

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Special Programs
6-FLP**

Amendment 10

Approved by: Deputy Administrator, Farm Loan Programs



Amendment Transmittal

A Reason for Amendment

Exhibit 2 has been amended to add California, Minnesota, and Nebraska to the definition of "Pilot State".

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TC	Text	Exhibit
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Definition of Terms Used in This Handbook (Continued)

Native American Tribe

[7 CFR 770.2 (b)] Native American tribe is:

- (1) An Indian tribe recognized by the Department of the Interior; or
- (2) A community in Alaska incorporated by the Department of the Interior pursuant to the Indian Reorganization Act.

Ordinary and Necessary Expenses

[NOFA I.] Ordinary and necessary expenses are the operating expenses directly related to the horse breeder business, including, but not limited to taxes, feed, veterinary expenses, fixtures, and farm maintenance.

Participated In the Business Operations of a Farm

[NOFA I. (Part 8)] Participated in the business operations of a farm or ranch means that the buyer has:

- (a) been the owner, manager or operator of a farm business for the year's complete production and marketing cycle as evidenced by tax returns, FSA farm records or similar documentation;
- (b) been employed as a farm manager or farm management consultant for the year's complete production and marketing cycle; or
- (c) participated in the operation of a farm by virtue of being raised on a farm or worked on a farm with significant responsibility for the day-to-day decisions for the year's complete production and marketing cycle.

Pilot State

--[NOFA I. (Part 8)] Pilot State is any of the 9 States participating in the Beginning Farmer and Rancher Land Contract Guarantee Pilot Program. Those States are California, Indiana, Iowa, Minnesota, Nebraska, North Dakota, Oregon, Pennsylvania, and-- Wisconsin.

Readily Available

[NOFA I.] Readily available is when the insurance is sold by insurance agents in the applicant's normal trade area.

Rental Value

[7 CFR 770.2(b)] Rental value is the potential annual rental income of a parcel of real estate as determined by a market analysis of annual rental incomes of like real estate in the subject property area.

Definition of Terms Used in This Handbook (Continued)

Reservation

[7 CFR 770.2 (b)] **Reservation** is lands or interest within:

- (1) The Native American tribe's reservation as determined by the Department of the Interior; or
- (2) A community in Alaska incorporated by the Department of the Interior pursuant to the Indian Reorganization Act.

Reserve

[7 CFR 770.2 (b)] **Reserve** is an account established for loans approved in accordance with regulations in effect prior to February 8, 2001, which required that an amount equal to 10 percent of the annual payment be set aside each year until at least one full payment is available.

Note: Regulations in effect before February 8, 2001, were published in 7 CFR 1823, Subpart N. Further guidance was contained in FmHA Instruction 442.11.

*--Review Official

[7 CFR 772.2(b)] **Review official** is an Agency employee, contractor, or designee who is authorized to conduct a compliance review of a Minor Program borrower under this part.--*

Security

[7 CFR 773.2] **Security** is real estate or personal property pledged as collateral to assure repayment of a loan in the event there is a default on the loan.

Security (Applies to Part 7)

[NOFA I.] **Security** is property or right of any kind that is subject to a real or personal property lien. Any reference to "collateral" or "security property" will be considered a reference to the term "security."

Seed Producer

[7 CFR 774.2] **Seed producer** is a farmer who has produced a 1999 crop of grass, forage, vegetable or sorghum seed for sale to AgriBioTech under contract.

A contract includes a sales contract with AgriBioTech or its predecessor organizations for the sale of 1999 grass, forage, vegetable, or sorghum seed. In addition, written or oral extension of a previous year's contract is also acceptable.