

IOWA AGRICULTURAL DEVELOPMENT DIVISION



BECAUSE WE KNOW “FARMER” IS NOT A JOB TITLE — IT’S A LEGACY

It’s no secret that Iowa is rich in farming tradition but, obtaining enough capital to pursue the dream of a future in production agriculture can be challenging for our next generation of farmers. That’s why the Iowa Finance Authority offers programs specifically designed to assist new farmers.

LOAN PROGRAMS

BEGINNING FARMER LOAN PROGRAM

This program assists new farmers in acquiring agricultural land, machinery, equipment, buildings, breeding livestock and/or make farm improvements. Beginning farmer loans typically carry interest rates of 20 to 25 percent below prevailing market rates.

LOAN PARTICIPATION PROGRAM

This program assists farmers in securing down payment assistance for agricultural purchases.



ELIGIBILITY

MAXIMUM NET WORTH	2025: \$820,000 · Financial statement must be less than 30 days old
AGE	Must be at least 18 years old; no upper age limit
RESIDENCE	The applicant must be a resident of Iowa
MANAGEMENT	Must be owner/operator
TRAINING AND EXPERIENCE	Must have sufficient education, training and experience for the anticipated farm operation
ACCESS TO CAPITAL	Must have access to the following as needed: adequate working capital, farm machinery, livestock, agricultural land
LAND OWNERSHIP	· Loan Participation Program (LPP) and Beginning Farmer Tax Credit (BFTC): No restriction · Beginning Farmer Loan Program (BFLP): Must be below 30% of the county median

TAX CREDIT PROGRAMS

BEGINNING FARMER TAX CREDIT PROGRAM

Iowa offers an incentive to asset owners for leasing their agricultural land, machinery, equipment, buildings and/or livestock to beginning farmers.

LOANS			TAX CREDITS				
PROGRAM	BEGINNING FARMER LOAN PROGRAM (BFLP)	LOAN PARTICIPATION PROGRAM	BEGINNING FARMER TAX CREDIT PROGRAM (BFTC)				
APPLICATION FEE	\$100		ACRES	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CLOSING FEE	<ul style="list-style-type: none"> 1.5% of bond or participation loan \$300 minimum 		100 or less	\$300	\$350	\$400	\$450
APPLICATION DEADLINE	First of every month		101 to 250	\$400	\$450	\$500	\$550
ELIGIBLE PROJECT	Purchase of agricultural land, machinery, buildings, breeding livestock and/or make farm improvements		251 or more	\$500	\$550	\$600	\$650
PROGRAM MAXIMUMS	<ul style="list-style-type: none"> Land: \$667,500 Farm improvements and new depreciable property: \$250,000 Used depreciable property: \$62,500 	30% of the project cost up to \$200,000	<ul style="list-style-type: none"> Agricultural land, machinery, equipment, buildings and/or livestock Tax credit only to owner(s) listed on the FSA 156 form Tax credit: \$50,000 per lease/year Years: 15 per taxpayer (Beginning in 2019) Cash rent cannot exceed 30% above county average cash rent, per Iowa State University survey 				
TERMS	<ul style="list-style-type: none"> Loan terms are set by the lender or contract seller Contract sales not permitted between spouse, parents, grandparents or siblings Feeding contracts must be on a per head/per day basis 	<ul style="list-style-type: none"> The rate will lock at the time of IADD approval and be fixed for the 10 year term Interest rate: 4.00% 10-year balloon with 20-year amortization on land or 12-year amortization on facilities Must meet IADD underwriting criteria 	TAX CREDIT AMOUNTS		LEASES		
			<ul style="list-style-type: none"> Cash rent: 5% Crop share leases: 15% Flex lease portion: 15% 	<ul style="list-style-type: none"> Terms and duration are set by the asset owner Must be a 2-5 year term 			

FOR MORE INFORMATION

To learn more about Iowa Finance Authority's Beginning Farmer programs or to access the application, visit iowafinance.com.

Loan Programs

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