

Dear Hoosier Livestock Farmer:

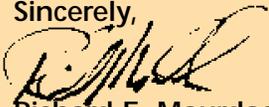
Due to an unusual combination of a late frost and a summer drought, hay yields have been significantly reduced during the 2007 growing season. The resulting increased feed prices present a serious challenge to producers of beef and dairy cattle, as well as farms raising sheep and goats.

The financial stress placed upon the livestock industry caused the Indiana State Department of Agriculture to ask me to consider re-establishing the Treasurer's Agricultural Loan Program (TALP). Lt. Governor Skillman described to me the serious plight of many of the states smaller livestock operators due to this crop emergency. I have thus agreed that conditions warrant the use of this unique program. I am allocating \$25 million of the state's resources to TALP.

TALP is a low interest loan program targeted to specific agricultural sectors facing severe market or crop conditions. Farmers interested in a TALP loan should contact their local financial institution for more information. By working together, in partnership with local banks and credit unions, we hope to be able to help Hoosier farmers in all of Indiana's 92 counties.

Anyone with questions or comments is encouraged to contact my office at (317)232-6386 or visit my web-site at www.in.gov/tos

Sincerely,



Richard E. Mourdock
Treasurer of State

Treasurer's Agricultural Loan Program (TALP)

Eligibility

Loans made under this program to support agricultural production are subject to the following conditions, or as may be determined by the Treasurer of State:

1. Maximum loan of \$100,000 to a single borrower
2. Loans are limited to borrowers:
 - a. Whose residence, operation, and livestock are located in Indiana.
 - b. Actually engaged in raising beef cattle, dairy cattle, sheep, or goats.
 - c. Excluded are livestock not produced or maintained for commercial use as part of a farming operation. Such excluded uses include but are not limited to wild or free roaming animals, those used for pleasure, hunting, pets, or racing.
 - d. Whose annual gross sales are \$250,000 or less.
3. Funds must be expended directly for the following costs:
 - a. The purchase of chemicals, feed, fertilizer, labor, livestock, production-related energy, and veterinarian fees used in the production of commercial livestock as defined in section 2 above.
4. No loans may be made to an officer or director of the financial institution.
5. No single borrower can have more than one TALP loan at any given time
6. All loans made in connection with TALP shall have a fixed rate and be for a term of 12 months

Interest Rates

Funds will be deposited in the form of a 12 month certificate of deposit (CD) with an approved financial institution. The financial institution may charge up to (2.5%) more than the rate determined by the Treasurer of State.

The Treasurer of State may adjust this interest rate on a quarterly basis.

Maturity of Deposit

The Treasurer of State will establish a maturity date for the 12 month CD. Interest and principal is due at maturity from the financial institution.

Applications

An application must be made through a financial institution qualified as an approved depository for state funds. A complete list of approved depositories is available at www.in.gov/deposit/appdep.htm. The institution should forward a completed TALP application printed on the lending institutions own letterhead to the Treasurer of States Office.

Limitations of TALP

It is our intention to fund as many requests as possible on a first come, first served basis. Such requests will be funded subject to the following constraints:

1. Availability of the pool.
2. The financial institution will not receive deposits in the excess of the amount determined prudent by the State Treasurer.
3. A 12 month CD will be funded on the 1st and 15th of every month or the first business day thereafter.
4. The 12 month CD is not in any way a pledge to the financial institution in the event of a loan default. The financial institution assumes all responsibility for credit underwriting and must use its own judgment. Principal and interest on the 12 month CD are due to the Treasurer of State at the maturity from the participating financial institution.



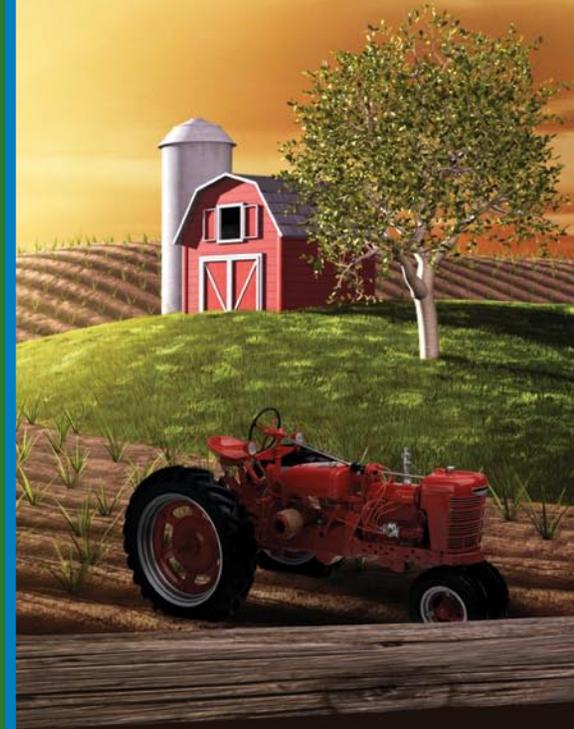
By re-establishing the Treasurer's Agricultural Loan Program (TALP), State Treasurer Richard Mourdock has made an initial \$25 million in low interest loans available to specific agricultural sectors facing difficult market or crop conditions.

TALP will be available to farmers in all of Indiana's 92 counties that meet the specific guidelines.

Richard Mourdock
Treasurer of State
200 West Washington Street, Ste. 242
Indianapolis, Indiana 46204



Treasurer's Agricultural Loan Program (TALP)



Richard Mourdock
Indiana's Treasurer

