

**PROGRAM:** Production Credit Association (PCA)

**DESCRIPTION:** PCAs are customer-owned, credit cooperatives established by farmers and ranchers to provide themselves a source of reliable credit. PCAs form a nationwide system operated under the Farm Credit System created by Congress in 1917.

**ELIGIBLE USE:**

- PCAs may offer:
  - Short-, intermediate- and long-term financing at variable and fixed interest rates,
  - Operating loans,
  - Rural housing loans, and
  - Farm-related loans.
- Loan proceeds may be used for feed, fertilizer, labor, harvesting expenses, fencing and other improvements, chemical sprays, spraying equipment, livestock, poultry, machinery, processing equipment, storage facilities, farm buildings, insurance, autos and trucks, and almost anything directly or indirectly involved in the operation of a farm or ranch, as well as family needs of the member-stockholder.

**QUALIFICATION CRITERIA/COMMENTS:**

- Eligible borrowers include:
  - Anyone actively engaged in farming or ranching, or certain agriculture-related businesses. This includes individuals, partnerships or corporations. People who farm part-time are also eligible; and
  - Individuals may also obtain financing for rural residences.
- A PCA requires a plan on the use of the credit, a repayment plan and a current financial statement. Additional information may be required as determined by loan size and complexity.
- Visit [http://www.webref.org/agriculture/p/production\\_credit\\_association.htm](http://www.webref.org/agriculture/p/production_credit_association.htm) for more information on PCAs.