

Michigan Farm Service Agency
Public Affairs Branch

3001 Coolidge Rd
Suite 350
East Lansing, Mi. 48823

David Russ 517-324-5103
david.russ@mi.usda.gov

Recovery Act Allocates Millions for Direct Operating Loans to Farmers

East Lansing, Michigan April 8, 2009 – David Russ, Farm Loan Chief for USDA’s Farm Service Agency in Michigan announced today that FSA has obligated all of the \$173 million provided in the American Recovery and Reinvestment Act of 2009. Nationally, 2,636 farm families were helped with the funds made available through the Direct Operating Farm Loan Program. Almost 50% of these were beginning farmers and 10% socially disadvantaged applicants. Slightly more than \$8.2 million in loans were made available to 89 borrowers in Michigan. This places Michigan FSA as the 5th largest user of these direct operating loan funds. Year to date, FSA has invested more than \$60 million in the Michigan economy through its lending programs. Each program dollar paid to a producer turns over in the local community an estimated seven times.

“These loans were used to purchase items such as farm equipment, feed, seed, fuel and other operating expenses and will help stimulate rural economies by providing Michigan’s farmers funds to operate,” said Russ.

Applications are considered on a first come, first served basis with special emphasis placed on beginning and socially disadvantaged applicants. The maximum loan amount is \$300,000.

In keeping with the president's goal for the Recovery Act, this loan funding was intended for proper investment into the agricultural sector, to benefit both family farmers and rural economies. The Recovery Act was designed to preserve or create millions of jobs throughout the country and these loans help ensure that recipients remain financially viable and local agri-businesses benefit from direct purchases.

The effect of these loans reaches the local implement dealership, sale barn, the grain seed distributor, the fertilizer distributor and a local fuel dealership and many other local businesses.

For specific information on direct operating loans and other FSA farm loan programs, please visit your local USDA Service Center or FSA county office. You can also obtain information from the FSA website at <http://www.fsa.usda.gov>.

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