

# Agricultural Best Management Practices Loan Program – AgBMP



- **The Secrets to the Success of the Minnesota AgBMP Loan Program**

Dwight Wilcox

Retired from the AgBMP Loan Program

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651-982-6421 (leave a message)

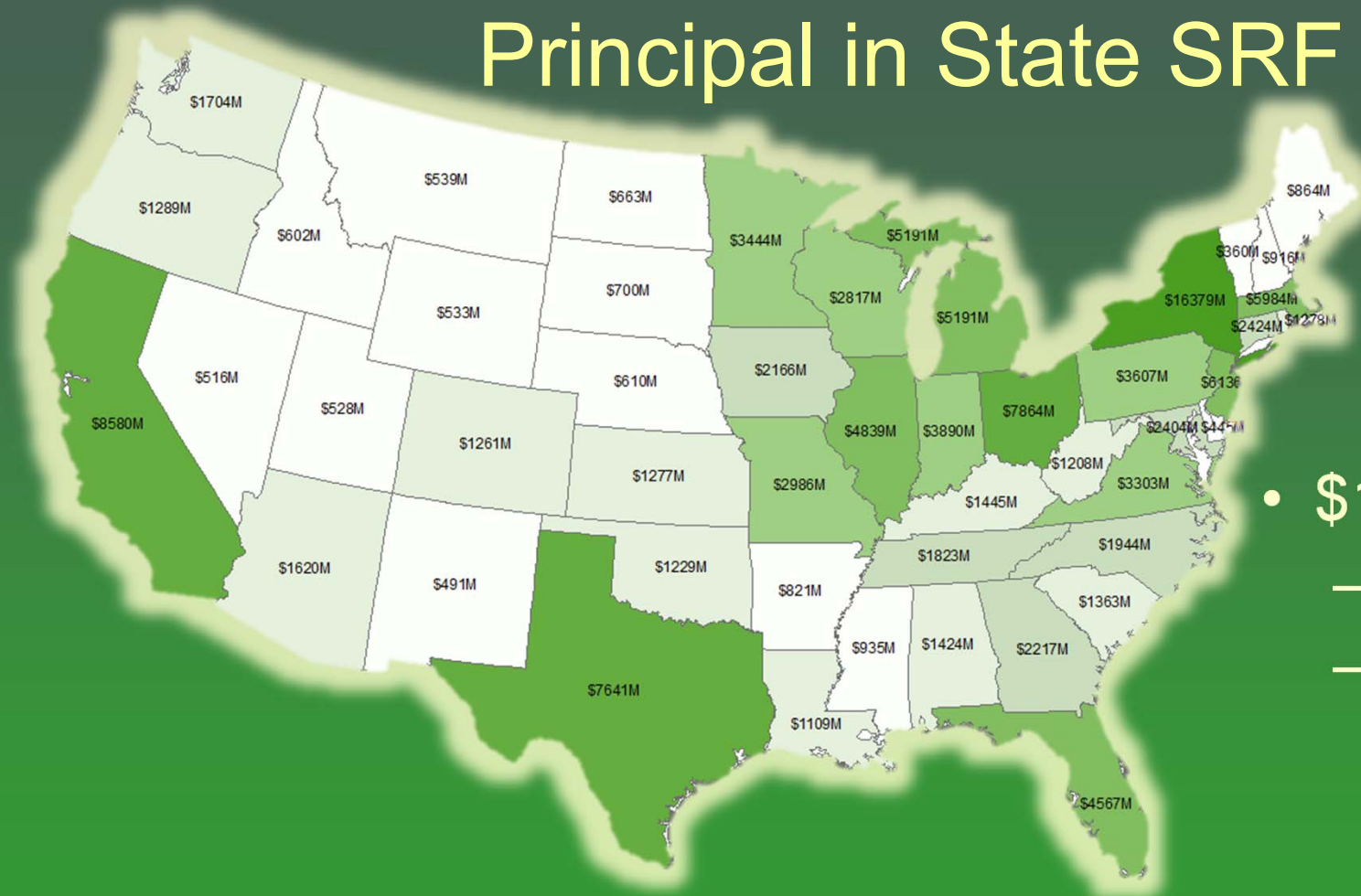
## Program Contact Information:

Richard Gruenes

651-201-6618

[AgBMP.Loans@state.mn.us](mailto:AgBMP.Loans@state.mn.us)

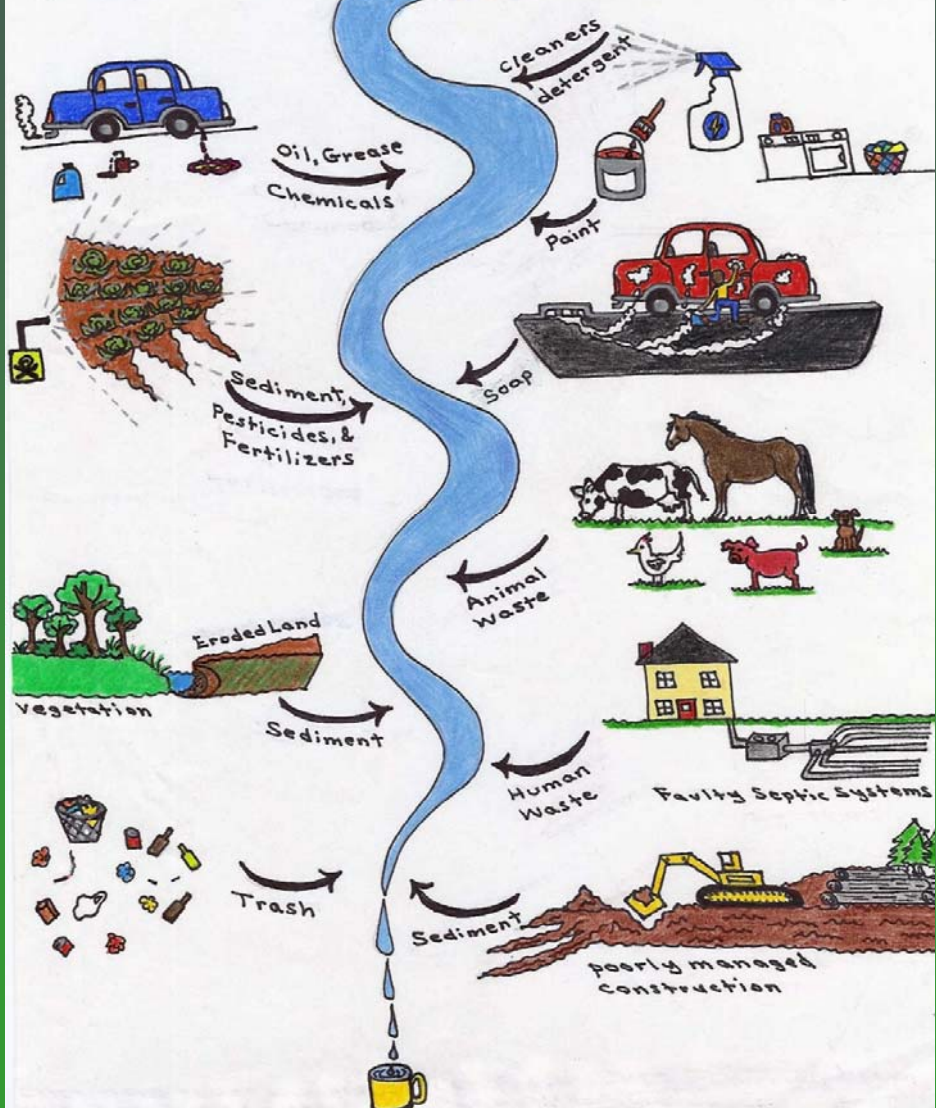
# Principal in State SRF Accounts



- \$145 Billion Total
  - \$360 M - VT
  - \$16 B - NY

# NON-POINT SOURCE POLLUTION

Rainwater runoff can bring it into our waters.

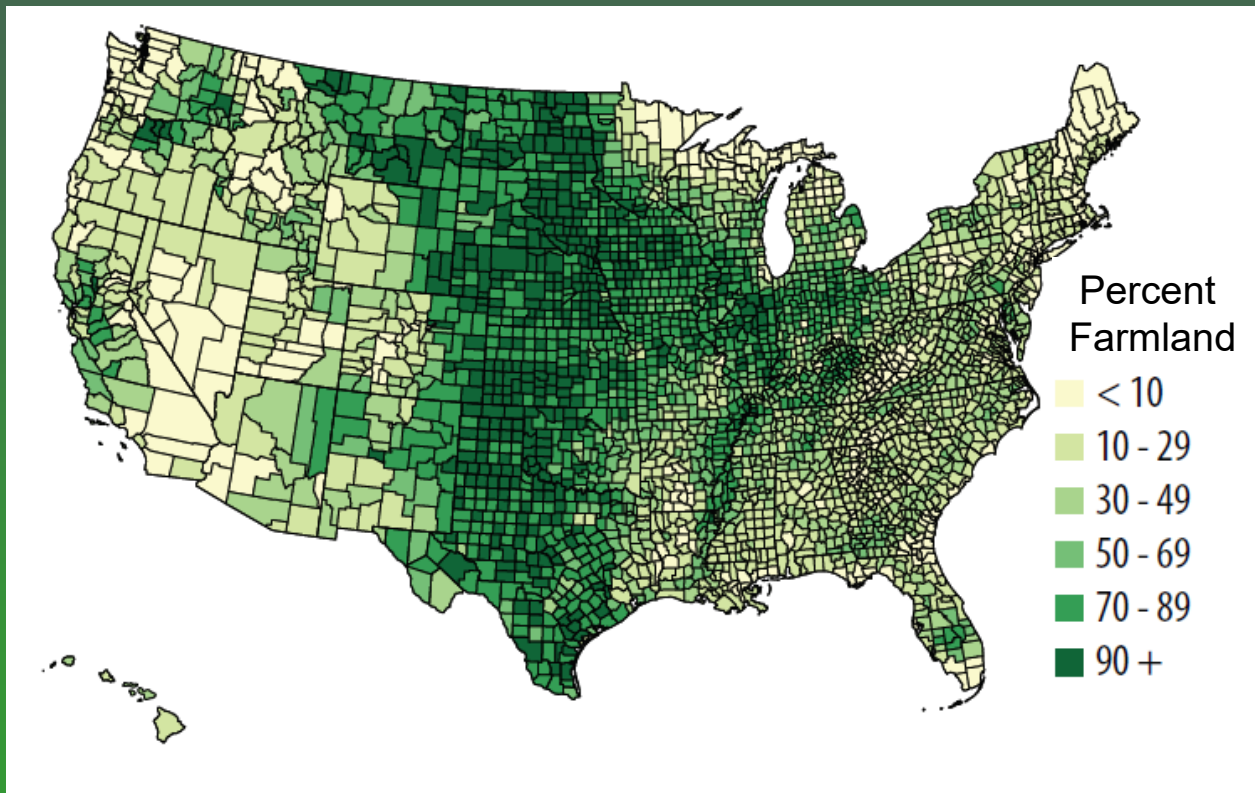




# Typical Nonpoint Practices



# Farmland in America



## Farmlands:

- 915,000,000 acres
- 40% of all lands

## Rural America

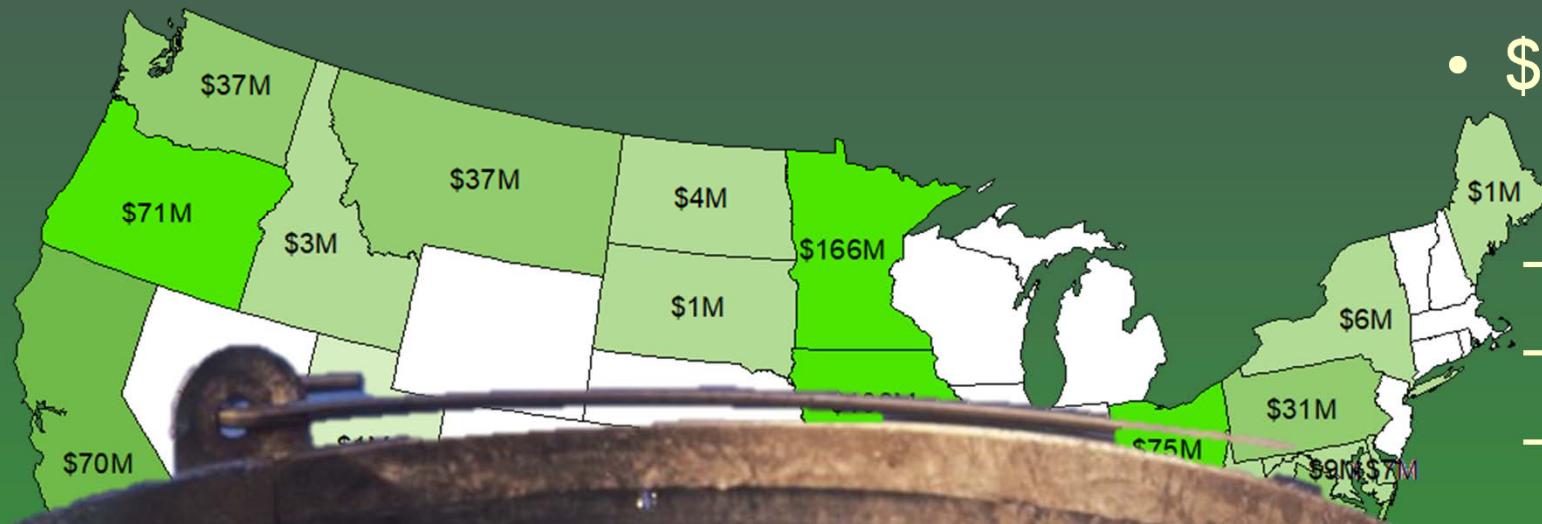
- 2,200,000,000 acres
- 97% of all lands

## Rural Population:

- 60,000,000
- 20% of all people



# Ag Related SRF Loan Amounts



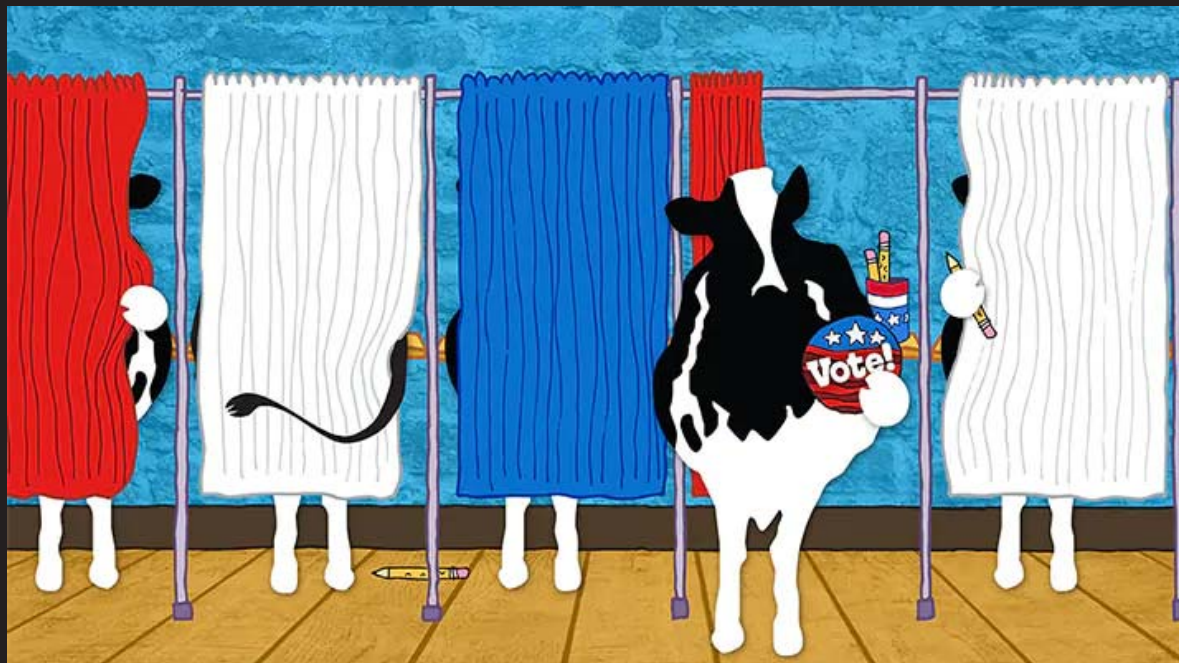
- \$763 million total

- \$0 - 27 states
- \$166 million - MN
- \$106 million - IA
- \$75 million - OH
- \$71 million - OR
- **OVER 50% of all**



# Excuses

WHY  
NOT?



**Slide 7**

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**DW1**

Dwight Wilcox, 3/9/2021



Keep it Simple





**Minnesota Pollution  
Control Agency**



**MINNESOTA  
DEPARTMENT OF  
AGRICULTURE**

## Not Just for Farmers

# Ag or Non-Ag Related Loans Issued

Reported Land Use *	% by Amount	% by Number
Farm	86.0%	56.6%
Non-Farm	14.0%	43.4%

# Overview

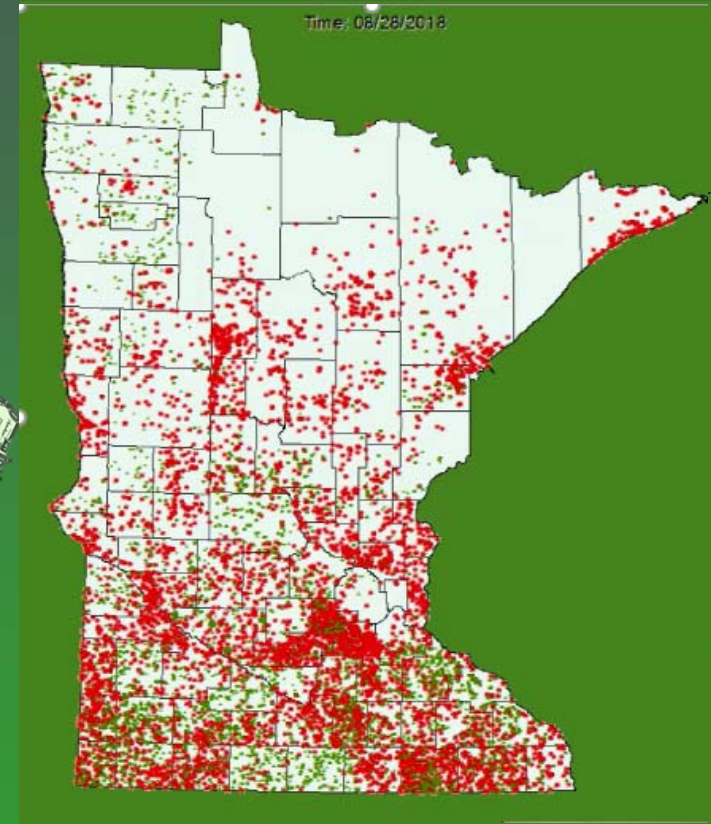
Loans by Number  
**16,891 Total**

Corpus:  
**\$83 million Total**  
**(\$60 million SRF)**



Loans by Amount

**\$286,231,881 Total**



**Includes SRF and State funds**



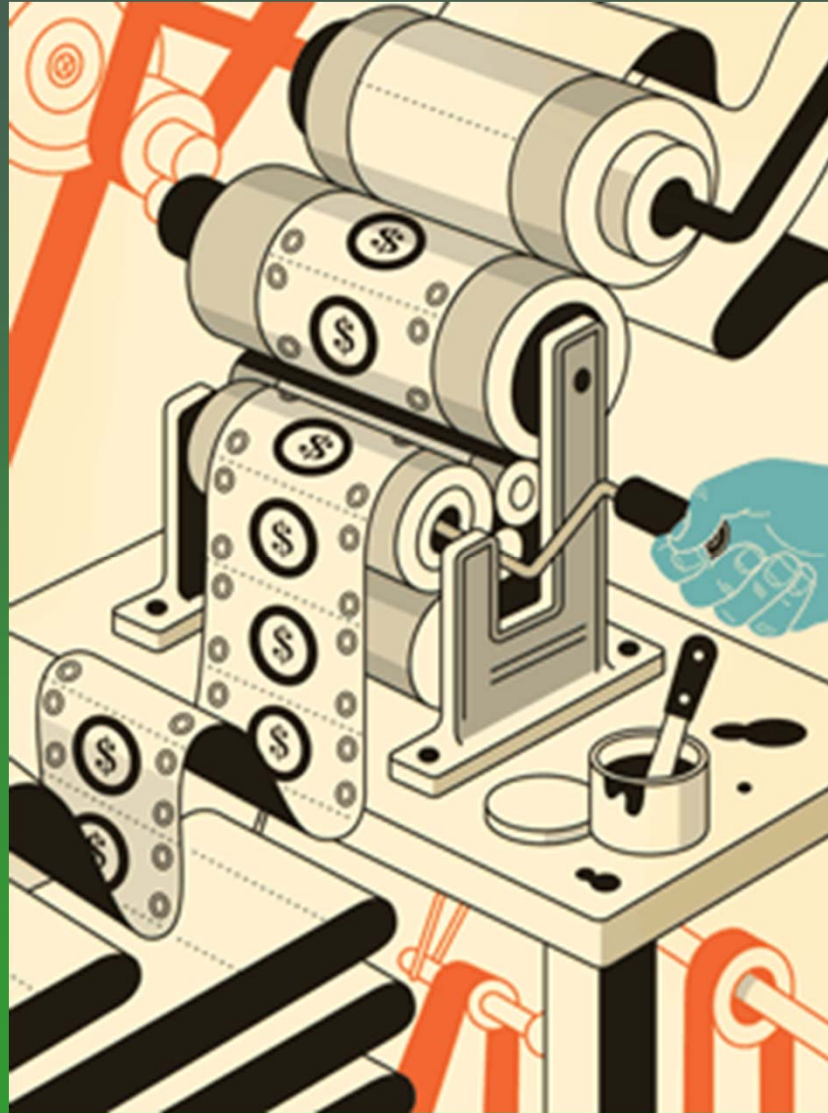
# Environmental Benefits

## Environmental Benefits Table

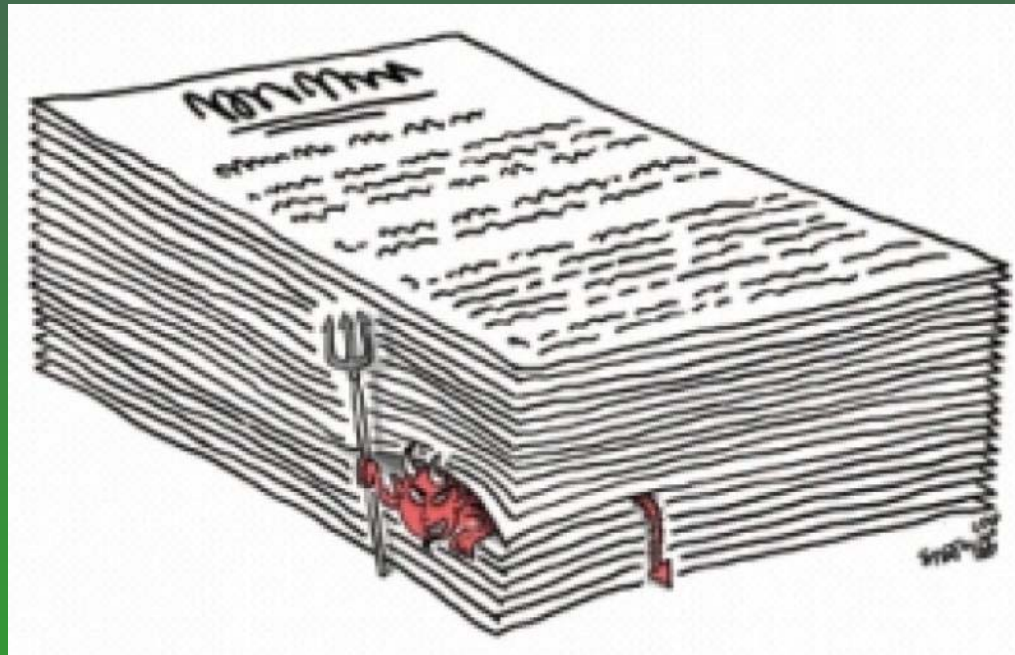
	Number of Projects	Measure	Total N tons/yr	Total P tons/yr	Sediment tons/yr
Animal Agriculture Projects	1,860	834,000 Animal Units	70,200	36,400	
Conservation Tillage Projects	610	785,000 Acres			3,022,000
Septic Projects	7,168	17,925 People	21	4	287



# Revolving Loans Framework:



Details...



# Example State Law Amendment

- Subd 8(a)(4): to provide loan guarantees, loans, or set-aside for similar revolving funds established by a governmental unit other than state agencies, or state agencies under sections 17.117...



# Authority

- Separate state statute: 17.117
- No RULES
- Controlling CONTRACT for LGUs & Lenders

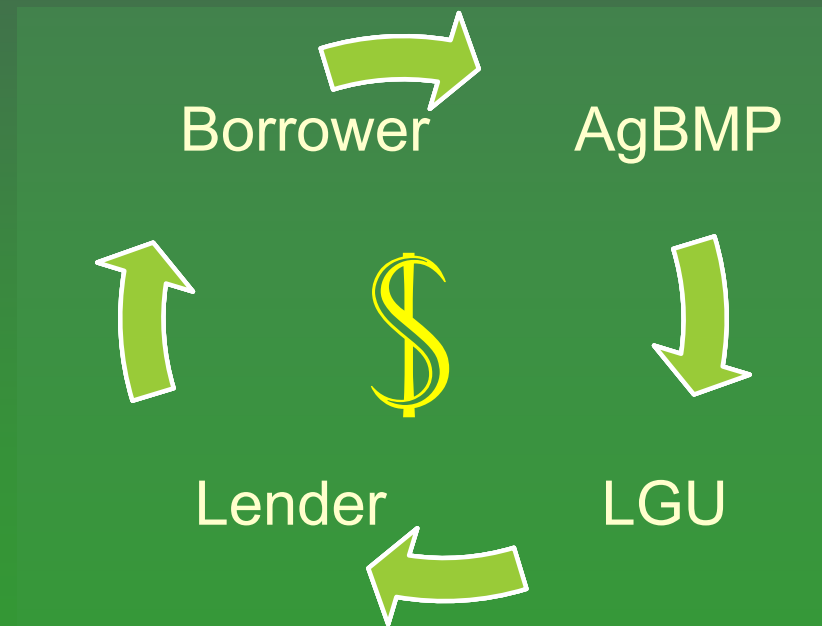


# It is a Loan

**Not a GRANT**

- **REPAID**
- **Revolving - \$\$\$**

**Revolving Loans**

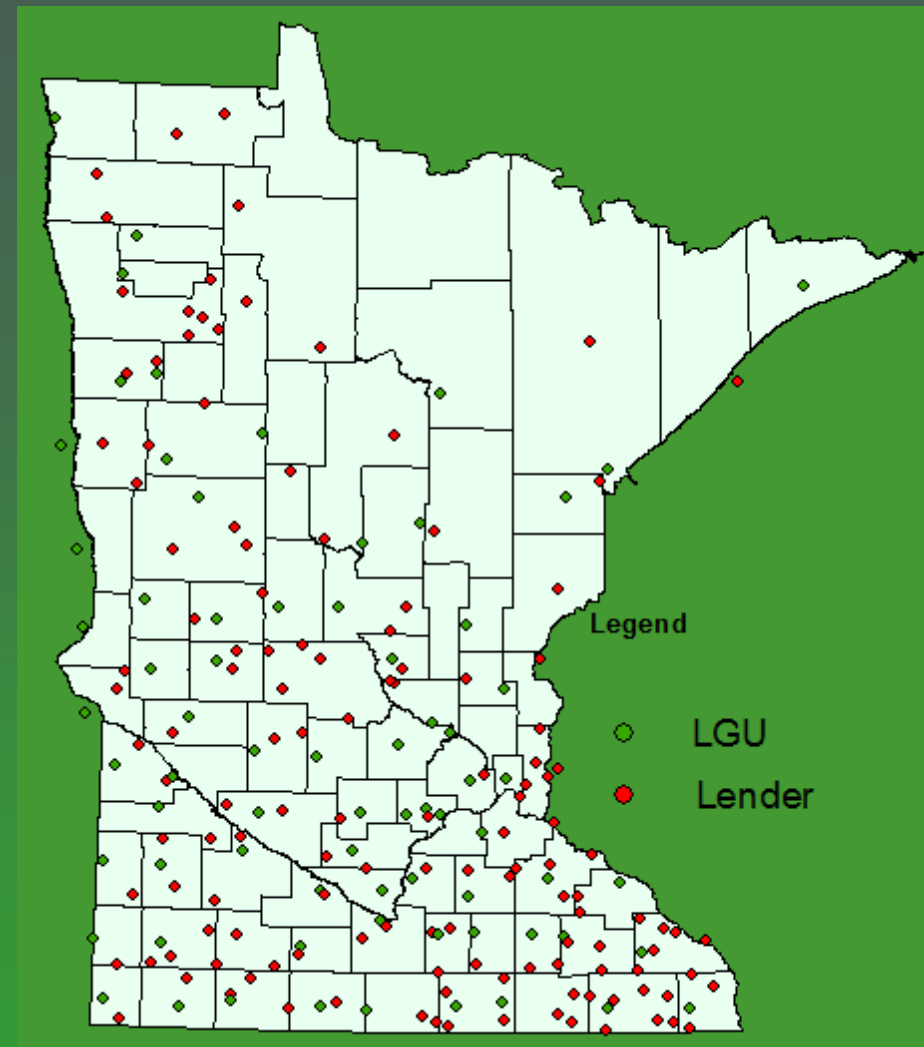


*You can't do  
EVERYTHING yourself!*



# Locally Administered

- 82 Local Governments
- 290 Lender Offices





# Locally Administered

- \$\$\$\$ for AREA
  - Soil & Water Districts
  - Planning & Zoning
  - Land Management
  - Public Health
  - Inspectors
  - Water Resource Managers
- All Lenders Can Join Network



# Revenue for Repayment

## Lenders Guarantee Repayment

- Banks & Credit Unions:
  - Pledge liquid assets
- Governments
  - Repayment revenue from special assessments

# Equivalency & Crosscutters

- NOT first time use of FUNDS

  - Reuse repayments from POTW

  - Not use to meet EQUIVALENCY requirements

  - Exempt from federal cross cutters

  - Super-Cross Cutters still apply

# Broad Eligibility





# Estuary Watersheds

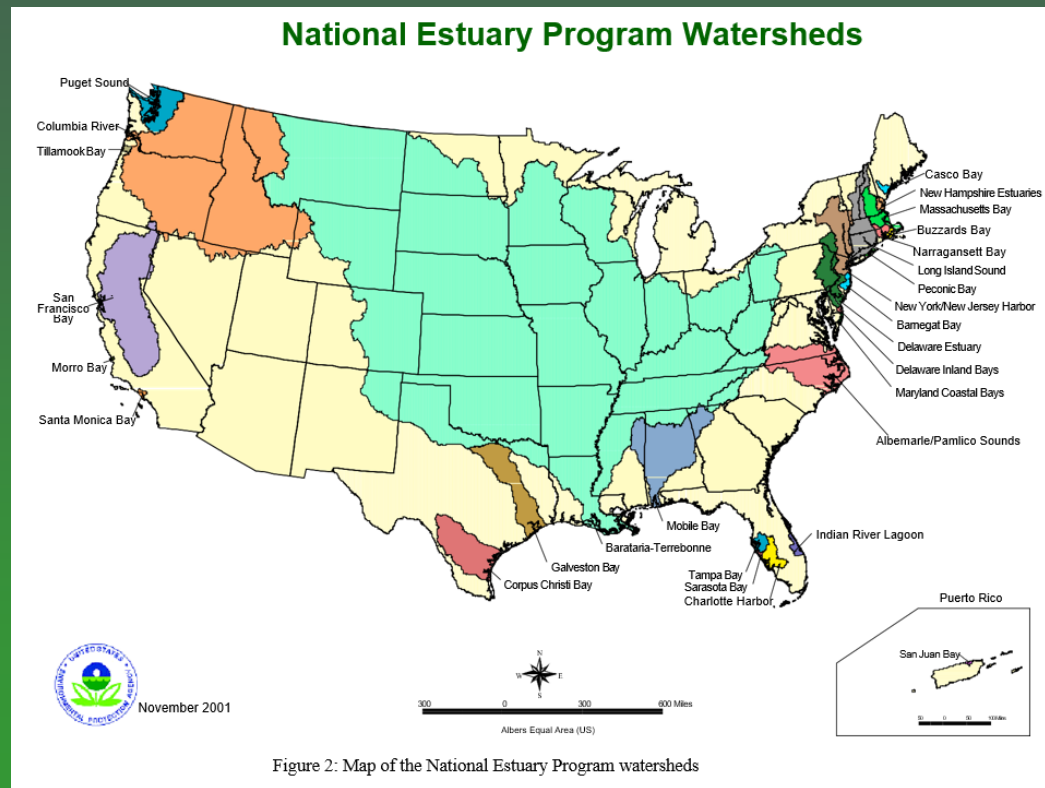


Figure 2: Map of the National Estuary Program watersheds

## Letter of Understanding

### Upper Mississippi River Watershed Best Management Practices

Protecting state and national water resources is a major objective of state and federal environmental programs throughout the nation. In addition, it is recognized that pollution does not stop at political boundaries; upstream pollution load can significantly impact downstream users and resources. Day to day activities in Minnesota, located in the Mississippi River watershed, ultimately can impact the water quality in the Barataria-Terrebonne National Estuary in Louisiana through which the Mississippi River passes before reaching the Gulf of Mexico. Therefore, promoting responsible land use, even at the headwaters of Mississippi River in Minnesota, can improve downstream water quality.

This letter of understanding formalizes the intent of the Minnesota Department of Agriculture Agricultural Best Management Practices Loan Program (AgBMP) to implement pollution prevention and restoration practices that are recommended by the Barataria-Terrebonne National Estuary Program (BTNEP) in their Comprehensive Conservation and Management Plan (CCMP).

It is our mutual understanding:

1. The US EPA guidance has established project eligibilities that are different under Section 319 and Section 320. Being able to fund projects under both Sections 319 and 320 would expand the AgBMP Loan Program's ability to encourage and correct pollution problems by providing low interest financing to more potential clients.
2. In addition to 319 eligibilities, the AgBMP Loan Program may finance Section 320 practices and activities that are:
  - a. Eligible under EPA guidance,
  - b. Eligible under Minnesota rules, statutes, and policies; and
  - c. Implement components of the Section 320 BTNEP CCMP.
3. Practices implemented by the AgBMP Loan Program may include any Section 320 project identified in guidance provided by the US EPA and recommended by the BTNEP CCMP. As of this writing, components of the Action Plan EM-11 Reduction of Agricultural Pollution will be the primary emphasis of the AgBMP Loan Program as related to the BTNEP CCMP. In addition, other applicable components of the approved CCMP plan, such as Action Plan EM-10: Reduction of Sewage Pollution, may be implemented.
4. Funding for these practices will be the full responsibility of the state in which they are implemented. There is no joint or cross funding between jurisdictions.
5. The AgBMP Loan Program will report to BTNEP biennially, a summary of projects funded under Section 320 eligibility and may include other pertinent summaries of projects that impact BTNEP, but may have been funded under other eligibilities and programs, such as Section 319.
6. When BTNEP updates the CCMP, they will forward a copy of the plan to the Minnesota Department of Agriculture for comment. When preparing updates to the BTNEP CCMP, upstream and watershed contributions and potential remedial actions will be considered.
7. Any parties of this understanding may withdrawal at any time by notifying the other parties in writing.

*Susan Textract-Bergeron*

Susan Textract-Bergeron, BTNEP Director

7-7-2017

Date

*Andrew Barron*

Andrew Barron, BTNEP Water Resources Coordinator

7-7-2017

Date

*David J. Frederickson*

David J. Frederickson, Commissioner MN Department of Agriculture

8/21/17

Date

# Letter of Understanding

## Barataria- Terrebonne Estuary



<Any Size – Estuary projects



Minnesota Department of Agriculture  
 625 Robert St. N., St. Paul, MN 55155-6120  
[www.mda.state.mn.us/agbmploans](http://www.mda.state.mn.us/agbmploans)

Agricultural Best Management Practices Loan Program 651-201-6618 Fax: 651-201-6109 email: [AgBMP.Loans@state.mn.us](mailto:AgBMP.Loans@state.mn.us)

### AgBMP LOAN APPLICATION

County: **Fillmore**

Borrower Information: (Required for all applications) (One) First Name: **Cody** (One) Last Name: **Drinkall** (optional) Company: **T & C Farms LLC**

Street Address: **312 Center Street**

City: **Ostrander** State: **MN** Zip: **55961** Telephone: **(507) 259-3662**

Project Information: On a Farm:  Non-Farm:  If using PLS, write in T/R/S and mark where the project or practice in on the Section Map. Or fill in a Latitude and Longitude of a point on the property near the project or practice. (Please get us within a few acres of where the project or practice resides if you can.)

Brief description of what will be purchased or constructed and how it helps water quality:  
 Update manure handling equipment for custom application - Manure Tool Bar and attachments to properly apply manure to cropland at agronomic rates

**Well Eligibility** Does this project implement Drinking Water Standards?   
 Does this project eliminate Groundwater Pollution?

Is this application for a city, town, or other municipality?  
 Is this application for a facility with an Industrial Waste Permit?

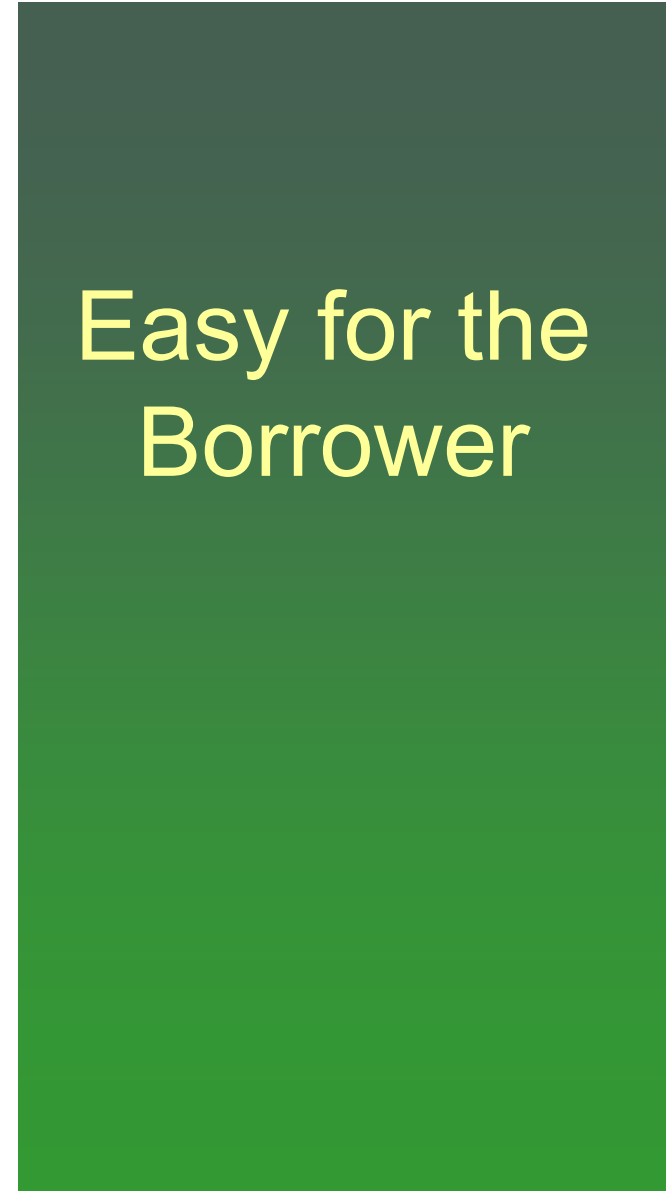
PLS Township #: **102**  
 Range: **13**  
 Section: **29**

Latitude: \_\_\_\_\_ Longitude: \_\_\_\_\_  
 OR \_\_\_\_\_  
 Pin or Parcel #: \_\_\_\_\_

### LOCAL GOVERNMENT APPROVAL (If Pin or Parcel # is used no punctuation marks, county code, or spaces allowed.)

Approved Loan Amount	\$ 90,000.00		
Estimated Total Project Cost (all sources)	\$ 140,000.00		
Animal Units <small>(Feedlot improvements or manure handling equipment for facilities &gt; 1000 AU that are not in the Mississippi watershed are ineligible)</small>	Beginning: 600	Ending: 600	
Primary Livestock	<input checked="" type="checkbox"/> Dairy <input type="checkbox"/> Beef <input type="checkbox"/> Swine <input type="checkbox"/> Other:		
Primary Crops: Selection 1 - Selection 2	Conservation Tillage Acres AFTER Project:	Total Acres Farmed:	
Approval Expiration and Other Restrictions			

Project Approved by: **Anne Koliha** Digitally signed by Anne Koliha Date: 2020.03.25 07:55:10 -05'00'



Easy for the Borrower

# It is a Loan

- 3% maximum fixed interest
- Eligibility: Does it help water ?
- Maximums:
  - \$200,000 loan amount
  - 10-year repayment period
- Everything else negotiable with the Lender

# #1: Simplicity

simplicity  
is the KEY to SUCCESS



# Contact Information & SRF Publication

## Richard Gruenes

- 651-201-6618
- Richard.Gruenes@state.mn.us
- Website: <http://www.mda.state.mn.us/agbmp>
  
- Personal contact: Dwight Wilcox
- [DwightEWilcox@gmail.com](mailto:DwightEWilcox@gmail.com) - 651-982-6421

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