How to Get and Use Agricultural Loans

Working close to the land can bring great satisfaction, but managing the day-to-day expenses of a busy farm or ranch is often a challenge. An agricultural loan might provide the capital necessary to maintain or grow your business.

Agricultural business loans can cover many different costs for farms and ranches, including:

- **Operating expenses.** These might include equipment, supplies, livestock, feed, seed, building construction or renovation, fencing, veterinary care, wages or administrative services.
- **Real estate.** Starting or expanding a farm or ranch means purchasing substantial plots of land.
- **Marketing.** Advertising gets the word out about your business, but it can cost big bucks.

Types of agricultural loans

Agricultural loans aren't one size fits all. Financial institutions like The Mercantile Bank of Louisiana, Missouri, offer multiple competitive options that are designed to fit different situations in the communities they serve. Borrow a fixed sum through a traditional term loan or choose an operating line of credit that lets you borrow just what you need when you need it within a set credit limit.

How to get an agricultural loan

When you're ready to apply for agricultural financing, call or visit your chosen financial institution.

Having the proper documentation will help the approval process go smoothly. Applications for agricultural business loans often require a current financial statement, a business income statement and balance sheet, and three years' worth of personal and business tax returns.

You'll also need basic identifying information, such as a driver's license or passport, Social Security card, proof of personal and business addresses, legal business agreements and certificates, and your tax ID number.

Why struggle when operating costs feel out of control? Agricultural financing can mean the difference between treading water and helping your business to thrive.

Roberta Pescow, NerdWallet