



## USDA-DATCP Value-Added Dairy Revolving Loan Available for Processors

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MADISON – Support for Wisconsin dairy processors to invest in equipment is available through a partnership between the United States Department of Agriculture (USDA) Rural Development and the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP). The Value-Added Dairy Revolving Loan has funds available for dairy processors to purchase equipment to start or expand production.

“The intention of the Value-Added Dairy Revolving Loan is to increase Wisconsin’s value-added dairy production by building a partnership between the processor, their bank and our department,” said Carl Rainey, a DATCP Economic Development Consultant. “This loan can be used by a beginning processor or an established processor looking to expand, start a new product line or increase their product capacity through equipment purchases.”

A business plan that demonstrates positive cash flow is required to apply. After a business plan is submitted, a short application will be provided for completion. The application will be evaluated through an internal and external review.

The loan may cover the cost of one or more pieces of equipment for a dairy processor. Examples of past equipment purchased by dairy processors through this program include: separators, specialty ice cream machines, pasteurizers, cheese cutting and sealing machines, brining equipment and coolers.

The loan term is two to seven years. Loans are provided at three program levels:

- **50-40-10 Loans:** Applicants must provide at least 10% of the total project cost, and 50% would be funded by a bank. This loan will fund 40% of the total project cost up to \$150,000 at 2% interest.
- **70-30 Loans:** The applicant must provide at least 30% of the total project cost, and this loan will fund 70% of the total project cost up to \$60,000. The interest rate is 3%.
- **85-15 Loans:** Applicants must provide at least 15% of the total project cost. This loan will fund 85% of the total project cost up to \$35,000 at a 4% interest rate.

Funding is limited. The Value-Added Dairy Revolving Loan began in 2003 and was expanded in 2010. The loan is federally-funded by USDA.

“Even during the application process for this loan program, value-added dairy processors can learn more about their operation by assessing their business plan,” added Rainey. “With attractive rates, the Value-Added Dairy Revolving Loan can leverage an investment farther.”

For application materials or additional information about the Value-Added Dairy Revolving Loan, contact DATCP’s Carl Rainey at 608-224-5139 or [Carl.Rainey@Wisconsin.gov](mailto:Carl.Rainey@Wisconsin.gov).

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