

Junior Herd Starter Loan Program, by Neil Effertz, ALB Board Member

I have been working with Stuart Ternes and Mike O'Keeffe from Farm Credit Services of Mandan, North Dakota on a Junior Herd Starter Loan Program that would enable junior members to apply for funds to get their herd started in the Lowline business. The Junior Herd Starter Program described below is offered by FCS of Mandan and is a great example of the kind of young farmer programs that other Farm Credit institutions provide across the country.

There are 94 regional Farm Credit Services offices in the United States that lend to agricultural producers in all 50 states. Each of these offices is independently operated and each has its own programs to serve the needs of young beginning farmers. Contact your local Farm Credit institution to see if they offer a program similar to FCS of Mandan's Herd Starter Loan Program for young farmers, such as for 4-H or FFA animal projects. To find how to contact the Farm Credit institution in your area, go to <http://www.fcredit.com/Default.aspx?pageid=5> and click on your state and county.

Junior Herd Starter Loan Program, Farm Credit Services of Mandan, North Dakota

- 1. Farm Credit Services of Mandan** will lend to credit worthy applicants up to \$5000 for the purchase of commercial or registered heifers to be bred to a registered Lowline bull.
- 2. FCS of Mandan** will require that a business plan be attached to the completed loan application and may require a 10% down payment at the time of purchase. An example of a sample business plan is being drafted at this time and will be made available to junior members on the ALR web site www.usa-lowline.org
- 3. The young breeder** will be required to sell the original heifers within 24 months and repay the loan plus interest in full at that time. He or she may be required to carry full mortality insurance coverage on the cattle until they are paid for as a risk management tool.
- 4. The business plan will** detail how the cattle are to be managed and how they will be bred to a Lowline bull (leased from their local Lowline breeder that is participating with them in the mentorship program) for their first calf and then bred to either a Lowline bull or a bull of a different breed to be resold at a local stock cow/bred heifer sale after they have weaned their first Halfblood Lowline calves.
- 5. The heifers** should have escalated in value from the \$500-\$800 purchase price range to the \$1000-\$1500 range at the time of their sale as pregnant coming 3 year olds and the young member should have a nice bunch of halfblood calves to get his/her Lowline herd started with and could certainly do the program again to increase the size of his herd if desired.
- 6. The local Lowline breeder** can either lease the bull outright to the young breeder or take a little work in trade for the lease payment. A fair lease payment for a young registered bull would be something like \$400 to \$600 per breeding season depending on how many heifers the bull was expected to breed. The local breeder can help coach the young member on development and marketing the resulting halfblood calves.
- 7. This can be done as part of an FFA or 4-H project** or just as part of our junior program. It is something that teaches the kids a lot of much needed skills in life, in agriculture or any other business that they may pursue. It's a whole lot more responsibility than having their dad buy them a show heifer. I think it will get us a lot more new Lowline breeders in the long run.

Similar programs may have different requirements depending on the local Farm Credit Office. **Please note that this sort of program may not be available in all parts of the country.** Should your local Farm Credit office have questions, please have them contact Gary Matteson.

Gary's contact information is:

Gary Matteson
V.P. Young, Beginning, Small Farmer Programs and Outreach
Farm Credit Council
50 F Street NW, Suite 900
Washington, DC 20001
202-879-0840 phone
202-626-8719 fax

For those of you in the northern plains Stuart Ternes's contact information is:

Stuart Ternes
Farm Credit Services of Mandan
1600 Old Red Trail
Mandan, ND 58544
701-663-6595
sternes@farmcredit.com