

# UTAH DEPARTMENT OF AGRICULTURE AND FOOD

## AGRICULTURE RESOURCE DEVELOPMENT LOAN PROGRAM (ARDL)

LOANS FOR CONSERVATION



# THE GOALS OF THE PROGRAM ARE:

- Conserving soil and water
- Improving water quality
- Preserving wildlife habitat
- Developing on-farm energy projects
- Preventing/mitigating flooding and other natural disasters
- Improving rangeland
- Provide and maintain protection of a crop or animal resource







ARDL funds are typically combined with grants and/or other sources to provide maximum benefit to conservation projects.

- NATURAL RESOURCE CONSERVATION SERVICE (NRCS)
- GRAZING IMPROVEMENT PROGRAM (GIP)
- CONSERVATION DISTRICTS
- PERSONAL FUNDS







Before  
2008 EQIP Reseed/Pinion  
Juniper Project on Bunting  
Ranch

After  
2011 Project seeded







Before



After

Bank Restoration

(Main Creek in the Wallsburg Project in Wasatch County.)





Before



After



**1976 through 2006 – 30 year Period**

**\$56 million was loaned out.**

**1,988 loans completed**

**Average loan amount was \$28,169.**

**66 Loans per year**

**2007 through YTD 2015 – 9 year Period**

**\$30.982 million was loaned out.**

**490 loans completed**

**Average loan amount was \$63,228.**

**54 loans per year**



# 3 year Overview

| YEAR | NO. OF LOANS            | OUTSTANDING PRINCIPAL |
|------|-------------------------|-----------------------|
| 2013 | 33                      | \$20,242,730          |
| 2014 | 21                      | \$17,944,806          |
| 2015 | 29<br><b>FISCAL YTD</b> | \$17,679,808          |

## Rate and Terms

2.50 % to 3.00% annual interest rate based on loan amount. Terms are 7 to 15 years based on security no greater than 70% loan to value.



78% of the appropriated funds as of April 2015 are currently funded

Total amount appropriated over the life of the revolving loan program and sales tax earmark - \$22.6 million

Total amount of outstanding loan principal balances - \$17.6 million



# Reasons for decreased number of Loans and increased cash over the last 3 years

- Recovering economy
- Borrowers are wary of debt
- Competitive commercial interest rates
- Saturation of irrigation projects



# What we anticipate in the next few years?

- New loans to replace existing pivots and wheel lines from previously funded projects
- Larger and more costly projects
- Possibility of opening new salinity areas

In the past five years (2011 – 2015) ARDL has funded a total of \$3,409,069 to 7 individuals for on-farm energy and irrigation projects with an average of \$487,010 per project.



# Available Cash To Secure Loans and Number of Outstanding loans at January 31, In the Last 3 Years

|        |              |     |
|--------|--------------|-----|
| ➤ 2013 | \$ 8,627,216 | 540 |
| ➤ 2014 | \$11,388,272 | 473 |
| ➤ 2015 | \$13,134,516 | 452 |

# Irrigation Types and Efficiencies



Wild Flood  
35%

Handline Wheel 65% to 70%



Pivot 75 to 80%





# Before and After Scenario

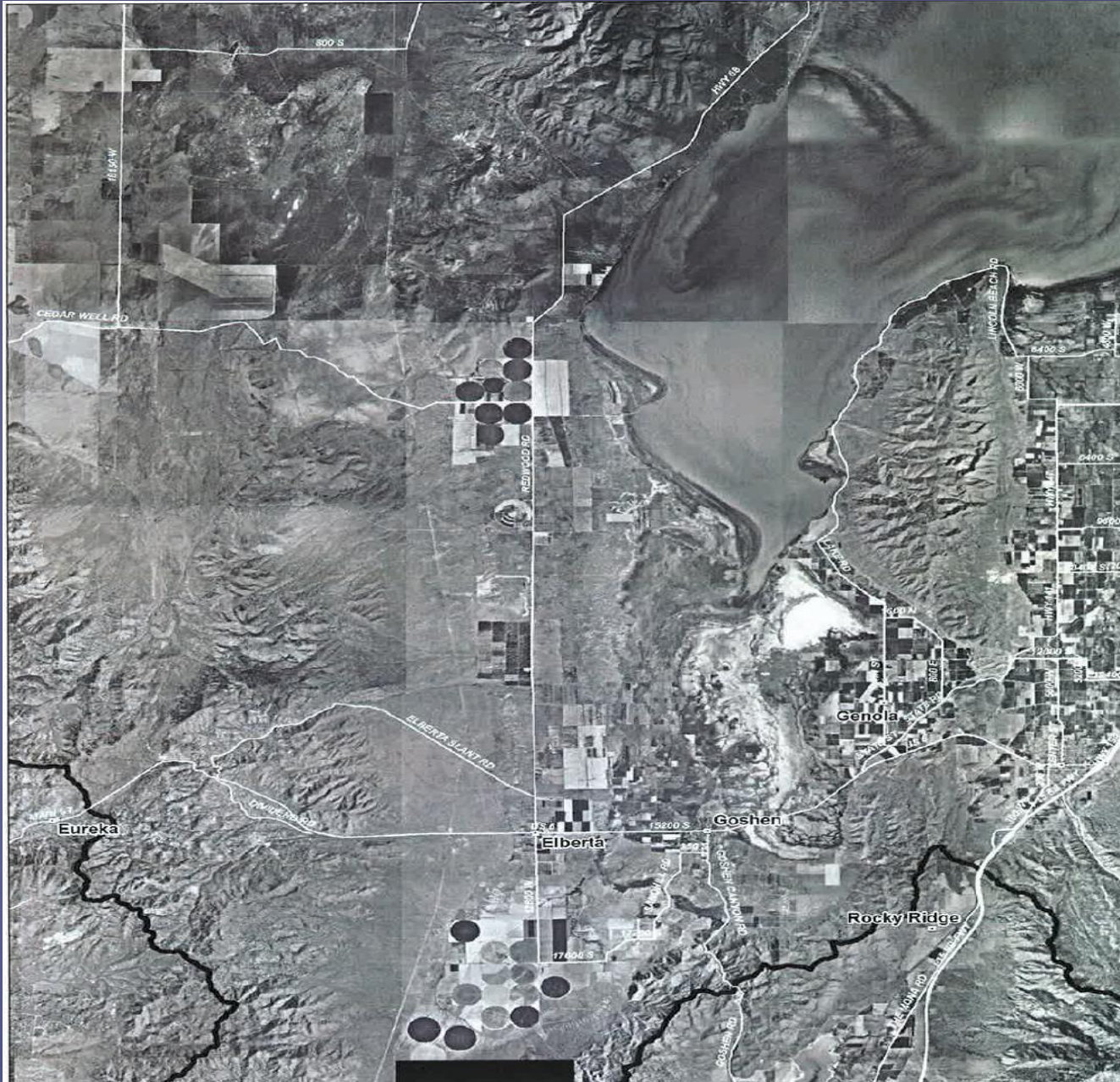
Based on 160 Acres of Production

- Tons produced before 546.80
- Tons produced after 840.56
  
- Total inches of water required before 51 inches
- Total Inches of water required after 27 inches
  
- Total revenue before \$54,680
- Total revenue after \$84,056

Estimated total additional “net” revenue per pivot, per year  
\$24,868.40

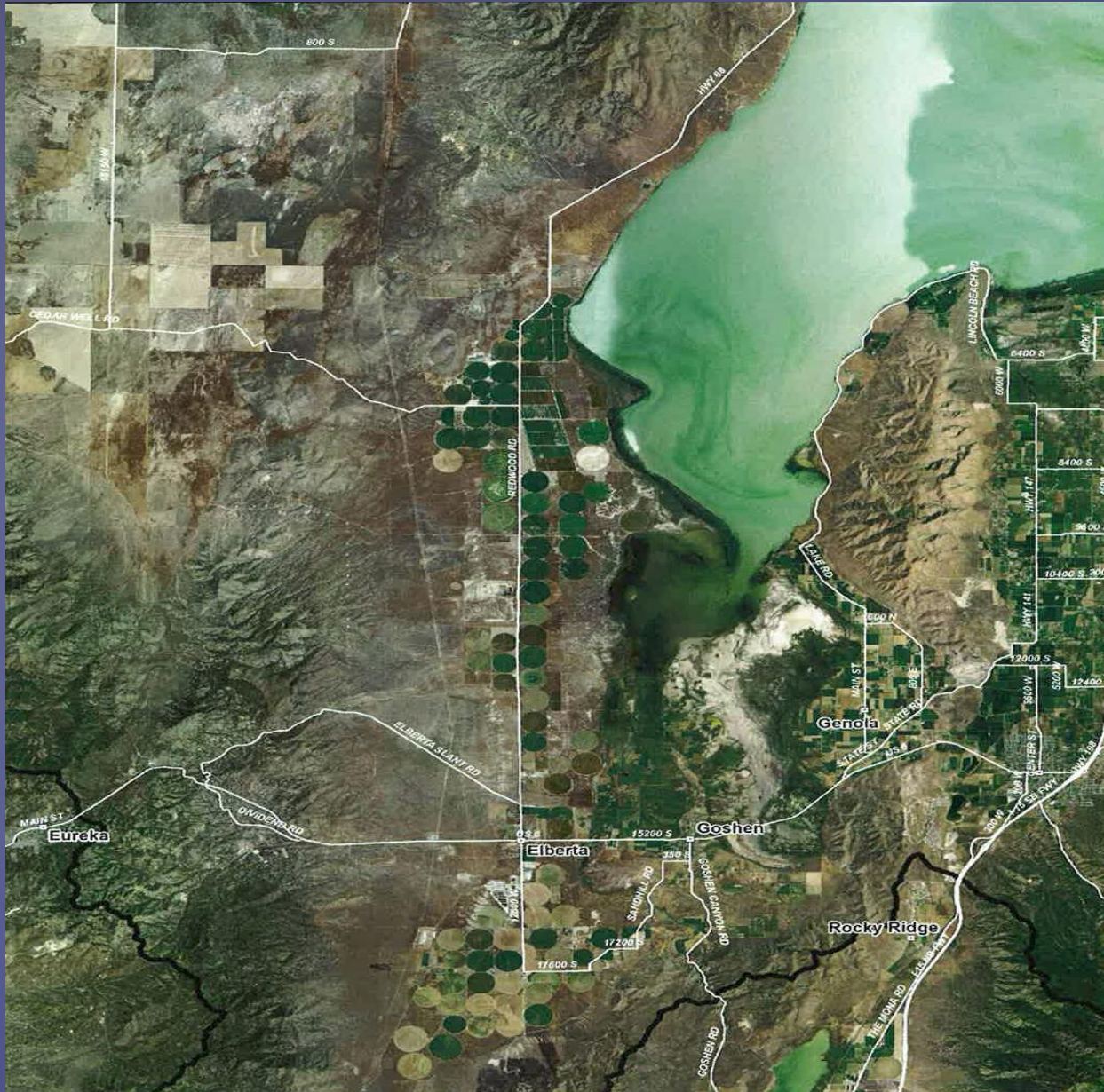
# Elberta Area, Utah County

## Elberta Area, Utah County-1990s





Elberta Area, Utah County  
80 pivots x \$24,868.40 = \$1,989,472 per year  
Elberta Area, Utah County-2011





# Water Conveyance Improvement Project

Financed by ARDL funds and planned by Conservation District Planners.















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# Crop Storage Improvement Project

Financed by ARDL funds and overseen by Conservation District Planners.















**Renewable Energy System Project** Financed by ARDL funds and grants. Planned in partnership with Rocky Mountain Power, USDA through NRCS and Utah Conservation District Planners.







06/19/2014

**Irrigation Improvement Project Financed by ARDL funds and grants. Planned and overseen by NRCS and Conservation District Planners.**











# Sustaining Agriculture

The agriculture system cannot afford to wait for piecemeal adoption of better practices and solutions. If we are going to help feed the doubling population in 2050, food production must drastically increase. To preserve the ecosystems and resources upon which food production depends, this dramatic increase needs to happen on the same amount of land, with fewer resources and less waste.

# Public Sentiment

2007: 53% thought farming and ranching critical to the future of the state.

2014: 74% thought farming and ranching critical to the future of the state.

By 2050, Utah's population will be more than 5-million people  
Without aggressive conservation efforts we will only produce a small portion of our state's nutritional needs:

## 2015

Animal Protein = 134 %

Grains = 96%

Dairy = 26%

Fruit = 6%

Vegetables = 2%

## 2050 (Projected)

Animal Protein = 68 %

Grains = 48%

Dairy = 13%

Fruit = 3%

Vegetables = 1%

