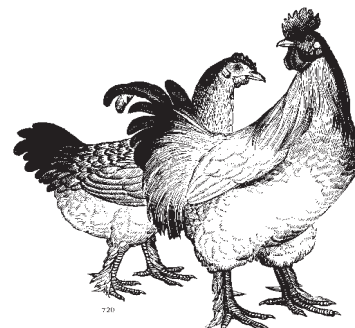


# Agricultural Nonpoint Source (AgNPS) Loan Program for Poultry Producers Fact Sheet

## What is the AgNPS loan program?

The program is designed to provide a source of low-interest financing at 3 percent for managing poultry waste in an environmentally sound and cost-effective manner. The loans, made under a provision of the Delaware Pollution Control Revolving Fund, help poultry farmers implement best management practices on their farms to reduce the potential for pollution from poultry farming. The loans are administered by the Delaware Department of Natural Resources and Environmental Control (DNREC).



## Who is eligible?

Any poultry farmer applying for an AgNPS loan must have a grower contract with one of the following poultry integrators that participates in the loan program:

- ◆ Perdue Farms, Inc.
- ◆ Allens Hatchery, Inc.
- ◆ Tyson Foods
- ◆ Mountaire Farms of Delmarva, Inc.
- ◆ Mountaire Farms of Delaware, Inc.

These poultry integrators have agreed to make loan repayments to the DNREC on behalf of the producer. If either the poultry farmer or poultry integrator severs the contract between them, the farmer must notify the Department immediately. The Department will contact the farmer about the outstanding balance which the farmer can then pay off in full in 30 days, or the loan balance can be transferred to another poultry integrator.

Eligible practices for coverage include manure storage structures, dead-bird composters, dead-bird incinerators, heavy use protection areas, calibratable spinner manure spreaders, and a front-end loader or bucket attachment to facilitate dead-bird composting.

## What do I need to apply?

The applicant must undergo a credit check to determine preliminary eligibility. Credit check results will be based on the existence of state, federal or county indebtedness, tax liens or if any judgements have not been satisfied. Checks should be made payable to DNREC.

## What are the terms of the loan?

The interest rate on each loan is 3 percent and the terms of the loan can extend from one to seven years for loans of \$1,000 to \$60,000.

Loans for equipment must be repaid within five years and require a Uniform Commercial Code Lien to be filed with the Delaware Secretary of State.

## **What Else Do I Need To Know?**

The loan applicant must obtain broad-form hazard insurance on any structures and/or any equipment that is part of the waste management system paid for by the loan. The Department of Natural Resources and Environmental Control must be listed as the loss payee for the amount of the loan and a certificate of insurance is required before the loan is granted. If the insurance is canceled, the Department will be notified immediately.

## **What About Cost-Share?**

There are several options available for requesting a loan.

If you are using federal or conservation district cost-share money for a manure storage structure, dead-bird composter, dead bird incinerator or heavy use protection area you can fully finance the portion not covered by cost-share, with no contribution by you, up to \$60,000. So if your system costs \$60,000 and cost-share will pay for half, the other \$30,000 can be financed.

If you choose not to use cost-share money from any source and want to build a manure storage structure, dead-bird composter, dead bird incinerator or heavy use protection area you can finance up to 90 percent of the costs, up to \$60,000. A 10 percent down payment is required from you.

If you plan on purchasing a new or used front-end loader or bucket attachment to facilitate dead-bird composting, you can finance up to 60 percent of the total with a maximum of \$12,600 for a front-end loader or \$3,000 for a bucket attachment for a tractor. If you plan to purchase a NEW calibratable spinner manure spreader, you can finance up to 80 percent of the total cost with a maximum loan of \$8,800. In addition, the farmer must pay a lien filing fee. If the farmer is obtaining additional financing for the down payment, DNREC must be given priority lien filing status over any other lender that may be partially financing the equipment purchase.

## **Finally....**

The loan applicant must agree to maintain and operate the practice for 10 years and grant the right to inspection for ten years. The farmer must also agree to accompany Natural Resources Conservation Service and/or Conservation District inspectors during inspections.

The principle of the AgNPS loan may be prepaid at any time without penalty.

***For more information, please contact:***

***Kent County: Kent Conservation District, Ph: 697-2600 ex. 3***

***Sussex County: Sussex Conservation District, Ph: 856-3990 ex. 3***

***New Castle County: New Castle Conservation District, Ph: 832-3100 ex. 3***