

# USDA FOOD SUPPLY CHAIN GUARANTEE PROGRAM



## Overview

The USDA's newest loan program provides financing to borrowers and projects for the start-up or expansion of activities in the middle of the food supply chain. The program's objective is to increase capacity and help create a more diverse, resilient and secure food chain, with a focus on aggregation, processing, manufacturing, storage, transportation, wholesaling or distribution.

**USDA is making \$1 billion available through the American Rescue Plan Act and applications will be taken until the funds run out.**



## Qualified Applicants

- Unlike other USDA loan programs, borrowers do not have to be in a "rural" area to be eligible.
- Eligibility includes a for profit or non-profit, Tribe, public body, individual, cooperative or legal organized entity.
- Borrowers must be:
  - A business engaged in aggregating, processing, manufacturing, storing, transporting, wholesaling or distributing commercial food; or a business with existing or proposed contractual, lease or service agreements with another entity engaged in aggregating, processing, manufacturing, storing, transporting, wholesaling or distributing commercial food.
  - Borrowers engaged in processing of meat, poultry, processed egg products and Siluriformes must comply with the requirements of the USDA's Food Safety and Inspection Service. Borrowers engaged processing of other foods and food ingredients must comply with the requirements of the Food and Drug Administration. All borrowers must comply with requirements of state, tribal and local governments.
  - Borrowers, including affiliates of the borrower engaged or proposing to engage in, either directly or through contractual, lease or service agreements with another entity or entities including affiliated entities, beef, pork, chicken, or turkey processing must not hold a market share greater than or equal to the entity that holds the fourth largest share of that market for the species addressed in the application.



## Maximum Loan Amount

\$40 million



## No Fees

There are no guarantee or annual fees for this program.



## Eligible Use of Funds

Loan funds will remain in the United States and the facility being financed and the uses of the loan funds will support the start-up or expansion of activities in the middle of the food supply chain, particularly the aggregation, processing, manufacturing, storage, transportation, wholesaling or distribution of food.

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