



# FCC Young Farmer Financing



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**Farm Credit Canada**  
Advancing the business of agriculture

Canada



Advancing the business of agriculture





- **\$1.9B in 2011/12**
- **26.7% of disbursements**
- **more than \$5B disbursed to young farmers over the last 4 years.**
- **supporting the future of Canadian Agriculture**



## Benefits:

- begin or continue your operation
- develop a strong credit history with FCC
- variable rates and special fixed rates

# Young Farmer Loan

Main differences from a regular loan:

- age of applicant – 39 or younger
- funds only available for agricultural related asset
- preferential interest rate
- no credit facility processing fees.
- \$500,000 maximum loan amount
- limited interest term choices
- real estate security



# Cranston Family

Doug and Joan

25 years in the dairy business

High equity

Strong repayment

Average borrowing rate of 3.5 %





# Son James Cranston

Age 27

Home full time since 2008

Owns some cattle, but no real estate or quota

Savings of about \$ 25,000

Farm income from profit share on family dairy farm



James wants to buy 25 acres for \$ 100,000  
Does not want to bring in parents as borrowers  
Has 25 % down  
Proven income for the past 3 years





**Standard mortgage rate** for James would be **5 %**

- No history with FCC

- will be highly leveraged

·With **Young Farmer Loan**, qualifies for rate of **3.5 %**

- Meets age requirement and loan size

- 25 % down shows commitment to purchase

- FCC will get mortgage security

- will be approved for financing without parents





