



1st SouthWest
Bank

COLLABORATIVE FUNDING

THROUGH PUBLIC-PRIVATE PARTNERSHIP



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Western Association of State
Departments of Agriculture – Denver, CO



According to the U.S. Department of Agriculture (USDA), the total number of farms and ranches in the U.S. has been steadily declining over the years while the average age of farmers and ranchers has been increasing.

6.8M farms in 1935

2.0M farms in 2020

Between 2012 and 2017, the number of farms and ranches in U.S. decreased by

↓ **3%**

Between 1985 and 2020, the average age of farmers/ranchers increased from

↑ **50 to 60**

Biggest obstacles for beginning ag businesses



A study performed by the National Young Farmers Coalition, uncovered the top two challenges facing young and new farmers: lack of capital and a lack of access to land.

IN 2021, COLORADO ISSUED \$30M IN STIMULUS FUNDING TO SUPPORT AG PRODUCTION

The Colorado Department of Agriculture saw this as an opportunity to innovate and strengthen the future of farming and ranching across the state of Colorado.

BARRIERS TO TRADITIONAL FUNDING

- Limited or no credit history
- Lack of collateral
- Instability in income
- High startup costs
- Industry volatility
- Lack of programs to help people overcome these barriers



Colorado Agricultural Future Loan (CAFL) is an inclusive lending program that offers financing to farmers, ranchers and agriculturally supportive business owners who have the skills, training, and vision to succeed, but simply lack funding.

WOMEN, AFRICAN AND INDIGENOUS AMERICANS, AND OTHER PEOPLE OF COLOR ALSO FACE

- Generational wealth disparities
- Limited access to social networks & mentors
- Wage gaps
- Industry, gender, and racial biases



CAFL was created to remove these barriers providing a critical foundation for new and beginning ag businesses and serving as a foothold into more traditional lending for these businesses.

THE COLORADO AGRICULTURAL
FUTURE LOAN PROGRAM IS A
REVOLVING FUND WITH A LIFE SPAN
OF 10-15 YEARS CREATED TO OFFER
MORE PEOPLE A VIABLE PATHWAY
INTO AGRICULTURE

KEY FEATURES

- Low, fixed interest rate
- Flexible repayment schedule
- Technical assistance for applicants
- CDA guarantees

REAL BENEFITS

- Helps more people get a foothold into traditional lending
- Makes funding a viable path to growth
- Creates more security and less risk for farmers and ranchers
- Builds financial literacy, establishes business planning skills, lowers risk of applicant default

PARTNERSHIP

The CDA needed a financial partner who could manage compliance, provide applicant support, manage the loan process, hold the applicant data, distribute funds and collect payments.

PERFECT MATCH

- FSWB not only understood, but shared the program values.
- Strong existing foundation in the ag funding community.
- Pre-existing infrastructure to support alternative lending.

FIRST SOUTHWEST BANK IS A
MISSION-DRIVEN COMMUNITY
DEVELOPMENT FINANCIAL
INSTITUTION (CDFI) WITH A 100
YEAR HISTORY PROVIDING AG LOANS

268*

HOURS OF
EDUCATION

663*

PEOPLE
SUPPORTED

Services dedicated to underserved and
underrepresented farmers and ranchers

60% +

FSWB provides business owners with financial knowledge, training, and resources to help them succeed.

Offering flexible and creative financing structures that are designed to feed innovation.

At FSWB, we believe that impact is born from collaboration and we are committed to filling in the gaps to lead the industry.

WE REIMAGINED THE LOAN PROCESS SIDE-BY-SIDE WITH THE COLORADO DEPARTMENT OF AGRICULTURE

INCLUSIVE LOAN

- Let go of standard industry jargon.
- Redesigned the applicant pathway.
- Provided technical support and advisory services before and during the application process.
- Collaborated with multiple stakeholders including community organizations and state agencies.

\$3M DEDICATED
TO THE SOCIALLY
DISADVANTAGED
FARMERS AND
RANCHERS FUND



1st SouthWest
Community Fund

The SDFR Fund provides access to affordable capital and low-interest loans to socially disadvantaged people seeking to expand, explore and engage in the agriculture industry.

YEAR ONE IMPACT

50

LOANS PROVIDED
TO BEGINNING
AG BUSINESSES

\$18.4M

DISTRIBUTED

45%

COUNTIES REACHED
ACROSS ALL 4 CORNERS OF
THE STATE

34%

USED TO
FUND REAL
ESTATE

72%

BEGINNING
PRODUCERS

41%

UNDERSERVED
PRODUCERS

MEET MIGUEL

Miguel Diaz is a 36 year-old potato farmer from Colorado's San Luis Valley. He's farmed with his 55 year-old father his entire life.

CAFL helped Miguel break down two barriers to entry: lack of capital and land access. A \$150,000 equity down payment helped him secure a \$750,000 CDA/FSWB and a \$250,000 FSWCF loan, his first-ever loans.

Miguel is married with 5 children. He had never owned anything in his life. With FSWB and FSWCF support, he was able to purchase a quarter section of farmland to branch out and start his own potato operation securing his and his families livelihood.



"I come from a farming family from the San Luis Valley raising potatoes and grain crops. The CDA loan through First Southwest Bank helped me get my own farming operation." - Miguel



1st SouthWest Bank

COMMUNITY AT OUR CORE

Member FDIC | Certified CDFI

QUESTIONS? LET'S TALK.

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