

# Value-Added Agriculture Loan Program

## Fact Sheet

**Value-added products are defined as those in which** a change in the physical state or form of the product occurs (such as milling wheat into flour, making strawberries into jam, or processing livestock or poultry).

### Who may participate in this program?

Wyoming producers, producer groups or agribusiness entities may work with their lender to apply for the program. The bank is the applicant and the producer, producer group or agribusiness entity is the beneficiary.

- **Wyoming producer/producer groups** include independent producers, agricultural producer groups, farmer- or rancher-cooperatives, and majority-controlled producer-based business ventures.
- **Wyoming agribusiness entities** are those business entities in which the final project will benefit the agriculture industry and its overall economy.

### How may funds be used?

Funds may be utilized for machinery and equipment and facilities necessary in the processing or packaging of an agricultural commodity.

### Ineligible uses of the funds:

Funds may not be used to finance working capital, production-related expenses or to refinance existing debt.

### Terms and Conditions

- The maximum loan to value will be 85%
- The State of Wyoming can participate up to 75% of the loan provided the State portion does not exceed \$200,000
- The State of Wyoming's minimum participation amount is \$20,000.
- The State of Wyoming's portion of the loan shall have at a minimum, the following terms and conditions:
  1. Minimum loan fee of 1%
  2. Commitment fee of .25% (if the loan does not close within 12 months of approval)
  3. Commitment period for loan disbursement not to exceed two years
  4. Interest rate shall be a minimum of prime as determined by the Wall Street Journal at date of approval
  5. The interest rate may be fixed or variable depending on the project
  6. Maximum repayment term not to exceed 10 years (may be amortized over a longer term up to 25 years)

### Additional criteria:

The Wyoming Business Council's Value-Added Ag Loan Program uses federal funds through the Wyoming Rural Rehabilitation Program in accordance with the WBC's Cooperative Use Agreement with USDA. In order to comply with the parameters of the federal funding provided, projects must be in rural areas. Rural areas are those defined as populations of under 25,000.

### Application

The Application for this program is available on the Wyoming Business Council website at [www.wyomingbusiness.org](http://www.wyomingbusiness.org). Applicants should also attach the local commercial lenders documentation checklist and all required documents. For more information, please call the Wyoming Business Council Office at 307-777-2882.

