

STATE OF MAINE

IN THE YEAR OF OUR LORD  
TWO THOUSAND TWENTY-FIVE

H.P. 1286 - L.D. 1925

**An Act to Improve Access to Grant Funding for the Maine Farms for the  
Future Program**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 7 MRSA §318**, as amended by PL 2007, c. 660, §§2 and 3, is further amended to read:

**§318. Business plan development**

**1. Eligibility.** An applicant must own a farm business 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. Exceptions to the 2-year eligibility requirement may be granted at the discretion of the department.

**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 business due to factors such as the capability of the applicant to effect positive changes in farm business operations and the suitability of the land in agricultural use to sustain those changes; and

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.

**3. Services package; reimbursement.** Once an applicant is selected to participate in the program, the department shall assist the selected farm business in assembling a services package to develop the business plan within 18 months of the selection. ~~These services must include:~~ The services package must include services provided by outside experts, such as the analysis of production practices and markets or the development of financial data. These services may include instruction or classroom training in economics and business planning as available and as required by the department for the owner or operator of the farm business.

~~A. Outside experts to provide services such as analyzing production practices and markets or developing financial data; and~~

~~B. Department approved instruction or classroom training in economics and business planning for the owner or operator of the farm.~~

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 business. The department shall keep an accounting of the services provided to a selected farm business as part of the services package.

**5. Business plan requirements.** A selected farm business 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 business.

**Sec. 2. 7 MRSA §319**, as amended by PL 2007, c. 660, §4, is further amended to read:

**§319. Investment support**

**1. Eligibility.** A selected farm business 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 pursuant to the terms outlined 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.~~

**2. Award of grants.** The panel shall develop a competitive process to determine the ~~farms~~ farm businesses that receive grants to implement a business plan in exchange for a farmland protection agreement under subsection 4 and ~~farms~~ farm businesses 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;
- 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
- 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.

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

**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 business 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 business receiving a grant, the department may provide funds to implement the business plan in an amount not to exceed ~~\$25,000~~ \$45,000 or 25% of the total investments identified by the business plan, whichever is less.

**4. ~~Farmland~~ Agricultural conservation agreement or farmland protection agreement.** A farm business selected to receive a grant under subsection 2 must have an existing agricultural conservation agreement or enter into a new 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 business will protect the land in agricultural use from nonagricultural development for the period of the agreement. Exceptions may be granted by the department if an applicant does not own the land on which the applicant operates the applicant's farm business but has a long-term lease arrangement. A selected farm business may terminate the farmland protection agreement at any time if the farm business repays the department for any funds provided to the farm business by the department pursuant to this section.

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