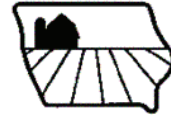


NEWS & INFORMATION

SUMMER/FALL 2007 EDITION



Iowa Agricultural
DEVELOPMENT AUTHORITY

DIRECTOR'S NOTES

Welcome to this edition of IADA News and Information. Through this newsletter, we hope to keep you up-to-date on the programs and activities of the Iowa Agricultural Development Authority (IADA) as well as provide you with resources to utilize any of our programs. As always, please feel free to call the office at 515/281-6444. Darlene, Chuck, Ashley or myself will be happy to help you. Also,

our website is available 24 hours a day.

If you haven't been to the website for a while, I encourage you to take a look. The applications for all the programs are now available in a Microsoft Word format. Simply save the applications on your computer as a word document and you can complete the applications on your computer.

Good luck in your future endeavors, and if you need

assistance please feel free to contact us. We are here to lend a helping hand.



Jeff Ward,
Executive Director

REMINDERS:

- If contact information has changed for your bank or business, please contact Darlene at the IADA office.
- IADA Board meetings are held the 4th Wednesday of every month.
- LPP Applications are due on the 1st of every month.
- BFLP and Tax Credit applications are due on the 15th of every month.

LPP UNDERGOES CHANGES

Take note that, as of August 15th, 2007 there have been some significant policy changes to the Loan Participation Program. These changes have been approved by our board of directors in hopes to better serve those of you who want to utilize this program. We hope these changes are well received. If you have questions feel free to let us know.

Key changes are as follows:

-Interest Rate: 5% fixed.

-Loan Terms: Equally amortized for a maximum of 20 years with balloon due at the end of year ten on all loans regardless of loan to value.

-Debt to Asset Ratio: Cannot exceed 80% without guaranteed source of repayment.

-Net Worth Factor: The aggregate amount of the loan can be no more than 3x's the net worth of the borrower without guaranteed source of repayment.

-Maximum Loan Amount: Lesser of 30% of the project cost, or \$150,000

Check out our website for an updated LPP application, or call the office for further information.

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WEBSITE ADDRESS:

For application, program guidelines, and other IADA information, please visit our website:

<http://www.iada.state.ia.us>

NEW TAX CREDIT PROGRAM

Last year, the Iowa General Assembly adopted a new program to provide a state income tax credit to agricultural asset owners who rent their assets to qualified beginning farmers.

The program appears to be off to a good start. Since the program has begun, there have been over 200 applicants. Through this program, the IADA hopes to give agricultural asset owners an incentive to keep their assets in agriculture as well as provide opportunities for beginning farmers.

To apply for the program first obtain an application from either the IADA website or through our office. Both asset owner and the beginning

farmer must fill out an application, and include the following additional documents.

- Signed lease for asset (s) being leased (must be a 2-5 year lease)
- Background letter from the beginning farmer
- Current financial statement from the beginning farmer
- Copy of USDA/FSA Abbreviated 156 form for each tract of land being leased
- \$200 application fee per lease

Applications are due to the IADA office by the 15th of the month. Applications for the 2008 crop year will not be accepted until October 2007.

Tax credit certificates will be issued by January 31st of the following year. Five percent tax credit will be credited to the rental income received on cash rental agreements, and fifteen percent tax credit will be credited to the rental income received on share agreements.

The program includes receiving a tax credit for the leasing of agricultural land, depreciable machinery or equipment, breeding livestock, and buildings.

For more information on the program, check out our website or contact the office today.

IOWA AGRICULTURAL YOUTH INSTITUTE

The 27th Annual Iowa Agricultural Youth Institute was held June 11th -14th on the Iowa State University campus. This year's theme was "Where is Agriculture Taking You? IAYI...The Journey Begins." Sixty-eight delegates were selected for this prestigious event. Delegates are selected based on academic achievement, school and community involvement and recommendations from school officials or organization representatives.



Nine college-aged men and women served as counselors for the four-day event. Iowa high school freshmen, sophomores, juniors and seniors gathered to explore agricultural is-

ssues, leadership development, and career options available in agriculture today. The Institute also included a professional etiquette session and the opportunity to participate in a mock interview. The two 'hot topics' that were discussed and debated at the State Capitol were: Livestock and Ethanol— Can They Co-Exist, and Local vs. State Control of Schools.

Delegates attending the Iowa Ag Youth Institute were welcomed to the ISU campus by the Dean of the ISU College of Agriculture and Life Sciences, Wendy Wintersteen. Career sessions were presented in the Animal Science and Food Science and Agronomy departments. Ag issues presentations were given by Tom Cooley with the Iowa Department of Education, and Neil Dierks with the National Pork Board. Lisa Fleming spoke of internship opportunities with The World Food Prize, and Ken Root, Ag Broadcaster at WHO Radio, gave the keynote address at the banquet.

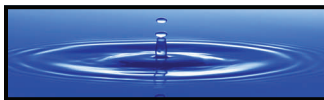
One delegate was quoted as saying in regards to the conference:

"I met many new friends I will keep in touch with, and learned many different aspects of agriculture that will help me further my career in the future."



The Iowa Agricultural Youth Institute (IAYI) is sponsored by the Iowa Agricultural Development Authority in partnership with Iowa agribusinesses and agricultural organizations.

LIVESTOCK WATER QUALITY FACILITIES PROGRAM TAKES OFF



To date, the IADA has taken in nearly 100 Livestock Water Quality Facilities loan applications since the program start in 2005.

This program offers low interest loans to those who need to update their livestock facilities to be more environmentally friendly and create a more positive impact on water quality. Our program offers a link deposit with your local lender and a 3% fixed interest rate for the life of the loan.

Acceptable projects include: waste treat-

ment facilities, waste movement equipment, irrigation systems, lagoons, etc. Additionally, as part of this project it is required that you have a minimum of an approved manure management plan with phosphorus index. As a part of your project, you can use loan proceeds to work with your local NRCS or DNR to create your CNMP.

Want to know more about the Livestock Water Quality Loan Program? Check out our website or give our office a call. We are ready to answer your questions.

THANK YOU!

Many thanks to our IADA intern and IAYI coordinator Cole Miller, Senior at Iowa State University.

Your dedication to the program will be greatly missed.



NEW IADA STAFF ON BOARD

June 2007-

Interviews were held to hire an Agricultural Program Coordinator to be responsible for coordinating the Youth Institute as well as working with the Beginning Farmer Tax Credit and Livestock Water Quality Programs.



Just prior to this year's Youth Institute the IADA hired Ashley Fitzgerald to join the staff. Ashley is a recent graduate of Iowa State University where she majored in Speech Communications. Although a new hire to the IADA, Ashley is not new to its programs.

Ashley participated in IAYI for two years while in high school, and served as an IAYI counselor for three years while in college. Her past experience with the program will aid in the coordination of future Institutes.

Ashley says *"I look forward to learning more about what the IADA has to offer, and, as always, I am excited to coordinate the Youth Institute"*.

Born and raised on a family farm in eastern Iowa, Ashley is eager to work with people and the industry she grew up in.

FREQUENTLY ASKED QUESTIONS

Who qualifies as a beginning farmer?

To qualify as a beginning farmer there are only a few qualifications you need to meet!

Net worth of less than \$300,000

Must be at least 18 years old

May not own more land than 30% of county's median farm size

Must be owner or operator of the project

Must be a resident of Iowa

What activities will the Loan Participation Program finance?

The program may only be used for new purchases including agricultural land, depreciable machinery or equipment, breeding livestock, and buildings or to improve existing buildings or farmland. The LPP may not be used to refinance existing debt.

What documents do I need to send with my Livestock Water Quality application?

Please send in the following documents with your LWQ Applications.

Letter of project explanation

Nutrient Management Plan

Itemized Project Costs

Design Specifications (if construction)

If machinery/equipment is being purchased please submit a price quote.

An approval letter from one of the following:

NRCS

DNR

Construction Permit

Professional Design Engineer

Complete project plans and specs



What lease provisions are there for the Beginning Farmer Tax Credit Program?

Must be a 2-5 year lease

Flex leases are acceptable

Lease value must not be substantially higher or lower than market value



IOWA AGRICULTURAL
DEVELOPMENT AUTHORITY

505 5th Ave., Suite 327
Des Moines, IA 50309
Phone: 515-281-6444
Fax: 515-281-5952
Email: iada@iada.state.ia.us

VISIT OUR WEBSITE AT:
WWW.IADA.STATE.IA.US

WE CAN LEND A HELPING HAND