

DATCP advises farmers: Use caution when securing financing for spring planting

Posted on Friday, May 31, 2019

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MADISON - With the weather finally cooperating, farmers are working around the clock to complete spring planting. While farmers rush to get the seeds in the ground, the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) cautions farmers not to make hasty decisions when securing financing for the growing season.

“During these challenging economic times, farmers are seeking operating loans to cover needed expenses. If conventional lending options are no longer available, farmers may seek an alternative,” said DATCP Secretary-designee Brad Pfaff. “Unfortunately, some alternatives may not be legitimate and often target those who are in need of funds quickly.”

“There are various opportunities for farmers in Wisconsin to seek financial help. Wisconsin has many safe and sound financial institutions that know their communities and want to help their farming customers thrive,” said Secretary-designee Kathy Blumenfeld of the Wisconsin Department of Financial Institutions (DFI).

DFI encourages borrowers who are seeking a nontraditional lender to check its website to confirm that the lender is registered with the state of Wisconsin. Lists of registered payday lenders and loan companies are available at http://www.wdfi.org/fi/lfs/licensee_lists/.

DATCP’s Farm Center staff have seen offers from unregulated lenders to extend a significant line of credit to farmers as quickly as the next business day. While these lenders may offer to bridge a gap with financing, often time unregistered lenders create additional financial hardships for farmers long-term. These unregulated lenders often use high-pressure tactics, requiring decisions to be made quickly or the offer will expire.

“I encourage farmers to contact the Wisconsin Farm Center here at DATCP if they have difficulty accessing financing or if they are considering an alternative lender,” added Pfaff.

All Wisconsin Farm Center services are confidential and offered free of charge. Other services include succession planning, mediation services, and assistance accessing counseling vouchers.

Contact the Wisconsin Farm Center at 1-800-942-2474 between 7:45 a.m. to 4:30 p.m. weekdays or email farmcenter@wisconsin.gov at any time. Learn more about the Wisconsin Farm Center at farmcenter.wi.gov.