

Delaware Loan Program Helping Spread Irrigation to More than 850 Acres of Farmland



DOVER – More than 850 acres of Delaware farmland will be irrigated this year with support from an innovative economic development and agricultural loan program now marking its first year.

The revolving loan fund is a joint effort between the Delaware Department of Agriculture and the Delaware Economic Development Office which has aided 15 farmers across the state. The program will grow, as applications are continually being accepted.

The Delaware Rural Irrigation Program, or DRIP, was created in July 2011 with \$1 million from the Delaware Strategic Fund. It has made \$223,570 in no-interest loans, for an average of \$14,598 per farm.

Gov. Jack Markell said the program is an important part of his administration's commitment to growing jobs in Delaware. "Agribusiness has a multiplier effect, supporting on-farm jobs and related industries," Markell said. "This loan program provides our farmers with the support they need to help both their businesses and crops grow."

Secretary of Agriculture Ed Kee said the program is an excellent example of how government agencies can partner with each other and with private industry.

"This program helps support our family farms by making them more profitable. Irrigation provides an edge against the unpredictability of a dry season and improves crop yields," Kee said. "With just 24 percent of Delaware cropland under irrigation, this initiative is helping reach crops that may

not otherwise have thrived.”

Kee also noted that irrigation has significant environmental benefits, making crops more efficient in the uptake of nutrients so they don't stay in the soil during dry weather and then add to nutrient loading during the wet fall and winter months. “This is truly a triple-win program – for the agricultural economy, for consumers and for the environment,” he said.

DRIP is administered jointly through the Department of Agriculture and the Delaware Economic Development Office. DEDO staff members review and approve the loan applications, while DDA staff determines the agricultural eligibility of the applicants.

“Properly irrigated land leads to increased crop production and higher yields per acre. As a result, local farmers' profits increase while the state benefits from an ample supply of healthy fruits and vegetables,” said Delaware Economic Development Office Director Alan Levin. “This program addresses the needs of Delaware's agriculture industry and creates new economic opportunities for our state.”

Lee Collins, a farmer who grows corn, soybeans, barley and watermelons on 140 acres near Laurel with his wife, Hanna, said the DRIP loan was vital to help install an irrigation control system and a well to irrigate 37 acres earlier this spring.

“Without the program, I don't think we could have irrigated that this year,” said Collins, who also praised the simplicity of the approval process. “There was no red tape, and it was very stress-free. I was surprised how easy it was.”

Collins said irrigation helps farmers in the fight against dry conditions. “The one thing we can't control is the weather,” he said. “That's the most limiting factor we have.”

Eligible farmers must have been actively engaged for at least two years in growing and harvesting of cash crops, such as corn, soybeans, fruit and vegetables, in Delaware, and must own or lease the land to be irrigated.

The program works in partnership with private lending institutions by providing the borrower with no-cost capital equal to the normal and customary equity requirements of a private loan.

The loan fund finances up to 25 percent of the total project cost, not to exceed \$25,000, at zero interest for a term of no longer than seven years. Repayment of principal must begin in year three of the loan. A bank or other lending institution must loan the remaining balance of the project. Financing is limited to one project per farm each year.

DRIP loans can help farmers add new irrigation systems, including center pivot, linear move, towable systems, span angle systems, corner arm systems, single phase systems or wells and filters associated with drip irrigation systems. All work must be performed by experienced and qualified contractors licensed in and located in Delaware.

GETTING STARTED

Farmers interested in participating in the Delaware Rural Irrigation Program, or DRIP, should contact the Delaware Economic Development Office at 302-672-6847 or dedo.finance@delaware.gov. Applications should be submitted concurrently with approved bank financing. The loan application will be reviewed by DEDO Capital Resources staff with comment from the Department of Agriculture.