



Minnesota Department of Agriculture
 625 Robert St. N., St. Paul, MN 55155-6120
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

AgBMP LOAN APPLICATION

County: _____

Borrower Information: (Required for all applications) (One) First Name: _____ (One) Last Name: _____ (optional) Company: _____

Street Address: _____

City: _____ State: _____ Zip: _____ Telephone: _____

Project Information: On a Farm: Non-Farm:

If using PLS, write in T/R/S and mark where the project or practice is 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: _____

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 #: _____
 Range: _____
 Section: _____
 -----OR-----
 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	\$ _____	
Estimated Total Project Cost (all sources)	\$ _____	
Animal Units <small>(Feedlot improvements or manure handling equipment for facilities > 1000 AU that are not in the Mississippi watershed are ineligible)</small>	Beginning: _____	Ending: _____
Primary Livestock	<input type="checkbox"/> Dairy <input type="checkbox"/> Beef <input type="checkbox"/> Swine <input type="checkbox"/> Other:	
Primary Crops:	Conservation Tillage Acres AFTER Project: _____	Total Acres Farmed: _____
Approval Expiration and Other Restrictions	_____	

Project Approved by: _____ Date: _____

Project Completion Certified by (OPTIONAL): _____ Date: _____

(LGU's please email this fillable PDF form to the borrowers chosen lender.)
 (Most lender contact e-mails address can be found on the AgBMP mapping tool; click [LENDER CONTACTS LIST](#) to find your lender email)

LENDER INFORMATION & LOAN TERMS

AgBMP Loan Request	\$ _____	Check if Local Revolving Funds are used: <input type="checkbox"/> <small>Funds will not be disbursed if checked.</small>
(Optional) Additional Request #	\$ _____	Initials: _____ Date: _____
Number of payments per year:	_____	
Total Number of Payments:	_____	
Interest rate (if other 3%):	% _____	(Optional) Balloon Payment Date: _____
Lender Organization Name	_____	
Lender Address	_____	
Lender Signature:	Date: _____	

Attach copies of the invoices provided by the borrower that support the request for disbursement.
 Please Email fillable PDF and Attachments to: AgBMP.Loans@state.mn.us

Borrower Information:

Name: Enter the borrower's name (required). Only the first individual will be recorded with the MDA as the loan recipient. This information is for ease of identifying any specific loan and may be different than shown on legal loan documents. The name should be a person, even if the loan is issued to a partnership or corporation.

Company: Enter the company name of the borrower if applicable. This is an optional field.

911 Address: The address of the borrower or project. This address should be the established 911 address of the loan recipient or the project, not a PO Box. If an individual has multiple addresses, list the address closest to the project.

City, State, Zip Code, Telephone: Enter the city and zip code for the borrower's listed 911 address. Telephone is for LGU convenience.

Project Information:

Mark the "On a Farm" box if the project is related to a farm operation. Mark the "Non-Farm" if it is not associated with a farm operation. A farm is any operation reporting farm income on their tax form. The borrower does not need to prove farm income. For example, a septic system on a farm should be marked "On a Farm", even if it is not an agricultural practice.

If the borrower is a city, town, or other municipality; or if it holds an industrial waste permit, check the appropriate box.

Brief Description: Enter a brief description of the project, less than 4 lines. Describe the project in relation to water quality, for example, "Air seeder to reduce erosion", "feedlot roof structure to control runoff", "replacement septic system to protect water quality", "replace non-compliant well".

Check the appropriate box if the project qualifies because it may be a pollution source or if it violates drinking water standards.

PLS/Township – Range – Section: List the township, range, and section number (required), not the name of the township. For example, Township 101, Range 16, Section 19, not "Adams Township". List only one T/R/S coordinate per project.

Ten Acre Location: Mark on the Section map with an "X" the location of the project (required). All locations are recorded as POINT locations; therefore, marking multiple locations cannot be entered. In order of preference, please mark: the actual project location, the farm or home site of the owner of the project, the center of an area representing the project.

Latitude & Longitude: You may enter the Latitude & Longitude instead of TRS location. You do not need both.

Borrower Signature: The borrower may sign the document; however, their signature is optional on this form.

Local Government Approval:

Enter the Maximum Approved amount for the loan in the appropriate category. This value may overestimate the actual cost of the project. If the actual cost of the project exceeds the maximum approved amount, the borrower or lender must ask for an increase in the approved amount. Such changes can be indicated by entering and initialing the change by the LGU. The AgBMP program does not required bids or quotes for project approval; however the LGU may. If left blank, the maximum amount is \$200,000.

The LGU may also indicate the Expiration Date of the project's approval. On the "Other Restrictions" line, LGU can list any other limitations or requirements.

Farm Operation Information:

Enter the number of Animal Units (required for manure management and feedlot projects) in the appropriate box. The number must be less than 1000. Enter the Primary type of Production, the type of crop (corn, wheat, etc.) or the type of livestock (dairy, hogs, custom applicator). Enter the estimated amount of Conservation Tillage Acreage after the practice is complete and the total of all Farm Acres.

Project Approval: A person authorized by the LGU to approve projects must sign the Project Approval line (required).

Completion Certification:

Once the project is complete, the LGU should sign on this line; however it is NOT required for processing. The project does not need to be complete before funds are disbursed. Funds can be disbursed based on a quote or estimate if the LGU certifies the project is complete by signing on this line.

Lender Information & Loan Terms:

Enter the amount of the request. This may be UP TO the maximum approved by LGU. The lender must indicate if locally held revolving funds will be used by selecting the "Local Revolving Funds" box (required if revolving funds are used).

An optional Additional Request Line is available for multiple requests. Enter the sequential number (2,3,4) and amount of the additional request.

The lender must report the Number of Payments per Year (required) and the Total Number of Payments for the loan (required). Enter the interest rate if it is different than 3%. If the loan has a Balloon payment, give the expected date of the Balloon Payment.

The lender must identify the lending organization's name and address receiving the funds (required).

An appropriate lender representative must sign the form (required).

Submit bills, invoices, or receipts equal to or exceeding the amount requested (required).

Submitting Form:

This application form may be emailed, faxed, or mailed to the AgBMP Loan Program at the address shown.

ADDENDUM QUESTIONS TO AG BMP APPLICATION

- 1) Is this a new conservation tillage practice; one that you are not already utilizing? **Yes No**
 For example: You do not utilize any type of conservation tillage practices and are about to begin.
 Are you adding a piece of conservation tillage equipment you do not currently own/use to work with another existing conservation tillage piece of equipment? IE Adding a planter to work with an existing ripper?
- 2) Are you upgrading or replacing current conservation tillage equipment with a same/similar piece of equipment? **Yes No**
 For example: Replacing an 18ft piece of equipment with a 24ft. piece of equipment of the same or like type?
- 3) Do you LIVE or FARM within 300 feet of stream or 1,000 feet of a lake? **Yes No**
 If so, Identify stream or Lake _____
- 4) Is the purpose of your project to correct a pollution discharge as defined by the MPCA? **Yes No**
 For example: Are you replacing a septic system that has been identified as an imminent health threat?
 Are you correcting a feedlot open lot agreement issue?
 Do you hold an interim feedlot registration?
- 5) Have you, your spouse, company, corporation, partnership or other legal entity received funding through the Ag BMP program at any time prior to this project? **Yes No**
 If so, is there a balance remaining unpaid? **Yes No**
Note: State Statutes regulate how much funding one applicant can have out at any given time - \$50,000. Waseca County has set a lifetime limit of \$100,000. per applicant.
- 6) Are you a resident of Waseca County? **Yes No**
If not,
 Are you a landowner of property within Waseca County? **Yes No**
 Where? Section _____, Township _____
If not,
 What watershed do you reside/farm in that Waseca County is part of? _____
- 7) Is any portion/part of this purchase for a commercial-business use? **Yes No**
 As an example: Commercial manure management equipment for lease, rent, hired application. (Note:Farming for self is personal use).

Please note: NONE of the above questions disqualifies a person from receiving AG BMP funding.

Answers to the above listed questions allow for prioritization-ranking of projects to be funded because of limited cash supply. Projects will be prioritized upon a monthly basis as cash is available.

- 8) If your project is not funded initially, based upon its ranking and/or cash availability; would you like the project re-considered in the next funding go-round, which is scheduled to occur monthly? **Yes No**

If Yes, for how many consecutive months? ___1 ___2 ___3 ___6 ___9 ___12 (check one only)

Please note: State Funding for Ag BMP is on an annual basis running from Jan 1 – Dec. 31. Applications will NOT be held longer than 1 year for funding consideration.

****Applicants are always welcome to reapply or to apply for different projects, as allowed, under this program****

Terms of Loans

- Loan amounts are limited to **\$100,000** for most projects (raised from \$50,000. 7/07)
- Maximum Loan Length:
 - Animal Waste Storage - 10 years
 - Equipment - 5 years
 - Septic systems - 5 years
 - Well sealing - 2 years
- The maximum interest rate is 3%, interest plus usual and customary fees charged by the lender.
- The county and local banker may set additional terms and requirements for eligibility of projects.
- These loans are meant to encourage water quality protection and may only be used to solve existing water quality problems.
- Up to 80% of the total cost of conservation tillage equipment may be funded.

Comparison of Typical Interest Paid on 3% and 9% loans for 2 to 10 years.

Length of Loan (years)	Loan Amount	Total Interest Paid at 3%	Total Interest Paid at 9%	Cost Savings
2	\$5,000	\$226	\$685	\$459
5	\$5,000	\$459	\$1,427	\$968
10	\$30,000	\$5169	\$16,746	\$11,577
10	\$50,000	\$8,615	\$27,910	\$19,295

For More Information

Potential borrowers should contact the Waseca County Planning & Zoning Office for more information about loan availability in their county and to obtain application forms.

Waseca County Planning & Zoning
Mark Leiferman - (507) 835-0651

Additional County Terms

- \$150,000 accumulated lifetime limit per individual/entity (as of 11/6/07)
- \$100,000 (7/07 raised from \$50,000) loan limit per individual/entity at any given time
- When funding is limited – a ranking criteria may be applied as approved by the Waseca County Board of Commissioners
- A written estimate must be attached to the Ag BMP application
- Approval needed before construction begins



The Minnesota Department of
Agriculture

Agricultural Best Management Practices Loan Program (AgBMP)

Low Interest Financing For Water Quality Improvement



The AgBMP Loan Program

- Provides low interest financing to **farmers, rural landowners, and agriculture supply businesses** to implement practices that prevent water pollution
- Provides loans for projects that reduce existing water quality problems caused by agricultural activities or failing septic systems
- Helps landowners comply with water related laws or rules
- Can be used with state and federal cost share or other sources of funding
- Has funds available in most counties

Who May Apply for Loans

- Farmers
- Rural Landowners
- Agriculture Supply Businesses

What are Eligible Activities

- Certain feedlot improvements
- Upgrading manure storage basins and odor control
- Improved manure handling, spreading and incorporation equipment
- Terraces, waterways, streambank protection, sedimentation basins, wind breaks and other practices that prevent erosion
- Conservation tillage equipment
- Repair/replacement of most existing individual sewage treatment systems
- Replacement and sealing abandoned wells
- Most any practice that prevents water pollution

What Activities are *Ineligible*?

- Refinancing or financing of costs incurred prior to project approval
- Improvement for feedlots with more than 1,000 animal units or feedlots holding an NPDES permit
- ISTS treating more than 5000 gallons per day subsurface discharge
- Most new construction projects
- Facilities that have active criminal enforcement proceedings related to environmental regulations

Where to Apply

The program is run locally through Waseca County Planning & Zoning

Approval Process

The borrower proposes a project to the local county. If the project addresses local water quality priorities and the borrower meets eligibility requirements, the county may approve the project and refer it to a participating lender. The local lender evaluates the financial aspects of the project, decides whether to offer a loan, and if so, negotiates the final terms of the loan. The borrower can then complete the project. When completed, the borrower provides receipts or invoices for the cost of the project to the lender.



Local Decision Making

The AgBMP Loan Program allows local governments the flexibility needed to address specific local water quality concerns. The local loan fund is jointly administered by a local government and a cooperating local bank or financial institution.

The Local Government helps farmers, agriculture supply business, and landowners identify problems and find solutions to water quality issues related to the agricultural industry or failing septic systems.

The Local Banker is responsible for assessing the economics of the proposed project and determining if a loan is financially feasible for the individual. The banker makes lending decisions, administers the loans, and collects payments from borrowers. Because the money is a loan and must be repaid, only those projects that are financially feasible and provide environmental benefits will be funded.

Statewide Funding Source:

During 2010, \$1.69 million from the Clean Water Fund (CWF) was awarded to local governments (\$62 million from all sources). This program provided loans to 14 local government units that used the funds to support 40 water quality projects.

Please contact your County Planning & Zoning Office or your local Soil and Water Conservation District if you are interested in this program.

AgBMP Loan Program

EXAMPLE PRACTICES



Conservation Tillage

Chisel Plows
Disk Tillers
Cultivators
Planters and Seed Carts
Rippers
Soil Finishers
Strip Tillage
Ridge Tillage
Chopper Heads



Erosion Control

Terracing
Buffer Strips
Grass Waterways
Cover Crops
Sediment Basins



Wetland Restoration

Wetland Restoration
Shoreline Restoration

- Stabilization
- Planting



Chemical Management

Variable Rate Technology
GPS Control Systems
Flow Metering
Secondary Containment



Other Practices

Flood Control

- Ring Dikes
- Culverts and Diversions

 Well Relocation and Sealing
Conservation Drainage

- Control Structures
- Bioreactors

 Field Windbreaks
Irrigation Controls

- Metering
- Drop Heads



Feedlot Improvements

Manure Storage Basins

- Earthen Basins
- Lined Basins
- Concrete Basins
- Slurrystores



Structural Feedlot Improvements

- Concrete Slabs
- Scrape Alleys
- Retaining Walls
- Diversions and Curbing
- Pit Aprons



Landscaping and Diversions

- Filter Strips
- Natural Buffers



Livestock Exclusion

- Cattle Fencing
- Controlled Grazing
- Roof Runoff Control
- Monoslope Feedlot Conversions
- Gutters and Runoff Control



Composting Facilities Odor Control Practices



Manure Management

Manure Spreading Equipment

- Terragators
- Box Spreaders
- Liquid Manure Spreaders
- Drag Lines
- Fertigation Equipment



Incorporation Equipment

Tanker Trucks
Skid Steers
Manure Agitation and Pumping
Methane Digester



Septic Systems

Mound Septic Systems
At-Grade Systems
Septic Repair or Replacement
New Septic Systems
Cluster Systems
Central Sewer Connections



Any Practice that Improves Water Quality!

All projects must be approved by a local Soil & Water Conservation District or Environmental Office.
Please Visit our website for more information: www.mda.state.mn.us/agbmlpans