

USDA Enhances Farm Storage Facility Loan Program

The U.S. Department of Agriculture (USDA) today announced the expansion of the Farm Storage and Facility Loan program, which provides low-interest financing to producers. The enhanced program includes 22 new categories of eligible equipment for fruit and vegetable producers, and makes it easier for farmers and ranchers around the country to finance the equipment they need to grow and expand.

This is part of a broader effort to help [small and mid-sized farmers and ranchers](#), as announced today by Agriculture Secretary Tom Vilsack.

Producers with small and mid-sized operations, and specialty crop fruit and vegetable growers, now have access to needed capital for a variety of supplies including sorting bins, wash stations and other food safety-related equipment. A new more flexible alternative is also provided for determining storage needs for fruit and vegetable producers, and waivers are available on a case-by-case basis for disaster assistance or insurance coverage if available products are not relevant or feasible for a particular producer.

Additionally, Farm Storage and Facility Loans security requirements have been eased for loans between \$50,000 and \$100,000. Previously, all loans in excess of \$50,000 required a promissory note and additional security, such as a lien on real estate. Now loans up to \$100,000 can be secured by only a promissory note.

“The Farm Storage and Facility Loan program has helped American farmers and ranchers to finance on-farm storage for almost 13 years,” said Farm Service Agency Administrator (FSA), Juan M. Garcia. “We anticipate these changes will increase the number of individuals who qualify for these loans and help them access new market opportunities.”

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include grains, oilseeds, peanuts, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables. Qualified facilities include grain bins, hay barns and cold storage facilities for fruits and vegetables.

Other new changes to the Farm Storage and Facility Loan program will allow FSA State Committees to subordinate Commodity Credit Corporation’s lien position.

These changes to the program were issued via an official notice to state and county Farm Service

Agency offices and are effective immediately.

More than 33,000 loans have been issued for on-farm storage, increasing grain storage capacity by 900 million bushels since May 2000.

More information about tools and resources available to small and mid-sized farmers will be rolled out in the coming months, including information about access to capital, risk management, food safety, and locating market opportunities on [USDA's Small and Mid-Sized Farmer Resources webpage](#).

Visit www.fsa.usda.gov or an FSA county office to learn more about FSA programs and loans, including the Farm Storage Facility Loan Program