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**EDITORS:** The following information is for immediate release. If you have any questions, please contact Suzanne Milshaw, agriculture program manager of the Chester County Economic Development Council, at 610 458-5700.

## **Next Generation Farmer Loan Program celebrates 10 years of financial aid**

*82 loans given to first-time farmers, totaling \$23.77 million.*

**EXTON** \_ The Chester County Economic Development is celebrating a decade of giving financial assistance to new farmers through the Next Generation Farmer Loan Program, a program of the Pennsylvania Departments of Agriculture and Community and Economic Development.

Since 2000, 82 first-time farmers have accessed lower-cost financing for their first farm purchase with loan amounts totaling \$23.77 million.

The Chester County Economic Development Council offers the program with its partners, the Chester County Industrial Development Authority and the Central & Western Chester County Industrial Development Authority.

The CCEDC leads the Commonwealth in the use of this program. Gary Smith, President and Chief Executive Officer of the Economic Development Council, was an early proponent of the program. The Economic Development Council also works with other counties across the Commonwealth to complete projects.

Farms financed have included a wide array of farm types including dairy, crop, produce, beef, and even cut flowers and covered 5,645 acres in southeastern Pennsylvania.

The program is unique in that all the funding for the farmers comes from local banks, not government funding. Farmers work with area banks to access tax-exempt mortgages for first time farm buyers. The bank does not pay federal and state income tax on the interest earnings from the borrower and is thus able to pass along the savings to the new farmer in a lowered interest rate. The rates vary by lending institution, but are often 70 to 80 percent of the bank's agricultural rate throughout the life of the loan. CCEDC and its partners take the loan through an approval process to assure the loan is properly designated as tax-exempt.

The maximum loan amount is \$450,000 under the program. For example, on a \$450,000 loan with a tax-exempt rate of 5 percent, versus the bank's conventional 6 percent, a new farmer can save in the first year alone. With slim margins, new farmers need to consider all the tools available to give them the best entry into the business.

The Chester County Economic Development Council is a private, non-profit economic development organization that has been nurturing economic growth in Chester County and the surrounding region for 50 years. The Council's portfolio of business growth services includes: low-interest financing, small business lending, workforce training, retention and expansion,

customized international business assistance, land and building site selection, brownfields consultation and remediation, urban redevelopment, and agricultural economic development. The Council also offers state-of-the art conference and training facilities at its facility in Eagleview. For more information, see [www.cceconomicdevelopment.com](http://www.cceconomicdevelopment.com).