

Food Supply Chain Guaranteed Loan Program

What does this program do?

The Food Supply Chain Guaranteed Loan Program provides financial support to qualified lenders whose loan applicants want to start or expand middle of the food supply chain activities such as aggregation, processing, manufacturing, storage, transportation, wholesale, or distribution of food. The program's goal is to increase capacity and help create a more resilient, diverse, and secure U.S. food supply chain.

Who can apply for this program?

- **For-profit or nonprofit businesses**
- **Cooperatives**
- **Federally-recognized Tribes**
- **Public bodies**
- **Food supply chain entrepreneurs**

What types of lenders are eligible to use the loan guarantee?

In order to participate in the program, lenders must be approved by Rural Development using criteria from the OneRD Guaranteed Loan Initiative (information is available at this link: <https://go.usa.gov/xe8QV>).

This includes lenders subject to supervision and credit examinations by an applicable agency of the United States or a state, such as:

- Federal and state-chartered banks
- Savings and loan associations
- Farm Credit Banks with direct lending authority
- Credit Unions

Community development loan funds and other nonregulated lending institutions approved under the OneRD regulation can also participate. Information on the approval process for nonregulated lending institutions is available at this link: <https://www.youtube.com/watch?v=3AWJiCDY-Cs>.

Are there geographic eligibility restrictions?

- No: projects can be located in rural or urban areas
- An approved lender can be located anywhere in the United States

How can guaranteed loan funds be used?

Examples of fund uses by food supply chain businesses include:

- Business conversion, enlargement, repair, modernization, or development

- The purchase and development of land, buildings, and associated infrastructure for commercial or industrial purposes
- Building or equipping facilities for lease to public or private enterprises engaged in commercial or industrial operations
- The purchase and installation of machinery and equipment, including manufacturing and Information Technology (IT) systems
- Working capital

How can guaranteed loan funds NOT be used?

- Lines of credit
- Owner-occupied and rental housing
- Golf courses or golf course-supporting infrastructure
- Racetracks or gambling facilities
- Churches or church-controlled organizations
- Fraternal organizations
- Lending, investment, and insurance companies
- Agricultural production
- Distribution or payment to a beneficiary of the borrower, or to an individual or entity that will retain an ownership interest in the borrower

How do we get started?

- Interested borrowers can work with their own lender
- USDA Rural Development will accept applications from lenders until funds are expended
- Lenders can find additional information regarding underwriting and loan terms at <https://www.rd.usda.gov/foodsupplychainloans>

Who can answer questions?

Email rdfoodsupplychainloans@usda.gov

What governs this program?

This program is authorized under Section 1001 of the American Rescue Plan Act (available at this link: <https://go.usa.gov/x8UU>)

Why does USDA Rural Development do this?

This program is part of USDA's **Build Back Better Initiative** (information is available at this link: <https://www.usda.gov/build-back-better>) to strengthen the food supply chain and increase access to affordable capital for food systems infrastructure in America's rural and urban communities.

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled “What Governs This Program?” You may also contact your local office for assistance. You will find additional forms, resources, and program information at [rd.usda.gov](https://www.rd.usda.gov). USDA is an equal opportunity provider, employer, and lender.