SRF Loan Program - History

- Program started in 1995 with a $100,000 loan from DOE
- Program to Date - Loaned out more than $18 Million on 395 contracts
  - Average of $45,500/loan
SRF Loan Program - History

- Impacted over 500,000 acres

- Investment of $36/acre
  - Money is paid back with Interest!
How the Program Started...

- Development of a relationship with State and Federal Regulatory Agencies (Region 10 EPA & the Department of Ecology in WA.)

- Became educated on the SRF program and potential uses of the fund
How the Program Started...

• Outlined a program that would work for producers in our region and presented it to DOE.

• Continue to apply for funds today through a competitive application process.

Four additional Counties in North Idaho: Benewah, Kootenai-Shoshone, Latah, and Idaho SWCDs.
• Eligible Purchases include:
  - Implements which aid in the direct placement of seed and/or fertilizer in one or two passes (No-till and Minimum tillage drills, air drills, fertilizer placement implements, sprayers, and power units).
• Eligible Purchases include:
  - Implements that aid in the removal or management of residue (Heavy harrows, mowers/shredders, swathers, balers and bale handling equipment).
Potential Impacts of a $5 Million SRF loan program:

Average Loan amount of $75,000 = 67 Loans
Average Farm Size = 3,000 Acres
Total Acres Impacted = 201,000 Acres
Impacts Continued:

201,000 Acres @ $14/acre savings = $2,814,000/year

Over the 10-year life of the equipment = $28,140,000

Initial $5 Million investment is paid back over 20 years @ 2.6% interest = $6,405,000 back to DOE.

Return on the funds of nearly 440% over the life of the asset.
Environmental Impacts:

Reduce erosion rates from 14 tons/acre to 3 tons/acre.

On 201,000 acres @ 11 tons/acre reduction = 2,211,000 tons of soil erosion averted per year.

Phosphorus Savings - Hangman Creek Watershed
Phosphorus Study showed 1.4 lbs/ton of soil erosion.

2,211,000 tons of soil @ 1.4 lbs/ton = 3,095,000 lbs of Phosphorus saved per year.
Custom Seed Operation financed using SRF Funds

Cross Slot No-Till Drill seeding into alfalfa residue at the Washington State Penitentiary farm in Walla Walla, WA.
Non-Performing Loans

• Must mitigate risk of bad loans.
  - Interest rate margins
No-Till Seeding into 100+ Bushel Wheat Stubble
No-Till Seeding into CRP Land
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