

Meat and Poultry Intermediary Lending Program

Frequently Asked Questions

Regulation Overview

Q1: What is the Meat and Poultry Intermediary Lending Program (MPILP)?

A1: The MPILP provides grant funding to eligible intermediary lenders who finance – or plan to finance – the start-up, expansion, or operation of slaughter, or other processing of meat and poultry. The objective of the MPILP is to strengthen the financing capacity for independent meat processors, and to create a more resilient, diverse, and secure U.S. food supply chain.

Q2: When are applications due?

A2: Applications are due no later than 11:59 p.m. eastern standard time on July 25, 2022.

Q3: Where do I submit my application?

A3: Applications must be submitted only through <https://www.grants.gov/>. You will find organization registration instructions at this link: <https://go.usa.gov/xzmSJ>. Please register as quickly as possible to ensure you meet the electronic application deadline. Late applications will not be considered for funding.

All MPILP applications must be filed through <https://www.grants.gov/>. If you encounter delays registering with SAM.gov (available at this link: <https://sam.gov/content/home>), you must notify Rural Development by email at mpilp@usda.gov no later than the application deadline. In the email, document your attempts to complete SAM registration. Regardless of your organization's SAM status, you must submit your full application by the deadline. Successful SAM registration with an active Unique Entity Identifier (UEI) is required before funds will be obligated.

Eligibility

Q1: Who can apply to be an intermediary?

A1: Private nonprofit corporations, public agencies, Tribes, and cooperatives that finance – or plan to finance – the start-up, expansion, or operation of meat and poultry processing.

Q2: Are there other requirements?

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A2: Eligible intermediary applicants must:

- Have – or plan to develop – expertise in meat and poultry processing lending
- Have the capacity to conduct outreach and marketing, underwrite loan applications, and service and monitor its proposed portfolio
- Have the legal authority necessary to carry out the proposed grant purposes, including operating and administering a revolving loan
- Employ a staff with loan-making and servicing expertise acceptable to USDA
- Have a balance sheet with capital or equity acceptable to USDA, and deemed sufficient to sustain its lending and business operations

Q3: Who are eligible ultimate recipients?

A3: Businesses engaged, or proposing to engage, in the processing of meat or poultry – either directly, or through agreements with other entities - can apply for a loan from the intermediary lender as an ultimate recipient.

Ultimate recipients must:

- Comply with the requirements of the U.S. Department of Agriculture Food Safety and Inspection Service (available at this link: <https://www.fsis.usda.gov/>), or be custom exempt
- Not hold a market share greater than – or equal to – the entity that holds the fourth largest share of the market for beef, pork, chicken, or turkey
- In addition to residing in the U.S., MPILP ultimate recipients' projects must be located in the U.S., as well

Q4: How can funds be used?

A4: Grant funds to intermediaries can be used to operate and expand meat and poultry processing capacity by supporting activities such as:

- Purchasing and developing land
- Constructing a new facility
- Modernizing or expanding an existing facility
- Developing, installing, or modernizing equipment and technology
- Improving leaseholds
- Ensuring compliance with occupational and other safety requirements
- Modernizing equipment or facilities to ensure food safety
- Refinancing debt
- Purchasing cooperative stock (by individual farmers or ranchers in a cooperative)
- Purchasing transferable cooperative stock
- Making loans to funds that invest primarily in cooperatives (within MPILP standards)
- Qualifying taxable corporate bonds
- Paying for feasibility studies for meat and processing facilities
- Undertaking pollution control and abatement
- Handling waste management
- Offsetting start-up costs, working capital, fees, and other expenses related to federal inspection

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Q5: How can funds NOT be used?

A5: Grant funds cannot be used:

- For assistance in excess of what is needed to accomplish the purpose of the ultimate recipient's project
- For distribution, payment, or loans to the owners of the ultimate recipient (or their family members) when they retain any portion of equity or control of the ultimate recipient
- For research and development projects, or projects that involve technology that is not commercially available
- In support of speculation, arbitrage, or speculative real estate investments, except for cooperative stock purchase loans and cooperative equity security guarantees
- For any project that drains, dredges, fills, levels, or otherwise manipulates a wetland, or engages in any activity that impairs the flow, circulation, or reach of water, except in the case of activities related to the maintenance of previously-converted wetlands (This does not apply to loans for utility lines)
- For any project involving alcoholic beverages, tobacco, or dietary supplements
- For assistance to federal government employees, active-duty military personnel, employees of the intermediary, or any organization for which such persons are directors or officers, or have 20 percent or more ownership
- For agricultural production, except for those activities specifically listed as eligible MPILP revolving loan fund uses
- For ownership transfer, unless the loan will keep the business from closing, prevent the loss of employment opportunities in the area, or provide expanded job opportunities
- For any project that is in violation of either a federal, state, or local environmental protection law or regulation, or an enforceable land use restriction, unless the assistance given will result in correcting or removing the violation
- For loans to lending and investment institutions and insurance companies
- To fund golf courses, racetracks, or gambling facilities
- To fund any activities that would discourage collective bargaining or labor organizing

Q6: What is the maximum grant amount?

A6: The maximum, aggregate grant award is \$15 million, and applicants can apply for funds up to this aggregate amount in more than one cycle. No more than \$10 million in MPILP grant funds can be used for any single loan.

Q7: Is there a minimum award for which an intermediary can apply?

A7: Yes. The minimum award for which an intermediary can apply is \$500,000.

Q8: Is there a requirement for matching funds?

A8: Matching funds are not required. However, before an award can be made, the applicant must have other funding secured to complete the project (as referenced in the application).

Q9: Our economic development entity is structured as a private nonprofit corporation with 501 c3 IRS status. In some years, we receive more than 10 percent of our income from various donations. Are we eligible to apply as an intermediary?

A9: Yes. Private nonprofit corporations who receive tax deductible donations can apply as intermediaries. The restrictions under Section C, subsection 4, number 5 (available at this link: <https://www.rd.usda.gov/mpilp>) concern **ultimate recipient eligibility**, not intermediary eligibility.