



Farm Service Agency

Farm Storage Facility Loans

Fact Sheet
July 2022

OVERVIEW

Farm Storage Facility Loans (FSFLs) provide low-interest financing for producers to store, handle and/or transport eligible commodities they produce. This includes the following:

- Acquire, construct or upgrade new or used, portable or permanently affixed, on-farm storage and handling facilities;
- Acquire new or used storage and handling trucks; and
- Acquire portable or permanently affixed storage and handling equipment.

The program is administered by the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA).

A producer may borrow up to \$500,000 per loan, with a minimum down payment of 15 percent. Loan terms are up to 12 years, depending on the amount of the loan. Producers must demonstrate storage needs based on three years of production history. FSA also provides a microloan option that, while available to all eligible farmers and ranchers, also should be of particular interest to new or small producers where there is a need for financing options for loans up to \$50,000 at a lower down payment with reduced documentation.

Applicants for all loans will be charged a nonrefundable \$100 application fee.

MICROLOAN OPTION

Producers who select the microloan option can borrow up to \$50,000, with the minimum down payment reduced to 5 percent and shorter loan terms. Producers can self-certify the storage needs of the eligible commodity and are not required to demonstrate storage needs based on production history.

How It Works

ELIGIBLE COMMODITIES

The following commodities are eligible:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain;

- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain;
- Other grains (triticale, speltz and buckwheat);
- Pulse crops (lentils, chickpeas and dry peas);
- Hay;
- Honey;
- Renewable biomass;
- Fruits (includes nuts) and vegetables - cold storage facilities;
- Floriculture;
- Hops;
- Malted small grains;
- Maple sap;
- Maple syrup;
- Milk;
- Cheese;
- Butter;
- Yogurt;
- Eggs;
- Meat/poultry (unprocessed);
- Rye; and
- Aquaculture;
- Hemp;
- Seed Cotton;
- Wool.

ENVIRONMENTAL EVALUATION REQUIREMENTS

These loans **must** be approved by the local FSA state or county committee before any site preparation and/or construction can be started.

All loan requests are subject to an environmental evaluation. Accepting delivery of equipment, starting any site preparation or construction before loan approval may impede the successful completion of an environmental evaluation and may adversely affect loan eligibility.





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ELIGIBLE FACILITIES, EQUIPMENT AND UPGRADES

The following types of new/used facilities and upgrades are eligible and must have a useful life for at least the term of the loan:

- Conventional cribs or bins;
- Oxygen-limiting structures and remanufactured oxygen-limiting structures;
- Flat-type storage structures;
- Electrical equipment and handling equipment, excluding the installation of electrical service to the electrical meter;
- Safety equipment, such as interior and exterior ladders and lighting;
- Equipment to improve, maintain or monitor the quality of stored grain;
- Concrete foundations, aprons, pits and pads, including site preparation, off-farm labor and material, essential to the proper operation of the grain storage and handling equipment;
- Renovation of existing farm storage facilities, under certain circumstances, if the renovation is for maintaining or replacing items;
- Concrete foundations, aprons, pits and pads, including site preparation, off-farm labor and material, essential to the proper operation of the grain storage and handling equipment;
- Renovation of existing farm storage facilities, under certain circumstances, if the renovation is for maintaining or replacing items;
- Grain handling and grain drying equipment determined by the Commodity Credit Corporation to be needed and essential to the proper operation of a grain storage system (with or without a loan for the storage facility);

- Structures that are bunker-type, horizontal or open silo structures, with at least two concrete walls and a concrete floor;
- Structures suitable for storing hay built according to acceptable design guidelines;
- Structures suitable for storing renewable biomass;
- Bulk tanks for storing milk or maple sap;
- Cold storage buildings, including prefabricated buildings that are suitable for eligible commodities. Also may include cooling, circulating and monitoring equipment and electrical equipment, including labor and materials for installation of lights, motors and wiring integral to the proper operation of a cold storage facility; and
- Storage and handling trucks, including refrigerated trucks.

WHO IS ELIGIBLE?

An eligible borrower is any person who is a landowner, landlord, leaseholder, tenant or sharecropper. Eligible borrowers must be able to show repayment ability and meet other requirements to qualify for a loan. Contact an FSA office for more details.

WHERE TO FILE THE APPLICATION

Loan applications should be filed in the administrative FSA county office that maintains the farm's records.

FOR MORE INFORMATION

For more information, visit farmers.gov/recover. Find your local USDA Service Center at farmers.gov/service-center-locator.

This fact sheet is for informational purposes only; other eligibility requirements or restrictions may apply.

Other examples of equipment include but are not limited to the following:		
<ul style="list-style-type: none"> • baggers • boxers • brush polishers • bulk bin tippers • case palletizers • cement flooring • circulation fans • cold dip tanks • conveyors • drying tunnels • dumpers 	<ul style="list-style-type: none"> • electrical equipment • food safety-related equipment • hoppers • hydrocoolers • hydrolifts • ice machines • quality graders • refrigeration units or systems • roller spray units 	<ul style="list-style-type: none"> • safety equipment meeting Occupational Safety and Health Administration requirements • sealants • sizers • sorting bins and/or tables • storage and handling trucks • washers • waxers • weight graders

Notes:

- Eligible storage structures and handling equipment, having a useful life for the entire term of the loan, may be permanently affixed or portable.
- Facilities built for commercial purposes and not for the sole use of the borrower(s) are not eligible for financing.