Submit by Email

JOSH MANDEL
STATE TREASURER OF OHIO

2011 Agricultural Linked Deposit Program
Application for Participation

(A) Applicant Information:

Name(s) _____

Organization/Farm Name _____

Mailing Address _____

City_____ State_____ ZIP_____ County_____

Phone_____ E-mail_____

(B) Qualification Criteria

Complete the following to ensure that the agricultural business qualifies for participation in the program pursuant to Section 135.71 of the Ohio Revised Code.

Does the agricultural business:

1. Have headquarters in the state of Ohio? yes ☐ no ☐
2. Maintain a majority of its land and facilities in Ohio? yes ☐ no ☐
3. Operate for profit? yes ☐ no ☐

(C) Total Acres Farmed (List Applicant's Share): _____

(D) Type of Agricultural Products: ***Check all that apply***

Crops ☐ poultry ☐ livestock ☐ produce ☐ dairy ☐ nursery ☐ other ☐ *

*If other, describe here: _____

(E) Business Structure of Farming Operation Structure (Check one):

Individual/sole proprietor ☐ family owned corporation ☐ partnership ☐ other ☐ *

*If other, describe here: _____

(F) How many times has the applicant been approved for an Agricultural Linked Deposit in the last four years?

0 times ☐ 1 time ☐ 2 times ☐ 3 times ☐ 4 times ☐

(G) Has the applicant applied for a linked deposit through another lending institution?

Yes ☐ * No ☐

*If yes, name other lending institution, and amount of request: _____

(H) Is your farm "affiliated" with another Ag-Link Application?

Yes ☐ * No ☐

*If yes, please list other entity's name: _____

(I) Are the funds requested being used solely for 2011 operating purposes?

Pursuant to Section 135 ORC requests that new operating monies receive priority processing. Requests other than those solely for new operating monies will be considered after all operating requests are processed.

Yes ☐ No ☐ *

*If no, describe the breakdown and use of funds requested:

(J) Is the prospective borrower a full-time farmer?
Full-time is described as a non-retired farmer whose primary source of income is derived from the farming operation.
Yes ☐ No ☐

(K) Off-farm income for the primary farm operator (not including spousal income):
None ☐ less than $12,000 ☐ $12,000 to $30,000 ☐ $30,001 to $40,000 ☐ Over $40,000 ☐

(L) Is the applicant operating/farming the farm?
Yes ☐ No ☐ *
*If no, who is operating/farming the farm? _____

(M) What is the applicant's current working capital ratio?
See page 4 for method of calculation. _____%

(N) What is the average percent of total operating expenses that has been paid in interest over the last three years?
See page 4 for method of calculation. _____%

(O) What is the debt to equity percentage?
See page 4 for method of calculation. _____%

(P) What percent of total operating borrowing does this request represent?
See page 4 for method of calculation. _____%

(Q) What is the amount requested?
Request not to exceed $100,000. $_____

(R) Is the farmer a Veteran or a spouse or a surviving spouse of a Veteran?
Yes ☐ * No ☐ **If yes, include a form DD214 (Member4) indicating the branch of service, character of discharge and enlistment dates.*

(S) Special Circumstances - *Please explain the need for acceptance in the agricultural linked deposit program. List financial reasons as well as specific farm related circumstances that should be considered. For example, if there has been a death in the family that directly impacts the farm, natural disaster, disturbance in nature such as disease etc., or other emergency. Continue on another sheet of paper, if needed.*

(T) Certification of agricultural business:
Under penalty of law, the agricultural business owner has examined this application and attests to the accuracy of the data it contains. The agricultural business certifies that, if accepted, the reduced rate loan will be used exclusively for the agricultural purposes described herein and will not be used for the purpose of gain under an arbitrage situation. Any use of the funds, other than that intended in Section 135.71 to 135.76 ORC, constitutes an act of fraud. The agricultural business agrees to comply with any and all monitoring efforts that may be required by the Treasurer of State. All information provided to the Treasurer of State is a matter of public record.

_____

Applicant Signature Date

Lender Section - To be completed by lender only

(U) Statement of Benefit

Check the one statement that most adequately describes the effect that an agricultural linked deposit approval will have on this farming operation. This is the lender's opportunity to help the Treasury understand the client's need for Ag-Link funds.

Please mark with an **"X" one rating from the categories below that best represents your client's need. (1 represents "severe need" and 5 represents "beneficial but not essential")*

1) ☐ This loan will not be made without an agricultural linked deposit approval. (*Include owner's net worth and an income statement, balance sheet or other financial report for verification)*

2) ☐ This operation will have a negative cash flow without the interest rate benefit that an agricultural linked deposit approval will provide. (*Include owner's net worth and cash flow projection for verification*)

3) ☐ Application for an agricultural linked deposit approval is being made as a result of the financial need of the borrower. The program benefits will materially contribute to the viability of the farming operation and will aid in its ability to meet planting deadlines.

4) ☐ An agricultural linked deposit approval will improve cash flow for this operation and likewise reduce operating expenses for this operation.

5) ☐ This business is applying for participation in the program because it meets the legal description of an eligible agricultural business.

(V) Certification of financial institution (lender):

Under penalty of law, the financial institution (lender) making application to the Agricultural Linked Deposit program, pursuant to Sections 135.71 to 135.76 ORC, certifies that according to information revealed in the loan application and on Form I-AG, the agricultural business is eligible to participate and that the benefits of an agricultural linked deposit will materially contribute to the preservation of the business. This statement is based upon the financial institution's best judgment and upon factors known to it and relevant in financial statements submitted to it by the applicant. It is also understood that since the Treasurer of State is not a lender of funds the decisions involved in granting loans rests solely upon the financial institution. The present borrowing rate listed on the Form II-AG is the present borrowing rate of this applicant and is the true borrowing rate that would be normally charged in the absence of the Agricultural Linked Deposit program. No fees will be charged to the applicant borrower to process this application. Approved applicants will receive a non- changing rate, reduced by an amount to be determined by the Treasurer of State, applied to the interest rate on the loan described in this application for the period of the deposit of the Treasurer of State. Information provided to the Treasurer of State is a matter of public record.

The lender agrees to comply with any and all monitoring efforts that may be required by the Treasurer of State.

_____

Lending Institution

_____

Lender Signature Date

Only complete and signed applications will be accepted. A complete package consists of a Form I-AG for each agricultural business and a Form II-AG for each group of 10 or less applications.

Applications for the 2011 Agricultural Linked Deposit program must be received by the Office of the Treasurer of State no later than ***5 p.m., Friday, March 11, 2011.***

The Agricultural Linked Deposit Program Worksheet

The following methods should be used to calculate sections M, N, O and P of Form I-AG:

(M) What is the applicant's current working capital ratio? _____ %

Current working capital ratio = (current assets/current liabilities) * 100

Current assets and current liabilities as listed on most current balance sheet

(N) What is the average percent of total operating expenses that has been paid in interest over the last three years?

Per year calculation: percent of interest to operating expenses = (interest cost / total operating expenses)*100

Add 2010 calculation ____ % plus 2009 calculation ___ % plus 2008 calculation ___ % and divide by 3

Where:
interest cost = total amount of interest actually paid by the applicant in the specified calendar year period, plus any delinquent interest from that same calendar year

Total operating expenses = farm operating expenses (excluding depreciation), plus the cost of livestock for resale

(O) What is the debt to equity percentage? _____ %

Debt / equity = (total debt / (total assets - total debt)) * 100

Where:

total debt = total amount for all loans for which the borrower is liable, including mortgages, term and operating loans plus accrued interest, open supplier accounts and all other farm related liabilities

Total assets = total amount of all assets owned, including non-farm assets

Equity = total assets - total debt

(P) What percent of total operating borrowing does this request represent? _____ %
(Agricultural linked deposit request / total operating borrowing) * 100