

For: State and County Offices

Loans for Production of Ratites

Approved by: Acting Deputy Administrator, Farm Loan Programs



1 Overview

**A
Background**

The definition of nonfarm enterprise in the direct and guaranteed loan making regulations includes exotic birds as a type of nonfarm enterprise. FSA policy has been to consider ostrich, emu, and other ratites, collectively, as exotic birds. Additionally, FSA regulations no longer include financing nonfarm enterprises as an authorized loan purpose.

**B
Purpose**

This notice:

- notifies offices that FSA policy has changed so that ratites are no longer considered exotic birds by FSA
- clarifies that ratite production is no longer considered to be a nonfarm enterprise.

Disposal Date

August 1, 1999

Distribution

State Offices; State Offices relay to County
Offices

Notice FC-206

2 Action

A

Loan Approval Officials

Loan approval officials may approve loans for the production of ratites, including those used for meat, feathers, hides, oils, or other byproducts, if:

- the applicant meets all applicable program eligibility requirements, including that the applicant has sufficient **applicable** education or on the job training or experience in managing and operating a farm or ranch, which shows the applicant has the managerial ability necessary to ensure a reasonable prospect of success in the proposed operation
 - the applicant can show that a **reasonable** and **reliable** market exists for the commodity they plan to produce
 - the applicant's plan of operation is based on **historical records** or other **accurate verifiable information**, as required by FmHA Instruction 1924-B, section 1924.56 and FmHA Instruction 1980-B, 1980.113
 - the loan approval official has carefully analyzed the loan request for **reasonableness** and **feasibility**.
-

B

Contact

Direct questions about this notice to LMD at 202-720-1632.
