

# USDA finalizes new Microloan Program up to \$35,000 to assist small farmers

Agriculture Secretary Tom Vilsack announced recently a new micro-loan program from the U.S. Department of Agriculture (USDA) designed to help small and family operations, beginning and socially disadvantaged farmers secure loans under \$35,000. The new micro-loan program is aimed at bolstering the progress of producers through their start-up years by providing needed resources and helping to increase equity so that farmers may eventually graduate to commercial credit and expand their operations. The micro-loan program will also provide a less burdensome, more simplified application process in comparison to traditional farm loans.

"I have met several small and beginning farmers, returning veterans and disadvantaged producers interested in careers in farming who too often must rely on credit cards or personal loans with high interest rates to finance their start-up operations," said Vilsack. "By further expanding access to credit to those just starting to put down roots in farming, USDA continues to help grow a new generation of farmers, while ensuring the strength of an American agriculture sector that drives our economy, creates jobs, and provides the most secure and affordable food supply in the world."

The new micro-loans, said Vilsack, represent how USDA continues to make year-over-year gains in expanding credit opportunities

for minority, socially-disadvantaged and young and beginning farmers and ranchers across the United States. The final rule establishing the micro-loan program will be published in the Jan. 17 issue of the Federal Register.

Administered through USDA's Farm Service Agency (FSA) Operating Loan Program, the new micro-loan program offers credit options and solutions to a variety of producers. FSA has a long history of providing agricultural credit to the nation's farmers and ranchers through its Operating Loan Program. In assessing its programs, FSA evaluated the needs of smaller farm operations and any unintended barriers to obtaining financing. For beginning farmers and ranchers, for instance, the new micro-loan program offers a simplified loan application process. In addition, for those who want to grow niche crops to sell directly to ethnic markets and farmers markets, the micro-loan program offers a path to obtain financing. For past FSA Rural Youth Loan recipients, the micro-loan program provides a bridge to successfully transition to larger-scale operations.

Since 2009, USDA has made a record amount of farm loans through FSA—more than 128,000 loans totaling nearly \$18 billion. USDA has increased the number of loans to beginning farmers and ranchers from 11,000 loans in 2008 to 15,000 loans in 2011. More than 40 percent of USDA's farm loans now go to beginning

farmers. In addition, USDA has increased its lending to socially-disadvantaged producers by nearly 50 percent since 2008.

Producers can apply for a maximum of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation, delivery vehicles, and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As their

financing needs increase, applicants can apply for an operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

USDA farm loans can be used to purchase land, livestock, equipment, feed, seed, and supplies, or be to construct buildings or make farm improvements. Small farmers often rely on credit cards or personal loans, which carry

high interest rates and have less flexible payment schedules, to finance their operations. Expanding access to credit, USDA's micro-loan will provide a simple and flexible loan process for small operations.

Producers interested in applying for a micro-loan may contact their local Farm Service Agency office.

The Obama Administration, with Agriculture Secretary Vil-

sack's leadership, has worked tirelessly to strengthen rural America, maintain a strong farm safety net, and create opportunities for America's farmers and ranchers. U.S. agriculture is currently experiencing one of its most productive periods in American history thanks to the productivity, resiliency, and resourcefulness of our producers.

## Windbreaks provide permanent protection

The second chapter of article 20 of Kansas state statutes indicates "soil erosion caused by wind or dust storms is declared to be destructive to the natural resources of the state and a menace to the health and well-being of our citizens". The statutes suggest it is the duty of Kansas landowners "to conserve the natural resources of the state, and to prevent the injurious effects of dust storm by planting perennial grasses, shrubs, and trees" and introducing other emergency control measures.

Kansas continues to experience extreme drought conditions over 76 percent of the state with the remainder in exceptional drought. These conditions have created concern among Kansas State University soil scientists, agronomists and foresters that severe dust storms and wind-blown soil erosion will occur in late winter and spring of 2013. Annually, an estimated 2 tons/acre/year of topsoil is lost to wind erosion on the 24 million acres of cultivated cropland in Kansas. There is little doubt that 2013 will exceed that average.

"There are many conservation techniques that can reduce soil erosion such as the integration of crop residues or performing emergency tillage to roughen surfaces," according to Bob Atchison, rural forestry coordinator with the Kansas Forest Service. "However, during drought years it is hard to beat the time-tested shelter belts and windbreaks to provide the most effective and persistent control of wind erosion."

Tree and shrub windbreaks provide excellent wind protection at a distance 10 times the height of the windbreak. In Kansas that equates

to an estimated 579,221 acres protected based on the 289,577 acres of windbreaks that stretch 43,436 miles in length, a length that would cross the state east to west almost 100 times.

"In response to drought and dust storms of the 1930's, more than 200 million trees and shrubs were planted to windbreaks on 30,000 farms throughout the Great Plains between 1935 and 1942," Atchison said. "Unfortunately many of these windbreaks have been removed to make way for pivot irrigation systems and are continuing to be removed to make way for more farm ground due to high prices for crops."

Though many of the windbreaks established following the Dust Bowl were large multi-row windbreaks, research shows effective wind control can be obtained with two- to three-row windbreaks of trees or shrubs that don't require as much space. Some producers raise concerns over loss of crop yields to shelter belts. However, more than 30 years of research conducted by James Brandle, forestry professor at the University of Nebraska, shows that wheat yields actually increase by 15 percent on the average, corn by 12 percent and soybeans by 17 percent when windbreaks were present.

"Though we have made great improvements in conservation over the years, our current drought is a reminder of the important role windbreaks and shelter belts continue to play in Kansas," Atchison said.

Kansas Forest Service foresters are available to help Kansas landowners with windbreak design, planning and financial assistance opportunities by calling 785-532-3300 or by checking them out on the Web at [www.kansasforests.org](http://www.kansasforests.org).

**Agriculture...**  
*The Root of Our Economy*

We appreciate all our area farmers during National Ag Week March 17-23, 2013

**Kansasland Tire**  
NEBRASKALAND/KANSASLAND TIRE GROUP

**GOODYEAR**  
Dan Lauer, Manager, Kansasland Tire  
North of the Vindicator off US 36  
785-877-5181 • 800-794-4983  
[www.thetirestore.com](http://www.thetirestore.com)

**We Salute Our Area Farmers!**

**Kowpoke Supply**  
Lumber, Hardware and Appliances

415 E. Holme, Norton, KS ~ 785-877-3070  
"ALL YOUR BUILDING NEEDS"

**NATIONAL AGRICULTURE WEEK**  
MARCH 17-23, 2013

**WE SUPPORT AGRICULTURE IN NORTHWEST KANSAS**

**the bank**

314 West Holme, Norton, Kansas  
Phone: (785) 877-5109

Preferred Lender, FDIC, LENDER

*We Salute the Farmers of America!*

**McMullen & Wyatt Auctions and McMullen Real Estate**

113 N. State  
NORTON, KANSAS  
785-877-3299

National Agriculture Week March 17-23

**AGRICULTURE** makes the world **GO 'ROUND**

Aaron Herman, (standing), Vice President  
Doug Ray, (seated), Vice President

**FIRST SECURITY BANK & TRUST CO.**

Norton, KS - 785-877-3313  
Lenora, KS - 785-567-4286

Equal Opportunity Lender  
MEMBER F.D.I.C.

Thanks to all the hard working producers in our area . . .

**MULTI-PERIL CROP-HAIL LIVESTOCK RISK PROTECTION**

**DBI** deanna braun insurance

Multi-Peril Crop Hail Livestock Risk Protection  
Toll Free 1-866-511-4420  
912 North State, Norton, KS • 785-874-4420

Proud of all the Area Farmers... Have a Safe 2013 Harvest

**NCH**  
Norton County Hospital  
102 E. Holme, Norton, KS  
Phone 785-877-3351

**Norton Medical Clinic**  
807 N. State, Norton, KS  
Phone 785-877-3305

**We're Proud to Honor the American Farmer**

**Norton Auto Supply**

102 N. Second  
Norton, Kansas  
785-877-3333

**CARQUEST**

**Our Sincerest Thanks to All the Area Farmers**

**Winchells Inc.**  
**CASE III**  
AGRICULTURE

S. Hwy. 183, Phillipsburg, KS - 785-543-2118

Proudly Supporting All Area Farmers

**Moffet Drug Pharmacy**

102 S. State  
Norton, Kansas  
Phone: 785-877-2721  
TOLL FREE: 800-810-2721

Thank You Farmers for Feeding the World

**Don's Floor Covering INC.**

Don Kaus, Owner  
113 W. Washington, Box 299  
NORTON, KANSAS  
Phone 785-877-3002

**Prairie Land Electric Cooperative Salutes Area Farmers**

We All Appreciate Your Hard Work and Dedication

**NATIONAL Agriculture Week**  
MARCH 17-23

**PRAIRIE LAND**  
Electric Cooperative, Inc.

14935 US Highway 36  
Norton, KS 67654  
785-877-3323 or  
800-577-3323  
[www.prairielandelectric.com](http://www.prairielandelectric.com)