

Pandemic Adjustment Loan Fund Program Update

The Pandemic Adjustment Loan Fund Program (PALF) has been designed by MARBIDCO to help Maryland's food and fiber producers, harvesters and primary processors adjust to the business disruptions caused by COVID-19 by offering loans with a quick turn-around time. This program assists existing agricultural or resource-based enterprises with taking advantage of new or continuing market opportunities. Eligible rural businesses can apply for loans up to \$3,000 in working capital and up to \$10,000 for equipment purchases at a low interest rate (3.75%) with very favorable terms. Loan repayments will be interest only for five months followed by amortizing payments for 12 to 36 months starting in 2021. Borrowers who make all their payments will receive a 10% rebate or grant (of the original amount borrowed) at the end of the loan term. The turn-around time for PALF loan approvals has typically been running at 3-5 business days.

MARBIDCO has received about 20 applications so far from a variety of agricultural businesses including dairy, grain, hay, oyster, nursery and produce growers, as well as, commercial watermen and equine operations. These borrowers are investing in new equipment for their production processes, including refrigeration units, forklifts, new boat motors, or making improvements to their farm. They also borrow for working capital to cover the costs of seed and fertilizer, care for their horses or make payroll. The impacts of the COVID-19 pandemic have caused these businesses to make adjustments in their operations, and for some to seek new markets to replace old ones that have dried up. Farmers are making these investments to continue or improve their production capacity, keep their employees working and/or reach new customers (now or in the future).

The COVID-19 pandemic has caused many changes to occur not only in the national supply chain but also with how consumers seek locally produced goods. Farmers and watermen are essential to their communities, and the Pandemic Adjustment Loan Fund is one new way MARBIDCO is offering its support to them. MARBIDCO is accepting applications for the PALF program through May 31st. We encourage farmers, seafood harvesters and other agricultural businesses to find out how the PALF program can help meet an immediate financial need with a forward-looking orientation. Information about this program is available on the frontpage on the MARBIDCO website at: www.marbidco.org.