

USDA Financing Options for On-Farm Storage

Helping farmers build or upgrade storage, cold storage, and packing facilities



For most farmers, on-farm storage is essential to keeping food fresh and safe prior to marketing. Whether a grain bin, cold storage for fruits and vegetables, refrigerated milk tank, or meat cooler, all farmers need a temperature-stable environment to safely wash, package, and store products they grow or raise on their farm. Depending on the size, on-farm storage facilities can be costly to build and install, and not always financially feasible for small and beginning farmers. The good news is that the U.S. Department of Agriculture offers very low interest loans to farmers to help defray the costs of needed on-farm storage.

What can I use USDA farm storage loans for?

USDA's Farm Storage Facility Loans provide financing for farmers to build or upgrade on-farm cold storage, packing, washing, and handling facilities, including:*

- Packing sheds
- Walk-in coolers
- Electrical, cooling, monitoring and food safety equipment
- Graders, sorters, conveyors, washers and drying tunnels
- Shipping, preparation and installation costs

*Mobile storage and other handling and packaging needs may also be financed through other USDA farm loan programs including microloans (<http://bit.ly/FSA-microloans>) or operating loans (<http://bit.ly/FSA-operatingloans>).

Eligible Commodities*

- Grains and other commodities
- Fruits and nuts
- Vegetables
- Honey
- Dairy products
- Meat, poultry and eggs
- Hay and biomass
- Flowers and hops
- Aquaculture

* For a complete list, see NSAC's Grassroots Guide information on Farm Storage Facility Loans: <http://bit.ly/NSAC-FSFL>



Eligibility and Loan Terms

Any farmer with on-farm storage needs can apply for a USDA Farm Storage Facility Loan as long as they have satisfactory credit, can demonstrate the ability to repay the loan and have proof of crop insurance, NAP coverage, or other risk management option. Loans can be up to \$500,000, and require a 15% down payment and \$100 non-refundable application fee. Loan terms are for 7, 10, or 12 years, and the interest rate is fixed by the U.S. Treasury (currently 2.5%).

How to Apply

Check out NSAC's Grassroots Guide for more information on Farm Storage Facility Loans (<http://bit.ly/NSAC-FSFL>) or contact your local Farm Service Agency (FSA) office for a loan application (<http://offices.usda.gov>).



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