



NEWS RELEASE

UNITED STATES DEPARTMENT OF AGRICULTURE • FARM SERVICE AGENCY

Release No. 0384.09

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USDA Implements Farm Storage Facility Loan Program

WASHINGTON, Aug. 17, 2009 - Agriculture Secretary Tom Vilsack today announced that changes to the Farm Storage Facility Loan (FSFL) program have been implemented in accordance with the 2008 Farm Bill, which will allow producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities. The USDA Farm Service Agency (FSA) administers FSFL on behalf of the USDA Commodity Credit Corporation (CCC).

"President Obama and I are committed to providing the necessary resources to keep producers financially solvent before, during and after each crop year, and this program will help ensure that they have adequate capacity to store their harvest until they sell it on the open market," said Vilsack.

The maximum principal amount of a loan through FSFL 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 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

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, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities

For more information about FSFL or other FSA price support program, please visit your FSA county office or www.fsa.usda.gov.

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