



Producer Notice

Regional Investment Corporation open for business

3 July 2018

The Federal Government has announced that the Regional Investment Corporation (“RIC”) is now receiving applications for low interest loans. This facility will supersede some of the farm business loans that were delivered through the states.

The RIC has two loan facilities which producers can access.

- Drought Loans
- Farm Investment Loans

Both loan facilities will be offered under the following terms:

Term	10 years (first 5 years interest only)
Interest rate	3.58%
Maximum borrowing capacity	\$1,000,000 or 50% of eligible debt (whichever is less)
Uses	<ul style="list-style-type: none"> - Refinancing existing debt - Paying for operating expenses - Paying for capital improvements
Requirements	<ul style="list-style-type: none"> - Must be in financial need - Must be financially viable in the long term - Must have existing debt - Must provide security for the loan - Must be able to repay or refinance within 10 years

In deciding which loan may be more appropriate for your business, consider the following criteria:

Drought Loan	Farm Investment Loan
<ul style="list-style-type: none"> - The farm must be substantially located in an eligible area (see http://ric.gov.au/farmers/drought#eligible-area) - The farm must have a drought management plan - The event causing financial stress must last for two years, which can include past evidence and future predictions - Financial impacts must be directly related to drought conditions 	<ul style="list-style-type: none"> - Producers must sell their pigs into an interstate or overseas supply chain (this can include selling to a processor that sends product interstate and/or internationally for further processing or sale) - Financial need must have been caused by factors outside the businesses’ control, which could include market factors, processor closures or weather - The event causing financial stress must last for two years, which can include past evidence and future predictions.

Further information on loan eligibility and guidelines can be accessed at <http://www.ric.gov.au/> or by calling 1800 875 675.

APL would encourage producers to consider professional advice on the above loans, for example, your accountant, financial adviser/consultant or your local Rural Financial Counsellor (<http://www.agriculture.gov.au/ag-farm-food/drought/assistance/rural-financial-counselling-service>)

Key APL Contacts

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