

## CHAPTER 10-B

### MAINE FARMS FOR THE FUTURE PROGRAM

#### §317. Maine Farms for the Future Program

The Maine Farms for the Future Program, referred to in this chapter as the "program," is created. The program is administered by the department, either directly or by contract with a suitable organization. The program provides a selected farm with assistance in developing a detailed business plan that involves changes in the farm's operation to increase the vitality of the farm and investment money to help implement the plan. Participants in the program are eligible to apply for reduced-interest loans from the Agricultural Marketing Loan Fund established under Title 10, section 1023-J and administered under section 435. The department shall organize a review panel, referred to in this chapter as the "panel," to evaluate and approve applications for participation in the program and for investment support. [PL 2007, c. 660, §1 (AMD).]

#### SECTION HISTORY

PL 1999, c. 763, §1 (NEW). PL 2007, c. 660, §1 (AMD).

#### §318. Business plan development

**1. Eligibility.** An applicant must own a farm that has been producing agricultural products commercially in the State for at least 2 years at the time of application. The applicant must submit an application to the department to be eligible for participation in the program pursuant to procedures developed by the department.

[PL 2007, c. 660, §2 (AMD).]

**2. Criteria for selection.** The panel shall evaluate and approve applications that are based upon criteria developed by the department, including:

A. The degree of opportunity for increasing the vitality of the farm due to factors such as the capability of the applicant to effect positive changes in farm operations and the suitability of the land in agricultural use to sustain those changes; and [PL 1999, c. 763, §1 (NEW).]

B. The degree of threat to the continuation of agricultural use of the land due to factors such as the financial capacity and current farm management practices of the applicant. [PL 2003, c. 167, §1 (AMD).]

[PL 2003, c. 167, §1 (AMD).]

**3. Services package; reimbursement.** Once an applicant is selected to participate in the program, the department shall assist the selected farm in assembling a services package to develop the business plan within 18 months of the selection. These services must include:

A. Outside experts to provide services such as analyzing production practices and markets or developing financial data; and [PL 2007, c. 660, §3 (AMD).]

B. Department-approved instruction or classroom training in economics and business planning for the owner or operator of the farm. [PL 2007, c. 660, §3 (AMD).]

A services package must be approved by the department before it is implemented. The department shall pay for outside services contracted as part of an approved services package. The department may not pay more than \$10,000 for outside services contracted as part of the services package to a selected farm. The department shall keep an accounting of the services provided to a selected farm as part of the services package.

[PL 2007, c. 660, §3 (AMD).]

**4. First farmland protection agreement.**

[PL 2003, c. 167, §2 (RP).]

**5. Business plan requirements.** A selected farm must use a services package to develop a business plan that identifies changes in farm management practices and investments in equipment and property that would increase the vitality of the farm.

[PL 1999, c. 763, §1 (NEW).]

**SECTION HISTORY**

PL 1999, c. 763, §1 (NEW). PL 2003, c. 167, §§1,2 (AMD). PL 2007, c. 660, §§2, 3 (AMD).

**§319. Investment support**

**1. Eligibility.** A selected farm that has completed a business plan pursuant to section 318 is eligible to apply for funding to implement the plan. The applicant may apply for a reduced-interest loan from the Agricultural Marketing Loan Fund under chapter 101, subchapter 1-D and for a grant in exchange for a farmland protection agreement under subsection 4. A farmer requesting a grant in exchange for a farmland protection agreement must own at least 5 acres of land in agricultural use at the time of application.

[PL 2007, c. 660, §4 (AMD).]

**2. Award of grants.** The panel shall develop a competitive process to determine the farms that receive grants to implement a business plan in exchange for a farmland protection agreement under subsection 4 and farms that are eligible to apply for a reduced-interest loan under section 435, subsection 3-A. This determination must be based upon selection criteria developed by the department including:

A. The viability of the business plan; [PL 1999, c. 763, §1 (NEW).]

B. The degree of threat to the continuation of agricultural use of the land due to factors such as the financial capacity and current farm management practices of the applicant; and [PL 2003, c. 167, §3 (AMD).]

C. The degree to which the business plan would accomplish broader objectives such as the protection of water resources, wildlife habitat, open space and scenic and cultural amenities. [PL 1999, c. 763, §1 (NEW).]

When possible, the panel shall award grants to applicants representing diverse agricultural enterprises and geographic areas of the State.

[PL 2007, c. 660, §4 (AMD).]

**3. Uses and limitations of funding.** Any funds provided by the department pursuant to this section must be used to implement the business plan either in the plan's original form or in a subsequent amended version that has been approved by the department. For a farm applying for and receiving a loan from the Agricultural Marketing Loan Fund, the loan requirements and limitations under chapter 101, subchapter 1-D and Title 10, section 1023-J apply. For a farm receiving a grant, the department may provide funds to implement the business plan in an amount not to exceed \$25,000 or 25% of the total investments identified by the business plan, whichever is less.

[PL 2007, c. 660, §4 (AMD).]

**4. Farmland protection agreement.** A farm selected to receive a grant under subsection 2 must enter into a 7-year farmland protection agreement with the department before the department provides investment support pursuant to this section. The agreement must provide that the farm will protect the land in agricultural use from nonagricultural development for the period of the agreement. A selected farm may terminate the farmland protection agreement at any time if the farm repays the department for any funds provided to the farm by the department pursuant to this section.

[PL 2007, c. 660, §4 (AMD).]

**5. Review of business plan.** The department shall arrange to review the business plan for a farm selected to receive a grant under subsection 2 within 2 years of the date the grant is awarded.

[PL 2007, c. 660, §4 (NEW).]

#### SECTION HISTORY

PL 1999, c. 763, §1 (NEW). PL 2003, c. 167, §§3,4 (AMD). PL 2007, c. 660, §4 (AMD).

#### §320. Program administration

**1. Duties.** The department shall ensure that the following duties are performed:

A. Promoting the program to farms in the State; [PL 1999, c. 763, §1 (NEW).]

B. Organizing and overseeing the panel; [PL 1999, c. 763, §1 (NEW).]

C. Developing criteria to select participants for the program and recipients of investment support; [PL 1999, c. 763, §1 (NEW).]

D. Compiling a list of outside service providers; [PL 1999, c. 763, §1 (NEW).]

E. Administering the disbursement of investment support; and [PL 2007, c. 660, §5 (AMD).]

F. Executing and enforcing farmland protection agreements. [PL 2007, c. 660, §5 (AMD).]

G. [PL 2007, c. 660, §5 (RP).]

[PL 2007, c. 660, §5 (AMD).]

**2. Outside service providers.** The department shall develop, maintain and periodically update a list of outside service providers who may provide services pursuant to section 318 by widely circulating an application to qualifying entities. The application must request information including qualifications of the entity in any area that may be of use in developing a farm viability business plan. "Qualifying entities" means individuals, private organizations, public organizations and agencies of the State, marketing consultants, accounting firms, business support organizations, farm support organizations and other organizations that the department determines may provide valuable services pursuant to section 318. A selected farm may use an outside service provider identified on the list of service providers or another outside service provider that has been approved by the department.

[PL 1999, c. 763, §1 (NEW).]

**3. Administration by other than department.** The department may contract the administration of this program to a suitable organization selected through a competitive process developed by the department. The contracting organization is responsible for performing all duties set forth in subsection 1, except that it is solely the department's responsibility to perform the duty set forth in subsection 1, paragraph F. Whether the program is administered by the department or an organization under contract with the department, a minimum of 40% of the total annual state funding for the program must be reserved for grants awarded under section 319. Funds appropriated to the program may not lapse but must be carried forward.

[PL 2007, c. 660, §6 (AMD).]

**4. Funding.**

[PL 2007, c. 660, §7 (RP).]

**5. Rulemaking.** The commissioner shall adopt rules to carry out the purposes of this chapter. All rules adopted pursuant to this chapter are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A.

[PL 1999, c. 763, §1 (NEW).]

**6. Reporting.** The commissioner shall submit an annual report on or before March 1st of each year to the joint standing committee of the Legislature having jurisdiction over agricultural matters. The report must include a summary of grants made under section 319 during the previous fiscal year.

The report must address the effectiveness of the program. Effectiveness measures may include, but are not limited to, evaluation of the number of companies retained, expanded or created; the increase in the number of jobs created or retained; any increased business revenues and new capital raised; improved wages paid to employees; and any new capital investment and increase in profitability.

[PL 2013, c. 256, §1 (AMD).]

#### SECTION HISTORY

PL 1999, c. 763, §1 (NEW). PL 2007, c. 660, §§5-8 (AMD). PL 2013, c. 256, §1 (AMD).

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