

Fertilizer Production Expansion Program

What does this program do?

The Fertilizer Production Expansion Program (FPEP) provides grants to help eligible applicants increase or expand the manufacturing and processing of fertilizer and nutrient alternatives in the United States and its territories.

Who can apply?

The program is open to for-profit businesses and corporations, nonprofit entities, Tribes and Tribal organizations, producer-owned cooperatives and corporations, certified benefit corporations, and state or local governments. Private entities must be independently owned and operated.

Eligible applicants must:

- Operate in the United States or one of its territories
- Follow all federal, state, Tribal, and local regulations governing fertilizer and nutrient manufacturing, processing, storage, distribution, and waste management
- Be registered in the System for Award Management (SAM), and maintain a valid SAM registration during the application process and throughout the entire award term. You can learn more about how to register in SAM at this link: <https://sam.gov/content/entity-registration>.

Eligible applicants — including their affiliates — must certify they do not hold a market share (in either manufacturing, processing, or distribution) greater than or equal to the entity that holds the fourth largest share of that market for the following nutrients or components: nitrogen, phosphate, potash, or any combination of the three. No certification is required if you are manufacturing, processing, or planning to manufacture or process eligible nutrients not listed above.

How can funds be used?

Grant funds must be used to increase or otherwise expand the manufacturing and processing of fertilizer and nutrient alternatives in the United States and its territories.

Funds can support activities such as:

- Building a new facility, buying an existing facility, or purchasing land
- Covering pre-development costs like engineering and other professional fees
- Providing working capital to expand capacity or increase outputs
- Modernizing or expanding an existing facility, including making updates to existing buildings or constructing new buildings on site
- Purchasing or modernizing processing and manufacturing equipment
- Developing, customizing, and installing equipment, devices, and technology to improve processing functions, worker conditions, or safety
- Installing or updating climate-smart equipment that reduces greenhouse gas emissions, increases fertilizer use efficiency, improves air and water quality, or meets one or more of USDA's climate action goals (Information is available at this link: <https://go.usa.gov/xSFrw>)
- Ensuring legal compliance with packaging and labeling requirements such as sealing, boxing, labeling, and conveying, among others

How can funds be used? (Continued)

- Confirming legal compliance with occupational and safety regulations
- Engaging in workforce recruitment, training, apprenticeships, and retention to ensure expansion projects are adequately staffed

What are the grant terms?

The minimum award is \$1 million, and the maximum award is \$100 million. The grant period is five years.

What are some other requirements?

FPEP supports the production of agricultural commodities through the manufacturing and processing of fertilizer, nutrient alternatives, and other nutrient-management products and technologies that are:

- **Independent**, and outside the orbit of dominant fertilizer suppliers. Because the program's goal is to increase competition, market share restrictions apply.
- **Made in America.** FPEP products must be produced by companies located in the U.S. or its territories, create good-paying jobs at home, and reduce the reliance on potentially-unstable or inconsistent foreign supplies.
- **Innovative** and improve fertilizer production methods and efficient-use technologies to jumpstart the next generation of fertilizers, nutrient alternatives, and other nutrient management products.

- **Sustainable.** Ideally, products will reduce the greenhouse gas impact of transportation, production, and use through renewable energy sources, feedstocks, and formulations, incentivizing greater precision in fertilizer use.
- **Farmer-focused.** Like other Commodity Credit Corporation (CCC) investments, a driving factor is providing support and opportunities for U.S. agricultural commodity producers.

What governs this program?

The FPEP is authorized by the CCC Charter Act (information is available at this link: <https://www.usda.gov/ccs>) to assist agricultural producers through loans, purchases, payments, and other operations. USDA Rural Development's Rural Business-Cooperative Service (RBCS) administers the grant program.

How do I apply?

Check the Request for Applications (RFA) posted September 26, 2022, at <https://www.grants.gov/>.

NOTE: Because information is subject to change, always consult official program instructions or contact your local Rural Development office for help. A list is available at this link: <https://go.usa.gov/xJHPE>. You will find additional resources, forms, and program information at <https://rd.usda.gov>. USDA is an equal opportunity provider, employer, and lender.