

## Ag Best Management Loan Program (AgBMP)

- The program provides *low interest (3%)* financing to farmers, rural landowners, and agriculture supply businesses to implement practices that prevent water pollution

**Who can apply for LOANS?** Farmers ~ Rural Landowners ~ Agriculture Supply Businesses

The AgBMP Loan Program allows the SWCD the flexibility needed to address specific local water quality concerns. The local loan fund is jointly administered by the SWCD and our cooperating local financial institutions.

The SWCD helps farmers, Ag business, and landowner's identify problems and find solutions to water quality issues related to the industry or failing septic systems.

These funds can easily be combined with our Cost Share or Incentive Programs to assist the landowners in covering the costs that are their contribution to the projects.

### **What are Eligible Activities for the LOAN?**

- Feedlot improvements (AgWaste facilities)
- Improved manure handling, spreading and incorporation equipment
- Terraces. Waterways, streambank protection, sedimentation basins, wind breaks and other practices that prevent erosion
- Conservation Tillage and planting equipment
- Replacement of individual sewage treatment systems
- Most any practice that prevents water pollution

### **What are Activities that would not qualify for a LOAN?**

- Projects that are already completed
- Improvements for feedlots with more than 1,000 animal units or that do not have a pollution problem
- New feedlots that are not replacing a polluting feedlot that cannot be fixed in that location (old feedlot must be abandoned)

### **Process:**

- Call or visit the Lyon SWCD office to discuss your proposed project or equipment. If it is eligible, the staff will have you fill out an application form (1 page).
- The SWCD will then prepare the rest of the application to be submitted to the financial institution that handles these loans in our county (We have several).
- The lender evaluates the financial aspects of the project, decides whether to offer the loan and works with the borrower to establish the payments and length of the loan. While the program allows up to 10 years to re-pay the loan, the financial institution may feel a shorter time is appropriate.

### **Comparison of Typical Interest Paid on 3% and 9% loans for 2 to 10 years.**

Length of Loan (years)	Loan Amount	Total Interest Paid at 3%	Total Interest Paid at 9%	Cost Savings
2	\$5,000	\$226	\$685	\$459
5	\$5,000	\$459	\$1,427	\$968
10	\$30,000	\$5169	\$16,746	\$11,577
10	\$50,000	\$8,615	\$27,910	\$19,295