



House Agriculture Committee October 12, 2021

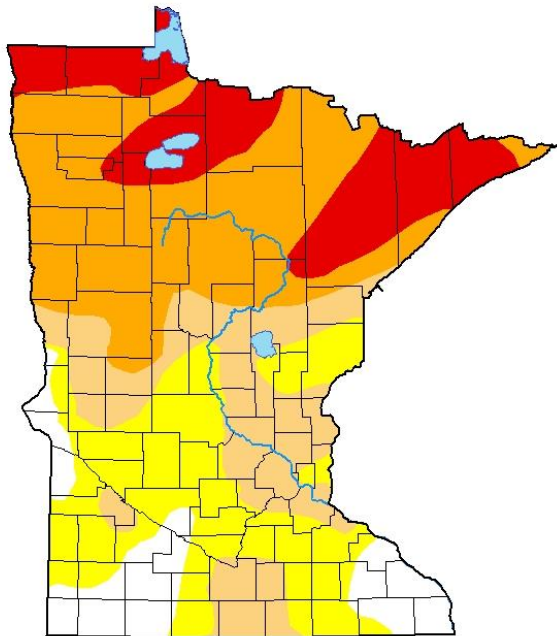
Thom Petersen /Commissioner

Drought Impact on Minnesota Agriculture

- **Minnesota has been experiencing one of the worst droughts in decades.**
- **In mid-August, nearly 90% of the state was under severe drought conditions.**
- **Northern Minnesota was hit the worst, where a swath of the state was under exceptional drought.**

U.S. Drought Monitor Comparison for MN

U.S. Drought Monitor Minnesota



October 5, 2021
(Released Thursday, Oct. 7, 2021)
Valid 8 a.m. EDT

| | Drought Conditions (Percent Area) | | | | | |
|---|-----------------------------------|--------|-------|-------|-------|------|
| | None | D0-D4 | D1-D4 | D2-D4 | D3-D4 | D4 |
| Current | 9.80 | 90.20 | 66.97 | 48.32 | 17.58 | 0.00 |
| Last Week 09-28-2021 | 6.50 | 93.50 | 76.21 | 50.44 | 23.58 | 0.00 |
| 3 Months Ago 07-06-2021 | 0.00 | 100.00 | 92.96 | 39.70 | 0.00 | 0.00 |
| Start of Calendar Year 12-29-2020 | 1.60 | 98.40 | 23.40 | 0.28 | 0.00 | 0.00 |
| Start of Water Year 09-28-2021 | 6.50 | 93.50 | 76.21 | 50.44 | 23.58 | 0.00 |
| One Year Ago 10-06-2020 | 52.10 | 47.90 | 11.97 | 0.35 | 0.00 | 0.00 |

Intensity:
 None
 D0 Abnormally Dry
 D1 Moderate Drought
 D2 Severe Drought
 D3 Extreme Drought
 D4 Exceptional Drought

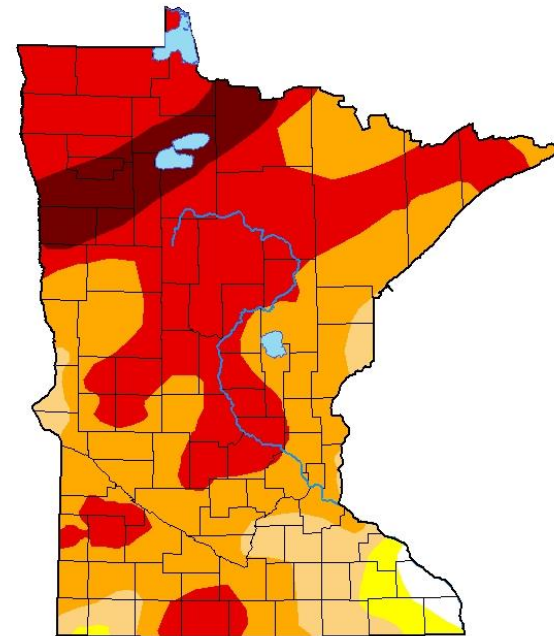
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

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National Drought Mitigation Center



droughtmonitor.unl.edu

U.S. Drought Monitor Minnesota



August 17, 2021
(Released Thursday, Aug. 19, 2021)
Valid 8 a.m. EDT

| | Drought Conditions (Percent Area) | | | | | |
|---|-----------------------------------|-------|-------|-------|-------|------|
| | None | D0-D4 | D1-D4 | D2-D4 | D3-D4 | D4 |
| Current | 1.15 | 98.85 | 96.56 | 88.29 | 49.77 | 8.07 |
| Last Week 08-10-2021 | 1.15 | 98.85 | 95.36 | 77.77 | 42.20 | 7.37 |
| 3 Months Ago 05-18-2021 | 45.43 | 54.57 | 21.61 | 0.78 | 0.00 | 0.00 |
| Start of Calendar Year 12-29-2020 | 1.60 | 98.40 | 23.40 | 0.28 | 0.00 | 0.00 |
| Start of Water Year 09-29-2020 | 54.95 | 45.05 | 8.39 | 0.00 | 0.00 | 0.00 |
| One Year Ago 08-18-2020 | 73.22 | 26.78 | 10.51 | 0.00 | 0.00 | 0.00 |

Intensity:
 None
 D0 Abnormally Dry
 D1 Moderate Drought
 D2 Severe Drought
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 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>

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Drought Impact on Minnesota Livestock Farmers

- **Livestock producers have seen drought impacts throughout the summer with pastures and hay fields drying up and declining quality of the hay that exists. These impacts are continuing as we go into the fall and winter with hay shortages.**
- **The drought has resulted in a decrease of thousands of acres of harvestable hay that has forced producers to travel farther distances to obtain needed feed for their livestock.**
- **Dairy farmers who pasture their cows are finding ever-increasing challenges to find quality forage for continued milk production.**
- **Foraging conditions for beef cattle, goats, sheep, and bison have improved with recent rainfall but are still challenging.**

Drought Impact on Minnesota Crop Farmers

- **As harvest continues across the state, crop producers are seeing lower yields and lower crop quality due to drought.**
- **Fruit, vegetable, and other specialty crop growers have also been impacted with crop losses and poor crop conditions.**
- **Crops and trees under stress are more susceptible to insect pests.**



Federal Response to Drought/State Emergency Board

Representing:

- FSA
- NRCS
- RMA
- NASS
- USDA APHIS VS

Eligible counties automatically trigger federal programs:

Livestock Forage Program

- Producers of grazed forage crop acreage (native and improved pastureland with permanent vegetative cover or certain crops planted specifically for grazing) that have suffered a loss of grazed forage due to a qualifying drought during the normal grazing period for the county.
- In the case of an eligible livestock owner or contract grower who sold or otherwise disposed of livestock because of drought conditions in one or both of the two previous production years immediately preceding the current production year, the payment rate will equal 80 percent of the monthly payment rate.

Emergency Livestock Assistance Program

- Losses resulting from the additional cost of transporting water to livestock due to an eligible drought.

Emergency Conservation Program

- Repair damage to farmlands caused by natural disasters and to help put in place methods for water conservation during severe drought.

State Response to Drought

- **The DNR and Board of Water and Soil Resources worked to open publicly owned land and easements to managed grazing and haying for farmers this summer. This has provided critical relief to producers in search of feed.**
- **Governor Walz has issued three Executive Orders to provide relief to those transporting livestock, water, and hay to impacted farmers.**
- **The State Drought Task Force, led by the DNR, convened to provide coordination and communication between agencies and institutions affected by drought and to provide a central source for the news media.**

MDA Response to Drought

MDA response activities the past three+ months have included:

- **Providing drought resources through website www.mda.state.mn.us and email mdaresponds@state.mn.us.**
- **Hosting bi-weekly stakeholder calls with farm groups, legislators, MN's congressional delegation, and other state and federal agencies.**
- **Traveling the state to hear from producers and view drought damage first-hand.**
- **Connecting livestock producers with those selling hay inside and outside of Minnesota.**
- **Relaying information and resources from federal partners and other state agencies.**
- **Providing financial and mental health resources through the Farm Advocate Program and the Minnesota Farm and Rural Helpline.**

MDA Response to Drought



- **In July, the Rural Finance Authority Board determined a drought emergency exists and made zero-interest loans available for Minnesota farmers whose operations are suffering from lack of rain.**
- **This loan program is especially important for farmers who were not insured or were underinsured.**
- **The program can be used on numerous items, including repair or replacement of septic and water systems, and replacement of feed, livestock, and poultry.**

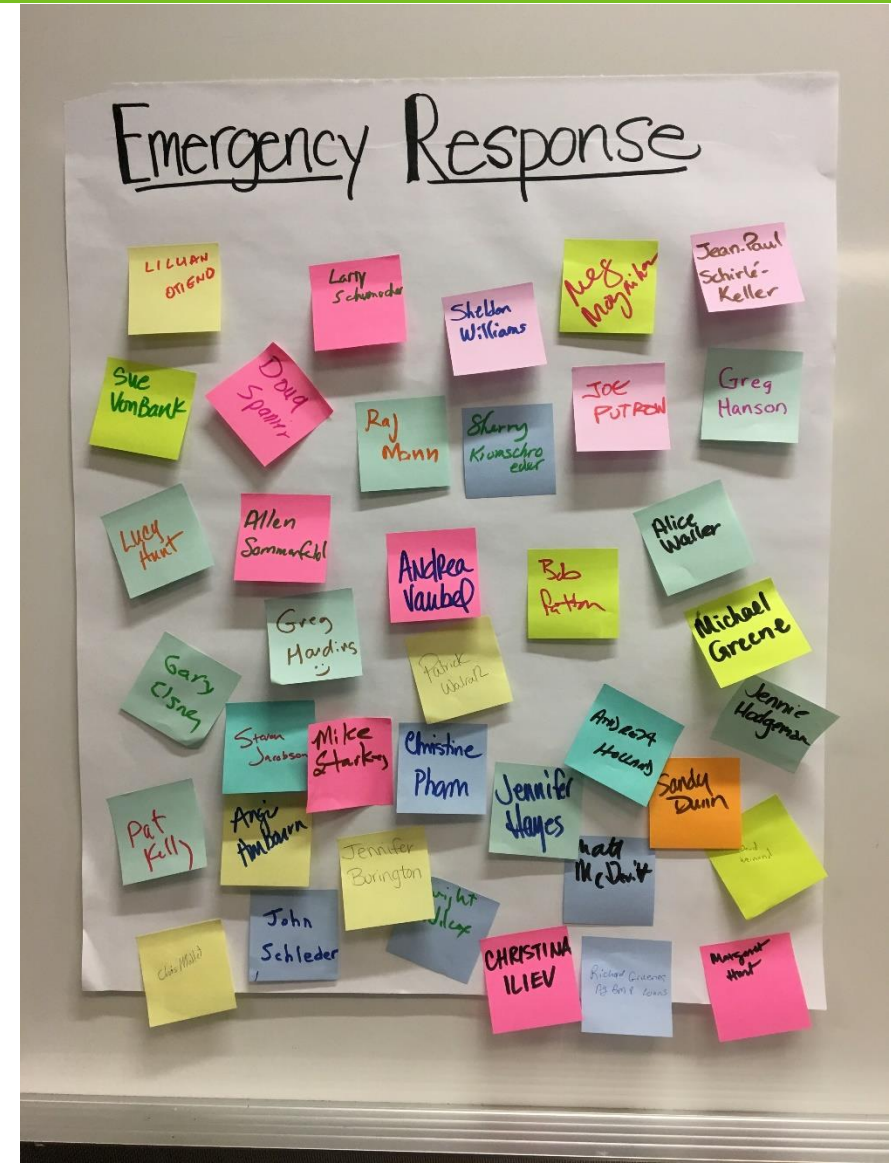
MDA Response to Drought

MDA Emergency Response Representatives:

- Office of Emergency Preparedness and Response
- Pesticide and Fertilizer Management

Incident Management Team

- Multi-agency response team to food and agriculture emergencies.
- Currently maintains situational awareness of the drought emergency.



What Farmers are Saying

“The first cutting of hay was normal, the second cut was less than half of what we expected. I’ve started feeding my first hay already, so what are the cows going to eat this winter?”

“I’ve had to reduce the size of my beef herds. I’ve weaned beef calves early and sold many more animals than I planned.”

“I’ve farmed for 25 years and haven’t ever seen this kind of devastation. I’m losing sleep with the anxiety and depression I’m feeling.”



Governor's Drought Relief Package

Governor's Drought Relief Package = \$10,000,000

- **Total of \$10 million to support Minnesota farmers and livestock producers impacted by severe drought conditions during the 2021 growing season.**
 - **\$5 million in rapid response grants to provide drought relief for livestock producers and specialty crop producers.**
 - **\$5 million for the Rural Finance Authority's Disaster Recovery Loan Program which makes zero-interest loans available immediately for Minnesota farmers whose operations are suffering from lack of rain.**

Rapid Response Grants = \$5,000,000

- **Similar to the Rapid Response Grants for Livestock Processors during COVID, we propose non-competitive grants awarded on a first come, first served basis:**
 - **Rapid Response Grants for Livestock Producers**
 - **Rapid Response Grants for Specialty Crop Producers**
- **Maximum Grant Award: \$5,000, or \$10,000 with explicit legislative authority for non-competitive grants, matched 1:1 by the producer.**
- **The eligibility period is under consideration.**

Rapid Response Grants = \$5,000,000

- **The number of producers who could receive a grant if all applied for either Livestock or Specialty Crop grant at the maximum amount:**
 - **\$5,000 grants = 932**
 - **\$10,000 grants = 466**
- **The number of grants will likely be higher because not all producers will request the maximum amount.**
- **We would initially set-aside \$1 million for each program and shift the rest of the remaining money between the two programs to match demand. If either program has less than \$1 million in applications as we near published application deadlines, we would shift unused money to the other program.**
- **Producers could apply for one or both grants and receive up to the maximum amount for each program.**
- **Funds could also be used to contract with organizations that serve beginning and emerging farmers to perform outreach and assist with the application and reimbursement process.**

Rapid Response Grants for Livestock Producers

- **Grants would be available to producers of all livestock species, but focused on grazing animals including beef, dairy, goats, sheep, bison, and horses.**
- **Examples of eligible costs:**
 - **Water handling equipment such as water tanks, pipeline, water wagons/trailers**
 - **Water hauling**
 - **Wells**
 - **Irrigation equipment**
 - **Nitrate testing**
 - **Livestock pond dredging**
 - **Cover crop, pasture, or forage seed and technical assistance**
 - **Fencing supplies such as posts, wires, solar chargers**
 - **Feed storage and handling supplies such as silage tubes and TMR mixers**
 - **Feed transportation, custom baling, equipment rental, livestock transportation**

Rapid Response Grants for Specialty Crop Producers

- **Grants would be available to specialty crop producers, such as fruits, vegetables, and nursery crops.**
- **Examples of eligible costs:**
 - **Water handling equipment such as water tanks, pipeline, water wagons/trailers**
 - **Water containment equipment**
 - **Water hauling**
 - **Wells and well testing**
 - **Water conservation technical assistance**
 - **Irrigation equipment, including drip irrigation**
 - **Seeds and transplants (including cover crops)**
 - **Mulch and straw**

Rural Finance Authority (RFA) Loans = \$5,000,000

- Currently there is about \$3.5 million in the RFA's revolving loan account that can be used to fund 7 different loan programs.
- We have issued about \$2.1 million in Disaster Recovery Loans over the last 2 fiscal years.
- The RFA has received about 40 inquiries since the Board opened up the Disaster Recovery Loan Program to drought relief.
- If further eligibility changes were made to the program, we could make more loans available to emerging/beginning/young/small farm operators.
- An additional \$5 million would cover more Disaster Recovery Loans.



Waiting until the 2022 regular session to pass funding will force Minnesota farmers to make more difficult decisions. Each passing week results in another producer making the difficult decision to leave farming.

This drought package will not make farmers whole again; however, it will provide critical relief to livestock and specialty crop producers and bridge the gap when other resources come up short.

Thank You!

Thom Petersen

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