



## **Texas Agricultural Finance Authority (TAFA)**

The Texas Agricultural Finance Authority (TAFA) was created in 1987 (through HB 49) as a public authority within the Texas Department of Agriculture. The program is designed to provide financial assistance for the expansion, development and diversification of production, processing, marketing and exporting of Texas agricultural products.

### **Agricultural Loan Guarantee**

TAFA provides financial assistance to establish or enhance farming or ranching operations or to establish an agricultural-related business. The program provides guarantees based on a tiered structure, not to exceed \$750,000 or 70% of the loan amount, whichever is less. The program also provides an interest rebate as part of the guarantee process to eligible borrowers.

### **Interest Rate Reduction**

TAFA can facilitate commercial lending that may result in lower interest rates compared to current market rates. Any person who proposes to use the proceeds under this program in a manner that will help accomplish the state's goal of fostering the creation and expansion of an agricultural business in Texas is eligible.

### **Young Farmer Interest Rate Reduction**

Even more beneficial than the standard interest rate reduction program, young farmers can see greater reductions in their interest costs through this program. Any person who is at least 18 years of age but younger than 46 years of age and proposes to use loan proceeds in a manner that will help accomplish the state's goal of fostering the creation and expansion of an agricultural business in Texas is eligible.

### **Young Farmer Grant**

TAFA offers a semiannual grant program to eligible applicants who are at least 18 years of age but younger than 46 years of age and who are engaged in creating or expanding agriculture in Texas. The applicant must be able to make dollar-for-dollar matching expenditures to sustain, create or expand the proposed project. Individual grants may range from \$5,000 to \$20,000.