

Nebraska Farm Service Agency (FSA) announced that producers considering expanding their farm storage should look into the FSA Farm Storage Facility Loan (FSFL) Program. FSA administers the program on behalf of the USDA Commodity Credit Corporation (CCC).

“Now that the 2012 crop is planted and growing, farmers may want to consider using USDA’s Farm Service Agency facility loan program to build or improve their farm storage and handling facilities,” noted FSA State Director Dan Steinkruger. “The facility loan program offers excellent terms and interest rates for those farmers wanting to make improvements to their farm operations.”

The FSFL program provides low-interest financing for producers of eligible commodities to build or upgrade farm storage and handling facilities.

The maximum loan amount is \$500,000. Participants are required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment.

Loan terms of seven, 10 or 12 years are available depending on the amount of the loan. Interest rates for each loan term may be different and are based on the rate which CCC borrows from the Treasury Department. Seven year loans approved in June 2012 will have an interest rate of 1.25 percent.

The following commodities are eligible for farm storage facility loans:

- 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
- Pulse crops—lentils, dry beans, small chickpeas and dry peas
- Hay, renewable biomass, fruits (including nuts) and vegetables – cold storage facilities, honey.

Applications can be obtained from the local FSA office. A facility loan must be approved before any site preparation or construction can begin. There is a \$100 nonrefundable application fee per borrower.

Steinkruger added, “With the strong agriculture economy, building farm facilities compliments our ethanol industries, aids our international export policies and strengthens our overall economy. Farmers with questions on facility loans should contact their local FSA office.

Additional information on the program is available at www.fsa.usda.gov.