

USDA Launches Food Supply Chain Loan Guarantee Program

Written by USDA

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<http://newiprogressive.com/images/stories/S5/covid-19-workers-meatpacking-s5.jpg>



Program Will Unlock Approximately \$1 Billion for Meat and Poultry Processors and Food Supply Chain Infrastructure

STEVENS POINT, Wisc. -- U.S. Department of Agriculture (USDA) Secretary Tom Vilsack today announced USDA is deploying \$100 million under the new [Food Supply Chain Guaranteed Loan Program](#) to make available nearly \$1 billion in loan guarantees; these loan guarantees will back private investment in processing and food supply infrastructure that will strengthen the food supply chain for the American people.

USDA is making the funding available through the American Rescue Plan Act. The program is part of the Biden-Harris Administrations efforts to address food system challenges dating back decades and [further exacerbated](#) by the COVID-19 pandemic. These investments will help essential processing and supply chain infrastructure that will ultimately deliver more opportunities and fairer prices for farmers, they will give people greater access to healthier foods, and they will help eliminate bottlenecks in the food supply chain.

The pandemic exposed vulnerabilities and created extreme disruptions in Americas food supply chain. The reduction in meat processing capacity is just one example of the supply chain bottlenecks that affect small and midsize farmers, Vilsack said. Under the leadership of President Biden and Vice President Harris, USDA is investing in ways to improve Americas food supply chain. The funding were announcing today will leverage approximately a billion dollars in

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public and private-sector investments that will significantly expand meat and poultry processing capacity and finance critical food supply chain infrastructure.

Food Supply Chain Guaranteed Loan Program

Through the [Food Supply Chain Guaranteed Loan Program](#), USDA will partner with lenders to guarantee loans of up to \$40 million to help eligible entities expand meat and poultry processing capacity and finance other food supply chain infrastructure. Lenders may provide the loans to eligible cooperatives, corporations, for profits, nonprofits, Tribal communities, public bodies and people in rural and urban areas.

USDA Rural Development (RD) will administer the loans. Funding may be used to:

- start-up or expand food supply chain activities such as aggregating, processing, manufacturing, storing, transporting, wholesaling or distributing food.
- address supply chain bottlenecks.
- increase capacity and help create a more resilient, diverse and secure U.S. food supply chain.

USDA is accepting electronic applications from lenders through the [Food Supply Chain Online Application System](#) until funds are expended. Paper applications will not be accepted. To access the online application system, lenders must submit a request to rdfoodsupplychainloans@usda.gov

For more information, visit <https://www.rd.usda.gov/foodsupplychainloans> or see the notice published in the Dec. 9 [Federal Register](#)

USDA Rural Development encourages applications for projects that advance the recovery from the COVID-19 pandemic, promote equitable access to USDA programs and services, and reduce the impacts of climate change on rural communities. For more information, visit <https://www.rd.usda.gov/priority-points>

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Background

This funding announcement follows the Biden-Harris Administrations September [announcement](#) about the steps it is taking to address concentration in the meat-processing industry. It adds a new commitment of \$100 million for guaranteed loans on top of the previously announced [\\$500 million investment](#) to expand meat and poultry processing capacity.

These efforts are part of USDAs [Build Back Better Initiative](#) , a comprehensive plan to invest \$4 billion to strengthen the resiliency of Americas food supply chain while promoting competition.

As co-Chair of the Biden-Harris Administrations Supply Chain Disruptions Task Force, Secretary Vilsack and USDA have brought together industry, labor and federal partners to address the short-term supply chain disruptions arising from the Administrations strong economic recovery. This is one of several key steps that USDA is taking to build a more resilient supply chain and better food system and to increase competition in agricultural markets. These steps are pursuant to President Bidens Executive Order on Promoting Competition in the American Economy and his Executive Order on Americas Supply Chains. This initiative will support key supply chain infrastructure investments to expand and scale existing capacity, as well as support long-term investments in new operations.

Rural Development provides loans and grants to help expand economic opportunities, create jobs and improve the quality of life for millions of Americans in rural areas. This assistance supports infrastructure improvements; business development; housing; community facilities such as schools, public safety and health care; and high-speed internet access in rural, tribal and high-poverty areas. For more information, visit www.rd.usda.gov. If youd like to subscribe to USDA Rural Development updates, visit our [GovDelivery subscriber page](#) .