

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FSFL-198

For: State and County Offices

FSFL Assistance for Urban Farmers and Community Supported Agriculture (CSA)

Approved by: Deputy Administrator for Farm Programs



1 Overview

A Background

The Agriculture Improvement Act of 2018 (2018 Farm Bill) authorizes the Secretary to establish within USDA an Office of Urban Agriculture and Innovative Production (OUAIP). The mission of OUAIP is to encourage and promote urban, indoor, and other emerging agricultural practices within the urban areas, suburbs, and urban clusters.

FSFL provides low-interest financing for producers to store, handle and transport eligible commodities. FSFL is available to anyone producing an eligible commodity in urban and suburban areas, regardless of business structure or whether they can get credit elsewhere and can be a valuable resource to support urban agricultural growers (Urban Ag) and CSA. FSFL microloans are intended to fit the needs of small farms, beginning farmers, niche, and non-traditional farm operations.

Urban agricultural projects range from small public and private community gardens to larger-scale urban farms and orchards. In addition to growing fresh produce, urban agricultural projects are producing ginger, ginseng, honey, floriculture, aquaculture, and fiber.

B Purpose

This notice:

- encourages and promotes FSFL participation in urban and suburban areas and remind State and County Offices that FSFL's may benefit urban and suburban communities
- provides outreach according to the FSA Justice 40 Implementation Plan for FSFL to underserved producers.

Note See 1-FSFL for all FSFL eligibility requirements.

| Disposal Date | Distribution |
|----------------------------|--|
| December 1, 2023 2-9-23 | State Offices; State Offices relay to County Offices |

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1 Overview (Continued)

C Contacts

If there are any questions about this notice, contact Toni Williams, PSD, by either of the following:

- e-mail to FSFLpolicy@usda.gov
- telephone at 202-720-2270.

2 Eligible FSFL Commodities That May Be of Interest for Urban Ag and CSA Applicants

A Eligible FSFL Commodities

Eligible commodities include, but are not limited to grains, fruits, vegetables, nuts, mushrooms, aquaculture, floriculture, hemp, milk, maple sap, honey, meat, poultry, eggs, dairy products, and other storable commodities as determined by the Secretary.

Note: See 1-FSFL, subparagraph 33 C for a listing of all eligible perishable commodities eligible for cold storage.

B Eligible Applicants

The County Office must determine that all applicants are a producer of an eligible FSFL commodity according to subparagraph 4 B of this notice. See 1-FSFL, paragraph 35 for basic eligibility requirements for applicants.

3 Eligible FSFL Cold Storage Structures and Equipment That May Be of Interest for Urban Ag and CSA

A Cold Storage Structures

Cold storage facilities eligible for FSFL's that may be of interest for Urban Ag and CSA includes:

- facility of wood pole and post construction, steel, or concrete
- walk-in including prefabricated coolers
- freezer units.

Note: See 1-FSFL, paragraph 38 for eligible and ineligible perishable commodity cold storage structures.

3 Eligible FSFL Cold Storage Structures and Equipment That May Be of Interest for Urban Ag and CSA (Continued)

B Portable Equipment

Portable equipment that may be of interest for Urban Ag and CSA includes:

- storage coolers or containers
- bulk storage tanks.

Note: See 1-FSFL, paragraph 43 for eligible storage and handling equipment.

C Transportation and Handling Equipment

Transportation and handling equipment that may be of interest for Urban Ag and CSA includes:

- cold storage trucks, ice-cooled or equipped with any variety of mechanical refrigeration systems
- flatbed trucks, open body in the form of a platform with no side walls for easy loading and unloading
- loaders and forklifts
- trucks built to transport a specific commodity such as onions and potatoes.

Note: See 1-FSFL, paragraph 42 for eligible and ineligible storage and handling trucks.

4 Insurance, Microloan Storage Need, Storage Need Determination, and Waiver

A Insurance

Evidence of insurance must be provided by the applicant according to 1-FSFL, Part 6, Section 1, Insurance. If applicable, Multi-Peril Crop Insurance (MPCI), NAP or dairy coverage, all-peril structural insurance, automobile insurance, and flood insurance is required.

RMA insurance products that are based on farm revenue such as Whole-Farm Revenue Protection and Micro Farm policies may be considered adequate in lieu of MPCI, NAP, or dairy coverage.

B Microloan Storage Need Self-Certification

Applicants applying for microloan may self-certify to the storage capacity need if their aggregate outstanding balance is equal to \$50,000 or less, for all eligible FSFL commodities. A written storage need waiver request from the producer is **not** required at the time of loan request and during the term of the FSFL.

4 Insurance, Microloan Storage Need, Storage Need Determination, and Waiver (Continued)

C Storage Need Determination and Waiver

The storage need for eligible perishable commodities must be determined according to 1-FSFL, paragraph 50.

STC's may authorize the acceptance of actual yield and production records to determine a 3-year average for applicants who have not previously filed an acreage report on FSA-578. The applicant must request the storage need waiver in writing when FSA-578's are not on file.

The provisions provided in this subparagraph may apply to eligible perishable commodity producers with **both** of the following:

- an aggregate outstanding FSFL balance of \$100,000 or less
- a minimum of 3 different types of eligible perishable commodities.

Example: The 3 different eligible perishable commodities may be butter, grapes, and oranges.

5 CSA Eligibility

A Definitions

Subscription CSA Operation means a farmer-driven operation where the farmer owns or leases the farm, organizes the Community Supported Agriculture, produces the farm products, and recruits the customer members or subscribers.

Shareholder CSA Operation means a consumer-driven operation where the consumer organizes the Community Supported Agriculture, owns or leases the farm, and hires a farmer to produce the farm products.

B Eligible CSA

Only subscription CSA operations may be considered eligible for FSFL. Annual payments the producer receives from subscribers may be used in the financial analysis as income. A copy of the community supported agriculture agreement or contract is required and must be provided for COC review.

All eligible FSFL producer eligibility requirements must be verified according to 1-FSFL, paragraph 35.

If a producer received a grant or loan from another Federal Government Agency for the same structure, handling equipment or storage and handling truck, see 1-FSFL, paragraph 63 for FSFL policy on other grants and loans for required actions.

5 CSA Eligibility (Continued)

C Ineligible CSA

Shareholder CSA operations are ineligible for FSFL because the shareholders do not have a share of the risk in producing the crop or a valid claim of share ownership for marketing produce from the farm.

6 Outreach and Public Affairs

A Conducting Program Outreach

FSFL program outreach efforts require the process of expanding awareness and delivery of FSA programs and services to the widest possible customer base. Targeted program outreach activities should be presented to persons who are producing an eligible commodity in urban and suburban areas.

Examples of outreach and educational activities to these producers include, but are not limited to, presenting FSFL information at:

- meetings
- conferences
- workshops
- expos
- field days.

County Office FSFL outreach activities should be conducted with potential producers (including, but not limited to, urban farmers, CSA, underserved producers, etc.) and stakeholder organizations who work with farmers and ranchers who would benefit from the program.

Examples of outreach activities may include:

- farmers and ranchers, including underserved producers
- land grant colleges and universities
- USDA grant and cooperative agreement recipients
- nonprofit community-based organizations
- agricultural associations and organizations
- other USDA and federal agencies
- COC and STC members
- Tribal, State, and local government entities.

County Office Outreach Coordinators should work closely with the State Outreach Coordinator for assistance with planning strategic targeted program outreach activities.

6 Outreach and Public Affairs (Continued)

B Tracking Program Outreach Efforts

All offices are required to record outreach activities on this program in the Outreach Tracking Information System (OTIS) timely upon completion as required by 22-AO.

SED's, DD's and COC's should ensure that program provisions are explained in all conducted outreach activities in efforts to increase program participation from producers, including underserved farmers and ranchers. All offices are required to record outreach activities in OTIS upon completion.

Employees will conduct outreach efforts in accordance with 22-AO.

C Public Information and Program Communications

Program information, including sign-up and eligibility, is publicized in a variety of ways as resources allow. These communication tools include, but are not limited to:

- news releases
- print media
- electronic media including GovDelivery newsletters, bulletins, and SMS texting
- Federal Register
- direct mailings (may be limited by FSA resource availability)
- radio and television announcements
- posting program information in the USDA Service Center.

County Offices should work closely with the State Communications Coordinator for assistance with publicizing the program with targeted media outlets and promoting through GovDelivery and other broadcast outlets to create program awareness.

D Agency Responsibilities

SED's, DD's and COC's will ensure that program provisions are publicized and that offices maintain a record of the program publicity efforts, including postings in Service Centers.

7 Action

A State Office Action

State Offices will ensure that STC's, COC's, County Offices, and producers are aware of the contents of this notice.

Note: Contact the National Office with questions about the contents of this notice.

B County Office Action

County Offices must contact the State Office for guidance.