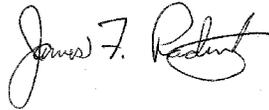


**For:** State and County Offices

**Suspension of Direct and Guaranteed Loans for Hog Production**

**Approved by:** Acting Deputy Administrator, Farm Loan Programs



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**1 Overview**

**A  
Background**

The swine industry continues to be in crisis because of over supply and low prices. The Secretary is concerned that during this period of low prices, the availability of FSA credit programs may facilitate additional production capacity that will prolong the current hog price depression. Additional capacity is also likely to damage the prospects for long-term financial recovery in the industry. Continued financial stress on hog farmers may force and accelerate concentration of producing, processing, and marketing hogs into fewer hands.

**B  
Purpose**

This notice continues the temporary suspension of direct and guaranteed farm ownership and farm operating loan financing for the construction of specialized facilities used for the production of hogs.

**C  
Contact**

State Offices shall direct all questions about this notice to LMD.

<b>Disposal Date</b>  October 1, 2000	<b>Distribution</b>  State Offices; State Offices relay to County Offices
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## Notice FLP-87

### 2 Action

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#### **A Applications With Suspended Processing**

Any application for a direct or guaranteed loan for the construction or expansion of a specialized hog production facility will be accepted but held in abeyance until the suspension is lifted.

A specialized hog production facility is defined as any building or enclosure and related equipment specifically to house, raise, or feed hogs of any size, age, or market class.

The loan processing timeframes will not apply to these applications while the suspension is in effect.

County Offices shall notify both applicant and lender that the application is being held.

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#### **B Applications Not Affected by the Suspension**

Direct and guaranteed loan applications for purchasing, refinancing, maintaining, or repairing facilities currently in production will continue to be processed.

In all other cases, applications will only be processed when the Government's interest will be imperiled if the application is not processed.

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