \(CDFIs\)](#) are mission-based financial institutions that provide loans, training and business assistance to communities that have trouble accessing capital through traditional lenders. They're a great

option for underserved farmers and ranchers, including women. You can find your local CDFIs through this [directory](#).

## LOANS PROMOTING REGENERATIVE/ORGANIC PRACTICES

Regenerative and organic [agriculture](#) practices are recognized as powerful tools to mitigate climate change impacts; loan programs supporting such practices are increasing rapidly.

Learn more about opportunities with [Growing Opportunity: A Guide to Sustainable Farming Programs](#), composed by the National Center for Appropriate Technology and Community Food Agriculture Coalition. Here are some well-known programs:

- [Steward](#) bridges the funding gap by offering business loans and a suite of services designed for regenerative producers.
- [RSF Social Finance](#) supports enterprises working to help build a more equitable, sustainable and resilient food and agricultural system.
- [Equity Trust](#) prioritizes loans where primary beneficiaries are low- or moderate-income individuals or communities, projects that create permanent affordability, community-based, grassroots projects and nonprofit borrowers.
- [Kiva](#) uses crowdfunding to unlock capital — up to \$15,000 for underserved farmers — improving the quality and cost of financial services and addressing the underlying barriers to financial access around the world.

## CONNECT WITH FARM AID

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Not finding what you need? Request one-on-one assistance from our Farmer Services Team by filling out our [Online Request for Assistance form](#) or by calling 1-800-FARM-AID (1-800-327-6243) between 9 a.m. and 9 p.m. ET, Monday through Friday. Our Farm Aid hotline team is eager to help you however we can! You can also check out our [Farmer Resource Network Directory](#) of farm service organizations and [Farmer Hero stories](#) for additional inspiration and ideas.

## FARMER RESOURCE GUIDES

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Check out our [Farmer Resource Guides](#) for straightforward information created by our Farmer Services Team to help with topics that come up frequently on our 1-800-FARM-AID hotline.