

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FSFL-128

For: State and County Offices

FSFL Requirements for Floriculture 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 floriculture 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 floriculture as an eligible commodity for FSFL on August 17, 2015.

All FSFL eligible borrower requirements apply to floriculture 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:

- FSFL policies and procedures for floriculture storage and handling
- authorization to 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

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 General Information on FSFL's for Floriculture

A Eligible Types of Floriculture Production

For FSFL purposes, floriculture is defined as potted or cut plants, bulbs, tubers, and seeds grown in a field or in a nursery. These would include but are not limited to:

- flowering shrubs and bushes
- potted flowering plants
- foliage plants
- potted herbaceous perennials
- annual bedding/garden plants
- cultivated greens
- broadleaf evergreens
- coniferous evergreens
- deciduous shade trees
- deciduous flowering trees
- deciduous shrubs
- ornamentals plants
- fruit and nut plants
- Christmas trees.

B Types of Floriculture Not Listed as Eligible for FSFL

For types of floriculture not currently identified as eligible for FSFL, and the need has been determined by STC, the State Office shall prepare a written document to justify the addition of the crop and send it to Toni Williams by e-mail at **toni.williams@wdc.usda.gov**.

The justification document shall, at a minimum, provide the following:

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

3 Storage Need Requirements for Floriculture

A Determining the Storage Need

Applicants **must** show a need for the storage capacity as determined by the following formula and information in this paragraph.

The quality of floriculture 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 any type of floriculture for longer than 1 year.

The storage capacity need will be determined based on production for 1 year.

County Offices may determine the need for cold storage by using either of the following:

- producer's share of up to the 3 most recent FSA-578's
- verifiable information to determine a 3-year average that may include, but is **not** limited to:
 - actual yields for the type of floriculture
 - 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.

A COC-determined reasonable 1-year acreage and yield projection may be used instead of an average for any the following:

- newly acquired farms
- eligible commodity being produced for the first time
- cases where disasters adversely affect the average production.

Notes: In most instances, using the producer's actual yield and production records for the eligible commodity provides better information for calculating the producer's cold storage need.

An FSFL is not authorized for a floriculture production facility.

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

3 Storage Need Requirements for Floriculture (Continued)

B Determining Reasonable Commodity Production/Yield

State Offices can contact PSD for assistance, if unable to find a yield for the eligible commodity.

Requests for guidance are encouraged when the producer's operation 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.

COC's may:

- determine if the applicant's production/yield for the eligible commodity is reasonable using guidance in subparagraph A
- use practical knowledge of the producer's farming business when determining a reasonable yield.

C Determining the Capacity of the Proposed Structure

The capacity of the proposed structure may be obtained from the manufacturer of the cold storage facility. When determined necessary and upon request, the applicant shall provide this information to the County Office.

4 Types of Structures and Equipment Eligible for Floriculture Cold Storage

A Eligible Structures

FSFL-financed structures must be used for purposes for which constructed, assembled, or installed for the entire FSFL term.

Cold 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, and be suitable for storing the eligible commodities produced by the producer
- new walk-in prefabricated, permanently installed cold storage coolers that are suitable for storing the producer's eligible commodity.

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

A Eligible Structures (Continued)

FSFL eligible cold storage structures must be built:

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

Cold 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 floriculture FSFL may include the following:

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

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

B Eligible Components (Continued)

- graders
- racking system
- sizers
- refrigeration units
- electrical equipment, such as lighting, motors, and wiring integral for the proper operation of the cold 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.