

For: State and County Offices

FSFL Requirements for Meat and Poultry Cold Storage and Handling

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

State and County Offices have received several inquiries from producers about meat and poultry eligibility for FSFL. The Food, Conservation, and Energy Act of 2008 gave the Secretary the discretionary authority to add other commodities for FSFL eligibility. Using this authority, the Secretary added meat and poultry as an eligible commodity for FSFL on August 17, 2015.

All FSFL eligible borrower requirements apply to meat and poultry producers. See Notice:

- FSFL-121 for the complete list of new eligible FSFL commodities
- FSFL-125 for general eligibility requirements
- FSFL-126 for CCC-185, CCC-185-1, and CCC-185-D.

Policies and procedures included in this notice are effective immediately.

B Purpose

This notice provides:

- policies and procedures for meat and poultry cold storage and handling
- authorization for State and County Offices to accept CCC-185's (dated 1-11-16)
- eligible components, equipment, and structures.

Disposal Date	Distribution
September 1, 2016	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

C Contact

State specialists with questions about this notice shall contact Toni Williams by either of the following:

- e-mail at **toni.williams@wdc.usda.gov**
- telephone at 202-720-2270.

2 Eligible Livestock Species for Meat and Poultry FSFL's

A Eligible Livestock Species

For FSFL purposes, the following are eligible livestock species:

- adult or nonadult beef cattle
- adult or nonadult beefalo
- adult or nonadult buffalo
- adult or nonadult dairy cattle
- elk
- moose
- alpacas
- deer
- emus
- goats
- llamas
- rabbit
- poultry, including egg-producing poultry
- sheep
- swine.

For storage purposes, the slaughtered meat and poultry may also be:

- cured (salt or sugar)
- cut/sliced
- smoked
- ground.

Note: All applicable State laws **must** be followed by the producer for storing the slaughtered meat and poultry in the FSFL storage facility.

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2 Eligible Livestock Species for a Meat and Poultry FSFL (Continued)

A Eligible Livestock Species (Continued)

For FSFL purposes, all other processing methods, such as but not limited to the following, are not eligible for a meat and poultry FSFL:

- cooking
- baking
- churning
- canning
- jarring
- dyeing
- other methods determined by STC.

For questionable situations, contact Toni Williams according to subparagraph 1 C.

B Livestock Species Not Listed as Eligible for FSFL

For livestock species **not** currently identified as eligible for FSFL's, and the need has been determined by STC, the State Office shall prepare a written document to justify the addition of the livestock species and send to Toni Williams by e-mail at toni.williams@wdc.usda.gov. The justification document should, at a minimum, provide the following:

- general information about the livestock species, including its use
- storage need
- market for the requested species.

3 Storage Need Requirements for Meat and Poultry

A Determining the Meat and Poultry Storage Need

For a producer to be considered eligible for a meat and poultry FSFL, COC **must** determine the producer owned the eligible livestock species for at least 30 calendar days.

The quality of meat and poultry can only be maintained for a limited period of time. Cold storage facilities can extend this period of time, but in **no** case will a cold storage facility maintain the quality of meat and poultry for longer than 1 year.

Applicants **must** show a need for the meat and poultry storage capacity using 1 year of production.

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3 Storage Need Requirements for Meat and Poultry (Continued)

A Determining the Meat and Poultry Storage Need (Continued)

County Offices may determine the need for meat and poultry cold storage by using verifiable information to determine a 3-year average that may include, but is **not** limited to:

- actual production records
- records of sales, volume sold, or other business records that can be extrapolated to demonstrate cold storage need
- production shares as part of a community-supported agriculture business.

COC may determine storage needs based on other than the 3-year average for either of the following:

- newly acquired farms
- cases where disasters adversely affect the average production of the livestock species.

For questionable situations, State Offices shall contact Toni Williams by e-mail at **toni.williams@wdc.usda.gov**.

Note: In most instances, using the producer's production records provides better information for calculating the producer's meat and poultry cold storage capacity need.

B Determining Reasonable Meat and Poultry Production Yield

COC's:

- **must** determine storage needs for each eligible livestock species included on CCC-185 for a cold storage facility
- may use the following resources in determining storage needs:
 - ARS publications
 - detailed producer records
 - creditable online sources generally accepted by the industry
 - land-grant university located in the State or neighboring State
 - NIFA in the State.

Contact the Cooperative Extension Service at the State's land-grant university, or where relevant a local laboratory, to assist with determining needed storage capacity for meat and poultry in situations where that information **cannot** be reasonably furnished by the applicant.

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3 Storage Need Requirements for Meat and Poultry (Continued)

B Determining Reasonable Meat and Poultry Production Yield (Continued)

State Offices may contact PSD for assistance, if unable to find reasonable production for an eligible livestock species.

Requests for guidance are encouraged when the livestock species is unusual or if the applicant is seeking to increase the operation's storage capacity to support a growing demand. DAFP review of the situation may result in waivers of certain FSFL provisions that restrict the producer's eligibility for FSFL.

C Determining Reasonable Commodity Production Yield

COC's may:

- determine if the applicant's storage needs for eligible livestock is reasonable using guidance in subparagraph A
- use practical knowledge of the producer's livestock business when determining reasonable storage needs.

D Determining the Capacity of the Meat and Poultry Structure

The capacity of the proposed structure can be obtained from the manufacturer of the cold storage facility for meat and poultry. The applicant shall provide this information to the County Office, if requested.

4 Types of Structures and Equipment Eligible for Meat and Poultry Cold Storage

A Eligible Structures

FSFL-financed structures for meat and poultry must be used for the purpose for which constructed, assembled, or installed for the entire FSFL term.

Meat and poultry storage facilities, with a useful life of at least 15 years, and eligible for FSFL's include the following:

- a new facility of wood pole and post construction, steel or concrete, suitable for storing meat and poultry products
- new walk-in prefabricated, permanently installed cold storage coolers that are suitable for storing meat and poultry products.

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4 Types of Structures and Equipment Eligible for Meat and Poultry Cold Storage (Continued)

A Eligible Structures (Continued)

FSFL eligible storage structures for meat and poultry must be built:

- of such quality that the structure can be insured
- to protect the meat and poultry from contaminants
- to support local climate conditions for the area.

Meat and poultry storage facilities must be built according to acceptable design guidelines from the manufacturer, NIFA, or land-grant universities.

B Eligible Components

Eligible permanently affixed equipment necessary for a meat and poultry FSFL may include the following:

- baggers
- boxers
- cement flooring
- ice machines
- freezers
- circulation fans
- cold dip tanks
- drying tunnels
- dumpers
- conveyors
- filler tanks
- hydro-lifts
- hydro-coolers
- hoppers

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4 Types of Structures and Equipment Eligible for Meat and Poultry Cold Storage (Continued)

B Eligible Components (Continued)

- graders
- sizers
- refrigeration units
- electrical equipment, such as lighting, motors, and wiring integral to the proper operation of a meat and poultry storage facility
- roller spray units
- sorting bins/tables
- washers
- weight graders.

Notes: The area of a structure required to house eligible handling equipment is eligible, in addition to the cold storage space.

All eligible components financed with FSFL funds must be insured.

If there are components and/or equipment not listed, contact Toni Williams according to subparagraph 1 C for further guidance.

C Ineligible Structures and Components

The following, but not limited to, are **ineligible** for a meat and poultry FSFL:

- livestock housing facilities
- slaughter and/or processing facilities and/or plants
- processing equipment
- portable handling and cooling equipment
- portable or permanent weigh scales
- portable structures, including structures on wheels

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4 Types of Structures and Equipment Eligible for Meat and Poultry Cold Storage (Continued)

C Ineligible Structures and Components (Continued)

- portable storage containers
- structures of temporary nature
- components and/or structures, determined by STC or COC, not suitable for meat and poultry storage.