







# Drought Relief Programs

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Farm Service Agency



### **Disaster Declarations**

North Dakota Farm Service Agency Program Director: Laura Heinrich





### Secretarial Disaster Designation Triggers

- Fast track based on U. S. Drought Monitor
- 30 percent production loss of a crop in county
- Discretionary Exception Credit Survey





### Secretarial Disaster Designation Assistance

FSA EM Loans

 Small Business Association (SBA) Loans

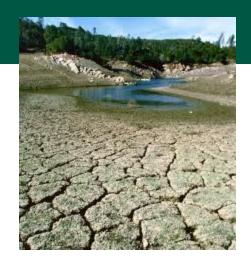
FSA Disaster Programs, as applicable





#### **Fast Track**

Nearly automatic



- Drought intensity of at least D2 (drought severe) for 8 consecutive weeks
- Drought intensity value of D3 (Drought Extreme) or higher

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### Fast Track (cont.)

Drought Intensity must be during the growing season

- Only a portion of the county having the drought intensity will trigger the entire county
- The drought monitor is updated on Thursdays
  - http://droughtmonitor.unl.edu/

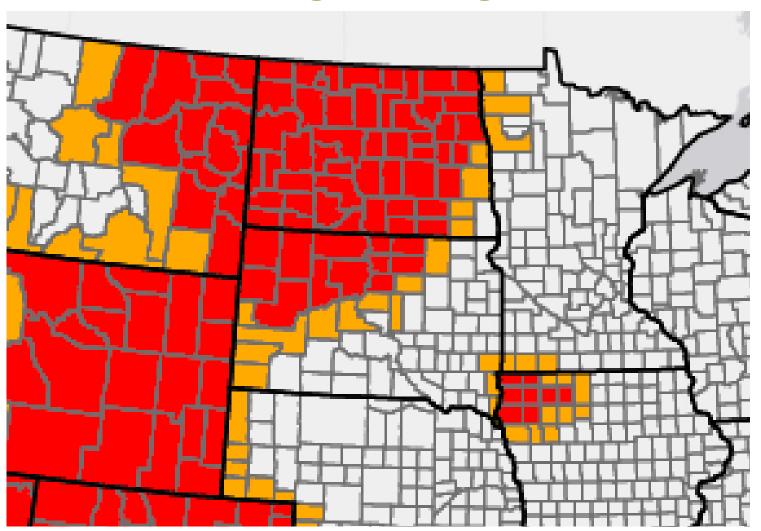


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# **Secretarial Drought Designations - All Drought**



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# **Emergency Loan Program**

North Dakota Farm Service Agency Farm Loan Specialist: Ryan Lindbom





### Overview

The U.S. Department of Agriculture's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine





# **Emergency Loan Uses**

### **Emergency loan funds may be used to:**

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.





## **Loan Limit**

Producers can borrow up to 100 percent of actual production or physical losses to a maximum amount of \$500,000





# Who is Eligible?

Emergency loans may be made to farmers and ranchers who:

• Own or operate land located in a county declared by the President or designated by the Secretary of Agriculture as a primary disaster area or quarantine area.

All counties contiguous to the declared, designated, or quarantined primary counties also are eligible for emergency loans. A disaster designation by the FSA Administrator authorizes emergency loan assistance for physical losses only in the designated and contiguous counties;





# Who is Eligible?

- Are established family farm operators and have sufficient farming or ranching experience;
- Are citizens or permanent residents of the United States;
- Have suffered at least a 30 percent loss in crop production or a physical loss to livestock, livestock products, real estate, or chattel property;





# Who is Eligible?

- Have an acceptable credit history;
- Are unable to receive credit from commercial sources;
- EM Loans over \$300,000 two denial Letters
- EM Loans under \$300,000 one denial Letter
- Under \$100,000 may be waived by Loan Official.
- Can provide collateral to secure the loan;
- Have repayment ability





# Loan Requirements

FSA loan requirements are different from those of other lenders. Some of the more significant differences are the following:

- Borrowers must keep acceptable farm records;
- Borrowers must operate in accordance with a farm plan they develop and agree to with local FSA staff; and
- Borrowers may be required to participate in a financial management training program and obtain crop insurance.





# Collateral Is Required

All emergency loans must be fully collateralized. The specific type of collateral may vary depending on the loan purpose, repayment ability, and the individual circumstances of the applicant.

If applicants cannot provide adequate collateral, their repayment ability may be considered as collateral to secure the loan. A first lien is required on property or products acquired, produced, or refinanced with loan funds.





# Type of Losses

- **▶**Physical Losses
  - Real estate physical loss
  - Chattel physical loss
    - Equipment and stored crops
    - Livestock losses are always considered to be physical losses
- Production Losses
  - Commodity losses
    - Growing crops resulting from a disaster

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### Loan Terms

Loans for crop, livestock, and non-real estate losses are normally repaid within one to seven years, depending on the loan purpose, repayment ability, and collateral available as loan security.

In special circumstances, terms of up to 20 years may be authorized.

Loans for physical losses to real estate are normally repaid within 30 years. In certain circumstances, repayment may be made over a maximum of 40 years.





### **Current Interest Rate**

Emergency Loan June 2021 (adjusted monthly) - 2.875%

Emergency Loans are 1 point over the FSA's Operating Loan Interest Rate – May 2021 1.875%





# **Application Deadline**

Applications for emergency loans must be received within <u>eight months</u> of the county's disaster or quarantine designation date.





### For More Information

To find more information about FSA disaster assistance programs, visit Farmers.gov or contact your local FSA office. To find your local FSA office, visit https://www.farmers.gov/service-center-locator





# Local Farm Loan Offices

County Office	<b>City Location</b>	<u>Telephone</u>
Bottineau	Bottineau, ND	(701) 228-3611
Cass	Fargo, ND	(701) 282-2157
Cavalier	Langdon, ND	(701) 256-5521
Emmons	Linton, ND	(701) 254-4791
Grand Forks	Grand Forks, ND	(701) 775-5533
Grant	Carson, ND	(701) 622-3240
Hettinger	Mott, ND	(701) 824-2691
LaMoure	LaMoure, ND	(701) 883-5268
McHenry	Towner, ND	(701) 537-5471
Morton	Mandan, ND	(701) 667-1163
Mountrail	New Town, ND	(701) 627-4783
Pembina	Cavalier, ND	(701) 265-4333
Ramsey	Devils Lake, ND	(701) 662-4987
Sioux	Selfridge, ND	(701) 422-3331
Stark	Dickinson, ND	(701) 225-2931
Stutsman	Jamestown, ND	(701) 252-1920
Traill	Hillsboro, ND	(701) 436-5101
Walsh	Park River, ND	(701) 284-7771
Ward	Minot, ND	(701) 852-5434
Williams	Williston, ND	(701) 572-6729

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# 2021 Livestock Disaster Programs

North Dakota Farm Service Agency Farm Loan Director: Wanda Braton

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# **FSA Livestock Disaster Programs**

- Livestock Forage Program (LFP)
- Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish (ELAP)
- Emergency Conservation Program (ECP)
- CRP Emergency Haying and Grazing

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## **U.S. Drought Monitor**

#### **Program Eligibility**

USDA FSA's Livestock Disaster Programs, such as LFP, ELAP, ECP, Emergency CRP Haying and Grazing, base program eligibility for drought on the severity of a drought rating according to the U.S. Drought Monitor during the normal grazing period.

- D2 (Severe Drought) for at least 8 consecutive weeks
- D3 (Extreme Drought) in any area of the county
- D4 (Exceptional Drought) in any area of the county

In North Dakota, the normal grazing period begin on April 15<sup>th</sup> and ends on October 15<sup>th</sup>.

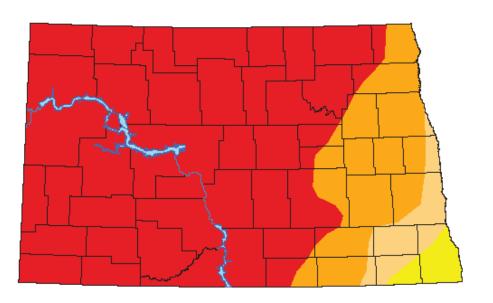




# U.S. Drought Monitor

U.S. Drought Monitor
North Dakota

April 13, 2021 (Released Thursday, Apr. 15, 2021) Valid 8 a.m. EDT



#### Intensity:

None

D0 Abnormally Dry

D1 Moderate Drought

D2 Severe Drought

D3 Extreme Drought
D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx

#### Author:

Deborah Bathke National Drought Mitigation Center









droughtmonitor.unl.edu

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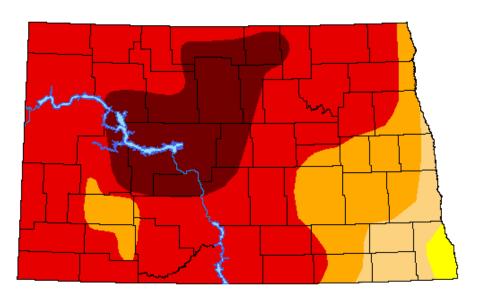


# U.S. Drought Monitor

**North Dakota** 

June 1, 2021

(Released Thursday, Jun. 3, 2021)
Valid 8 a.m. EDT



#### Intensity:

None

D0 Abnormally Dry

D1 Moderate Drought

D2 Severe Drought

D3 Extreme Drought

D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to https://droughtmonitor.unl.edu/About.aspx

#### Author:

Brian Fuchs National Drought Mitigation Center









droughtmonitor.unl.edu

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# Livestock Forage Program (LFP)

**Drought & Wildfire** 

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### Livestock Forage Disaster Program (LFP)

#### **Benefits**

LFP provides benefits to eligible livestock producers of eligible grazed forage crop acreage that have suffered grazing losses due to a:

- qualifying drought
- qualifying fire on federally managed rangeland

Grazing losses must occur during the grazing period established for the county.





### **County Eligibility**

Producers may apply for LFP benefits in their administrative as soon as the National Office has:

- announced that the County has a qualifying drought based on the U.S. Drought Monitor; or
- Approved the COC request for implementation of LFP due to a qualifying wildfire on federally managed land.





### **Eligible Grazing Losses Due to Drought**

Eligible livestock producers may receive assistance under LFP for grazing losses that occur on land that is:

- Native or improved pastureland with permanent vegetative cover
- Planted to crops specifically for providing grazing for covered livestock, such as:
  - Small grains (Barley, Oats, Rye, Triticale, or Wheat)
  - Forage sorghum
  - Annual crabgrass, ryegrass, or mixed forage

Note: Corn stalks and grain sorghum stalks are not eligible for LFP





### **Eligible Grazing Losses Due to Drought**

Eligible livestock producers may receive assistance under LFP for grazing losses that occur on land that is:

- Physically located in a county that is, during the normal grazing period for the specific type of grazing land or pastureland, rated by the U.S. Drought Monitor as having any of the following:
  - D2 (Severe Drought) for at least 8 consecutive weeks
  - D3 (Extreme Drought)
  - D4 (Exceptional Drought)





#### **Eligible Grazing Losses Due to Fire**

Eligible livestock producers may receive assistance under LFP for grazing losses for fire only if both apply:

- Grazing losses occurred on rangeland that is managed by a Federal Agency; and
- The eligible livestock producer is prohibited by the Federal Agency from grazing the normal permitted livestock on the managed rangeland because of a fire.





### **Eligible Livestock Producer**

To be considered an eligible livestock producer for LFP, the eligible producer on a farm must:

- During the 60 calendar days before the beginning date of a qualifying drought or fire, own, cash or share lease, or be a contract grower of covered livestock
- As of the date of the qualifying drought or fire, provide grazing land or pastureland for covered livestock, including cash-rented grazing land or pastureland that is either:





### **Eligible Livestock Producer**

- Physically located in a county affected by a qualifying drought during the normal grazing period (April 15<sup>th</sup> through October 15<sup>th</sup>) for the specific forage crop acreage in the county, or
- Rangeland managed by a Federal agency for which the otherwise eligible livestock producer is prohibited by the Federal agency from grazing the normal permitted livestock because of a qualifying fire





#### **Covered Livestock**

#### • Includes;

- Grazing animals such as adult and nonadult beef and dairy cattle, beefalo, buffalo, and bison, along with alpacas, deer, elk, emus, equine, goats, llamas, reindeer, or sheep that would normally have been grazing the eligible grazing or pastureland during the normal grazing period.
- Does not include <u>unweaned</u> livestock or animals not meeting the definition of a grazing animal





#### LFP

#### **Covered Livestock**

#### **Livestock must:**

- Have been livestock produced and maintained for commercial use; or
- Livestock that is produced and maintained for producing livestock products for commercial use.
- Not have been livestock that were or would have been in a feedlot, on the beginning date of the qualifying drought or fire, as part of the normal business operation of the producer.





#### LFP

#### **Application Period**

Eligible livestock owners or contract growers must file, in their *Administrating* County Office, the following:

- FSA-578 certification for native or improved pastureland with permanent vegetative cover
- LFP Application for Payment (CCC-853) within 30 calendar after the end of the calendar year in which the grazing losses occurred, or by January 30<sup>th</sup> including supporting documentation.





# Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish (ELAP)

**Drought - Water Transportation** 

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# **Emergency Assistance for Livestock Program (ELAP)**

#### **Purpose**

ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish that have suffered losses because of disease, adverse weather, or other conditions, including losses because of blizzards and wildfires.

ELAP covers losses that are not covered under other disaster assistance programs.





#### **Purpose (continued)**

The losses must be the direct result of an eligible adverse weather or loss condition, such as, but not limited to:

- colony collapse;
- excessive wind;
- flood;
- lightning;
- tornado;
- drought (water transportation only); and
- wildfire.

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#### **Eligible Livestock Losses**

#### Eligible Grazing losses –

 Must be incurred during the normal grazing period on eligible grazing lands physically located in the county where the eligible loss condition occurred.

#### Eligible Feed Losses –

- Purchased forage or feedstuffs;
- Mechanically harvested forage or feedstuffs;
- Destroyed because of an eligible loss condition, after harvest, which was intended for use as feed for the participant's eligible livestock.





#### **Eligible Livestock Losses**

#### Water Transportation –

- Resulting from transporting water to eligible livestock
- Because of an eligible drought, or eligible adverse weather event
- incurred on eligible grazing lands:
  - physically located in the county where the eligible drought or eligible adverse weather event, occurred
  - that had adequate livestock watering systems or facilities before the eligible drought or adverse weather event occurred
  - that the producer is not normally required to transport water to the grazing land.

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#### **Eligible Producer**

# To be eligible for assistance under ELAP a livestock producer must:

- Provided eligible grazing land, during the normal grazing period, for the eligible livestock
- Have suffered a loss in the physical county which the eligible adverse weather occurred
- Timely file application
- File an acreage report (FSA-578)

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#### Signup

Participants must file, in the administrative county office, a:

- Notice of Loss within 30 calendars of when the loss occurred
- Application for Payment by 30 calendar days after the end of the applicable Calendar year or January 30, 2022





# Emergency Conservation Program (ECP)

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### **Emergency Conservation Program (ECP)**

#### **Purpose**

ECP provides emergency funding and technical assistance to farmers and ranchers to rehabilitate farmland and conservation structures damaged by natural disasters and implement emergency water conservation measures in periods of severe drought.





#### Wildfires

ECP is a cost-share program that is subject to the availability of funds to:

 Assist with the restoration of fences due to wildfires or other eligible disaster events

**Note:** Federally owned land is not eligible to receive ECP C/S assistance

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#### **Severe Drought**

ECP is a cost-share program that is subject to the availability of funds to:

- Install water measures during periods of severe drought to supply emergency water for:
  - livestock, including confined livestock and poultry
  - existing eligible irrigation systems serving orchards and vineyards, including:
    - buried mainlines
    - ditches





#### **Drought Conditions**

A severe drought condition exists when available water from sources currently being used for livestock or orchards and vineyard irrigation have been reduced below normal and survival is unlikely without additional water.

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#### **Eligibility for Drought**

- Only those farms or ranches that had adequate livestock watering systems or facilities or adequate irrigation systems for orchards and vineyards before the drought are eligible for ECP Cost-Share assistance.
- A drought-related problem must exist, and the approved practice must be installed primarily to deal with the drought-related problem.
- There must be adequate range or pasture residue for livestock in the area to be served by a proposed water facility at the time of the request.





#### Signup

If a County is approved to implement ECP due to drought, wildfire, or other natural disaster, a signup period will be announced in which eligible producers must:

- File an FSA-848 for C/S assistance in their administrating County Office, prior to the signup deadline
- Not start the project prior to the completion of an environmental review, if ground disturbance is to occur.
  - Starting a practice prior to C/S approval is at the producers own risk

**Note:** If a producer applied for and received funding through another State or Federal C/S program, the project is not eligible for Service Agency





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#### **Conservation Reserve Program (CRP)**

CRP a federally funded voluntary program that contracts with agricultural producers so that environmentally sensitive agricultural land is not farmed or ranched, but instead used for conservation benefits.

Participants establish long-term, resource-conserving plant species, such as approved grasses or trees to control soil erosion, improve water quality and develop wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance.





#### **Haying and Grazing**

Haying and grazing of CRP acres is authorized under certain conditions to:

- improve the quality and performance of the CRP cover; or
- provide emergency relief to livestock producers due to certain natural disasters.

There are two types of haying and grazing authorization: non-emergency and emergency.





#### **Emergency Haying and Grazing**

Emergency haying and grazing of CRP acres may be authorized to provide relief to livestock producers in areas affected by a severe drought or similar natural disaster.

Counties are approved for emergency haying and grazing due to drought conditions on a county-by-county basis, when a county is designated as level "D2 Drought - Severe" or greater, according to the U.S. Drought Monitor.





#### **Emergency Grazing**

If a County triggers LFP eligibility based on a D2 drought status for 8 weeks or greater, or a D3 or D4, CRP participants may request to perform emergency grazing **during** the primary nesting season, based on the following:

- Submission of a written request to conduct emergency grazing
- All conservation practices are eligible
- Limited to 50 percent carrying capacity on acreage grazed
- Not to exceed 90 consecutive days





#### **Emergency Grazing**

Emergency grazing **outside** the primary nesting season, based on the following:

- Submission of a written request to conduct emergency grazing
- Approval of an NRCS grazing plan
- All conservation practices are eligible
- Cannot start until August 1st
- Livestock must be removed by September 30<sup>th</sup> or when the stubble height identified in the grazing plan, is reached
- No payment reduction

**Note:** Primary Nesting Season begins on April 15<sup>th</sup> and ends August 1<sup>st</sup>.





#### **Emergency Haying**

Emergency having only authorized **outside** the primary nesting season, based on the following:

- If County is eligible for LFP payments, only certain conservation practices are eligible to be hayed.
- Submission of a written request to conduct emergency haying
- Approval of an NRCS conservation plan
- Cannot start until August 1st
- Emergency Haying ends on August 31<sup>st</sup>.
- Hay bales must be removed from CRP by September 15<sup>th</sup>.
- No payment reduction





#### **Non-Emergency Haying**

Non-emergency haying only authorized **outside** the primary nesting season, based on the following:

- Submission of a written request to conduct nonemergency haying
- Approval of a modified NRCS conservation plan
- Cannot start until August 1st
- Non-emergency haying ends on August 31<sup>st</sup>.
- Hay bales must be removed from CRP by September 15<sup>th</sup>.
- 25 percent of the contract acreage must remain unhayed
- 25 percent payment reduction
- Non-emergency haying can be conducted no more than 1 in 3 years.





#### **Participant Action**

CRP participants seeking approval for either emergency haying or grazing or non-emergency haying or grazing, must:

- File a request to hay or graze CRP acreage before the activity can be conducted
- Identify the acreage to be hayed or grazed
- Obtain a modified conservation plan
- Record the intended haying or grazing use on the FSA form CRP-117
- Sign to the terms and conditions for the activity
- Receive approval.

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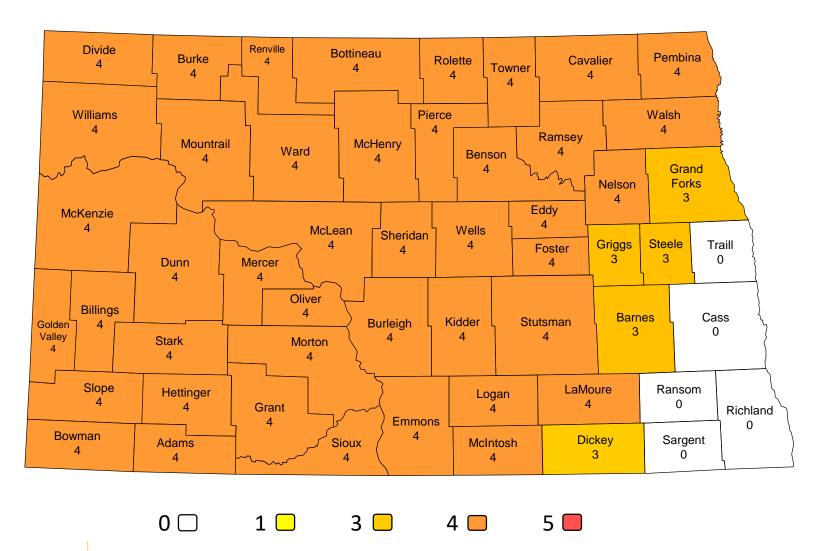


# North Dakota State University

Farm Management Specialist /
Agribusiness and Applied Economics:
Ron Haugen, M.S

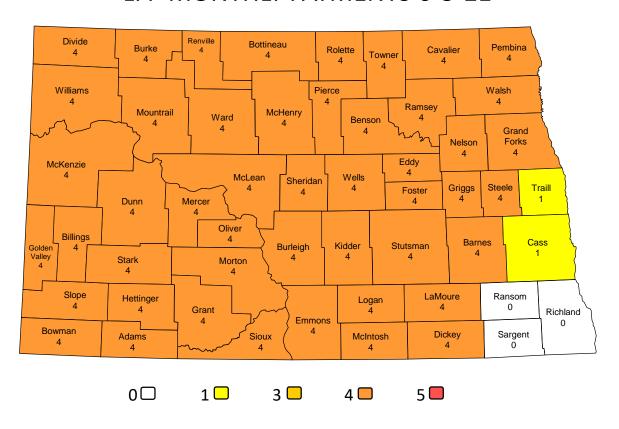


#### LFP MONTHLY PAYMENTS 5-13-21



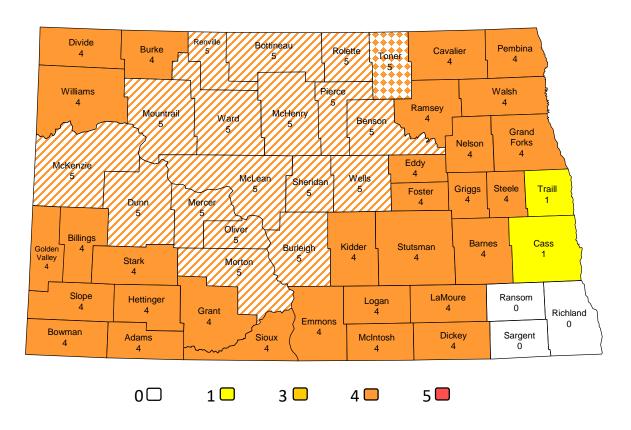


#### LFP MONTHLY PAYMENTS 6-3-21





#### PROJECTED LFP MONTHLY PAYMENTS





NDSU has an LFP spreadsheet tool available online for producers to enter their information. It is at:

https://www.ag.ndsu.edu/farmmanagement/tools



#### Identification

Operator	Joe Rancher	
State	North Dakota	<required< td=""></required<>
County eligible	Burleigh ND	<required< td=""></required<>

Livestock Current Year Inventory\*

Livestock Type & Weight Range		Number of Head	Share (%)	One Mo. Pmt Rate per Hd	Total Monthly Feed Cost
Beef, Beefalo, Buffalo, Bison	Adult	100	100%	31.18	3,118.00
	Non-Adult 500 lb or more	50	100%	23.38	1,169.00
Dairy	Adult	6	100%	81.07	0.00
	Non-Adult 500 lb or more		100%	23.38	0.00
All Sheep, Goats & Deer			100%	7.79	0.00
All Equine			100%	23.07	0.00
All Elk			100%	16.84	0.00
All Reindeer			100%	6.87	0.00
All Alpacas			100%	25.68	0.00
All Emus			100%	15.76	0.00
All Llamas			100%	11.38	0.00
A) Total month	ly feed cost, with payment r	ate, for all li	vestock		4,287.00

<sup>\*</sup>Inventory during the 60 days prior to date of qualifying drought



#### Forage Information - Owned or Cash Leased Land in Burleigh ND County

Note: This Table Is Not Valid For All Forage Types

Pasture Type	Acres	Acres per Animal Unit (AU)	Maximum AU Capacity	Monthly Value of Forage	Mo. Feed Cost at Capacity
Native	1,100	9.0	122.22	31.18	3,810.82
Improved*	200	4.0	50.00	31.18	1,559.00
B) Total monthly feed cost at maximum carrying capacity					5,369.82

<sup>\*</sup>Improved pastureland with permanent vegetative cover.

#### **LFP Payment Estimate**

Lesser of A) and B)	4,287.00
National Payment Factor	60%
Payment (based on one mo. cost of feed or value of carrying capacity)	2,572.20
No. of monthly payments based on drought monitor	4
Payment before sequestration	10,288.80
Estimated percent reduction for sequestration	5.7%
Estimated LFP payment*	9,702.34

<sup>\*</sup>Note: this estimate does not apply to scenarios underlined in the above introduction. Actual payment may vary due to operators' grazing practices.

NDSU and its entities makes no warranties, either expressed or implied, concerning this program -





#### Resources

NDSU Drought Resource page: <a href="https://www.ag.ndsu.edu/drought">https://www.ag.ndsu.edu/drought</a>

**USDA Disaster Assistance Program Brochure:** 

https://www.farmers.gov/sites/default/files/2020-

04/FSA\_DisasterAssistance\_at\_a\_glance\_brochure\_.pdf

**USDA** Disaster Recovery Resource Page:

https://www.farmers.gov/recover

**USDA Farm Service Agency Locator:** 

https://offices.sc.egov.usda.gov/locator/app

To subscribe for USDA Email Updates:

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# Questions??

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