



Farm Business Plan

Overview

In 2005, the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) will provide its direct and guaranteed farm loan borrowers with a new online Farm Business Plan, an accounting system that will enhance the quality and speed of service that FSA offers America's farmers, ranchers, and other agricultural producers.

The Farm Business Plan will replace FSA's Farm and Home Plan, the outdated accounting system that has operated since the 1940s, and it marks a major shift in the way FSA conducts business. The new Plan is powered by easy-to-use computer software that is one of the most widely used financial planning tools in the lending industry today.

Using the latest technology, the Farm Business Plan offers America's producers convenience and security, while significantly upgrading FSA's farm loan operations.

What is the Farm Business Plan?

FSA's new Farm Business Plan allows borrowers to document cash flow, expenses, assets, debts, and other important financial information. This information is shared with FSA farm loan officials or guaranteed lending partners who

track the success of a borrower's business by computer to see how the producer is progressing toward the goal of graduating to commercial credit.

In addition, the system allows borrowers to evaluate their own short- and long-term plans and goals as well as assess profitability and many other things. Producers will find the Plan and its forms very user-friendly and helpful in planning and monitoring the progress of their farm businesses.

The Farm Business Plan is operated by Web Equity Manager, an online database and computer software system that is widely used by financial institutions.

How does the Plan work?

FSA borrowers will be able to fill out and submit their Farm Business Plans via the Internet to local USDA Service Centers from the comfort of their homes or offices, 24 hours a day, 7 days a week.

Producers who do not own computers, but who wish to use the system, will be able to access their accounts easily through computers at local public libraries or other facilities with Internet access. Borrowers without computers may complete worksheets by hand, and FSA staffers at local service centers will enter information into the system.

Security

All users will acquire identification names and passwords to access the system so personal account information remains secure. FSA will give borrowers more specific information on how to access and use the Farm Business Plan well before the system is officially launched.

Only qualified personnel of FSA and its guaranteed lending partners will have access to a borrower's account. The system meets Federal and USDA requirements as well as industry standards for electronic commerce and lending services.

Benefits

The following are just some of the benefits offered by the new Farm Business Plan.

- Producers will find the system is convenient and very easy to use.
- FSA Service Center employees will be able to assist producers more quickly in the completion of Farm Business Plans compared to Farm and Home Plans.
- The Farm Business Plan will reduce government and personal paperwork.
- Producers can make fewer trips to USDA Service Centers. This saves time and energy and

gives producers more time to focus on their businesses.

- Producers will have access to their Farm Business Plans at all times.
- The system allows producers to chart the progress of their farm operations.
- FSA farm loan officers can share information more quickly with guaranteed lending partners and other FSA farm loan officials. This improved system of data sharing will speed up processing time.
- The widespread popularity of Web Equity Manager means many FSA lending partners will already be familiar with the system.

Meets Government Requirements

FSA's Farm Business Plan meets requirements established by the Government Paperwork Elimination Act (GPEA) (P.L. 105-277), which was passed by Congress in 1998. The law requires Federal departments to provide individuals or entities the option to submit information or transact business electronically, when practicable, and to maintain records electronically, when practicable.

In addition, FSA's Farm Business Plan is an example of the Federal government's eGovernment, or eGov, effort to improve programs and services through electronic technology. EGovernment uses Internet-based technology to make it easy for citizens and businesses to interact with the Government, save taxpayer dollars, and

streamline citizen-to-government communications.

FSA Farm Loan Programs

Every year, FSA's Farm Loan Programs provide some \$4 billion in loans and guarantees to thousands of qualifying farmers, ranchers, and other agricultural producers who are unable to obtain private, commercial credit so they can buy new farms, equipment, feed, fertilizer, and other farm operating essentials. Special loan programs exist for beginning farmers and ranchers, socially disadvantaged persons, and rural youth. For more information about FSA, visit www.fsa.usda.gov on the World Wide Web.

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