



Montana FSA: USDA Announces Distress Loans for Crop Producers Unable to Find Adequate Storage in Chouteau County

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BOZEMAN, Montana, July 31, 2020 - U.S. Department of Agriculture (USDA) Montana Farm Service Agency (FSA) Executive Director Mike Foster today announced the availability of distress loans for crop producers in Chouteau County.

"Montana FSA is offering the distress loan program because there is not enough storage available for the 2020 crop harvest in Chouteau County," said Foster. "We may see additional distress loans available in other counties with limited storage opportunities for the high production in other areas in the state. We will look at each request on a county-by-county basis."

Producers will be able to pledge their commodity as loan collateral to receive a 90-day distress loan on 75 percent of their eligible quantity. The only storage restrictions are that the commodity must be protected from animals and must be located so that water drainage will not seriously impact the quality or quantity of the crop.

Loan rates for distress loans are based on the county where the crop is stored. Distress loans mature not later than 90 days after the date the loan is disbursed and must be repaid at principal, plus interest. If a producer can find an approved storage facility within the 90-day distress loan period, the commodity can be transferred into a non-recourse loan, also called a Marketing Assistance Loan, for up to nine months including the time the commodity was placed in the distress loan. Loan requests must be completed and signed within 30 calendar days after the completion of the producer's harvest.

Foster also reminds producers to consider FSA's Farm Storage Facility Loan program for low-interest financing to build or upgrade farm storage and handling facilities. The maximum storage facility loan amount is \$500,000 per loan request. Loan terms are three, five, seven, 10 or 12 years depending on the amount of the loan. The August 2020 interest rate for a farm storage facility loan ranges from 0.250 to 0.750 percent, depending on the length of the loan.

To apply for distress loans or for questions on any FSA program contact the local FSA office. To locate an office near you or learn more about FSA programs, visit <https://www.farmers.gov>.

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