UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FLP-250

1955-C

For: State and County Offices

Sale of Inventory Property

Approved by: Acting Deputy Administrator, Farm Loan Programs

Almeda (Sue) Cole

1 Overview

A Background

RD Instruction 1955-C, Section 1955.107 explains the process for advertising and selling inventory property. As provided in FSA's enabling statute, all inventory property must be advertised for sale to beginning farmers or ranchers before being made available to the general public.

The Consent Decree in Civil Action No. 97-1978, *Pigford v. Veneman*, mandates priority consideration for claimants who prevailed on their claim and, therefore, requires certain changes in disposing of inventory property.

B Purpose

This notice:

- provides clarification to the process for advertising and selling inventory properties to beginning farmers and prevailing claimants
- obsoletes Notice FLP-192.

C Contact

If there are any questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Mary Ann Romero, LSPMD at 202-720-3103.

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Disposal Date	Distribution
May 1, 2004	State Offices; State Office relay to County Offices

2 Advertising and Selling Inventory Property

A Implementation for Beginning Farmers

All inventory property will continue to be advertised for sale to beginning farmers or ranchers unless it meets the criteria identified in subparagraph B. However, any prevailing claimant in the civil action *Pigford vs. Veneman* may exercise their priority consideration in response to the advertisement.

The initial paragraph in the advertisement must be modified to state the following:

> "The property is being offered for sale to those individuals Farm Service Agency (FSA) considers to be qualified beginning farmers or ranchers, and all prevailing claimants in the civil action *Pigford vs. Veneman* qualified beginning farmers or ranchers who are prevailing claimants will be given first priority consideration in the purchase of this property. If more than one beginning farmer or rancher who is a prevailing claimant submits an application, priority within this group will be determined by lottery. Qualified beginning farmers or ranchers must be in need of FSA credit assistance either in the form of direct FSA financing or an FSA guaranteed loan. For other requirements and information on how to qualify as a beginning farmer or rancher, you may contact your local FSA office."

If applications are received from beginning farmers or ranchers who are not prevailing claimants, and prevailed claimants who are not beginning farmers or ranchers, priority remains with the beginning farmers or ranchers.

If, in response to the above advertisement, an application is received only from a prevailing claimant who is not a beginning farmer or rancher, the property will be offered to the applicant at market value.

B Implementation for All Others

Real property will be advertised for sale to the general public according to RD Instruction 1955-C Section 1955.107(b), if 1 of the following occurs. The property:

- is not sold in response to the advertisement to a beginning farmer, rancher, or a prevailing claimant
- cannot be used for agricultural purposes
- cannot be used to carry out the objectives of financing available through the applicable loan program.

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2 Advertising and Selling Inventory Property (Continued)

B Implementation for All Others (Continued)

Prevailing claimants may exercise their right to priority consideration to purchase inventory property under the Consent Decree between the time of the advertisement to beginning farmers and prevailed claimants, and COB on the last workday before the scheduled public auction, if they notify FSA, in writing, of their intent.