NORTH DAKOTA
LIVESTOCK DEVELOPMENT
Producer Guide to Finance and Incentive Programs

WWW.ND.GOV/NDDA
Dear Livestock Producers,

I’m humbled and honored to serve the great people of North Dakota, especially our farmers, ranchers and everyone involved in agriculture. We have thousands of outstanding producers who feed the world everyday by raising the highest-quality grains and livestock in the nation.

Still, our agriculture industry is positioned for growth. North Dakota is ready to work with producers to support animal agriculture and value-added projects that complement production agriculture. For more on these efforts, visit www.nd.gov/ndda/ag-everyone.

When it comes to growing animal agriculture, North Dakota has it all: open spaces, affordable commodities ideal for feed and forage, multiple state incentive programs, excellent biosecurity, an abundant water supply, a hard-working labor force, livestock-friendly communities, common-sense regulations that allow development while protecting our environment, and state leadership dedicated to developing and diversifying our economy.

North Dakota is a blueprint for animal agriculture designed for success. Please use this guide to answer any questions you may have and feel free to contact the North Dakota Department of Agriculture for additional resources.

Sincerely,

Doug Goehring
North Dakota Agriculture Commissioner

“As the middle class grows globally, their requirement for protein and meat protein grows also. Animal agriculture in North Dakota will benefit greatly from this.”

Agriculture Commissioner Doug Goehring
Animal Agriculture in North Dakota

From the food we eat to products we use, animal agriculture impacts everyone’s daily lives. While the industry plays a large role in North Dakota’s economy, representing approximately $2.6 billion in annual revenues and an economic impact of just over $12 billion on our main streets, our great state is suited to grow the animal agriculture industry.

With that potential in mind, the North Dakota Department of Agriculture has created the “North Dakota Livestock Development Producer Guide to Finance and Incentive Programs” to help established and potential livestock producers learn more about existing financing and tax incentive programs, as well as grant programs offered by the state.

The continued development and growth of North Dakota’s animal agriculture industry creates opportunities that complement our farmers and ranchers, gives grain producers additional marketing opportunities, allows producers the ability to diversify, better utilize processing facilities and feed mills, and increase rural economic activity by creating jobs.

As this guide details, North Dakota has multiple state agencies and organizations ready to work with producers to support animal agriculture and value-added agriculture projects through finance and tax-incentive programs.

North Dakota Agriculture Commissioner Doug Goehring views animal agriculture as an important link in the global food chain, and believes the state should do whatever it can to seize the opportunity to complement an already strong agriculture industry.

“As the middle class grows globally, their requirement for protein and meat protein grows also. Animal agriculture in North Dakota stands to benefit greatly from this,” Goehring says.

Thank you for your interest in the North Dakota’s livestock industry. We hope this guide is useful to you.
Livestock in North Dakota

Beef cattle
Commercial cow-calf operations have historically dominated areas of central and western North Dakota. Cattle outnumber people in North Dakota almost three to one and the beef cattle industry contributes more than $600 million annually to the state’s agriculture revenues. North Dakota’s most popular beef breeds include Black Angus, Red Angus, Hereford, Simmental, Charolais and Gelbvieh.

Dairy cattle
North Dakota’s dairy cows produce about 10.4 million gallons of milk annually. There are about 80 licensed dairy herds in North Dakota, with two facilities that process one or more dairy products. Most dairy cows in North Dakota are Holsteins. South central and southwestern North Dakota have the most dairy operations.

Sheep
The sheep and lamb industry in North Dakota annually raises 66,000 head, with sheep producing approximately 430,000 pounds of wool annually.

Swine
There are about 150,000 pigs raised primarily in eastern North Dakota.

Turkeys
North Dakota’s nine turkey producers raise more than 1 million turkeys annually in the southeastern part of the state. Turkey processing centers exist in neighboring South Dakota and Minnesota.

Other livestock
Other livestock raised in North Dakota include bison, horses, farm-raised elk, goats and non-traditional livestock such as white-tail and fallow deer, as well as furbearers.

Contact the Department of Agriculture
The North Dakota Department of Agriculture is available to answer any questions active or interested producers may have. Please contact:

Shaun Quissell
Government Affairs
Division Director
Phone: 701-328-4761
Email: squissell@nd.gov

Jason Wirtz
Livestock Nutrient Management / Age & Source Verification Specialist
Phone: 701-220-1628
Email: jwirtz@nd.gov

The North Dakota Department of Agriculture’s offices are located inside the State Capitol building at 600 East Boulevard Avenue in Bismarck. For more information, please contact the department at 701-328-2231 or ndda@nd.gov.
Feedstuffs are readily available in North Dakota with 11 value-added feed by-products produced in state:

- Barley malt pellets
- Beet pulp
- Canola meal
- Corn gluten feed
- Distillers grain
- Dry beans
- Pea products
- Potato
- Soybean meal
- Sunflower meal
- Wheat midlings

North Dakota livestock producers hold an advantage with the most inexpensive feed supply in the Upper Midwest and forage readily available, which in return benefits our grain producers with less dependence on export markets and transportation costs.

For the list of Ag Processing Facilities and Feed Sources, visit www.nd.gov/ndda/livestock-development-division/feed-program

For a list of North Dakota licensed feed retailers, visit www.kellysolutions.com/nd
Loans, Tax Incentives and State Programs

North Dakota and the federal government through the U.S. Department of Agriculture (USDA) and Small Business Administration (SBA) offer many finance and tax incentive programs to support animal agriculture investment in North Dakota.

In addition to these finance and tax incentive programs presented on the following pages, many jurisdictions have local investment programs available to support economic development expansion in their communities and regions. These programs are accessible through local community economic development corporations and/or regional planning council offices.

Programs that may be used for animal agriculture projects with owners/investors having greater than $750,000 net worth:

<table>
<thead>
<tr>
<th>Loan Programs</th>
<th>Background Feedlot</th>
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Tax Incentives

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* Only small or medium AFO's qualify for assistance under this program.

** These operations are considered "production agriculture" by USDA. Production agriculture is not eligible to utilize this program unless it is part of an integrated business also involved in the processing of agricultural products.

*** Requires Primary Sector designation:

- Corporate Income Exemption requires approval from the State Board of Equalization.

- Property Tax Exemption requires approval from the governing taxing body (city or county).

**** Not eligible for non-processing activities:

- Any advanced processing of waste streams from the facility to be used for fertilizer purposes, may possibly qualify for:
  - Agriculture processing plant construction materials.
  - Manufacturing, agriculture and recycling equipment sales and use tax credit.
**Finance Programs**

**North Dakota Development Fund (NDDF)**

*ND Department of Commerce: [www.nddevelopmentfund.com](http://www.nddevelopmentfund.com)*

*ND Century Code § 10−30.5: [www.legis.nd.gov/cencode/t10c30-5.pdf]*

The NDDF provides flexible gap financing through debt and equity investments for new or expanding primary sector businesses in the state of North Dakota. The NDDF also operates the Revolving Rural Loan Fund.

The NDDF makes investments of up to $1,000,000 through direct loans, participation loans, and subordinated debt and equity investments. The board may adjust the limit when deemed appropriate.

<table>
<thead>
<tr>
<th>Fund Uses</th>
<th>Amortization</th>
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<tbody>
<tr>
<td>Real Estate</td>
<td>10-15 years, not to exceed 20 years</td>
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<tr>
<td>Equipment</td>
<td>5-7 years, not to exceed 10 years</td>
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<tr>
<td>Working Capital</td>
<td>3-5 years, not to exceed 5 years</td>
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</table>

**Collateral** – All loans must be secured with a first or second mortgage in fixed assets, equipment, inventory, or other reasonable sources of available collateral.

**Project Criteria** – The following is the established criteria for the North Dakota Development Fund:

- The entrepreneur must have a realistic financial commitment at stake. Generally, principals must have a minimum of 15% equity in the project.
- Refinancing of the debt is not eligible.
- Principal shareholders with 20% or greater ownership are generally required to guarantee the debt. Other shareholders may also be required to guarantee.
- The fund will not participate in more than 50% of a projects capitalization needs.
- Financing is available to any primary sector business project except production agriculture.

**Revolving Rural Loan Fund**

This fund can be used in a community of less than 8,000 in population or is located more than 5 miles outside of the city limits.

**North Dakota Opportunity Fund**


The ND Opportunity Fund (NDOF) leverages private financing to help small businesses and manufacturers attain the loans and investments needed to expand and create jobs. The NDOF was established using funds awarded by the U.S. Department of Treasury through the State Small Business Credit Initiative (SSBCI) as authorized by the Small Business Jobs Act of 2010.

A consortium of 38 municipalities across North Dakota has received funding for operating the loan participation program. Any projects supported by the NDOF should create economic benefit to one or more of the communities in the consortium. The participating communities include:

- Almont
- Beach
- Beulah
- Bismarck
- Bowman
- Carson
- Casselton
- Crosby
- Dickinson
- Dodge
- Dunn Center
- Fargo
- Garrison
- Glen Ullin
- Halliday
- Hazen
- Hebron
- Hettinger
- Killdeer
- Lincoln
- Linton
- Mandan
- McClusky
- Minot
- Mott
- New England
- New Salem
- Regent
- Sentinel Butte
- Standing Rock Reservation
- Steele
- Turtle Lake
- Underwood
- Watford City
- West Fargo
- Williston
- Wilton
Eligibility Requirements
To be eligible a business must:
• Show the ability to service the debt and conduct business
• Show a commitment to the project
• Provide satisfactory payment history with other lenders/creditors
• Have a satisfactory credit history
• Offer acceptable collateral

Use of Funds
• Construction
• Equipment
• Working Capital
• Real Estate
• Interim SBA 504 Loans

Unqualified Uses of Funds
• Passive real estate
• Unguaranteed portion of SBA-Guaranteed loans
• Any payment of taxes
• Reimbursement of equity injection
• Purchase of any business ownership interest

Rates, Terms, and Limits
• The Loan Participation Program offers rates ranging from 4% to market rate. Projects that have the highest
development impact or provide assistance to underserved persons, or businesses impacted by natural disaster,
are eligible for the most attractive rates.
• Terms vary by asset type.
• All loans must be secured with collateral. Security arrangements are determined on a project-by-project basis.
• Loans cannot exceed $1 million and must not exceed more than 50% of the proposed project costs.

Red River Corridor Fund
www.redrivercorridorfund.com

The Red River Corridor Fund (RRCF) Collateral Support Program’s goal is to create jobs by helping increase
access to capital and enhance credit programs across North Dakota for small businesses. The RRCF was
established using funds awarded by the U.S. Department of Treasury through the State Small Business Credit
Initiative (SSBCI) as authorized by the Small Business Jobs Act of 2010.

The RRCF program was created by a coalition of 36 North Dakota municipalities who joined together to bring
capital resource to their communities. The participating municipalities are:
• Ashley
• Bottineau
• Bowdon
• Buxton
• Carrington
• Cavalier
• Clifford
• Cooperstown
• Ellendale
• Fessenden
• Finley
• Fredonia
• Gackle
• Grand Forks
• Hannaford
• Harvey
• Hillsboro
• Hope
• Jamestown
• Lamoure
• Langdon
• Lehr
• Mayville
• Milnor
• Napoleon
• New Rockford
• Oakes
• Reynolds
• Rolla
• Rugby
• Sharon
• Sheyenne
• Valley City
• Wahpeton
• Washburn
• Wishek
Eligibility Requirements

• The applicant business must be located within one of the 36 participating municipalities. However, if the business is located outside of the municipal boundary it can be deemed eligible if a participating municipality certifies that the loan will create economic benefit for their community.
• The business must have fewer than 750 employees.
• The borrower or relative cannot be an executive officer, director, or principal shareholder of the participating lender.
• Any entity whose principals have not been convicted of a sex crime against a minor.

Use of Funds

• Business loans, working capital, equipment, construction, bridge financing and more
• Funds cannot be used for refinancing existing debt, change of ownership, owner reimbursement, delinquent taxes, passive or investment real estate, speculative activities, lending, pyramid schemes, illegal activities, gambling establishments or other uses prohibited by SSBCIU.

Funding Limits and Terms

• The RRCF can help borrowers secure bank loans by pledging cash collateral for up to 25% of the loan amount. Maximum collateral pledge of $500,000.
• Maximum term of collateral support is five years.

Agriculture Partnership in Assisting Community Expansion (Ag PACE)

Bank of North Dakota: http://bnd.nd.gov/ag/ag-pace

The Ag PACE loan provides interest buydown on loans to farmers or ranchers investing in nontraditional agriculture activities to supplement farm income. The loan is used to reduce the interest rate on loans which have been approved by a local lender and BND.

Qualified Projects: Loan funds received under this program must be used for an on-farm business which is integrated into the farm operation and is intended to supplement farm income to allow the farmer to continue farming. Funds may be used for the purchase of real property, equipment, expansion, working capital and the purchase of inventory. Loan funds may not be used to refinance any existing debt.

This program is also available for nontraditional agriculture activities as defined further in the link referenced above. The total loan amount may not exceed the cost of the project. The total buydown amount per borrower may not exceed $20,000 per project or biennium. Buydown funds up to $60,000 over the lifetime of the borrower are available if applied for on a separate project or in a separate biennium. In order to receive buydown funds in excess of $20,000, the applicant must have a net worth of less than $1,000,000. State Water Commission Funds, not exceeding $20,000 per borrower, may be used to supplement Ag PACE funds to purchase irrigation equipment on new irrigated acreage.

Biofuels Pace

Bank of North Dakota: http://bnd.nd.gov/ag/biofuels-pace-program
ND Century Code § 17-03: www.legis.nd.gov/cencode/t17c03.pdf

Biofuels PACE Program provides interest buydown on loans to biodiesel, ethanol or green diesel production facilities and livestock operations. The loan is used to reduce the interest rate on loans which have been approved by a local lender and BND. There is no community match required.

Funds may be used to:

• Purchase or construct real property.
• Expand facilities.
• Purchase or install equipment including a biodigester system.
Biofuels PACE recipients are not eligible for regular PACE funds. Loan funds may not be used to refinance any existing debt or for relocation within the state. In order to qualify, the facility must be located in North Dakota.

**Livestock operations criteria:**
- Livestock operations located in North Dakota that feed, handle, milk or hold livestock while using a byproduct produced at a biodiesel or ethanol production facility.

Total buydown amount for ethanol production, biodiesel production and green diesel production is $500,000. When utilized for livestock operations, the project maximum is $250,000 to any single livestock operation.

**Beginning Farmer Loan Program (Real Estate and Chattel)**

*Bank of North Dakota: https://bnd.nd.gov/ag/beginning-farmer-real-estate-loan*

*ND Century Code § 6-09.8: www.legis.nd.gov/cencode/t06c09-8.pdf*

The Bank of North Dakota may make direct loans to beginning farmers for the purchase of farm real estate and may participate in loans to beginning farmers for the purchase of equipment and livestock.

A beginning farmer is any person who meets all of the following:
1. The person is a resident of North Dakota whose principal occupation is or will be the production of an agricultural commodity on a family farm.
2. The person intends to use the real estate, equipment, or livestock to be purchased for agricultural purposes.
3. The person has a net worth, including that of any dependents and spouse, of less than $750,000.
4. Real Estate Only - The person may not have previously owned any substantial farmland greater than 30% of the average farm size in the county where the parcel is located.
5. Chattel Only - The person may not have previously farmed for more than 15 years.

**Beginning Farmer Real Estate Program**
A direct real estate loan may not exceed 75% of the current appraised value of the farm real estate on which the Bank receives a first mortgage as security for the repayment of the loan and may not in any event exceed $500,000. The person is restricted to a lifetime cap of $500,000 under this program for the purchase of real estate.

The term of a loan made from this fund may not exceed 30 years. The interest rate will be fixed at 1% below the Bank’s then current base rate for the first five years of a real estate loan with a maximum interest rate of 6% per year and variable at 1% below the bank’s then current base rate for the next five years adjusted annually on the anniversary date. For the remaining period of a loan, interest must be charged at the Bank’s base rate as in effect from time to time and may float.

During the first ten years of a real estate loan made starting July 1, 1995, the loan may be refinanced under the BND Established Farmer or State Land Department Loan programs with no cost to the borrower. The borrower must meet all other requirements of the program selected.

**Beginning Farmer Chattel Program**
A participation loan for the purchase of equipment or livestock may not exceed 80% of the agricultural collateral value on which the Bank receives a first security interest as collateral for the repayment of the loan. The Bank is required to participate in at least 50% of the total loan, and not more than 80%, with the balance to be retained by the lead lender.

The total loan amount may not exceed $750,000. The person is restricted to a lifetime cap of $500,000 for the purchase of equipment or livestock. The term may not exceed 7 years. The interest rate on the Bank’s share of the chattel loan will be fixed at 1% below the Bank’s then current base rate for the first five years with a maximum interest rate of 6% per year and variable at 1% below the bank’s then current base rate for the next two years adjusted annually.

The lead lender’s share of the chattel loan will be set according to prevailing market rates, but may not exceed 2% over the Bank’s base rate. Interest buy down funds, to the extent available, will be used to reduce the lead lender’s rate by 4% subject to a minimum rate of 1% to the borrower.
Established Farmer Loan Program
Bank of North Dakota: https://bnd.nd.gov/ag/established-farmer-real-estate-loan
ND Century Code § 6-09-15: www.legis.nd.gov/cencode/t06c09.pdf

The Established Farmer Real Estate Loan assists a farmer or rancher with financing of agricultural purposes. The borrower must be a North Dakota resident. Proceeds must be used for agricultural purposes.

BND may lend up to 65% of the appraised value of the real estate being pledged as collateral. It requires a first mortgage on the property that is being used as collateral. In addition, BND requires an assignment of rents.

- **Loan maximum:** 25 years.
- **Interest rate:** The interest rate is market rate of interest and may be fixed or variable. Variable rate adjustments are limited to a 6% increase over the original rate during the term of the loan.
- **Fees:** The borrower must pay all costs incurred by BND related to the loan application and loan closing. Upon acceptance of BND’s commitment, a non-refundable origination fee is due prior to funding.

Family Farm Loan Program
Bank of North Dakota: https://bnd.nd.gov/ag/family-farm-loan-program
ND Century Code § 6-09-15: www.legis.nd.gov/cencode/t06c09.pdf

The Family Farm Loan Program allows a farmer to purchase or refinance land, equipment or livestock or to restructure operating debt. The borrower is a farmer or rancher who is a North Dakota resident with farming experience and training to operate a family farm and to make proper use of the loan. The applicant’s net worth may not exceed $750,000.

Proceeds may be used for:
- Purchase or refinancing agricultural real estate
- Permanent improvements to agricultural real estate
- Purchase or refinancing farm equipment
- Purchase or refinancing livestock
- Restructure of operating debt carryover

BND’s participation amount is limited to the lesser of $500,000 or 90% of the total loan amount.

- **Interest rate:** The interest rate on BND’s percentage will float at 1% below BND’s base rate. The interest rate will never exceed 11%. The interest rate charged by the lead financial institution on its share of the loan may not exceed the base rate plus 2% on variable rate loans and 3.5% over the corresponding Federal Home Loan Bank Advance Rate on fixed rate loans.
- **Fees:** No fees are charged by BND.

Farm and Ranch Bank Participation Loan Program
Bank of North Dakota: https://bnd.nd.gov/ag/farm-and-ranch-participation-loan-program
ND Century Code § 6-09-15: www.legis.nd.gov/cencode/t06c09.pdf

BND assists a financial institution with a borrower whose financing needs have outgrown the legal lending or exposures limits of the originating lender. The loan must serve the legitimate credit needs of the state and is made on a sound and collectible basis.

BND will consider a broad range of loan applications. Desirable loans include, but are not limited to:

- Construction, conversion, expansion, repair and update of farm improvements
- Purchase of real estate
- Purchase of livestock
- Purchase, repair and update equipment
Operating needs
- Refinancing an existing loan
- For any other reasonable agricultural purpose

The total loans and extensions outstanding at any one time to a single borrower may not exceed 15% of BND’s total capital.

**Interest rate:** The interest rate on BND’s participation percentage is set in accordance with either the loan policies for the program or the current market rate for similar loans. Factors such as risk, liquidity of collateral, equity position, repayment and the term of the loan will be taken into consideration.

**Fees:** Commitment fees, origination fees and service fees may be charged. These fees depend on the loan request and are reviewed on an individual basis.

BND places primary emphasis on a borrower’s ability to repay a loan rather than upon the collateral pledged as security. A specific source of repayment must be identified and agreed upon by all parties. This source must reasonably assure repayment. The repayment terms assigned will vary depending upon the use of proceeds and the overall nature of the business. The following maturities are general guidelines:

- **Equipment and livestock:** 5-7 years
- **Real estate:** 15-25 years

**Farm Operating Loan Program**

Bank of North Dakota: https://bnd.nd.gov/ag/family-farm-loan-program

ND Century Code § 6-09-15: www.legis.nd.gov/cencode/t06c09.pdf

This loan assists farmers and ranchers with operating loans. The borrower is a farmer or rancher who is a North Dakota resident and owns/operates an existing farm or ranch. The borrower’s debt-to-asset ratio must exceed 50% or the borrower must have a net worth of less than $750,000.

Proceeds may be used for the current operating year of an existing farm or ranch. The loan may not be used to make any interest payment, principal payment or capital expenditure.

BND’s participated share is limited to the lesser of $500,000 or 65% of the total loan amount. BND’s participated loan amount may not exceed 65% of the total loan amount. Borrower must work with a local lender to submit the loan application. Lead lender is responsible for servicing the loan.

**Interest rate:** The interest rate on BND’s participation percentage shall be variable at 1% below BND’s base rate. The interest rate charged by the local lender on its percentage may float with BND’s base rate, but may not exceed BND’s base rate by more than 2%.

**Fees:** No origination fee is charged by BND.

The maturity date of this loan may not exceed one year. No renewal or extension may be approved beyond the initial maturity date of the loan except in the case of a livestock producer retaining ownership. All advances are made and payments received on a pro-rated basis.

**Farm Real Estate Loan Guarantee Program**

Bank of North Dakota: https://bnd.nd.gov/ag/farm-real-estate-loan-guarantee-program

N.D.C.C. § 6-09.7-09: www.legis.nd.gov/cencode/t06c09-7.pdf

This loan assists farmers with purchasing or restructuring agricultural real estate loans by providing a financial institution with an 80% guarantee of total loans that do not exceed $400,000 to an individual borrower.

BND may guarantee up to 75% of the amount of principal due to the lender. The total of agricultural real estate loans to be guaranteed may not exceed $400,000 to an individual borrower. BND may approve a guarantee on a loan up to 75% of the certified appraised value of the agricultural real estate.
If used in conjunction with other BND programs, BND may have no more than $8,000,000 in outstanding loan guarantees under the farm real estate loan guarantee program.

**Interest rate:** The guarantee fee may be included in the loan or in the rate charged by the lender. The lender may charge an interest rate not to exceed the Bank’s base rate plus 2% on variable rate loans and 3.50% over the corresponding Federal Home Loan Advance Rate on fixed rate loans.

**Fees:** The fee is .5% per year or a onetime fee of 1.5% of the guaranteed portion. The guarantee fee may be included in the loan or in the rate charged by the lender.

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**Value-Added Agriculture Equity Loan Program (Envest)**

Bank of North Dakota: https://bnd.nd.gov/ag/envest  
N.D.C.C. § 6-09-15: www.legis.nd.gov/cencode/t06c09.pdf

**Lead Lender:** The lead lender may be a bank, bank holding company, state or federally chartered lending agency or institution, or any other financial institution.

**Borrower:** Must be a North Dakota resident. To be eligible under this program, the borrower may own no more than 25% of the project.

**BND Funding Limit:** Up to 70% of the total loan amount.

**Use Of Proceeds:** For the purchase of shares in start-up or expansion of ag processing plants intended to process North Dakota grown products. It is desirable that the plant be located in North Dakota; however, exceptions may be made based on the overall economic benefits to the state. Project ownership may be other than a cooperative business structure if the intent of this loan program is met. This program may also be used to purchase shares from another individual or legal entity.

**Interest Rate:** BND portion to float at BND base rate less 1%. The interest rate charged by the lead financial institution on its share of the loan may not exceed the Bank’s base rate plus 2%.

**Term:** 5-7 years depending on security being offered. Principal payments may be deferred up to two years; however, interest must be paid at least annually.

**Collateral:** Adequate collateral will be required to protect the bank. Acceptable collateral may consist of machinery, farm land or similar items with a determinable market value.

**Credit criteria:** Must meet bank’s standard credit criteria including demonstrated repayability of all debt.

**Maximum amount:** Negotiable

**Additional parameters:** An additional use of loan proceeds is for the purchases of equity shares in a North Dakota feedlot or dairy operation that must feed a byproduct of an ethanol or biodiesel facility. The Borrowing Rate shall be established over the term of the loan at a maximum of 4% below the Yield Rate and may not be less than 1%. The Borrowing Rate and Yield Rate are further described in the Ag PACE information. The total buy down amount per borrower may not exceed a lifetime cap of $20,000. A farmer that receives interest buy-down from the Ag PACE fund is not eligible to receive interest buy down under ENVEST for funds to be invested in the same project.

BND will use available dollars in the Beginning Farmer Revolving Loan Fund to reduce the interest rate of the borrower on loans made for this eligible use. Transfers from the Beginning Farmer Revolving Fund may not exceed $1 million during a biennium.
USDA Guaranteed Loan Purchase Program
Bank of North Dakota: https://bnd.nd.gov/business/usda-guaranteed-loan-purchase-program
N.D.C.C. § 6-09-15: www.legis.nd.gov/cencode/t06c09.pdf

The USDA (United States Department of Agriculture) Guaranteed Loan Purchase Program provides low interest rate loans to North Dakota businesses with bank financing that includes a loan guarantee from a federal government program such as the USDA Rural Development Business & Industry Loan Programs.

BND can participate in a government guaranteed loan by purchasing the guaranteed portion of the promissory note. The purchase is conditioned upon the borrower receiving the benefit of the lower interest rate on the purchased portion of the note.

USDA Farm Service Agency (FSA) Farm Operating Loans
USDA Farm Service Agency - North Dakota: www.fsa.usda.gov/programs-and-services/farm-loan-programs/farm-operating-loans/index

FSA’s Direct Farm Operating loans are available to start, maintain and strengthen a farm or ranch. For new agricultural producers, FSA direct farm operating loans provide an essential gateway into agricultural production by financing the cost of operating a farm.

**Use of Funds**

Loans must be essential to the success of the farming operation and only for the following purposes:

- Costs associated with reorganizing a farm to improve profitability
- Purchase of livestock, including poultry
- Purchase farm equipment
- Farm operating expenses
- Minor improvements or repairs to buildings
- Refinance certain farm-related debts, excluding real estate
- Land and water development, use, or conservation
- Loan closing and borrower training costs

**Rates, Terms and Limits**

- The interest rate charged is always the lower rate in effect at the time of loan approval or loan closing for the type of loan wanted. Interest rates are calculated and posted the first of each month. Repayment terms vary depending upon the purpose of the loan, the loan applicant’s ability to pay, and when income is projected to be available.
- General operating and family living expenses are normally due within 12 months or when the agricultural commodities sell. For larger purchases, such as equipment, minor repairs, or livestock, the term will not exceed 7 years.
- The maximum loan amount for a Direct Farm Operating Loan is $300,000. There is no down payment requirement.

USDA—Farm Service Agency (FSA) Farm Ownership Loans
USDA Farm Service Agency - North Dakota: www.fsa.usda.gov/programs-and-services/farm-loan-programs/farm-ownership-loans/index

FSA’s Farm Ownership Loans are designed to assist farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations. There are three types of Direct Farm Ownership Loans: “regular,” joint financing, and down payment depending upon individual needs. These loan programs do not require previous farm ownership and may provide 100% financing.

**Use of Funds**

Loans must be essential to the success of the farming operation and only for the following purposes:
• Costs associated with reorganizing a farm to improve profitability
• Purchase of livestock, including poultry
• Purchase farm equipment
• Farm operating expenses
• Minor improvements or repairs to buildings
• Refinance certain farm-related debts, excluding real estate
• Land and water development, use, or conservation
• Loan closing and borrower training costs

Rates, Terms and Limits

• The interest rate charged is always the lower rate in effect at the time of loan approval or loan closing for the type of loan wanted. Interest rates are calculated and posted the first of each month. Repayment terms vary depending upon the purpose of the loan, the loan applicant’s ability to pay, and when income is projected to be available.

• General operating and family living expenses are normally due within 12 months or when the agricultural commodities sell. For larger purchases, such as equipment, minor repairs, or livestock, the term will not exceed 7 years.

• The maximum loan amount for the three programs are:
  • “Regular” Direct Farm Ownership loan is $300,000.
  • Joint Financing or Participation Farm Ownership loan is $300,000.
  • Direct Farm Ownership Down Payment program will not exceed 45% of whichever is the lesser amount of:
    • The purchase price;
    • The appraised value of the farm being purchased; or
    • $667,000, subject to the direct Farm Ownership dollar limit of $300,000.
  • The balance of the purchase price not covered by the down payment loan and applicant down payment may be financed by a commercial, cooperative, or private lender, including the seller. The financing provided by FSA and all other creditors cannot exceed 95% of the purchase price. An FSA guarantee may be used if financing is provided by eligible lenders.

USDA−Farm Service Agency (FSA) Guaranteed Farm Loans

USDA Farm Service Agency - North Dakota: www.fsa.usda.gov/programs-and-services/farm-loan-programs/guaranteed-farm-loans/index

FSA’s Guaranteed Farm Loan Programs helps family farmers and ranchers to obtain loans from USDA-approved commercial lenders at reasonable terms to buy farmland or finance agricultural production.

FSA guarantees farm loans up to 95% against possible financial loss of principal and interest. FSA can guarantee standard Operating loans, Farm Ownership loans, and Conservation loans up to $1,399,000. This amount is adjusted annually each Fiscal Year based on inflation. The EZ Guarantee Program is available for smaller loans. This program provides a simplified Guaranteed Loan application process to help small, new or underserved family farmers with early financial assistance.

The EZ Guarantee is available for loan applications up to $100,000 for farm operating or farm ownership purposes.

Rates, Terms and Limits

• The interest rate charged is always the lower rate in effect at the time of loan approval or loan closing for the type of loan wanted. Interest rates are calculated and posted the first of each month. Repayment terms vary depending upon the purpose of the loan, the loan applicant’s ability to pay, and when income is projected to be available.

• Repayment terms vary according to the type of loan made, the collateral securing the loan, and the producer’s
ability to repay. Operating Loans are normally repaid within 7 years and Farm Ownership loans cannot exceed 40 years. All advances on an Operating Line of Credit must be repaid within 7 years of the date of the loan guarantee.

- Up to $1,399,000 guarantee on Operating loans, Farm Ownership loans, and Conservation loans. Up to $100,000 through the EZ Guarantee program for farm operating or farm ownership.

Livestock Waste Management System Loan Program

N.D.C.C. § 6-09-15: www.legis.nd.gov/cencode/t06c09.pdf

The primary purpose of this program is to reduce and/or prevent water quality impacts associated with livestock waste by providing low interest financial assistance to livestock producers for installing waste management facilities. Application for the program is done through the Bank of North Dakota, however, will require final approval from the North Dakota Department of Health.

Loan proceeds may be used for the purchase of materials and/or services for the design or construction of an approved waste management system. Adequate collateral protection must be provided.

Eligible facilities include small or medium (1,000 head or less) animal feeding operations that require renovation or relocation to fully address surface and/or ground water impacts.

The borrower must be a livestock producer in North Dakota who has been approved by the North Dakota Department of Health to install a waste management system.

The maximum loan amount will not exceed $100,000 per borrower. The term of a loan may not exceed 10 years. The interest rate is fixed at 5% for 10 years, which includes a .25% service fee.

SBA 504

Dakota CDC: www.dakotacd.com/programs/sba-504/
Lake Agassiz Development Group: www.lakeagassiz.com/business-lending/504-loan-program/
Lewis & Clark Regional Development Council: www.lewisandclarkcdc.org

The goal of the SBA 504 program is to create and retain jobs through long-term financing of real estate and equipment at a fixed, below-market interest rate. Businesses often have difficulty qualifying for traditional financing due to required down payments of 20% or more. Loans through the 504 Program can finance 90% (504 loan plus third-party lender loan) of a project’s cost for qualifying businesses, preserving cash flow during a longer repayment term.

Loan amounts: $50,000 to $5 million (up to $5.5 million in certain cases)

Down payment: Minimum 10%

Eligible projects: The SBA portion of these 504 financing packages may be used for the following fixed-asset projects:
- Real Estate acquisition, construction, renovation or expansion, including the purchase of land.
- Land and site improvements, including grading, streets, parking lots, utilities or landscaping.
- Purchase and installation of new or used machinery and equipment.
- Interest on interim financing.
- Professional fees directly attributable and essential to the project such as surveying, engineering, architectural or legal.
- Business acquisition or partner buyout of the above uses may be eligible
- Limit debt refinance may be eligible

Eligible businesses: For-profit corporations, limited liability companies, partnerships or proprietorships with net
worth not more than $15 million and average net income not exceeding $5 million in the past two years. The project being financed must demonstrate economic impact on its community, primarily through job creation or retention or some public policy objective. Ineligible businesses include investment companies, gambling facilities and lending institutions.

**Collateral and security:** Mortgage on the land and building being financed; liens on machinery, equipment and fixtures; lease agreements, and personal guarantees from individuals with 20% or more ownership in the company (or limited guarantees from those with less than 20% ownership). The participating lender receives the first lien on the collateral; SBA holds the second lien.

**Terms:** 10 years for machinery and equipment; 20 years for real estate

**Rate:** Fixed rate determined at the time 504 loan is funded, 6-8 weeks after project's completion

**Interim Financing:** Funding of the 504 portion of the loan package usually takes place within two months after the project is completed. This means that interim financing is required, usually by the local financial institution that holds the first mortgage or lien; the participating lender advances capital as the project begins and is repaid from the proceeds of the SBA debenture.

**USDA Business & Industry (B&I) Loan Guarantee**

United States Department of Agriculture: [https://www.rd.usda.gov/programs-services/business-industry-loan-guarantees#footnote2](https://www.rd.usda.gov/programs-services/business-industry-loan-guarantees#footnote2)

The United States Department of Agriculture (USDA) B&I Loan Guarantee Program is a loan guarantee program designed to assist credit-worthy rural businesses obtain needed credit for most any legal business purpose. The intent is to save and create jobs in rural America.

The B&I Loan Guarantee program specifically excludes providing a loan guarantee to any entity engaged in production agriculture. However, there is an exclusion as it relates to this restriction. This exclusion states:

Agricultural production, when not eligible for Farm Service Agency (FSA) farm loan programs assistance and when it is part of an integrated business also involved in the processing of agricultural products. Any agricultural production considered for guaranteed loan financing must be owned, operated, and maintained by the business receiving the loan for which a guarantee is provided. Except for cooperative stock purchase loans in accordance with § 4279.115(a), independent agricultural production operations are not eligible, even if not eligible for FSA farm loan programs assistance.

- The agricultural-production portion of any loan must not exceed 50% of the total loan or $5 million, whichever is less. Examples of potentially eligible agricultural production include, but are not limited to: an apple orchard in conjunction with a food processing plant; poultry buildings linked to a meat processing operation; or sugar beet production coupled with storage and processing.

The percentage of the loan that is guaranteed varies depending upon the size of the loan:
- 80% guarantee of loan amounts up to and including $5 million;
- 70% guarantee of loan amounts greater than $5 million up to and including $10 million;
- 60% guarantee of loan amounts greater than $10 million.
- The farm bill also provides for 90% guarantees for high-priority projects under $10 million. However, USDA exercises that authority infrequently.
Tax Incentives

Income Tax Exemption

North Dakota Tax Department: www.nd.gov/tax/user/businesses/exemptionsrefundscredits---businesses/income-tax- incentives
N.D.C.C. § 40-57.1: www.legis.nd.gov/cencode/t40c57-1.pdf

A primary sector may qualify for a 100% income tax exemption for up to five years. “Primary sector” refers to “an individual, corporation, limited liability company, partnership, or association certified by the department of commerce division of economic development and finance which through the employment of knowledge or labor adds value to a product, process, or service which results in the creation of new wealth.”

Eligibility is limited to a new business or to an existing business that expands its operations in North Dakota.

A business is not eligible for the exemption if:
• the business received a property tax exemption under tax increment financing,
• there is an outstanding recorded lien for delinquent property, income, sales or use taxes against the business
• the exemption fosters unfair competition or endangers existing business.

An application for the exemption must be made to the State Board of Equalization within 12 months either before or after the date the project is completed. The State Board of Equalization reviews applications and approves or denies based upon the qualification and the merit of each individual applicant.

Manufacturing, Agricultural, or Recycling Equipment Sales Tax Exemption

N.D. Tax Department: www.nd.gov/tax/user/businesses/exemptionsrefundscredits---businesses/sales-tax-exemptions

This program may possibly be considered if an animal agriculture project processes a product or a waste stream into a marketable product.

A new or expanding plant may exempt machinery or equipment from sales and use taxes if it is:
• used primarily for manufacturing or agricultural processing, or
• used solely for recycling.

The expansion must increase production volume, employment, or the types of products that can be manufactured or processed.

Agricultural Processing Plant Construction Materials Sales Tax Exemption

N.D. Tax Department: www.nd.gov/tax/user/businesses/exemptionsrefundscredits---businesses/sales-tax-exemptions

This program may possibly be considered if an animal ag project processes a product or a waste stream into a marketable product.

Gross receipts from sales of tangible personal property used to construct an agricultural commodity processing facility in this state are exempt from taxes under this chapter. To be exempt, the tangible personal property must be incorporated in the structure of the facility or used in the construction process to the point of having no residual economic value.
Property Tax Exemption or Payment In Lieu of Property Taxes

Parameters for property tax exemptions

A new or expanding business project that is certified as a primary sector business by the Department of Commerce Division of Economic Development and Finance may be granted a property tax exemption for up to five years. Two extensions are available:

- Agricultural processors may be granted a partial or full exemption for five additional years.
- A project located on property leased from a government entity qualifies for an exemption for up to five additional years upon annual application by the project operator.

Qualifications

To qualify, a project must be a new or expanded revenue-producing primary sector enterprise. All buildings, structures or improvements used in, or necessary to, the operation of the project qualify. The structure might be the project's buildings or the project's quarters within a larger building. Land does not qualify for an exemption. A project is not eligible for an exemption if:

- A tax exemption was received under tax increment financing, or
- the governing body determines the exemption fosters unfair competition or endangers existing business.

In addition to, or instead of, an exemption, local governments and any project operator may negotiate payments in lieu of property tax for a period of up to 20 years from the date project operations begin.

Application Procedures

- The project operator applies to the city governing body if the project is located within city boundaries, or the county commission if the project is located outside city boundaries.
- The application for exemption must be made and approved before construction of a new structure begins. If an existing structure will be occupied, application must be made and approved before the structure is occupied.
- Payments in lieu of taxes may be approved after construction or occupancy of a structure.
- Nonvoting representation of affected school districts and townships must be included in the negotiation and deliberation of granting a property tax exemption or payment in lieu of taxes for new or expanding businesses.
- The project operator must publish two notices in the official newspaper of the city or county at least one week apart if the appropriate governing body determines there are local competitors. The last notice must be published at least 15 days, but not more than 30 days, before the application is considered.

Grant Programs

Agricultural Products Utilization Commission (APUC)

The mission of APUC is to create new wealth and employment opportunities through the development of new and expanded uses of North Dakota agricultural products. This is accomplished through the administration of a grant program.

Applicants are considered for funding within seven different grant categories: basic and applied research, marketing and utilization, nature based agri-tourism, technical assistance for value-added businesses, farm diversification, agricultural prototype development, and agricultural technologies.

Qualifying APUC grants are limited to companies registered with the North Dakota Secretary of State, groups, and individuals that add value to North Dakota agriculture.
Livestock Pollution Prevention Program (LP3)
North Dakota Department of Agriculture: www.nd.gov/ndda/program/livestock-pollution-prevention-program

The LP3 is a cost-share grant program designed to help North Dakota livestock operators manage waste produced from their livestock operations. The LP3 offers two options for cost-share assistance – full containment systems and partial containment systems. The full containment option is geared toward beef feedlots, dairy, hog, larger cow/calf operations, and large poultry operations. The partial containment option addresses most cow/calf operations.

Partial containment option:
- Cost share of up to 60% of eligible expenses up to $25,000 for clean water diversions and winter grazing systems that include portable windbreaks and waterlines/waterers.

Full containment option:
- Cost share of up to 60% of eligible expenses up to $175,000 for excavation, ponds, lots, diversions, heavy-use pads, fencing, waterers, access roads, and windbreaks.

North Dakota New Jobs Training Program
Job Service North Dakota: www.jobsnd.com/business/business-related-resources
N.D.C.C. § 52-02.1: www.legis.nd.gov/cencode/t52c02-1.pdf

This workforce training grant program provides a mechanism for primary sector businesses to secure funding to help offset the cost of training new employees for business expansion and/or startup.

Funding Assistance
Funds are made available through the capture of the state income tax withholding generated from permanent, new full-time positions that are created. The value of those withholding collections is then transferred to the company on a quarterly basis.

The state income tax withholding can be captured for up to a 10-year period. A one-time 5% administration fee is due to Job Service North Dakota after the final agreement is in place, due and payable when the final agreement has been signed. This fee is based on the project amount of the agreement over the 10-year period.

Business Eligibility Criteria
- Primary Sector Business.
- A new employer locating in North Dakota must create a minimum of five new jobs.
- Expanding business must increase its base employment level by a minimum of one new job.
- A business must not be closing or reducing its operation in one area of the state and relocating substantially the same operation to another area of the state.
- Employees in eligible new positions must be paid a minimum of $10 per hour plus benefits by the end of the first year of employment under the project and for the remaining life of the agreement.
Permitting & Zoning Requirements

Application submissions required by North Dakota Department of Health for qualified AFOs and all CAFOs

Approval to Operate
www.ndhealth.gov/WQ/AnimalFeedingOperations/LivestockApplication.pdf

For a qualified animal feeding operation (AFO) or all concentrated animal feeding operations (CAFOs) to operate in North Dakota, the project operator may be required to obtain a state issued permit that provides an “Approval to Operate.”

- This document is an application to receive a determination of no potential to pollute and approval to operate a livestock feeding operation in North Dakota (sometimes referred to as the Animal Feeding Operations Permit).
- The Approval of Livestock Waste Facility application (SFN 8296) is not an all-inclusive application. It is important for project operators to know they should contact the North Dakota Department of Health (Department) and their local public health unit to discuss their project and the required application submission and reporting requirements.

North Dakota Pollutant Discharge Elimination System Permit

A CAFO may possibly be required to apply for a NDPDES / NPDES permit:

North Dakota is a state which has authority to issue the Environmental Protection Agency (EPA) National Pollutant Discharge Elimination System (NPDES) permit. This permit in North Dakota is referred to as the North Dakota Pollutant Discharge Elimination System permit (NDPDES).

The operator of a CAFO is required to obtain a NDPDES permit if their operation is deemed a point source that discharges pollutants to waters of the United States. It is important for project operators to know they should contact the Department and their local public health unit to discuss their project to determine which permits they must obtain and specific application and reporting requirements.

- Do I Need a Permit?

This Department document provides information to guide a reader to better understand under what conditions an AFO may be required to obtain a state Approval to Operate permit or a North Dakota Pollutant Discharge Elimination System (NDPDES) discharge permit. A key point to make is that a CAFO is not mandated to obtain a NDPDES permit. Please contact the Department with any questions.


- Comparison Chart for Animal Feeding Operations

This Department of Health document provides a breakdown of livestock feeding operation manure management permitting and reporting as it relates to Large CAFOs, Medium AFOs and Small AFOs.


North Dakota Animal Feeding Operations Design Manual:

The North Dakota Livestock Program Design Manual (design manual) establishes guidelines for use by the Department in the review and permitting process for CAFOs and AFOs, as defined by North Dakota Administrative Code (NDAC) Section 33-16-03.1-03.

CAFOs and AFOs must be located, designed, built, maintained and operated to prevent the discharge of wastes into waters of the state as required by North Dakota Century Code (NDCC) Chapter 61-28, NDAC Chapter 33-16-01, and NDAC Chapter 33-16 -03.1, and, to the extent practicable, consistent with the policies and
guidelines of this manual, best professional judgment, and best management practices.


Contacts
North Dakota Department of Health
Karl Rockeman                        Marty Haroldson
Division of Water Quality            Division of Water Quality
Director, Environmental Health Section Wastewater Facility/Permits
krockema@nd.gov                     mharolds@nd.gov
701-328-5210                        701-328-5234

Application submissions required by the Office of the State Engineer

Conditional Water Permit

A Conditional Water Permit is required for all projects, including animal ag projects if they are going to appropriate or store more than 12.5 acre-feet of water annually.

In most cases, animal ag projects that use less than 12.5 acre-feet must notify the state engineer at the North Dakota State Water Commission and report the location and the acre-feet capacity, stored or utilized, once the facilities are constructed.

- North Dakota State Water Commission and Office of the State Engineer appropriation information regarding water permits: www.swc.nd.gov/leg_approp/waterpermits
- Application to apply for a Conditional Water Permit (SFN 60157): www.swc.nd.gov/pdfs/conditional_water_permit_sfn60157.pdf
- Water Permitting Fact Sheet: This North Dakota State Water Commission fact sheet provides information outlining the requirements and process for obtaining a Conditional Water Permit, which provides for reserving a specific amount of water for a specific use: www.swc.nd.gov/pdfs/water_permitting_process.pdf
- Water Permitting Process Chart: This North Dakota State Water Commission document is a flowchart that outlines the specific process for determining whether a water permit is required and if so, the specific steps required to apply for the permit. www.swc.nd.gov/pdfs/water_permitting_process_chart.pdf

Contact
North Dakota State Water Commission & Office of the State Engineer
900 East Boulevard Avenue, Department 770
Bismarck, ND  58505-0850
Jim MacArthur
701-328-3441 or 701-328-2750
jmacarthur@nd.gov
Construction Permit for Water Control Structure

A construction permit is required from the Office of the State Engineer if a water control structure is constructed or modified and is capable of retaining, diverting, or obstructing more than:

- 50 acre-feet for dikes, other devices, and low-hazard dams
- 25 acre-feet for medium-hazard and high-hazard dams
- Construction permit information: [www.swc.nd.gov/reg_approp/ConstructionPermits](http://www.swc.nd.gov/reg_approp/ConstructionPermits)
- Application/notification to construct or modify a dam, dike, rink dike or other water resource facility: [www.swc.nd.gov/pdfs/sfn51695_construction_modify_dam_dike.pdf](http://www.swc.nd.gov/pdfs/sfn51695_construction_modify_dam_dike.pdf)

Contact
North Dakota State Water Commission & Office of the State Engineer
900 East Boulevard Avenue, Department 770
Bismarck, ND  58505-0850
Patrice Hess
701-328-2752 or 701-328-2750
phess@nd.gov

Sovereign Lands Permit

An animal ag project will be required to obtain a sovereign lands permit if any portion of that project, or any infrastructure placement will occur on North Dakota sovereign lands. North Dakota's sovereign lands are those areas, including the beds and islands, lying within the ordinary high watermark of navigable lakes and streams. Sovereign lands are publicly owned lands that are managed for the benefit of the citizens of the state.

North Dakota Century Code § 61-33-05 states the state engineer shall “manage, operate, and supervise” sovereign lands. The state engineer has adopted administrative rules (Administrative Code § 89-10) to create a framework to follow legislative directives in the management of North Dakota’s sovereign lands.

- Office of the State Engineer Sovereign Lands Brochure: This document provides a brief explanation of North Dakota’s sovereign lands, as well as links to additional information and a flowchart to help determine if a sovereign lands permit is required. [www.swc.nd.gov/pdfs/sov_land_brochure.pdf](http://www.swc.nd.gov/pdfs/sov_land_brochure.pdf)
- Application to apply for Authorization to Construct on Sovereign Lands Permit [www.swc.nd.gov/pdfs/sovereign_land_app.pdf](http://www.swc.nd.gov/pdfs/sovereign_land_app.pdf)

Contact
North Dakota State Water Commission & Office of the State Engineer
900 East Boulevard Avenue, Department 770
Bismarck, ND  58505-0850
Gerald Heiser
701-328-4935 or 701-328-2750
gheiser@nd.gov or sovereignlands@nd.gov
Application Submissions Required by the U.S. Clean Water Act

Section 404 Permit

Any large animal ag project that would result in the discharge of dredged or fill material into waters of the United States may be subject to a Section 404 Permit. Section 404 of the Clean Water Act regulates the discharge of dredged or fill material into waters of the United States, including wetlands. Regulation of Section 404 falls under the oversight of the U.S. Army Corps of Engineers.

- **Section language:** [www.epa.gov/cwa-404/clean-water-act-section-404](http://www.epa.gov/cwa-404/clean-water-act-section-404)
- **Section 404 Application to the U.S. Army Corps of Engineers (Form 4345):** [www.usace.army.mil/Portals/2/docs/civilworks/regulatory/engform_4345_2014dec.pdf](http://www.usace.army.mil/Portals/2/docs/civilworks/regulatory/engform_4345_2014dec.pdf)

Contact

US Army Corps of Engineers
North Dakota Regulatory Office
1513 South 12th Street
Bismarck, ND  58504
701-255-0015  (Regulatory Admin Extension: 2006)

Zoning Requirements

Through North Dakota Century Code (NDCC), local governments are provided the authority to regulate real property and the development of that property through zoning regulations. This regulatory authority includes establishing rules for siting animal feeding operations such as CAFOs.

The state of North Dakota does, however, maintain a level of regulatory control as it relates to animal feeding operations. If a county (Title 11 of NDCC) or township (Title 38 of NDCC) has not established a zoning ordinance relative to an animal feeding operation, that county or township is subject to the zoning setback rules outlined in NDCC 23-25-11(7).

County and Township Zoning Regulations for Animal Feeding Operations

- The following website directs you to a state map that allows you to click on a county to review zoning regulations relative to CAFOs in that county and/or townships within the county: [www.ndhealth.gov/WQ/AnimalFeedingOperations/CountyZoning/Default](http://www.ndhealth.gov/WQ/AnimalFeedingOperations/CountyZoning/Default)
  Counties or townships that do not have zoning regulations listed on the map either have not yet established any ordinance relative to CAFOs or have not yet submitted their ordinance for inclusion on the map. Any project operator considering an AFO or CAFO should contact the local governing jurisdiction and request a copy of that jurisdictions most recent zoning ordinance.

Model Zoning Ordinance for Animal Feeding Operations

- The following website will take you to a document that provides a reference, or model for a county or township to consider when creating zoning ordinances to govern the siting of a CAFO: [www.ndhealth.gov/WQ/AnimalFeedingOperations/AnimalFeedingZoning.pdf](http://www.ndhealth.gov/WQ/AnimalFeedingOperations/AnimalFeedingZoning.pdf)

Interactive map of North Dakota county office contacts

[www.ndaco.org/about-counties/interactive-map](http://www.ndaco.org/about-counties/interactive-map)

2005 North Dakota Planning Handbook
