



STATE OF MAINE  
DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY  
OFFICE OF THE COMMISSIONER  
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March 4, 2026

Senator Senator Talbot Ross  
Representative Pluecker  
Joint Standing Committee on Agriculture, Conservation & Forestry:  
c/o Legislative Information Office  
100 State House Station  
Augusta, Maine 04333

Dear Senator Talbot Ross, Representative Pluecker, and members of the Joint Standing Committee on Agriculture, Conservation & Forestry:

Please accept this letter concerning LD 299, *An Act to Build a Viable Future for Maine Agriculture*, as amended. Although we are not taking a position on this bill, as the Governor would prefer that the Legislature focus on other avenues for funding the Maine Agriculture, Food & Forest Products Investment Fund (AFFPIF), we would like to provide some points of information that are pertinent to the deliberation of this bill and the amendment being presented for your consideration.

The 130th Legislature created AFFPIF. The amendment before the Committee would dedicate a portion of the Real Estate Transfer Tax to AFFPIF: 50 percent of tax revenues each fiscal year, up to a maximum of \$5,000,000. This revenue stream would support grants and low-interest revolving loans for eligible producers, as defined in 7 M.R.S. §320-A(1)(C), who have demonstrated gross business income of at least \$10,000.

This Administration recognizes the urgent need for sustained infrastructure investment across Maine's agriculture, food, and forest products sectors. Demand for prior and existing state programs has vastly outpaced available funding.

While we can understand the desire to set clear farm eligibility parameters in statute, we believe these decisions are best guided by the AFFPIF Advisory Board's composition and expertise and carried out through established rulemaking processes. Setting such standards in statute, given how agricultural businesses and markets fluctuate, creates barriers to changes that could otherwise be made at the board or program level. Further, because each AFFPIF grant and loan program will be strategically designed, the statutory eligibility standards may not ultimately fit the needs of the tailored programs being offered. Allowing the Advisory Board to advise on the programs' priorities, eligibility, and outcomes provides greater flexibility in building successful programs that meet the agricultural community's needs.

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As a reminder for the committee, the following outlines the current process for determining the most effective allocation of funds for disbursement.

**AFFPIF funding distribution process**

AFFPIF funds are awarded through DACF’s standard grant and loan processes under DACF Chapter 8. The Advisory Board does not choose awardees or distribute funds; it only advises on priorities, eligibility, and outcomes.

In practice:

- o DACF sets rules and issues the RFA.
- o DACF staff review and score applications (with outside experts under NDA, if needed).
- o The Commissioner approves final awards.

**Rulemaking process, timeline, and role**

AFFPIF is being implemented through a formal rulemaking process consistent with Maine law and DACF practice. The rules establish the overall operating framework for the Fund while allowing individual funding rounds to be defined through RFAs.

The rulemaking process includes:

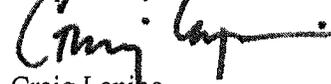
- o DACF drafting AFFPIF rules based on the statute, Advisory Board input, and benchmarking of similar programs.
- o Internal DACF review and Commissioner approval to proceed.
- o Public notice and a comment period.
- o Review and incorporation of public comments, as appropriate.
- o Final adoption by the Commissioner and filing according to state requirements.

DACF is committed to building on our experience designing and administering financial programs, including grant and loan resources. We will also draw on our history of collaboration with state agencies, industry groups, lending institutions, and economic development organizations to ensure that our programs are grounded in evidence and responsive to the investment needs of Maine’s agriculture, food, and forest products sectors.

One additional point for consideration is that the 2022 Census of Agriculture shows that of Maine’s 7,036 farms, 2,750 reported gross business income of \$10,000 or more.<sup>1</sup> The proposed statutory threshold would therefore exclude approximately 60% of farms statewide from applying to AFFPIF for agricultural business support and enhancement opportunities. In particular, for new and beginning farmers, or small operations with growth goals, this could be perceived as a barrier.

Thank you, and I am happy to answer questions now or at the work session.

Respectfully,



Craig Lapine  
Director, Bureau of Agriculture, Food and Rural Resources

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<sup>1</sup> Maine Farm Data: Agricultural Resource Development Division: Maine ACF