ARDL Program

Reports and Action Items - June 2, 2026

Department *of* Agriculture and Food

ARDL Report

ARDL Report - Through April 30, 2026

FY26 ARDL / EDR Cash Report - Through April 2026						
	February	**March**	**April**	**Year-to-Date**	**UCC Approved Budget**	**% of Budget**
Fund 5460 Cash Balance						
Beginning Balance	$32,813,658	$33,021,790	$32,951,515	—	—	—
Payments Received	$346,402	$330,146	$248,829	**$3,963,634**	$4,700,000	**84.33%**
Interest Income	$108,440	$97,337	$108,837	**$1,002,211**	$1,500,000	**66.81%**
Loan/Grant Disbursements	-$208,646	-$460,750	-$936,352	**-$4,933,130**	-$8,000,000	**61.66%**
Admin/Office/Travel	-$1,806.59	-$3,290	-$2,983	**-$38,123**	-$85,000	**44.85%**
Payroll/Benefits	-$36,257	-$33,719	-$33,945	**-$354,768**	-$467,300	**75.92%**
Ending Cash Balance	$33,021,790	$32,951,515	**$32,335,901**	—	—	—

ARDL Report - Continued

Dedicated Funds						
Emergency Water Shortage			-$5,000,000			
Grants for AgVIP			-$595,000			
Approved by UCC (not yet funded)		6	-$673,233			
Undisbursed Funds			-$3,542,609			
Total Dedicated Funds			**-$9,810,842**			
Net Cash Balance			**$22,525,060**			
Pending (received borrower info)		4	-$830,321			
Pending (waiting on borrower info)		22	-$4,284,885			
Unencumbered Cash Balance			**$17,409,854**			

ARDL Report - Continued

ARDL / EDR Program Statistics - Through April 2026				
	February	**March**	**April**	**Year-to-Date**
Number of New Applications Received	2	4	7	**32**
Number of New Loans Closed	0	4	5	**28**
Number of Loans Paid Off	1	1	0	**18**
Number of Disbursements Processed	4	8	17	**95**
Number of Payments Posted	44	45	43	**505**

ARDL Report - Continued

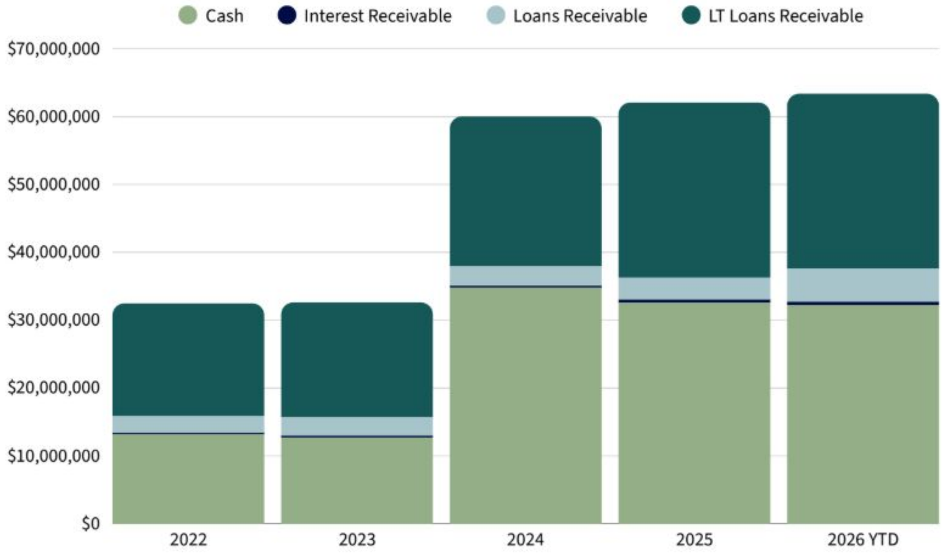
Loan Servicing Summary As of April 30, 2026				
	ARDL	**EDRL**	**EDR2**	**Total**
Number of Active Loans	262	66	4	**332**
Active Principal Balance	$27,856,900	$2,556,518	$200,000	**$30,613,417**
Undisbursed Funds	$3,413,609	$0	$129,000	**$3,542,609**

Collections Summary As of April 30, 2026						
	30 Days	**60 Days**	**90 Days**	**120+ Days**	**AAG**	**Total**
ARDL	0 $0	0 $0	0 $0	1 $10,607	2 $164,117	**3** **$174,725**
EDRL	0 $0	2 $19,966	1 $16,105	3 $24,784	1 $22,891	**7** **$83,836**
Total	**0** **$0**	**2** **$19,966**	**1** **$16,105**	**4** **$35,392**	**3** **$187,098**	**10** **$258,560**

ARDL Report - Continued

Asset Total	**$32,486,576**	**$32,606,588**	**$60,017,331**	**$62,092,246**	**$63,373,065**
% Increase		**0.37%**	**84.07%***	**3.46%**	**2.06%**

*FY24 increase reflects the one-time appropriation by the Utah State Legislature.



ARDL Loan Proposals (action item)

ARDL Proposal #1

- Zone 1
- Cache County
- Water Optimization
- Subsurface Drip

In Conjunction with:
Water Optimization

Project and Purpose:
Install subsurface drip irrigation to increase agricultural yields and address water resource concerns.

Loan Details:

Loan Amount - Project	$85,000.00
Loan Amount - 1% Admin Fee	$850.00
Total Loan Amount	**$85,850.00**

Rate	3.00%
Term	15 Years
Payment Amount	$593.00
Payment Frequency	Monthly

Application received prior to rate change

Proposed Security	1st lien position on 20.71 acres of irrigated farmland with a primary residence valued at $2,897,906 per the 2025 Cache County tax statement.
Loan-to-Value %	3%
Source of Repayment	Personal income and liquid assets.
Financial Summary	The borrowers run a small-scale farm. They have a solid track record of carefully handling current obligations and have little debt. The loan has little credit risk and is well-collateralized. The borrower has more than sufficient liquid assets for repayment of loan.

Loan staff recommends approval of this loan by the Commission.

Sean Trease (May 27, 2026 12:57:57 MDT)
Sean Trease
Loan Specialist
Date

Tracy Balch
Tracy Balch (May 27, 2026 13:08:39 MDT)
Tracy Balch
Loan Specialist
Date

Allen Hua
Allen Hua (May 27, 2026 13:21:39 MDT)
Allen Hua
Loan Specialist
Date

Sarah Clancy (May 27, 2026 13:28:49 MDT)
Sarah Clancy
Loan Program Manager
Date

ARDL Proposal #2

- Zone 1
- Rich County
- Water Optimization
- Clay Lining for Canal

In Conjunction with:
Water Optimization

Project and Purpose:
Install clay lining in the canal to address water resource concerns.

Loan Details:

Loan Amount - Project	$800,000.00
Loan Amount - 1% Admin Fee	$8,000.00
Total Loan Amount	**$808,000.00**

Rate	4.0%
Term	15 Years
Payment Amount	$72,673.00
Payment Frequency	Annually

Proposed Security	N/A per ARDL policy Part 13
Loan-to-Value %	N/A
Source of Repayment	Assessments to shareholders
Financial Summary	Borrowers have had good repayment on debts, and have no current outstanding debt. The bylaws give the company the ability to raise assessments to pay back this debt, and with those assessments they have the ability to repay this loan.

Loan staff recommends approval of this loan by the Commission.

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Loan Program Manager
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ARDL Proposal #3

- Zone 5
- Beaver County
- Water Optimization & EQIP
- 2 New Pivots

In Conjunction with:
Water Opt and NRCS-EQIP

Project and Purpose:
Install 2 pivots to address water resource concerns.

Loan Details:

Loan Amount - Project	$187,700.00
Loan Amount - 1% Admin Fee	$1,877.00
Total Loan Amount	**$189,577.00**

Rate	4.00%
Term	15 Years
Payment Amount	$17,051.00
Payment Frequency	Annually

Security	2nd lien position behind 1st lien with a current balance of $91,409.18 on 50 acres of irrigated farmland valued at $338,900. 24 shares each of class B, E and F in the North Creek Irrigation Company valued at $24,000 and 51.5 shares each of class C, E and F in the North Creek Irrigation Company valued at $38,625 for a total value of $401,525.
Loan-to-Value %	70% combined loan to value
Source of Repayment	Personal income
Financial Summary	Supported by a strong credit history and all loans remaining current, the borrower's personal income is sufficient to service all of their debt.

Loan staff recommends approval of this loan by the Commission.

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Sean Trease
Loan Specialist
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Loan Specialist
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Sarah Clancy (May 27, 2026 13:28:49 MDT)
Sarah Clancy
Loan Program Manager
Date

FY27 Proposed Budget (action item)

Proposed 5-Member Loan Team

Adding a 4th Loan Specialist in the Taylorsville office

- **Ensures Capacity Handle Emergency Loans While Keeping Busy Year-Round:** A fourth specialist gives the team the necessary ability to process loans quickly when customers are facing urgent disasters. During slower periods, managing the full-cycle lending for a large program provides more than enough ongoing work to keep the entire team fully utilized year-round.

- **Maintains high operational efficiency:** At 1.1% of total assets, the administrative cost remains incredibly lean, sitting well below the standard RLF industry benchmark of 1.5% to 3.0%

- **Prevents Bottlenecks, Reduces Errors, and Protects Against Staff Turnover:** Allows the time to properly train staff, streamline the underwriting and disbursement process, and reduce administrative errors. It also ensures that if a team member leaves, operations will be less affected and loan processing times won't lag.

- **Optimizes Portfolio Risk Management:** Managing a large loan portfolio requires ongoing monitoring, site visits, risk mitigation, and working with distressed borrowers. Ensuring staff have the bandwidth to catch issues before they result in loan losses.

	Loan Specialist 1 Richfield	Loan Specialist 2 Taylorsville	Loan Specialist 3 Taylorsville	Loan Specialist 4 Taylorsville	Program Manager Taylorsville
Post and track payments	x			x	
Process disbursement requests	x	x			
New file setup	x				
Initial contact	x				
Financial document request	x				
Application review	x				
Conservation plan review	x				
Loan payoff tracking	x				
Final disbursement modifications	x				
TA certifications	x				
Cultural resource review	x				
Shared drive file system management	x				x
Conservation fair attendance	x	x	x	x	x
Field visits	x	x	x	x	x
Drafting and finalizing loan proposals	x	x	x	x	x
Customer service / phone coverage	x	x	x	x	x
Mail statements		x	x		
Pull credit reports		x			
Review credit reports		x			
Financial analysis		x			
Hardship modification requests		x	x		
Prepare and review closing documents		x			
Send closing documents for signature		x	x		
UCC-1 search and review		x		x	
Early collateral release request analysis		x	x		
CLCS new loan entry		x	x		
Contact with next steps after loan funded		x	x		
Collateral Analysis			x		
Order and review preliminary title work			x	x	
Obtain collateral valuations			x		
Post and track disbursements			x		
Closing document review, pre-signing			x		
UCC-1 initial filings			x		
Release collateral after payoff				x	
Secure collateral after closing				x	
Closing document review, post-signing				x	
All file close-out activities after payoff				x	
Collections, routine				x	
UCC-1 renewals				x	
Maturity date renewals				x	
Annual 1098 mailing / tax season inquiries				x	
Records retention schedules				x	x
Monthly reports					x
Annual reports					x
Collections, escalated				x	x
Legal and legislative issues, hearings, etc.					x
Approve disbursement requests					x
Program training for coordinators and planners	x				x
Program marketing and presentations					x
Loan staff training and development					x
Annual budget					x
Policy/rule updates and compliance w/ statute					x
Program and file audits					x
Process development					x
Standardizing forms and documents					x
Building and launching submittable					x
CLCS update rollout					x
Records retention series updates					x
Zone meeting representation	x	x	x	x	x
NCOSAFP Board Member					x

FY27 Proposed Budget

Proposed Annual Budget - Fiscal Year 2027			
	FY26 Approved Budget	**FY27 Proposed Budget (4 Staff Members)**	**FY27 Proposed Budget (5 Staff Members)**
Beginning Balance (Projected)	$32,565,000	$32,335,901	**$32,335,901**
Payments Received	$4,700,000	$4,800,000	**$4,800,000**
Interest Income	$1,500,000	$1,100,000	**$1,100,000**
Loan/Grant Disbursements	-$8,000,000	-$12,000,000	**-$12,000,000**
Admin/Office/Travel	-$85,000	-$103,000	**-$110,000**
Payroll/Benefits	-$467,300	-$480,000	**-$587,000**
Ending Cash Balance (Projected)	**$30,212,700**	**$25,652,901**	**$25,538,901**

FY27 Proposed Budget - Continued

Dedicated Funds (Projected)			
Emergency Water Shortage	-$5,000,000	-$5,000,000	**-$5,000,000**
Grants for AgVIP	-$600,000	-$595,000	**-$595,000**
Undisbursed Funds	-$4,000,000	-$4,000,000	**-$4,000,000**
Total Dedicated Funds (Projected)	**-$9,600,000**	**-$9,597,000**	**-$9,597,000**
Net Cash Balance (Projected)	**$20,612,700**	**$16,055,901**	**$15,941,901**
Pending Loans (Projected)	-$10,000,000	-$5,000,000	**-$5,000,000**
Unencumbered Cash Balance (Projected)	**$10,612,700**	**$11,055,901**	**$10,941,901**

Emergency Disaster Relief Loans (action item)

Emergency Disaster Declarations and EDRL Application Deadlines

- Executive Order 2026-01
  - Crop damage and loss in Box Elder, Cache, Davis, Iron, Juab, Millard, Piute, Sanpete, Utah, and Weber counties resulting from freezing temperatures on April 3rd, 4th, 17th, and 18th, 2026.
  - CD application approval deadline November 15, 2026.

- Executive Order 2026-02
  - Declaring a State of Emergency in the State of Utah Due to Drought Conditions for all 29 counties.
  - CD application approval deadline November 21, 2026.

- Loan terms:
  - Unsecured 7-year fully amortized loans
  - 0% interest for the first 2 years, 2.75% thereafter
  - Loan maximum $100,000 per entity
  - Borrower can select payment frequency and 1st payment date up to 1 year out from note date.
  - 1% administrative fee is waived
  - 5% late charge on past due amount

Department *of* Agriculture and Food
Conservation Division

EMERGENCY DISASTER RELIEF LOANS

WHAT IS AN EDRL LOAN?

The Utah Department of Agriculture and Food has established the Emergency Disaster Relief Loan Program through the Utah Conservation Commission (UCC).

The purpose of the program is to assist agricultural producers by providing low-interest loan funds to help them address extraordinary circumstances related to declared disasters that have resulted in production losses.

EDRL funds are reserved specifically for disaster-related losses and eligible expenses. To ensure the right funding for your needs, please note that EDRL cannot be used for purposes normally covered under the ARDL program.

WHO IS ELIGIBLE?

- Farmers
- Ranchers

EDRL LOAN INFORMATION*

- Unsecured 7-year fully amortized loans.
- 0% interest for the first 2 years, 2.75% thereafter.
- Loan maximum is currently $100,000 per entity.
- Borrower can select payment frequency based on what is best for their operation. (monthly, quarterly, semi-annually, annually)

**Rates, terms and loan limits are current as of May 2026 and are subject to change. Visit our website below for the most current information.*

APPLYING FOR AN EDRL LOAN

- Work closely with your UDAF Resource Coordinator to ensure your application is complete and timely.
- EDRL applications must receive approval from your local Conservation District board prior to the application deadline.
- Applications will then be forwarded to the loan team for review, underwriting, and final approval from the Utah Conservation Commission.

ONLINE RESOURCES

Scan the QR code for a list of eligible disasters, application links, current loan rates, limits, terms, and important submission deadlines.

https://ag.utah.gov/conservation/agricultural-loans/

CONTACT INFORMATION

Email: UDAF-Loans@utah.gov

Phone: (801) 982-2228

Utah Code 4-18-106

Use of fund money

(4)(i) subject to Subsection (5), a disaster relief program designed to aid the sustainability of agriculture during and immediately following a disaster

(5)(a)Except as provided in Subsection (5)(b), the department shall limit loans for disaster relief programs under Subsection (4)(i) to no more than 10% of the total amount of:

(i) the balance of money in the fund; and
(ii) the outstanding loans issued from the fund.

(5)(b)Notwithstanding Subsection (5)(a), the department may use the money appropriated to the fund by the Legislature or another source, without limitation, if the money is appropriated specifically for use in a disaster relief program.

R64-1-4

Emergency Loan Program

(1) The commission may provide ARD Funds to agriculture producers to provide emergency disaster relief based on unusual or extraordinary circumstances such as flood, drought, or other natural disasters if:

(a) an authorized federal, state, or county entity, including the Utah governor's office, declared an emergency or natural disaster within the prior six months;
(b) the commission establishes parameters of the emergency loan program in policies and procedures;
(c) the commission or a UCC subcommittee approves the loans; and
(d) the objectives of the loan program are consistent with state law.

(2) The commission may exempt emergency loans from the requirements in Subsection R64-1-3(7).

(3) A person may not use emergency loan funds for a project that the commission normally approves under the ARDL program.

ARDL Policy - Part 16

Emergency Disaster Relief Subprogram

C. Eligible Losses and Activities
1. Losses and expenses eligible for funding will be defined at the time of each disaster declaration.
2. Eligible expenses may include direct production and physical losses.
3. Affected parties must submit:
    a. Description of loss
    b. Requested loan amount
    c. Justification of need
4. New or unique loss categories require Commission approval.

E. Loan Terms and Disbursement
1. Maximum loan limits will be established per disaster event and approved by the Commission.
3. Loan disbursements:
    a. Must be completed within six months of loan closing, or by a specified date approved by the Commission. Extensions may be granted at the discretion of the Commission.
    b. Shall be made to the borrower and/or vendors upon submission of invoices or proof of payment.
5. If the Commission determines that collateral shall be required, secured EDR loan terms are as follows:

G. Administration and Oversight
1. The Commission may approve administrative fees as needed.
2. EDR loan program procedures and terms are reviewed annually and amended as necessary.

Thank You!

Sarah Clancy, Agricultural Loan Program Manager
Cell: (385)630-7173 Email: smclancy@utah.gov

Department *of* Agriculture and Food