



Aquaculture

Farm Storage Facility Loans

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General Eligibility Requirements for New Commodities:

- Is in compliance with HEL & WC provisions
- Demonstrates compliance with NEPA provisions
- Has no delinquent Federal nontax debt
- Has NOT been convicted under Federal or State law for disqualifying controlled substance violation
- Is a producer of an eligible FSFL commodity
- Has a satisfactory credit history
- Demonstrates ability to pay the down payment & repay the loan debt

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General Eligibility (cont.):

- Demonstrates a need for increased storage capacity (unless applying for handling and drying equipment or renovating structure).
- Provides proof of multi-peril crop insurance or NAP
- Demonstrates compliance with applicable local zoning, land use, and building codes
- Provides all-peril structural insurance, and if required, Flood insurance

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Approval Requirements:

- \$100 application fee per applicant or borrower
- Balance sheet prepared w/in last 90 days
- Income & expense projections for operation
- Cost estimates & building plans
- Proof of crop insurance (NAP)
- Exact location and size of the structure for environmental evaluation
- Planting & crop history records if not already available in county office.

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Approval Requirements (Cont.):

For applications (CCC-185s) not supported by existing farm records, the applicant must provide the following:

- AD-1026
- CCC-10
- CCC-902

All FSFL's are secured by FSFL Promissory Note & Security Agreements (CCC-186s).

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Maximum Loan Amounts & Terms:

The maximum loan amount is \$500,000 per loan request.

Additional security is required for FSFL balances exceeding \$100,000.

Principal amount of any FSFL shall be 85% or less of the net cost. A 15% downpayment is required by borrower.

Loan terms are 7, 10, or 12 years depending on the amount of the loan.

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Eligible Species for Aquaculture

Crustaceans:

- Crabs
- Crawfish for food
- Lobster
- Prawns, freshwater
- Shrimp, saltwater

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- Fin Fish which include:
 - Bass, hybrid striped
 - Carp
 - Perch, yellow
 - Tilapia
 - Trout

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- Mollusks:
 - Abalone
 - Clams
 - Mussels
 - Oysters
 - Scallops

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- Seaweed:
 - Kelp
 - Dulse
 - Laver
 - Gacilaria
 - Sea lettuce

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For Storage Purposes, the species may also be:

- Cut/sliced
- Filet
- Gutted
- Ground

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Determining storage need:

- Must own or lease property with identifiable boundaries to produce the eligible commodity for at least 30 calendar days.
- Storage capacity need will be determined based on production for 1 year.

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Determining storage need may also be determined by either of the following:

- Producer's share of up to the 3 most recent FSA-578's
- Verifiable information to determine a 3-yr. average that may include:
 - Actual yields
 - Actual production records
 - Records of sales, volume sold, or other business records
 - Production shares as part of a community-supported agri. business.

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Determining Storage Need (continued):

- The FSA County Committee (COC) may determine 1-year average and yield projection instead of an average for any of the following:
 - Newly acquired aquaculture farms
 - Eligible species being grown for the first time
 - Cases where disasters adversely affect the average production

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Determining the Capacity of the Structure:

- Can be obtained from the manufacturer of the storage facility
- When determined necessary, applicant shall provide to the county office.

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Types of Structures and Equipment Eligible for Storage:

- Must be used for the purpose for which constructed, assembled, or installed for the entire FSFL term.
- Useful life of at least 15 years and include the following:
 - New facility of wood pole and post construction, steel or concrete, and suitable for storing products produced by the borrower

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Types of Structures and Equipment Eligible for Storage (cont.):

- New walk-in prefabricated, permanently installed cold storage coolers
- Permanently installed uptake and discharge re-circulatory systems that are only used for storage and handling
- FSFL's are not authorized when the holding or storage structure will have uptake or discharge water that comes from natural sources, tributaries, coastal and ocean waters, or perennial waterways.
- FSFL's are NOT authorized for aquaculture production or feeding systems

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Eligible Storage Structures must be built:

- of such quality the structure can be insured
- To protect the aquaculture from contaminants
- To support local climate conditions of the area

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Eligible Components:

- Baggers
- Boxers
- Cement flooring
- Ice machines
- Circulation fans
- Cold dip tanks
- Dumpers
- Conveyors
- Filler tanks

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Eligible Components (continued):

- Hydro-lifts
- Hydro-coolers
- Graders
- Sizers
- Refrigeration units
- Electrical equipment, such as lighting, motors, and wiring
- Roller spray units
- Misters/sprinklers
- Sorting bins/tables

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Eligible Components (Continued):

- Washers
- Weight graders
- Blast freezers
- Up-Wellers
- Hot water heater
- Water filtration equipment
- Food safety-related equipment (sanitizing or pre-washing filler tanks)
- Sheds

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Note:

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

All eligible components financed with FSFL funds must be insured.

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Contact your local Farm Service Agency for additional information concerning FSFLs or visit our website:

<http://www.fsa.usda.gov/pricesupport>

Questions?