NDGGA
NORTH • DAKOTA
Grain Growers Association

Fertilizer Storage Facility Loan
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Why Fertilizer Supply and Storage Constraints Are Impacting Farmers

Access to affordable fertilizer is imperative to a successful farming operation. Grain yields have continued to increase across American farms. With this bounty, it also requires a greater amount of fertility to replace what has been removed. Domestic fertilizer production has not increased as rapidly as yields, and farmers continue to rely on imported products from across the globe. This adds challenges to availability and affordability, including logistics, weather, and ensuring the product is available on time when nutrients need to be applied. Many farms have limited fertilizer storage and must receive products in season. This system relies on retailers to store, while continuing to receive and ship multiple products throughout the application season. Intense coordination is needed across shippers and receivers as space to store fertilizers is limited. Farmers have made significant investments in machinery and precision technology, enabling planting and applications to move faster. This, unfortunately, requires more fertilizer to be applied each day, which drains the fertilizer system faster than it can be replenished. If weather challenges create delays in other parts of the country, or if logistics are strained by a lack of trucks, drivers, or hours of service, farmers are stuck lining up and waiting for product to arrive. We currently don't have enough capacity to meet the demand at planting.

Why On-Farm Fertilizer Storage Is Critical for Farm Profitability and Efficiency

Fertilizer is essential for modern agriculture, and applying nutrients at the right time, in the right place, and in the right amount is most important. Recently, much emphasis has been placed on fertilizer costs and ways to help farmers manage this important input. Increasing storage on the farm would relieve strain on the system. Having products on the farm means they can be applied on time without the worry of global events, weather, or logistics delays. Farmers would also be able to utilize this storage in the off-season to buy at off-season, summer fill rates, allowing for improved crop margins. With continued emphasis on increasing domestic fertilizer production, we also need to consider where this product will be stored so it stays domestic. Farms would be a great fit, but this also comes at a cost. Allowing this storage to be financed for extended periods at more favorable rates than commercial financing would help alleviate supply chain concerns while benefiting farm profitability.

Policy Proposal: Expanding FSA Farm Storage Facility Loans for Fertilizer Storage

Farm Service Agency, FSA, currently offers Farm Storage Facility Loans for 3, 5, 7, 10, and 12 - year repayment terms. We want to expand it to on-farm fertilizer storage, including dry bins, dry flat storage, fertilizer blenders, liquid tanks, and anhydrous ammonia pressure vessels. This loan would also include foundations, electrical, conveyors, plumbing, piping, and pumps to receive and remove products from the facility. We would like to have a simple one-page application to apply electronically, saving staff time. This program would increase fertilizer storage, where it is most effective.

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