SMALL BUSINESS NEWS

Center *for* Rural Affairs

Winter 2025

Up to $250,000

Farm & Food Business Loans

Our farm and food business loans are available to farmers, food business entrepreneurs, startups, retail businesses, and other food supply chain businesses.

The Center for Rural Affairs believes in building sustainable communities. To serve more diverse community members, we are often more flexible than traditional lenders.

Information and terms:

- Term: Up to 15 years, based on the use of funds and the borrower's needs
- Use of funds: Working capital, marketing expenses, bookkeeping, farm or business insurance, purchasing inventory, etc., equipment and infrastructure such as processing, storage, fencing, fixtures, buildings, irrigation, purchase an existing business, purchase of vehicles, business real estate or other long-term assets, gap financing to complement state or federal grant programs

For more information, visit cfra.org/food-and-farm-business-loans, or contact Meg Jackson at megj@cfra.org or 402.309.9096.

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Small Business News is available both in print and electronically.

The Center for Rural Affairs is an equal opportunity employer and provider.

Editing and design by Rhea Landholm and Kylie Kai.
Printed at Anderson Brothers, Sioux City, Iowa.

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On the cover: Alberto Castillo of Castillo's Tax Service in South Sioux City, Nebraska | Photo by Carmen Montes

Is it time to revise your business plan?

By Jessica Campos | Jessie Eby contributed to this article

Writing a business plan is likely one of the first steps you'll take in launching the business of your dreams, but it's not a one-and-done task. If you haven't revisited your business plan in a while, it might be time to take a look.

You probably wrote your plan with an idea in your mind and a dream in your heart, but after a few years (or months) in the trenches, you may have realized that things don't always go according to plan. Nobody can predict the future, and many things outside of our control can affect your business. Having a plan in place is great, but being flexible and adaptable in times of change is key to success.

Why do I need a business plan?

In addition to being integral for sourcing and securing funding for your business, your business plan also serves as a roadmap. If you've ever planned a trip, you know the goal is to get from point A to point B, but occasionally there are detours and unforeseen obstacles along the way. Running a successful business is no different; you can map for success, but you need to be prepared in case of detours, or worse, dead ends. You'll rely on your business plan to help you determine your next steps, strategize, and measure your success.

Why would I need to revise my business plan?

The "unforeseen changes" and "unprecedented times" business owners have survived in the past five years are truly remarkable. From flooding and other natural disasters to a global pandemic, we've all been reminded of how little control we have over anything beyond our own efforts. Circling back to your business plan and adjusting it to reflect current economic conditions can position your business for future success. Unplanned changes, whether in your personal life or shifts in the overall economic landscape, can lead to varying short-term and long-term impacts on your business success.

It's important to review and potentially revise your business plan to prepare for the long-term and short-term effects these bumps in the road can have on your business.

How often should I review my business plan?

You should review your plan any time your business undergoes a change or endures an economic or environmental event that affects it or your target market. It's a good idea to get into the habit of reviewing your business plan every six months to evaluate your success and assess your progress.

Being a small business owner requires perception and flexibility. None of us can predict the future, but being able to spot changes, pivot, and adapt to accommodate them will help secure the future of your business.

Our loan specialists and business development specialists can assist you in determining changes to your business plan. Email us at wbc@cfra.org to get started.

Business owner believes success takes sacrifice and is worth the work

By Liz Stewart | Carmen Montes and Carlos Barcenas contributed to this story.

Running a business is more than a job for Alberto Castillo; it's a way of life.

As a child, he helped his parents in their grocery store, and as an adult he ran a sports-related business for 13 years, as well as a restaurant. It only made sense to him that he'd stay focused on his entrepreneurial ambitions when he moved from California to South Sioux City, Nebraska.

Not long after settling in Nebraska in 2006, Alberto had an unpleasant experience getting his taxes prepared. He decided to learn how to prepare his own taxes to avoid the same issues in the future.

"I remember getting my taxes done incorrectly and I could not believe that I had paid so much money for that service," he said. "So, I decided to learn about taxes and ended up working for a tax preparation company. I worked there for many years, and eventually I felt comfortable and thought I could do it on my own and help others."

Alberto kept studying to stay up to date on accounting and tax practices. One way he stayed sharp was by taking classes from the Center for Rural Affairs.

"Ever since I came to Nebraska I was aware of the Center," he said. "I remember they used to give classes at the library. I took a business workshop and a computer class through them. I feel they have had a lot of presence in the area that I live. They are well known here."

Alberto opened Castillo's Tax Service in May 2009, and the business became so successful he needed more space. He turned to the Center for financial assistance, and staff guided him through the loan process. He got a loan from the Center in April 2021 to buy the building his business calls home.

"The loan process was very easy and practical," Alberto said. "Staff were excellent, and the interest rate was affordable, so I was lucky to have the Center help me with the building purchase."

Luis Franco, senior loan specialist with the Center, stays in touch with Alberto and offers him any further assistance he may need.

"Alberto is a very organized and disciplined client," said Luis, "He grew his business so quickly he had to acquire a building to accommodate it. He is a person with an impressive entrepreneurial spirit, and prides himself on involving his family in all his business endeavors."

In addition to four part-time and two full-time employees, Alberto's daughter, Alondra, works with him as a tax preparer. She is working on a degree in business administration with a concentration in accounting at the University of Nebraska at Omaha. When she graduated in December 2024, Alberto hopes to be able to offer more bookkeeping and accounting services.

"I'm very proud of my dad, and excited for him, just seeing how much he's been able to grow this business and seeing that all the time and effort he has put into it has paid off," Alondra said.

Castillo's Tax Service opened in May 2009 and, over time, outgrew its space. Alberto applied for a loan through the Center in 2021 and used the funding to purchase a building for his growing business. | Photo by Carmen Montes

Alberto offers notary and translation services and helps clients with other documents. During tax season, the business takes care of everything tax-related for its clients. Alberto and his staff also help those who don't have Social Security numbers prepare their taxes using an ITIN number and completing the necessary paperwork that goes with it.

"We always try to give extra customer service," said Alberto. "Our work doesn't end when tax season is done; when our clients have a question we're always available, even if we are closed. We transfer calls from the office to our cell phones and we are able to answer questions during the weekend. If they don't know how to pull money out of their 401(k) and they're not sure how taxes work we always try to give them the answers. That type of support helps people trust us and support our work."

Alberto says he greatly benefited from having a mentor to help him become the business owner he is today, and he recommends the same for anyone looking to open their own business.

"It's very important to have a mentor that knows how to guide you in the business you're starting," he said. "Being prepared and planning and creating a business plan is a good way to have a vision of what you're going to do."

For Alberto, being a business owner is a bit of a double-edged sword because he has to split time between family and work responsibilities, but he wouldn't trade it for anything.

"To be satisfied with what I have accomplished and to have my family share the same feeling makes me proud," Alberto said. "It took sacrifice, and to know that we have grown a lot from the moment we opened until now is very rewarding."

Are you in need of financing for your business? Contact your regional loan specialist. Find yours at cfra.org/lending-staff.

A guide to responsible borrowing

By Khushi Steichen | Jessie Eby contributed to this blog

Starting a small business is a rewarding journey, but it takes time, effort, and often means taking out a loan. For many, a loan is a practical step toward growth. Let's explore why you might consider applying for a loan, what to have in place before doing so, and how the Center for Rural Affairs can support you every step of the way.

Why apply for a loan?

A loan can be a powerful tool for small businesses when used strategically. Loans enable owners to take advantage of growth opportunities. As a small business owner, you might face challenges like cash flow gaps, space constraints, and other "growing pains." A loan can provide the financial support to meet those needs and continue growing. For example, securing a loan might enable you to buy a food truck, upgrade machinery, or buy a building to attract new customers or increase inventory to keep up with demand.

Preparing to apply for a loan

Smart use of debt requires thinking through how the borrowed money will translate to more efficient operations and profit. Does the increased profit justify the cost of the loan? How quickly will you pay the loan off? What will your cash flow look like after the loan and how will that line up with a repayment schedule?

Before applying for a loan, you'll need to gather key documents that demonstrate your readiness and credibility as a borrower. Required documents can vary depending on whether you're a startup or an established business, so it's important to reach out for an initial consultation to discuss current circumstances and goals.

Generally, you'll need:

- Financial records: bank statements, tax returns, and pay stubs
- Collateral information: documentation of assets you can use as collateral
- A plan: a clear, detailed explanation of the loan's intended use

How big of a loan do you need?

Begin by assessing your specific financial needs. Do you need to upgrade equipment? Purchase inventory? Lenders will want to know exactly how much you need and exactly how it will be spent. Don't estimate your request; do your research and provide an exact figure.

Loans don't have to be large to make a difference; even small amounts can fuel meaningful improvements. For example, a coffee shop owner could get a $5,000 loan to buy a new espresso machine and upgrade a seating area. This investment could result in improved drink quality and a more inviting atmosphere, leading to an increase in customer traffic.

How should a loan be used?

Loans are versatile and can be used for a variety of business purposes that contribute directly to growth and sustainability.

Common uses include:

- Equipment and inventory: Upgrading machinery or stocking products
- Working capital: covering everyday operating costs
- Real estate: securing a storefront or office space
- Marketing: funding campaigns to expand your reach

What is the Microenterprise Tax Credit?

Alongside loans, business owners may have access to potential tax credits. These funds can help decrease the costs of your business startup or expansion.

For example, in our home state, the Nebraska Advantage Microenterprise Tax Credit Act provides a refundable individual income tax credit to small business owners who show growth over a two-year period. This tax break can help lower your tax burden, freeing up funds to reinvest in your business. It's an appealing incentive for anyone looking to expand or make improvements, as it rewards the hard work of growing your own business.

How the Center for Rural Affairs can help

When considering loan options, we emphasize a responsible approach, encouraging business owners to view loans as tools for empowerment rather than burdens. If you're thinking about a loan to support your business' future, the Center is here to help.

We provide educational resources and assistance, one-on-one consulting, and ongoing support. Our goal is to help you approach the lending process with confidence.

Reach out today to learn how responsible borrowing can be part of your journey to success.

Our loan products

Apply at cfra.org/loans

Small Business Loan

Up to $250,000 for working capital, equipment, inventory, and real estate.

Express Loan

For borrowers with credit needs less than $20,000. Fewer documents and faster decision.

Housing Loan

Mortgage loans between $5,000 and $100,000 for purchase of home, owner-occupied rehabilitation or renovation, or emergency repair to a property.

Meat & Poultry Processing Loans

Loans between $50,000 and $5 million for expansion of existing business, start-up of new business, real estate purchase, facilities update or expansion, equipment purchase, energy efficiency upgrades purchase of an existing business, or working capital.

Food & Farm Business Loans

Up to $250,000 for working capital, marketing expenses, bookkeeping, farm or business insurance, purchasing inventory, etc.; equipment and infrastructure such as processing, storage, fencing, buildings; purchase an existing business; purchase of vehicles, business real estate, or other long-term assets; or gap financing to complement state or federal grant programs.

Business development services

Business counseling

Business development specialists are available for free consultations on business trouble-shooting, cash flow and budget, loan packaging, and more.

Loan specialists

We have a statewide network of loan specialists ready and willing to help you along your small business journey. Find your specialist on pages 10 and 11.

Events and networking

We host various work-shops and networking opportunities focused on small businesses. To stay up to date, visit cfra.org/events.

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Funded in part through a cooperative agreement with the U.S. Small Business Administration. All SBA funded programs are extended to the public on a nondiscriminatory basis. The Center for Rural Affairs is an equal opportunity provider and employer.

The Center for Rural Affairs Women's Business Center hosts an annual conference. The 2024 event was held in Fremont, Nebraska, and was offered in Spanish. | Photo by Kylie Kai

Center for Rural Affairs Women's Business Center graduates national WBC of excellence program

By Rhea Landholm

The Center for Rural Affairs Women's Business Center has been recognized for graduating in the 2025 cohort of the National WBC of Excellence program offered by the Association of Women's Business Centers (AWBC).

The primary objective of the National Women's Business Center of Excellence designation is to recognize organizations that demonstrate commitment and efficacy of the mission, vision, and values of their Women's Business Centers, thereby achieving the greatest outcomes for women-owned businesses.

"Becoming a Women's Business Center of Excellence is an incredible achievement," said Klassi Duncan, AWBC board chair and vice president of the Center for Entrepreneurship & Innovation at the Urban League of Louisiana. "The work these graduates have put into the process demonstrates not only their commitment to improving their centers' operations but also their dedication to achieving even more impactful outcomes for the women-owned businesses they serve."

Over the course of six assignments, WBCs partnered with a peer in their cohort to identify gaps and opportunities for improvement in areas including strategic goal-setting, service delivery, and continuous improvement and peer relationships. To fulfill these objectives, AWBC recognizes the value of the organization's volunteers, leadership team, and funders, which is reflected in the involvement of these stakeholders in the final stages of the designation attainment.

"This was a great opportunity to learn from WBCs nationwide and build new strategies of our own to further assist entrepreneurs across the state," said Jessica Campos, director of the Center for Rural Affairs Women's Business Center.

The National WBC of Excellence graduation and closing ceremony took place Dec. 5, 2024.

To learn more, visit cfra.org or email wbc@cfra.org.

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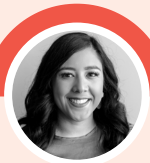

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Our team serves small businesses across Nebraska!

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