



# Rural Finance Authority Drought Assistance

[2022 Minn. Laws Chap. 95 Art. 3 Sec. 2 Subd. 5](#)

**Matt McDevitt**  
**Loan Finance Supervisor**  
625 Robert Street North  
Saint Paul, Minnesota 55155  
Phone: 651-201-6311  
Matthew.mcdevitt@state.mn.us

[www.mda.state.mn.us](http://www.mda.state.mn.us)

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## **Executive Summary**

This report will provide background information in regards to the Rural Finance Authority (RFA) as well as current loan issuance.

## **Introduction**

This report will present the loans issued by the RFA in response to the drought in Minnesota during 2022-2023.

## **Background**

### **Disaster Recovery Loan Program**

The program helps farmers located in a county (or adjacent county) that was the subject of a State, Federal, or RFA Board disaster declaration. It can be used to:

- (1) clean up, repair, or replace farm structures and septic and water systems, as well as replace seed, other crop inputs, feed, and livestock;
- (2) purchase watering systems, irrigation systems, and other drought mitigation systems and practices when drought is the cause of the purchase;
- (3) restore farmland;
- (4) replace flocks or livestock, make building improvements, or cover the loss of revenue when the replacement, improvements, or loss of revenue is due to the confirmed presence of a highly contagious animal disease in a commercial poultry or game flock, or a commercial livestock operation, located in Minnesota; or
- (5) cover the loss of revenue when the revenue loss is due to an infectious human disease for which the governor has declared a peacetime emergency under section 12.31.

Rural Finance Authority loan participation is limited to 45% of the loan, up to \$200,000. The RFA does not charge any interest on the State's portion of the loan, and no payment is required for the first 2 years.

## Rural Fiance Authority Loan Activity

Loans made during the Fiscal Years 2021 and 2022 drought resulted in 17 loans to Minnesota farmers, totaling \$1,596,924.

<b>Operation</b>	<b>County</b>	<b>Loan Amount</b>
Livestock	Stearns	\$200,000
Livestock	Stearns	\$57,542
Livestock	Kandiyohi	\$200,000
Livestock	Carver	\$18,000
Livestock	Ottertail	\$60,750
Livestock	Todd	\$200,000
Crop	Stearns	\$135,000
Livestock	Todd	\$200,000
Livestock	Wright	\$17,280
Livestock	Stearns	\$135,000
Livestock	Pope	\$87,750
Crop	Morrison	\$60,075
Livestock	Stearns	\$30,600
Livestock	Benton	\$87,431
Crop	Big Stone	\$68,346
Livestock	Wadena	\$23,400
Livestock	Clearwater	\$15,750