



Farm
Production
and
Conservation

Farm
Service
Agency

Jackson-Vinton-Scioto-Pike FSA

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Headquarters Office
Monday - Friday

Sub-Office
Wednesday and Thursday Only

LOW INTEREST GRAIN LOANS PROVIDE CASH FLOW

Marketing Assistance Loans (**MAL's**) is a marketing tool available to all producers on harvested grain and provides interim financing at harvest time to help meet cash flow needs without having to sell their grain at harvest time which is typically the worst time to sell uncontracted grain. To avoid the usual harvest time dockages, producers who have access to on-farm storage should consider a MAL the meet cash flow needs. The discounts received on 2022 crop inputs will usually more than make up for the interest on these loans. Warehouses loans are also available if stored in an approved storage facility.

Livestock producers who feed their grain can also use these loans to meet cash flow needs. Repayment of bushel to be fed would be required prior to feeding them. A repayment plan can be set up on a weekly or monthly schedule or simply repaid as needed.

Producer Eligibility: To be eligible for a MAL the producer must:

- Comply with conservation and wetland protection requirements;
- Submit an acreage report for all cropland on all farms;
- Have and retain beneficial interest until the loan is repaid or Commodity Credit Corporation (CCC) takes title to the commodity;
- Meet adjusted gross income limitations.

Commodity Eligibility: To be eligible for a MAL the commodity must:

- Be merchantable for food, feed or other uses as determined by CCC;
- Meet specific CCC minimum grade and quality standards.

Beneficial Interest

A producer retains beneficial interest in the commodity if he/she maintains control of the commodity and title to the commodity. Some marketing decisions may cause a producer to lose control and/or title to the grain so review specific concerns with the county office.

Final Availability Dates

The final date to apply for a 2021 crop wheat loan is March 31, 2022 and for corn or soybean loans is May 31, 2022.

Loan Rates:	County	Corn	Soybeans	Wheat
	Jackson	\$2.26	\$6.37	\$3.59
	Pike	\$2.28	\$6.39	\$3.59
	Scioto	\$2.29	\$6.40	\$3.59
	Vinton	\$2.25	\$6.31	\$3.61

Interest

The interest rate charged for commodity loans is set at one percentage point above CCC's cost of borrowing from the U.S. Treasury at the time the loan is made. After a loan is made, the rate is fixed except the interest rate for loans outstanding on January 1, 2021 is adjusted to rate in effect on January 1st. **The interest rate for the month of September 2021 is 1.125%.**

Loan Maturity/Payment/Settlement

MAL's mature on the last day of the ninth calendar month following the month in which the MAL is approved. A producer may repay/settle an outstanding MAL:

- Before maturity period by repaying the MAL or;
- Upon maturity by forfeiting the commodity to CCC.

Loans may repay any time during the loan period at the lesser of the:

- Loan rate plus interest or;
- Alternative loan repayment rate determined by CCC. This is referred to as the Posted County Price (PCP). Prices would have to drop considerably more for this option to be viable and can be discussed further by calling either the Jackson or Lucasville FSA Office at 740-286-5208 or 740-259-3075.

Required Signatures

In cases where individual producers are applying for MAL's, spousal signatures are required on loan documents to protect the interest of all parties in the loan making process. Spouses have the option of waiving interest in the crop to avoid signing loan documents.

Lienholder Waiver

If you have a lien on the crop FSA has a lien waiver document that lienholders can sign so that loan proceeds can be issued directly to the applicant or issued jointly. Applicants are encouraged to visit with crop lienholders before applying for a MAL.