

# 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, store, and transport products they grow or raise on their farm. Depending on the size, on-farm and mobile storage facilities can be costly to build, install, or purchase – 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 and mobile storage, including cold storage.

## What Can I Use USDA Farm Storage Loans For?

USDA's Farm Storage Facility Loans provide financing for farmers to build, upgrade, or purchase on-farm and mobile 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
- Portable storage and handling trucks

\* Other handling and packaging needs as well as other operating expenses 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 Products \*

- Grains, pulses and other commodities
- Fruits and nuts
- Vegetables
- Honey and maple syrup
- 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 or mobile 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 another risk management option. Loans can be up to \$500,000, though there is a streamlined process to apply for a microloan of up to \$50,000. A 15% down payment is required for all FSFLs except for microloans, which only require a 5% down payment. Loan terms are for 3, 5, or 7 years (microloans) or 7, 10, or 12 years (all other loans), and the interest rate is fixed by the U.S. Treasury (currently 2.5% as of April 2016).

## 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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