

Land for Maine's Future
Farm Business Planning and Capital Improvement Grants
Fact Sheet for Applicants
February 2021

Purpose

After completion of a farmland protection project through the Land for Maine's Future program, Farm Business Planning and Capital Improvement Grants ("farm grants") are available to provide for the land's continuing use as a working farm.

Farm grants enhance Land for Maine's Future (LMF) acquisition dollars by investing in the viability of agricultural operations on protected land. Grant funds may be used for professional assistance in developing a farm business plan or for capital improvements to the farm such as improved drainage or construction of needed structures. These capital improvements should enhance the agricultural productivity of the property and/or improve the economic viability of the farm enterprise, and must be in compliance with the terms of the conservation easement.

Funding Availability

By statute, farm grants are available in an amount up to 5% of the appraised value of the agricultural conservation easement funded by LMF. However, the LMF Board may decide to make less than this amount available, and awards may also be subject to the availability of funds. The LMF Board will determine the final award amount.

Farm grants are not required to be matched with other funds. However, applicants should provide an overall project budget that includes cash and in-kind match so that the LMF Board has a clear picture of the projects supported by these grants.

Eligibility

The owner or operator of the protected farmland may apply to LMF for farm grant funds in the year after the easement is acquired. The easement holder must provide a letter of support to ensure that the planned improvements are consistent with the purpose and terms of the conservation easement. Funds may also be used for improvements on adjacent land that is under the same ownership or management. Further, for capital improvement projects, it is highly recommended that farm applicants have a current business plan or include farm business planning as part of their proposal.

Eligible expenses for farm grants include professional assistance in developing a business plan, as well as capital improvements to the farm. Grant funds may be used to pay for contracted services or materials used in making improvements.

Farm grant funds may not be applied to operating expenses of the farm, such as farm labor, fuel, feed, or chemicals. Additionally, capital investments must be for improvements to the property; expenses such as equipment or livestock are not eligible.

Application Criteria

Projects must meet the following criteria for farm grants:

- Any proposed improvements do not compromise the original intent for which the easement was funded by LMF and do not conflict with the terms of the conservation easement.
- The proposed project provides for the land's continuing use as a working farm through business planning, enhancements to the agricultural productivity of the property, and/or improvements supporting the economic viability of the farm enterprise.

Application Process

1. LMF staff will contact you with information about the funds available, application process and deadline for submissions.
2. In developing the proposal, the applicant must consult with staff from the Bureau of Agriculture, Forestry, and Rural Resources (BAFRR) to ensure the project is consistent with State policies and objectives for improving agricultural viability.
3. Applications are reviewed by LMF staff to determine eligibility and completeness.
4. LMF staff reviews the application against the purposes and objectives of the farm grant funds and makes a recommendation to the Board for their approval.

Application Format and Instructions

Applicants should complete an Application Summary Form and provide a proposal narrative that contains the following information:

1. Map(s) – General property map and a map depicting the location of existing and proposed improvements. Maps should be at a scale suitable to show the location of the proposed improvements.
2. Project Description - Narrative of what business planning and/or improvements are proposed and how the proposed activities will enhance the agricultural productivity of the property, protect other conservation values identified in the conservation easement, and/or improve the economic viability of the farm enterprise.

If you have a current farm business plan, describe how any proposed improvements fit into this plan. If your proposal includes developing or updating a farm business plan, briefly describe your expected planning process and desired outcomes. (Note: if you do not yet have a business plan but propose to develop one, you may request capital improvement funds to be used to implement the resulting plan, even if the exact improvements will not be known until the plan is complete. In this case, BAFRR and LMF must approve the specific use of these funds before you begin work on improvements.)

3. Suitability of Intended Use (capital improvement proposals only) - Description that demonstrates that the property has no legal constraints preventing the development and use of the proposed improvements and that the physical characteristics of the site are suitable for the intended improvements.
4. Impact on Natural Resources (capital improvement proposals only) – Description of any impact the proposed improvements will have on the natural and cultural resources of the property and the surrounding land. Demonstrate that the intended improvements are consistent with property's management objectives. Consultation with the Maine Natural

Areas Program, Maine Department of Inland Fisheries and Wildlife and Maine Historic Preservation is recommended.

5. Project timeline - Identify key milestones and dates for completion.
6. Signage - The Board requires that the Land for Maine's Future Program be acknowledged in permanent signage on the site. LMF provides silk-screened, metal signs with LMF logo for this purpose. Please indicate in your proposal if you will need additional signs.
7. Project Budget - Itemization of how the funds will be used and identification of sources and amounts of matching funds. Identify any federal funding such as EQIP or CSP related to the proposed improvements (note that if you will receive federal cost share assistance for your project, LMF funds may only be applied to costs in excess of the federal assistance).

A hard copy of your proposal should be sent to:

Land for Maine's Future Program
Dept. of Agriculture, Conservation & Forestry
22 State House Station
Augusta ME 04333-0022

Your proposal should also be sent electronically to the LMF project manager.

Completion of Farm Grant Projects

Projects must be completed within 18 months of the grant award date, unless the applicant has prior written approval from the LMF project manager for an extension. A one year extension may be granted at the project manager's discretion if circumstances warrant, following notice to the LMF Director. Any additional extensions must be approved by the LMF board.

Grant Reporting Requirements

Grant recipients must submit a written report upon completion of the farm grant project. The report must describe any improvements made and the ways they advance the purposes of the grant funding. Photographs should be included with the report.

Completed farm grant projects will be included in the LMF Biennial Report, as part of the report to the public about progress achieved by the program.

Advance and Return of Farm Grant Funds

Farm grants are reimbursement grants. Funds will be disbursed by LMF after receipt and approval of a final grant report and invoices or receipts documenting all expenses to be reimbursed. In the case of large awards or awards for work that will take place in multiple phases, interim reports and disbursements may be possible on a case by case basis with the prior approval of LMF. If you are requesting interim disbursements, your project timeline must indicate when payments will be requested. LMF will enter into a contract with each farm owner or operator selected for a farm grant. LMF will be responsible for managing the contracts and ensuring funds are used consistent with the project proposal. Any unspent funds will remain available for future Board allocations.

Resources:

Maine Department of Agriculture, Conservation and Forestry's (DACF) Agricultural Resource Development Division (for technical and other resource support):

<https://www.maine.gov/dacf/ard/index.shtml>

DACF Business Planning Information:

https://www.maine.gov/dacf/ard/resources/business_planning.shtml

NRCS programs: <https://www.nrcs.usda.gov/wps/portal/nrcs/main/me/programs/financial/#>

Legal Food Hub: <https://www.legalfoodhub.org/>