



AGRICULTURE LOAN PROGRAMS

NATURAL RESOURCES, AGRICULTURE, & ENVIRONMENTAL QUALITY APPROPRIATIONS SUBCOMMITTEE
 STAFF: IVAN DJAMBOV & ANGELA OH

BUDGET BRIEF

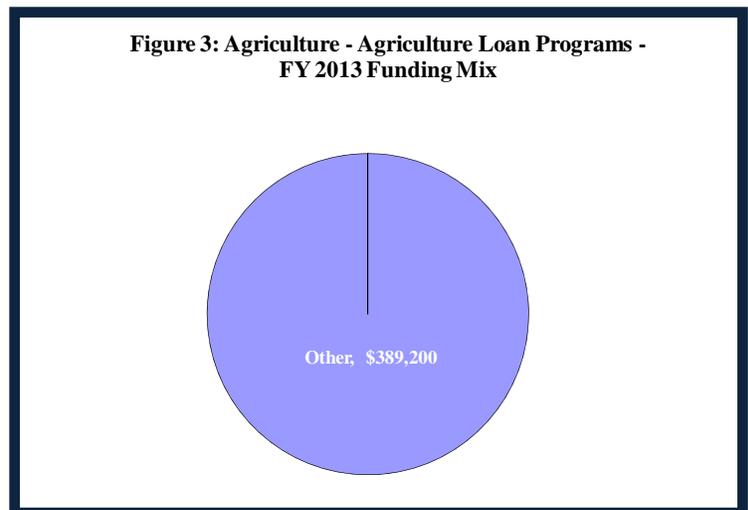
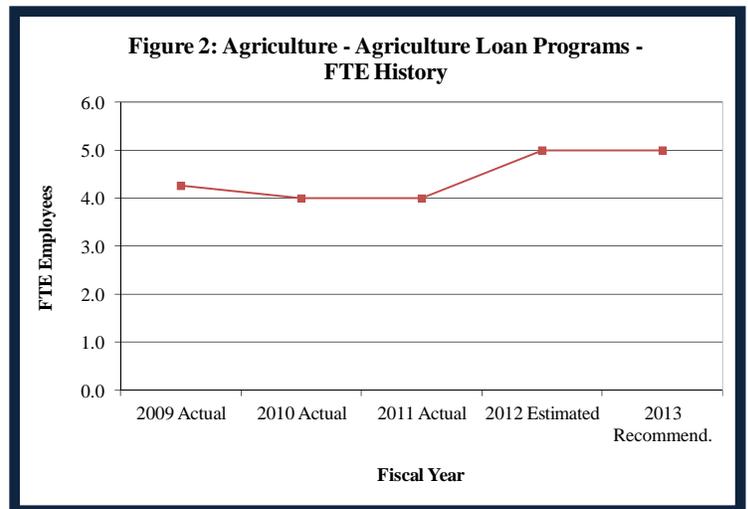
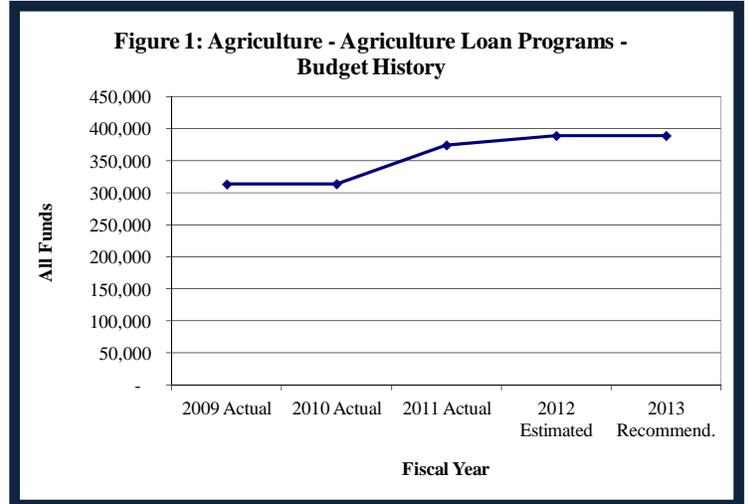
SUMMARY

The Loans line item administers the two loan funds: the Agriculture Resource Development Loan Fund and the Rural Rehabilitation Loan Fund.

The Agriculture Resource Development Loan Fund (ARDL) provides low-interest (3% annual interest plus a one-time 4% technical assistance fee) loans. The funding sources for this fund include \$525,000 annual appropriation from the 1/16 of the sales and use tax revenue. Other funding sources include loan repayments, interest, and money appropriated by the Legislature. Loans may be made for rangeland improvement, watershed protection, flood prevention, soil and water conservation, and energy efficient farming projects.

The Utah Rural Rehabilitation Loan Fund was established from a one-time federal appropriation in 1937. This revolving loan fund is replenished by repayments and low interest rates. In essence, the Rural Rehabilitation Program is a lender of last resort to farmers who represent too high a risk to acquire financing from conventional lending institutions. Assets may be used for real estate loans, farm operating loans, youth loans, educational loans, and irrigation/water conservation loans.

For FY 2013, the Analyst recommends for the Agriculture Loans line item a total budget of \$389,200.



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BUDGET DETAIL TABLE

Agriculture - Agriculture Loan Programs						
	FY 2011	FY 2012		FY 2012		FY 2013*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Recommended
Agri Resource Development	251,000	248,900	0	248,900	0	248,900
Utah Rural Rehab Loan	140,300	140,300	0	140,300	0	140,300
Lapsing Balance	(16,900)	0	0	0	0	0
Total	\$374,400	\$389,200	\$0	\$389,200	\$0	\$389,200
Programs						
Agriculture Loan Program	374,400	389,200	0	389,200	0	389,200
Total	\$374,400	\$389,200	\$0	\$389,200	\$0	\$389,200
Categories of Expenditure						
Personnel Services	352,500	422,600	(64,600)	358,000	0	358,000
In-state Travel	1,500	1,600	(100)	1,500	0	1,500
Out-of-state Travel	1,500	1,900	(700)	1,200	0	1,200
Current Expense	13,000	(42,800)	65,300	22,500	0	22,500
DP Current Expense	5,900	5,900	100	6,000	0	6,000
Total	\$374,400	\$389,200	\$0	\$389,200	\$0	\$389,200
Other Data						
Budgeted FTE	4.0	5.0	0.0	5.0	0.0	5.0
Actual FTE	5.1	0.0	0.0	0.0	0.0	0.0
Vehicles	1.0	1.0	0.0	1.0	0.0	1.0