

FINANCE PROGRAMS

SOUTH DAKOTA GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT


DAIRY FARMS



**RURAL
DEVELOPMENT
AG LOAN
PARTICIPATION**

LOAN

- Participation loan up to 80 percent with a maximum of \$500,000, low fixed interest rate
- Maximum term of 10 years
- Facility and equipment
- Eligible borrower partners with their local bank
- Amortization depends on useful life of the assets



**LIVESTOCK
LOAN
PARTICIPATION**

LOAN

- Participation loan up to 50 percent loan with a maximum of \$200,000, low fixed interest rate
- Maximum 7 years
- Livestock purchase only
- Eligible borrowers partner with their local bank
- Amortization depends on useful life of the assets

DAIRY FARMS

LOAN

CONDUIT BOND FINANCING*

- Tax-exempt bonds available for qualifying beginning farmers, ag processing business or solid waste disposal expenses for livestock projects
- Tax-exempt bonds offer tax benefits to the bond purchaser and lower interest rates on the project
- Application fees and bond issuance fees apply

Nutrient Management

Fixed assets associated with handling and/or processing of byproducts and livestock nutrients

* PROGRAM REQUIRES BOARD APPROVAL

DAIRY PROCESSING

LOAN

CONDUIT BOND FINANCING*

- Tax-exempt bonds available for qualifying beginning farmers, ag processing business or solid waste disposal expenses for livestock projects
- Tax-exempt bonds offer tax benefits to the bond purchaser and lower interest rates on the project
- Application fees and bond issuance fees apply

Agribusinesses

Ag Businesses involved in processing or manufacturing

Nutrient Management

Fixed assets associated with handling and/or processing of byproducts and livestock nutrients

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DAIRY PROCESSING

LOAN

REVOLVING ECONOMIC DEVELOPMENT & INITIATIVE (REDI) FUND*

- Provides permanent financing for:
 - Land, buildings, machinery, and equipment
 - Land & buildings, for multi-family workforce housing
- Low, fixed interest rate
- Amortization based on useful life of assets financed
- 5-year balloon payment
- Take-out financing
- Minimum 10 percent equity contribution; REDI Fund loan amount may not exceed 45 percent of total project costs
- Job creation is a factor in determining loan eligibility – must meet program minimum wage and benefit requirements
- Job creation requirement is waived for multi-family workforce housing projects
- Low origination fee

* PROGRAM REQUIRES BOARD APPROVAL

DAIRY FARMS & PROCESSING

INCENTIVE

REINVESTMENT PAYMENT PROGRAM*

- Assists companies in offsetting the upfront costs associated with relocating or expanding operations and/or upgrading equipment
- Total project costs in excess of \$20 million or equipment upgrades with a total project cost in excess of \$2 million
- One key criteria considered by the board when reviewing an application is the likelihood the project would have occurred without the Reinvestment Payment Program
- Intended for projects that would not have occurred without the reinvestment payment
- New dairy facilities that require a new conditional use permit may be eligible, but benefits of the program must be assigned to the local county

* PROGRAM REQUIRES BOARD APPROVAL