



## Using the Farm Storage Facility Loan Program to Expand On-Farm Storage Success Story | August 27, 2025

### **Program celebrates 25 successful years**

For a quarter century, family-owned agricultural operations have received low-interest financing through USDA's Farm Service Agency (FSA) Farm Storage Facility Loan Program (FSFL) to enhance their operations through on-farm storage solutions.

Milton Arnett in Green County, Kentucky, has leveraged FSA's farm storage program to expand his diversified cattle and grain operation, Double R Farms.

"We produce hay as part of our operation. We use that hay to feed our cattle and to sell to other farmers in the area," Milton said. "The overall cost of production means that putting up hay is a large investment in the operation. So, we must make sure our hay is high quality in order to get the most return on our investment and to get the most nutrient value in our feed."

Baling hay involves a considerable amount of labor and - if stored improperly - can be exposed to weather, mold and pests impacting both the quantity and quality of the hay. Through the FSFL program, Milton was able to purchase a hay storage structure in addition to handling equipment and a grain bin.

"We were able to build a hoop style hay storage barn on our farm to reduce waste from rot and weathering. The increased hay quality led to more efficient weight gains for our cattle and our customers' livestock," Milton said. "Protecting the quality of hay and length of time we can store it has increased the marketability and profitability of our hay production."

The FSFL program was created in May 2000 to address existing on-farm grain storage needs. Over the past 25 years, eligible storage has expanded to include a wide variety of facilities and related equipment - new or used and permanent or portable - including hay barns, milk bulk tanks, and facilities for cold storage. Drying, handling and storage equipment is also eligible, including skid steers and storage and handling trucks.

"Applying for the FSFL program was a simple process," he said. "The [FSA] office helped us every step of the way to make sure we understood the requirements and told us where we were in the process. I encourage any agricultural producer that needs storage to use the FSFL Program."

## Eligibility

Eligible commodities for storage loans include grains, oilseeds, peanuts, pulse crops, hay, hemp, honey, renewable biomass commodities, fruits and vegetables, floriculture, hops, seed cotton, wool, maple sap, maple syrup, milk, cheese, yogurt, butter, eggs, unprocessed meat and poultry, rye and aquaculture. Most recently, controlled atmosphere storage was added as an eligible facility and [bison meat](#) has been also added to the list of eligible commodities.

FSFL is an excellent financing option to address on-farm storage and handling needs for small and mid-sized farms, and for new farmers and ranchers. Loan terms vary from three to 12 years. The maximum loan amount for storage facilities is \$500,000. The maximum loan amount for storage and handling trucks is \$100,000. In 2016, FSA introduced a new storage loan category, the microloan, for loans with an aggregate balance up to \$50,000. Microloans have a 5% down payment requirement, compared to a 15% down payment for a regular FSFL, and microloans waive the regular three-year production history requirement.

## How to apply

Loan applications should be filed in the administrative FSA county office that maintains a producer's farm records. Producers can contact their [FSA County Office](#) to make an appointment. Beginning farmers who haven't worked with FSA can visit [farmers.gov/your-business/beginning-farmers](https://farmers.gov/your-business/beginning-farmers) for more information or view the [New Farmers Fact Sheet](#).

## More information

For more information, visit the [FSFL webpage](#), view the [fact sheet](#) and our [Ask the Expert Blog](#), or contact your [FSA County Office](#).

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