

AN AGLOANS.COM EDUCATIONAL GUIDE

How to Get a Farm Loan

A practical, step-by-step guide to financing your land, your operation, and your growth.

Free educational guide · 2026 edition

AgLoans.com | Helping agricultural borrowers get lender-ready.

This guide is for general educational purposes only and is not financial, lending, legal, or tax advice. AgLoans.com is not a lender. We do not make loans, approve them, underwrite them, or set rates or terms. All credit decisions are made by the lender. Loan availability, terms, and requirements vary by lender and individual circumstances.

— Financing a farm is financing a business

A farm loan is rarely judged like a home mortgage. When you apply to finance farmland, a refinance, or an operating year, a lender is evaluating a business — its ability to generate income, weather a down year, and repay over time.

Understanding that lens is the first step to getting the financing you need. This guide walks through the main types of farm loans, what lenders look at, and the steps to move from "thinking about it" to a funded loan. (AgLoans.com is not a lender. We help you prepare, and we work with underwriters who work with Farmer Mac and other private funding sources. The lender makes all credit decisions.)

— The ag credit landscape

Borrowing to grow is normal in agriculture — and it's increasing. Knowing the backdrop helps you approach financing with realistic expectations.

\$624.7B

Projected U.S. farm sector debt in 2026 — up 5.2% from 2025.

\$404.3B

Projected U.S. farm real estate (land) debt in 2026.

83%

Share of farm sector assets held in farm real estate.

Source: USDA Economic Research Service, Farm Sector Income & Finances (2026 forecast).

The takeaway: Land is the backbone of most operations' balance sheets — so how you finance it is one of the most important decisions you'll make.

— Types of farm loans — and what they fund

The right loan depends on what you're financing. The main categories:

- **Farm real estate loans** — to purchase or refinance land. Repayment is typically spread over longer terms tied to the life of the asset.
- **Operating loans & lines of credit** — cover inputs, labor, and working capital across the production year.
- **Equipment financing** — funds machinery and equipment purchases. (AgLoans doesn't arrange equipment financing.)
- **Beginning-farmer & government-guaranteed pathways** — programs designed to help newer or smaller operations access credit. Availability, eligibility, and terms vary and are set by the lender or program.

— What lenders evaluate

Most ag lenders weigh some version of the "Five C's of Credit," applied to your operation:

- **Capacity** — can the operation's cash flow service the debt? This is usually the heart of the decision.
- **Capital** — your equity, and how much you're investing alongside the loan.
- **Collateral** — the land or other assets securing the loan.
- **Conditions** — the purpose of the loan and the broader ag economy.
- **Character** — your credit history and track record managing an operation.

"No experience" or "no down payment" — what's realistic? These are common questions. Some programs are built for newer operators or lower down payments, but expect a lender to look harder at experience, cash flow, and a credible plan when either is limited.

— Step-by-step: how to get a farm loan

1 Clarify what you're financing.

Be specific: a land purchase, a refinance, or an operating line. The loan type follows the use of funds, so this decision shapes everything that comes next.

2 Build your financial package.

Gather tax returns, financial statements, a current balance sheet, and production and cash-flow records. (For the full checklist, see our companion guide, *The Ag Loan Approval Playbook*.)

3 Understand your repayment capacity.

Know your numbers before the lender does. Be realistic about how the operation's cash flow supports the payment — it's the question lenders weigh most heavily.

4 Choose the right lender or program.

Different lenders and programs fit different operations. Choosing by operation type, size, and purpose makes the whole process smoother.

5 Apply, then move through the lender's review to closing.

Respond quickly to requests and keep your information consistent. The more complete your file, the more efficiently the lender's underwriting and closing process can move.

Remember: The use of funds drives the loan type — and the strength and completeness of your information drives the speed.

— Common mistakes & questions

Q: Can I get a farm loan with no experience?

It's harder, but not impossible. Expect more scrutiny of your plan, your cash-flow projections, and any partners or advisors. Some programs are designed with newer operators in mind — eligibility is set by the lender or program.

Q: Do I need a large down payment?

It varies by lender, loan type, and program. A stronger equity position generally strengthens an application, but lower-down-payment pathways exist for some borrowers.

Q: What slows a farm loan down the most?

Incomplete or inconsistent financial information. A complete, well-organized package is the single biggest thing within your control.

Q: Should I talk to more than one lender?

Often, yes. Different lenders fit different operations. A well-prepared file can be shared with more than one lender without starting over each time.

Get lender-ready — at no cost.

AgLoans.com helps you organize your information into a clear, Lender-Ready™ summary. We work with underwriters who work with Farmer Mac and other private funding sources. We review requests of \$500,000 or more with agricultural real estate to help secure the loan. There's no cost for the preparation, and you keep the summary regardless of where you go next.

Start your loan inquiry