



# NEWS RELEASE

UNITED STATES DEPARTMENT OF AGRICULTURE - FARM SERVICE AGENCY

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## **Cold Storage Facilities Now Eligible For USDA Facility Loan Program**

Producers Can Expand Market Opportunities, Build New Capacity

WASHINGTON, March 17, 2010 - Agriculture Secretary Tom Vilsack today said that the Farm Storage Facility Loan program has been amended to allow producers to build cold storage facilities to store their fresh fruits and vegetables. This program is part of USDA's 'Know Your Farmer, Know Your Food' initiative and uses discretionary authority provided by the 2008 Farm Bill authorizing the eligibility of cold storage facilities for fruits and vegetables.

"Expand the Farm Storage Facility Loan program will provide our nation's fruit and vegetable producers with new storage and marketing opportunities," Vilsack said. "On-farm storage may cost a lot to build, but it can help farmers to maximize profits. USDA's program will help these producers to finance the purchase, construction, or refurbishment of these important farm storage facilities."

USDA's 'Know Your Farmer, Know Your Food' initiative emphasizes the need for a fundamental and critical reconnection between producers and consumers. The effort builds on the 2008 Farm Bill, which provides for increases and flexibility for USDA programs in an effort to revitalize rural economies through the promotion local food systems. Aimed at strengthening the connection between farmers and consumers, the initiative also supports local and regional food systems, to increase economic opportunities for local farmers and expand access to healthy food for Americans.

To be eligible, cold storage facilities must have a useful life of 15 years and include:

- New structures suitable for a cold storage facility;
- New walk-in prefabricated permanently installed coolers suitable for storing fresh fruits and vegetables;
- New permanently affixed cooling, circulating and monitoring equipment;
- Electrical equipment integral to the proper operation of a cold storage facility; and must be
- An addition or modification to an existing storage facility.

USDA will not make cold storage facility loans for portable structures, portable handling and cooling equipment, used or pre-owned structures or cooling equipment or structures not suitable for a fresh fruits and vegetables' cold storage facility.

The maximum loan amount for a Farm Storage Facility loan is \$500,000 per loan. One partial disbursement of up to half the anticipated total cost is available when that portion of the structure has been completed. The final disbursement will be made when the entire structure has been completed and inspected by a USDA representative.

All Farm Storage Facility Loans require a down payment of at least 15 percent. Applications must be approved before construction can begin. Loan terms of 7, 10 or 12 years are available depending on the amount of the loan.

Loans applications should be submitted to the administrative FSA county office that maintains the records of the farm or farms to which the application applies. If the commodities are produced on land that does not have farm records established, the application must be submitted to the FSA county office that services the county where the facility will be located.

For more information on this program or other FSA farm programs please contact your local FSA county office or <http://www.fsa.usda.gov>.

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