

Direct Loans help grow dairy farms

Manitoba has an incredible wealth of young people, ready and willing to enter the agriculture industry. Armed with an education, new ideas and the determination to succeed, often their aims are challenged by a lack of financing. Farms are getting bigger, and land and equipment are getting more expensive, so their already limited capital gets relatively smaller.

One of the Manitoba Agricultural Services Corporation's (MASC) main goals is to support young farmers and others who are just beginning, and help them enter the industry.

Many know MASC for its risk management programs – such as AgrilInsurance and Hail Insurance – but MASC also provides lending services for agriculture, including programming specific to young and beginning farmers.

Jeremy Dueck runs a dairy farm near Ste. Anne, and knows firsthand of MASC's lending programs. In 2011, Dueck found a farm near Landmark and went looking to finance some equipment.

"It was a random chance conversation that led to MASC," said Dueck. "A friend asked, 'Have you looked at MASC?' and I had to reply, 'Aren't they just crop insurance guys?'"

MASC's lending programs include Direct Loans to producers, and loan guarantees to help secure loans drawn from institutions in the private sector, like banks or credit unions. Central to MASC's direct lending programs is the Bridging Generations Initiative, which provides farmers under the age of 40 with financial incentives, customized loan terms and repayment options.



Dueck's first loan from MASC went towards purchasing equipment. MASC's Direct Loans can be used for most common agricultural purposes, including purchasing land, buildings, equipment, breeding livestock, quota, operating expenses and more.

"MASC went to bat for us," said Dueck at his kitchen table, surrounded by his young family. "You need your equipment. And when you go to bat for a farmer, they remember."

Two years later, Dueck did remember.

"That first loan was a gateway to MASC," he said.

So when a more suitable farm site became available locally, Dueck had ideas about what to do with it.

Today, those ideas have become Dueck's forward-looking realization of cutting edge technology and calculated efficiency. With much support from the Dairy Farmers of Manitoba and its benchmarking groups, Dueck learned to increase his farm's output, while decreasing his operating costs.



Dueck's farm is a glimpse into what all dairy operations may look like in the near future. Central to the operation is a robot milker, which has allowed his cows to better reach their genetic potential. Cows voluntarily line up for their turn to be milked. Everything runs smoothly now, though Dueck admitted there were a few complications during the transition to the robotic milking process.

"It was difficult in the first months, but fortunately, we had a consultant to assist with the start-up," Dueck said. "Now, six months later, hands down it was the right thing to do."

When Dueck was looking to further expand on his dairy operation, he again called on MASC.

Dueck also noted the flexibility of having no penalty on early payment (standard for all Direct Loans), and the Young Farmer Rebate, which gives back up to two per cent on the first \$150,000 of principal in the first five years.

Dueck approaches the future with the same cautious, realistic optimism that brought him this far.

"Farms in Manitoba are growing, so we'll likely have to continue growing as well."

And when the time comes to take that next step, Dueck believes MASC will be involved.

"As long as the door is open, I see the relationship going forward."

MASC's Direct Loans are now available for up to \$3 million and repayment terms of up to 25 years, with both fixed and renewable rates available. Farmers under the age of 40 can opt for receiving the Young Farmer Rebate, or the flexibility of choosing between interest-only payments for the first five years of a loan, or 90 per cent financing with only a 10 per cent down payment.

"MASC financed our equipment, the mortgage and our transition to automation. They also locked-in an interest rate for a long term, which makes a big difference, especially when you're young."

Jeremy Dueck,
Dueck Holsteins



Lending and Insurance
Building a strong rural Manitoba



For more information about MASC's Direct Loans, visit www.masc.mb.ca or contact your local MASC lending representative.

LENDING OFFICE LOCATIONS

Arborg

204-376-3305

Beausejour

204-266-2551 (SATELLITE)

Brandon

204-726-6018

Carman

204-745-5621

Dauphin

204-622-2016

Headingley

204-945-3150

Killarney

204-523-5270

Melita

204-522-3443

Neepawa

204-476-7026

Portage la Prairie

204-239-3357

Roblin

204-937-6470

Shoal Lake

204-759-4064

St Pierre-Jolys

204-433-3580

Swan River

204-734-3172

Teulon

204-886-4412

Virden

204-748-4779