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## DEPARTMENT OF NATURAL RESOURCES

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### MEMORANDUM

2013-021

DATE: May 29, 2013

TO: All Soil and Water Conservation Districts

FROM: <sup>BW</sup> Colleen Meredith, Director  
Soil and Water Conservation Program

SUBJECT: Department of Agriculture Bridge Loan Program for Cost-Share

Yesterday, the Missouri Department of Agriculture (MDA) announced an expansion of the Bridge Loan Program managed by the Missouri Agricultural and Small Business Development Authority (MASBDA). Landowners may now take out a Bridge Loan to complete soil and water conservation practices in cooperation with the Missouri Department of Natural Resources Soil and Water Conservation Program (SWCP). The program works similarly to the previous Bridge Loan Program which has been used with United States Department of Agriculture Natural Resource Conservation Service programs.

This loan program will assist landowners with another tool to implement conservation practices. Producers with an approved contract for a SWCP practice may review the specifics on the Bridge Loan Program located at the MDA website: <http://mda.mo.gov/abd/financial/bridge.php>. Attached is a press release from the MDA which includes additional information. If you have any further questions regarding this program, please contact your district coordinator or MASBDA staff at (573) 751-2129. Thank you.

## **Missouri Department of Agriculture**

May 28, 2013

### **Ag Loan Program Expands to Support More Missouri Farmers**

Missouri farmers working with USDA and the Missouri departments of Agriculture and Natural Resources to strengthen their operations have new opportunities to receive loans and reimbursement for making on-farm improvements. **The Bridge Loan Program**, a partnership between federal and state agencies, assists farmers by reducing the financial barriers to participating in some state and federal programs.

Recently, the Missouri Agricultural and Small Business Development Authority (MASBDA) voted to expand a 2012 loan program focused on produce to include a much wider range of programs, including cost-share programs available through the Missouri Department of Natural Resources Soil and Water Conservation Program (SWCP) and the USDA Natural Resources Conservation Service (NRCS) Environmental Quality Incentives Program (EQIP).

"As Missouri farmers continue to persevere through tough growing seasons and the many other challenges of farm life, we want to ensure they have every tool necessary to succeed," said Missouri's Director of Agriculture Dr. Jon Hagler. "The Bridge Loan Program is one of the many opportunities the Department of Agriculture makes available to our producers as we move Missouri agriculture forward. Through partnerships, we are able to reduce financial hurdles and other barriers for Missouri farmers building their businesses and bringing agricultural products to market."

The Bridge Loan Program builds on 2012's High Tunnel Loan Program, which allowed producers to combine the loan with their participation in the USDA-NRCS program, reducing producers' out of pocket costs. Reimbursement funds issued after producers completed their projects were used to fulfill the short-term loan notes. Approximately one-third of Missouri producers approved for USDA high tunnel reimbursements in 2012 also participated in the loan program.

To be eligible for assistance through the Bridge Loan Program, producers must be approved for cost-share reimbursements through USDA-NRCS, EQIP and/or SWCP and show proof of financial ability to cover any gaps between reimbursement amounts and project costs, should a gap arise. Applicants must be materially participating in the farming operation and at risk for price or production costs and must commit reimbursement payments from NRCS or SWCP to fulfill the loan note.

Loans offered through the Bridge Loan Program will include monthly interest payments of 5.9 percent interest rate and a \$25 closing costs. Funds may be withdrawn only when practices are being implemented, and loan terms may be up to the duration of USDA-NRCS, EQIP and SWCP programs.

According to the last Census of Agriculture, Missouri's average farm income after expenses was \$13,600, with only 16 percent making more than \$50,000. The large upfront investment typically required by cost-share programs can make it difficult for many farmers and farm families to participate. The Bridge Loan Program lowers some of the financial hurdles associated with participation, making it easier for Missouri's farmers to access those resources.

Loan applications are available online, or by contacting the Missouri Agricultural and Small Business Development Authority at [masbda@mda.mo.gov](mailto:masbda@mda.mo.gov). For cost-share assistance, producers may also contact their local USDA-NRCS or Soil and Water Conservation District office for application information and forms. For more information on the Missouri Department of Agriculture and its programs, visit the Department online at [mda.mo.gov](http://mda.mo.gov).