

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice FSFL-136**

**For:** State and County Offices

**FSFL Questions and Answers**

**Approved by:** Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The Secretary announced on August 17, 2015, a need for on farm storage, drying, and handling equipment for additional commodities, and program provisions for the additional commodities were issued on January 20, 2016.

Since the FSFL notices on the additional commodities were issued and a National Office conference call with State Office Specialists was held, the National Office has received additional questions.

**Note:** 1-FSFL (Rev. 2) will be amended to incorporate the changes in this notice.

**B Purpose**

This notice provides answers (Exhibit 1) to questions received since the FSFL notices on the additional commodities and program provisions were issued.

Disposal Date	Distribution
December 1, 2016 5-16-16	State Offices; State Offices relay to County Offices

## Notice FSFL-136

### 1 Overview (Continued)

#### C Contacts

If there are questions, contact one of the following according to this table.

IF located in a...	THEN contact...
County Office	the State Office.
State Office	either of the following as applicable: <ul style="list-style-type: none"><li>• Toni Williams for FSFL policy by either of the following:<ul style="list-style-type: none"><li>• e-mail to <a href="mailto:toni.williams@wdc.usda.gov">toni.williams@wdc.usda.gov</a></li><li>• telephone at 202-720-2270</li></ul></li><li>• Laura Schlote for FSFL automation by either of the following:<ul style="list-style-type: none"><li>• e-mail to <a href="mailto:laura.schlote@wdc.usda.gov">laura.schlote@wdc.usda.gov</a></li><li>• telephone at 202-720-7785.</li></ul></li></ul>

### 2 Action

#### A State Office Action

State Offices shall:

- ensure that all County Offices are following the policy in this notice
- assist County Offices with questions on the information in this notice.

#### B County Office Action

County Offices shall:

- comply with the policy in this notice effective immediately
- contact the State Office if there are any questions about this notice
- continue to follow policies established in Notices FSFL-125 through 133 and 1-FSFL (Rev. 2).

**Q & A's for New Storable Commodities****Questions relating to aquaculture: Refer to Notice FSFL-127**

**Q1:** The 1-NAP, Exhibit 14 identifies “finfish” that are eligible for NAP coverage and it includes species not identified in Notice FSFL-127. Can policy be modified to state that “all” species included in 1-NAP, Exhibit 14 (page 10) are eligible for FSFL without the requirement that the STC must request and “justify” the species?

**A1:** The recommendation is being considered and if accepted will be announced in an amendment to 1-FSFL (Rev. 2).

**Q2:** Can an FSFL be approved for holding tanks to raise baby fish to an adult fish?

**A2:** An aquaculture FSFL can be approved for a permanently affixed holding tank only to temporarily hold fish until sold to market or to be placed in cold storage or freezer storage. The FSFL must **not** be approved for fish rearing and/or hatcheries.

Until an aquaculture environmental assessment has been completed, the water source in the permanently affixed holding tank must be either tap or well water.

**Q3:** Why is catfish not listed as an eligible species in Notice FSFL-127?

**A3:** Notice FSFL-127 provides authorization to FSA State Committees to approve catfish as an eligible aquaculture species. DAFP has determined catfish as an eligible commodity according to Notice FSFL-127, subparagraph 2 A.

**Q4:** Fin Fish includes sturgeon. Is caviar eligible for an FSFL?

**A4:** Sturgeon that is farm-raised in ponds or recirculating tanks will be considered eligible for an FSFL. Also, caviar production that is harvested, eggs extracted and the remaining fish is processed for human consumption is considered eligible for an FSFL.

**Questions relating to bulk milk tanks: Refer to Notice FSFL-132**

**Q5:** For bulk milk tanks, automation equipment is included as eligible. Would robotic milkers, milk pulsators and pasteurization units fall under automation equipment?

**A5:** Robotic milkers, milk pulsators and pasteurization units are **not** eligible for an FSFL. The FSFL is intended for post-milking equipment.

**Q6:** Is the structure to house the bulk milk tank considered eligible for FSFL?

**A6:** The structure to house the bulk milk tank, automation and control equipment is eligible for FSFL.

**Q & A's for New Storable Commodities (Continued)****Questions relating to floriculture: Refer to Notice FSFL-128**

**Q7: Are greenhouses eligible structures for a FSFL?**

**A7:** Greenhouses are used to grow and cultivate rooted commodities and are **not** considered eligible for an FSFL.

**Q8: Are peonies eligible under floriculture provisions?**

**A8:** Peonies would be considered an ornamental plant and are harvested as cut flowers for fresh market and are eligible for an FSFL.

**Questions relating to maple sap: Refer to Notice FSFL-130**

**Q9: Why is maple sap eligible for an FSFL and not maple syrup? If a producer can build a cold storage facility for smoked meat, it would seem that we should be able to store maple syrup.**

**A9:** We are considering allowing maple syrup eligibility for an FSFL. We will notify you when a decision has been made.

**Question relating to meat and poultry: Refer to Notice FSFL-131**

**Q10: Can a barn be built to house livestock be considered eligible for an FSFL or does meat/poultry mean only slaughtered meat/poultry?**

**A10:** A barn to house livestock is **not** eligible for an FSFL. However, cold storage for slaughtered meat is eligible. Refer to Notice FSFL-131, paragraph 2.

**General FSFL questions:**

**Q11: Are small sheds/structures to house and protect electronic and control equipment authorized for an FSFL?**

**A11:** The costs associated with the shed/structure to house and protect electronic and control equipment is considered eligible for all FSFL commodities.

**Q12: Can an FSFL be approved for a new computer control panel for an existing dryer bin?**

**A12:** Upgrading the computer control panel for an existing dryer bin, would be considered eligible for an FSFL.

**Q & A's for New Storable Commodities (Continued)****General FSFL questions: (Continued)****Q13: Can solar power be utilized as part of electrical?**

**A13:** The FSFL program supports energy efficient equipment. The solar power must be used as an energy source for the FSFL structure or equipment only. Also, if a RD REAP grant was received for a portion or all of the solar power, it must be accounted for during loan processing and/or after loan disbursement.

**Q14: With the new FSFL commodities, we are getting interest from small farmer-owned cooperatives. Are they eligible to obtain a FSFL to construct a facility? These are typically cooperatives composed of a lot of small producers.**

**A14:** We will explore the option of producers forming small farmer-owned cooperatives.

**Q15: Can someone build a food safety facility?**

**A15:** A food safety facility is **not** authorized under the FSFL program. The producer may build an eligible storage structure and include eligible safety equipment meeting OSHA requirements and food safety-related equipment, such as sanitizing or pre-washing filter tanks, as listed in 1-FSFL (Rev. 2), subparagraph 38 B.

**Q16: Notice FSFL-125, subparagraph 4 A provides MPCI, NAP, LGM, or MPP is required on all commodities stored in the FSFL facility, whether economically significant or not. Are crop insurance, NAP, LGM, or MPP waivers allowed for commodities that are not economically significant?**

**A16:** We are working on amending FSFL policy provisions for MPCI, NAP, LGM, or MPP waivers for new eligible commodities. However, in the meantime, until the 1-FSFL amendment is issued, the State Committee should request a waiver from DAFP, according to 1-FSFL (Rev. 2), paragraph 25 when the new eligible commodity is considered not economically significant.

**Q17: With eligibility of the new FSFL commodities, can the STC establish a different additional security threshold on one or more commodity types and leave the established additional security threshold the same for other eligible commodities.**

**A17:** The FSFL regulation at 7 CFR 1436 prohibits requiring additional security based on a commodity type. STC's have authorization to select an additional security threshold for the aggregate outstanding FSFL balance between \$50,000.01 and \$100,000, or less. Refer to 1-FSFL, paragraph 121.

For example: If the STC is comfortable with requiring additional security for FSFL's with an aggregate outstanding balance greater than \$75,000, for all commodities, that is acceptable.

**Q & A's for New Storable Commodities (Continued)**

**General FSFL questions: (Continued)**

**Q18:** 1-FSFL (Rev. 2), subparagraph 121 E states the irrevocable letter of credit (ILOC) must be for the total FSFL principal and interest for the first year. Is it the policy intent to remove including interest for plus 60 calendar days?

**A18:** 1-FSFL (Rev. 2), subparagraph 121 E should reflect the ILOC must be for the total FSFL principal and interest for the first year plus 60 calendar days. The change will also be made in the forthcoming amendment to 1-FSFL (Rev. 2).