



The Hon. David Littleproud MP
Minister for Water Resources, Drought, Rural Finance,
Natural Disaster and Emergency Management

M E D I A R E L E A S E

Thursday, 21 November 2019

Keeping farm businesses viable through drought

- **Drought loans now available through the Regional Investment Corporation**
- **Loans of up to \$2 million interest and repayment free for the first two years**
- **Years 3-5 are interest only at a concessional rate with the balance to be repaid over the remaining term.**

Concessional drought loans offering two years with no interest or repayments are now available with the Regional Investment Corporation taking our drought commitment to over \$8 billion dollars.

Minister for Drought and Rural Finance David Littleproud said the concessional loan product complemented the Government's suite of measures to assist farmers in drought.

"If you're a farmer, if you're in drought, you should see if you're eligible to refinance your debt into this loan," Minister Littleproud said.

This is not just about new debt it's the opportunity to refinance existing bank debt and pay absolutely nothing for two years.

"These loans can save farmers more than \$250,000 in interest and repayments in the first two years, compared to bank loans.

"Farmers with existing RIC drought loans can also access to the two year interest free period.

"Apart from refinancing bank debt farmers could also be used to pay for freight, fodder, water, netting and other essential costs of maintaining a farm.

"This complements other programs such as Farm House hold Allowance that puts more than \$120,000 in payments in farmers pockets to put bread and butter on families table.

"These loans are for viable farm businesses who just need better finance terms.

"They will help those that have shown they have the capacity to repay.

"This is an investment in hard-working Australians. Once it rains farmers will make a quid."

More information about the drought loan can be found at ric.gov.au or calling 1800 875 675.

Fast Facts:

- **The new terms enable loans of up to \$2 million over ten years**
- **After ten years there is an option to refinance any remaining balance.**
- **Loans can be used to prepare for, manage and recover from drought. The loans can refinance existing debt, fund drought-related activities, enhance productivity or pay for operating expenses or capital.**
- **Drought Loans are offered by the Regional Investment Corporation along with a range of other products including Farm Investment Loans and AgRebuild Loans.**

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