LOWER INTEREST RATES AVAILABLE TO FINANCE FARMERS

Many Rural Finance Authority loans available at lower rates

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Many loans available from the Minnesota Department of Agriculture (MDA) Rural Finance Authority (RFA) are now available at even lower interest rates.

Minnesota Management and Budget secured favorable rates for government bonds it recently sold, allowing the RFA to cut 1.75% off its already-favorable rates for five different loan categories:

- Livestock Expansion Loan (https://www.mda.state.mn.us/livestock-expansion-loan-program) – rate reduced from 4.25% to 2.5%
- Restructure II Loan (https://www.mda.state.mn.us/restructure-ii-loan-program) – rate reduced from 4.25% to 2.5%
- Agricultural Improvement Loan (https://www.mda.state.mn.us/agricultural-improvement-loan-program) – rate reduced from 4% to 2.25%
- Beginning Farmer Loan (https://www.mda.state.mn.us/business-dev-loans-grants/beginning-farmer-loan-program) – rate reduced from 3.75% to 2%
- Seller Assisted Loan (https://www.mda.state.mn.us/seller-assisted-loan-participation-program) – rate reduced from 3.75% to 2%

“These lower rates mean cheaper money is available to Minnesota farmers to help them cash flow loans at a time when money is tight and every little bit counts,” Agriculture Commissioner Thom Petersen said. “We hope this can make a difference to their bottom line and position them for success down the road.

The RFA offers low-interest loan programs to farmers for a wide variety of activities. The RFA partners with local lenders to provide affordable credit to eligible farmers. To date, over $270 million has been invested in 2,959 participations by the RFA in these programs.

This spring, the Legislature allocated an additional $50 million to the RFA to replenish its funding so that beginning farmers and those expanding, restructuring, or transferring their operations can continue to take advantage of these rates.

Find out more about the different loan programs available through the RFA by visiting their web page (https://www.mda.state.mn.us/financebudget/agfinance).

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