

AE1674 (Revised March 2022)

Funding Assistance Programs for Irrigation Development in North Dakota

Financial incentives for irrigators and irrigation districts

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Programs for Individual Irrigators

■ Bank of North Dakota (BND) Programs

AgPACE (Agricultural Partnership in Assisting Community Expansion)

- The program may be used only for new irrigated acres.
- The Ag PACE program is an interest rate buy-down program available to farmers to create an on-farm business integrated into the farm operation.
- The producer initiates the loan through a local lender, who requests the participation of the BND.
- The interest rate buy-down is up to 4% below yield rate. The maximum buy-down per borrower may not exceed \$20,000 per biennium, with a lifetime cap of \$60,000.
- To receive buy-down funds in excess of \$20,000, the applicant must have a net worth of less than \$1 million.
- For irrigation development, an additional \$20,000 is available from the North Dakota Department of Water Resources through the BND for a total buy-down of \$40,000 for the first-time borrower.
- The Ag PACE program is limited to the interest buy-down maximums, whether it is through one or more loans.

■ For more information, call:

701-328-5600

or visit the Bank of North Dakota website at bnd.nd.gov/ag/ag-pace/.

■ Natural Resources Conservation Service

U.S. Department of Agriculture

Environmental Quality Incentives Program (EQIP)

- EQIP is a voluntary program that offers farmers and ranchers a tool to address their natural resource concerns while achieving environmental benefits.
- Owners of land or persons who are engaged in livestock, agricultural or forest production and have a natural resource concern may participate in the EQIP program.
 - *To be eligible, land must have been irrigated at least two of the last five years and meet Natural Resource Conservation Service soil/water quality compatibility standards and hold a current water permit.*
- EQIP offers a suite of Irrigation Water Management practices and structural conservation practices with financial and technical assistance. Assistance is available for practices that result in a net water savings in the current water application method or for conversion to a more efficient water application method.
- Financial assistance is based on a payment schedule that accounts for a typical irrigation installation cost.
 - *Limited-resource and beginning farmers may be eligible for a higher rate of financial assistance.*
- Program participants will be required to implement an irrigation water management plan.
- The program also offers technical assistance in the design of the system.
- Applications are accepted on a continual basis for the program. NRCS established application deadlines for evaluation and ranking of eligible applications. Please check the NRCS website or contact your local NRCS Service Center for list of application deadlines.

■ For more information, contact your local NRCS Service Center. More information is also available at:

www.nrcs.usda.gov/wps/portal/nrcs/main/nd/programs/financial/eqip/.

Programs for Irrigation Districts

■ North Dakota Department of Water Resources

Cost-share Program for Irrigation Development

- The program is available only to political subdivisions, such as irrigation districts.
- The cost-share is up to 50% for eligible items, depending on availability of funds.
- Eligible items are those associated with new central supply works, such as pump intakes, pumps, power units, conveyance facilities, electric power facilities, other related facilities and engineering.
- Maintenance costs are not eligible.
- Plans and cost estimates are required for a new project, along with an economic feasibility determination.

■ For more information, contact:

Water Appropriations Division
North Dakota Department of Water Resources
701-328-2754
www.swc.state.nd.us

■ Capital Financing Program

Irrigation and Related Facilities Program

- The North Dakota Public Finance Authority issues the bonds that are available to qualifying organizations, including irrigation districts.
- The program may be used for equipment and water supply infrastructure that the irrigation district owns, as well as storage facilities for commodities produced under irrigation.
- The program requires that the irrigation district have 20% equity in the project.
- The U.S. Department of Agriculture, through the Guaranteed Business and Industry Loan Program, guarantees the bonds for up to 80% of the project cost on qualifying projects.

■ For more information, contact:

North Dakota Public Finance Authority
701-328-7100
www.pfa.nd.gov

For information about developing irrigation projects, contact:

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For more information on this and other topics, see www.ndsu.edu/extension

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300-5-13; 100-12-17; 150-3-22