

# AgNews



**DELAWARE DEPARTMENT OF AGRICULTURE**  
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**To: Newsroom Directors and Assignment Editors**

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## **No interest irrigation loans available to farmers** **DEDO and DDA collaborate on Delmarva Rural Irrigation Revolving Loan Fund**

Today, Governor's Day at the State Fair, Governor Markell announced the establishment of a dedicated Delaware Rural Irrigation Program Revolving Loan Fund (DRIP). The revolving loan fund has been capitalized by a \$1 million allocation from the Delaware strategic fund. It makes no interest loans to Delaware farmers actively engaged in raising cash crops such as, but not limited to, corn, soybeans, and vegetables. DRIP will be administered collaboratively through the Delaware Department of Agriculture (DDA) and the Delaware Economic Development Office (DEDO). The loan applications will be reviewed and approved by DEDO's Capital Resources staff. DDA will determine the agricultural eligibility of the applicants, i.e., engagement in farming, Delaware residency, etc.

"This program is a significant step in our commitment to growing agribusiness jobs in Delaware," said Governor Markell. "No-interest DRIP loans will provide local farmers with the funding they need for new irrigation projects on their properties helping their businesses and crops grow strong."

DRIP will help farmers move away from dry-land production to more irrigated production. The goals of the program are to:

- Significantly increase acres of currently non-irrigated crop land annually in the State of Delaware
- Increase the yield of cash crops in the State of Delaware thereby increasing the income of farmers
- Increase the amount of locally grown feed stocks for the Delaware Poultry industry
- Support the State's environmental goals of increasing nutrient uptakes on cropland

DRIP provides financial assistance to Delaware farmers to add new irrigation systems, including center pivot, linear move, towable systems, span angle systems, corner arm systems, single phase systems or wells and filters associated with drip irrigation systems.

The program works in partnership with any private lending institution by providing the borrower with no-cost capital equal to the normal and customary equity requirements of a private loan. The loan fund would finance up to 25 percent of the total project cost, not to exceed \$25,000, at zero interest for a term of no longer than seven years with repayment of principal beginning in year three of the loan. A bank or other lending institution must loan the remaining balance of the project.

"This program will help expand opportunities for Delaware's farmers with a cooperative plan between two state agencies," said Alan Levin, director of DEDO. It continues our commitment to the agriculture and the poultry industries, both important contributors to our state's economy. It is a solid investment in the future of our state."

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Eligibility requirements include:

- Farmers must be actively engaged for at least two years in the growing and harvesting of cash crops such as corn, soy beans, fruits and vegetables in Delaware.
- Farmers must own or lease the land to be irrigated.
- The existing non-irrigated land must be located in the State of Delaware to grow crops.
- Funds may be used to drill new well(s), acquire power units and to fabricate and install new irrigation systems.
- All work must be performed by experienced and qualified contractors licensed by and located in the State of Delaware.
- Project financing is limited to one project per individual farm annually.

According to Ed Kee, Delaware Secretary of Agriculture, “Approximately 25 percent of farmland in Delaware is irrigated in 2011. The DRIP Program is a significant step towards increasing irrigated acres in Delaware that will help boost yields on non-irrigated crops, which in turn will boost agricultural profitability. For example, irrigated corn yields routinely increase by a factor of 2.5 over dryland yields in Sussex County. In addition, irrigation provides environmental benefit to our streams and waterways by increasing the efficiency of nutrient uptake and putting those nutrients in the crop for removal at harvest, rather than staying in the soil during dry weather and then adding to nutrient loading during the wet fall and winter months. More irrigated production will increase the gross receipts and add economic value to Delaware agriculture that already provides \$8 billion worth of agricultural activity in the state.” Grower requests for application forms have begun. Interested applicants may acquire applications as follows:

- On line: <http://dedo.delaware.gov/DRIP>
- By e-mail: [dedo.finance@state.de.us](mailto:dedo.finance@state.de.us)
- By phone from the Delaware Department of Agriculture (800-282-8685) or DEDO (302-672-6847)
- From irrigation dealers

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