



# Farmland Financing Program

## Fact Sheet

<p>The Farmland Financing Program is available to support eligible farmers; new and expanding or those involved in farmland succession within Prince Edward Island.</p> <p>Eligible applicants can apply to receive financing under one of either the Acreage Acquisition Program or the Young Farmers Low-Interest Program.</p>	
<b>Eligibility:</b>	<ul style="list-style-type: none"> <li>- For the applicant to be eligible for assistance, the following criteria must be met:               <ul style="list-style-type: none"> <li>○ The applicant must have an acceptable combination of five years post-secondary education in agriculture and/or work experience in a farming operation</li> <li>○ The applicant has a satisfactory credit rating and must not have any defaulted outstanding debt obligation on file in the Province's Central Default Registry</li> <li>○ The land being financed must be available to be taken as a first charge against the loan</li> <li>○ The Shareholder must provide a Personal Guarantee</li> <li>○ The applicant must have a valid Environmental Plan and Soil Conservation Plan for the farmland being purchased</li> <li>○ The applicant must be a Canadian Citizen or permanent resident of Canada</li> </ul> </li> </ul>
<b>Loans:</b>	<ul style="list-style-type: none"> <li>- Finance PEI provides two financing programs to support the agriculture sector.</li> <li>- Acreage Acquisition Program provides two streams and is eligible for farmland only; woodland, barns, structures and equipment are excluded:               <ul style="list-style-type: none"> <li>○ Stream 1: For farmers looking to acquire up to 150 acres of farmland, term loan financing up to 100% of the purchase price at a fixed interest rate of 6% over a five year term.</li> <li>○ Stream 2: For farmland purchase up to 450 acres; term loan financing of up to 80% with the option of interest-only or blended principal and interest payments at a fixed interest rate of 6%</li> </ul> </li> <li>- Young Farmers Low-Interest Loan Program               <ul style="list-style-type: none"> <li>○ Loan to provide support to new entrant or farmland succession applicant between the ages of 18-39</li> <li>○ Loans under this program will support purchases that include structures should it provide direct assistance with the operation</li> <li>○ Loans to be capped at \$1 million at a fixed interest rate of 3% for a five year term and amortized over a 20 year period</li> </ul> </li> </ul>
<b>Process:</b>	<ul style="list-style-type: none"> <li>- Eligible applicants start the process by applying to Finance PEI and are required to provide the following supporting information:</li> <li>- A Business plan prepared by a qualified chartered accountant that includes:               <ul style="list-style-type: none"> <li>○ Income Tax returns that demonstrate annual sales of at least \$15,000 from agricultural commodities for farming operations expansions or succession planning</li> <li>○ New Entrant must also include cash flow projections to indicate the following:                   <ul style="list-style-type: none"> <li>▪ Required annual sale of \$15,000 will be met from agricultural commodities</li> <li>▪ Adequate debt service to support the proposed land purchase</li> </ul> </li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- An Account Manager will then conduct an interview to discuss your business plan and the next steps to determine eligibility</li> </ul>
<b>Program Duration:</b>	<ul style="list-style-type: none"> <li>- Applications under the Farmland Financing Program will be accepted until the earlier of: <ul style="list-style-type: none"> <li>o date that the authorized allocation under the program has been fully committed; and,</li> <li>o December 1, 2026</li> </ul> </li> </ul>
<b>Other Information:</b>	<ul style="list-style-type: none"> <li>- The Province has established a \$10 million investment portfolio for this financing program</li> <li>- 25% of this financing program is earmarked for the Young Farmers Low-Interest Loan Program</li> <li>- The Farmland Financing Program is administered by Finance PEI, a Provincial Crown Corporation</li> <li>- Applications are available at Finance PEI, 98 Fitzroy Street, 2<sup>nd</sup> floor in Charlottetown or on-line at <a href="#">Farmland Financing   Government of Prince Edward Island</a></li> </ul>