# **01-001 DEPARTMENT OF AGRICULTURE, CONSERVATION AND FORESTRY**

**Chapter 31: RULES FOR OPERATION OF POTATO MARKETING IMPROVEMENT FUND**

**Summary:** This chapter establishes rules governing the expenditure of funds available from the sale of state bonds and loan repayments for the purposes of improved potato marketing systems, including the modernization, construction, and operation of storage, central packing facilities, and investment in industry infrastructure.

**A. Objectives**

 The Potato Marketing Improvement Fund (PMIF) is a revolving loan fund dedicated to financing creative projects that will advance potato industry marketing. It will operate in accordance with the following principal objectives:

 1. Sound business propositions should be financed;

 2. Funds should be provided at attractive rates and terms;

 3. Active private sector participation should be encouraged; and

 4. To the extent possible, procedures should be kept simple and easy to understand.

**B. Loan Programs**

 Because of the variety of needs and potential differences in the capital requirements of individual projects, separate loan and grant programs will be established to utilize the resources of the PMIF.

 All potatoes stored or packed in facilities financed by the Potato Marketing Improvement Fund must be produced in Maine.

 1. **New Facilities Loan Fund**

 (a) **Description and Purpose**

 The New Facilities Loan Fund is designed to help finance acquisition/improvement projects, or new construction of storages and/or centralized packing facilities and acquisition of packing, sizing, washing or drying equipment. Projects above $150,000 total cost qualify for the New Facilities Loan Fund.

 (b) **Eligible Uses of Loan Proceeds**

 Proceeds may be used for equipment acquisition and facility acquisition, construction, conversion, or expansion, including, but not limited to:

 • Land acquisition;

 • Land improvements;

 • Purchase and remodeling of existing buildings. PMIF participation is limited to cost of remodeling, up to a maximum of 45% of total project cost;

 • Major repairs and upgrades of existing facilities, including structural repairs and improvements. Any facility using these funds for major repairs and upgrades will be assessed for its structural integrity and overall physical condition prior to commencement of the proposed repair or upgrade, and will be determined to be suitable or appropriate for the proposed repair or upgrade.

 • Building construction or additions;

 • Leasehold improvements. Additional loan covenants may be required to protect the borrower's and the Department's rights to collateral;

 • Purchase and installation of machinery and equipment for use in storage and packing facilities;

 • Proceeds may not be used for working capital, nor will interim financing be an eligible use of PMIF proceeds. This provision notwithstanding, applications will be accepted and processed prior to the initiation of construction, and conditional approval of the project for PMIF financing may be used to secure interim or construction financing.

 (c) **Loan Rates, Terms, Amounts, and Fees**

 • The interest rate charged shall be fixed at the federal prime interest rate on the date of the loan commitment but may not be greater than 5%.

 • Loan term shall not exceed 25 years and shall reflect the useful life of the assets being financed.

 • For projects with a total cost of up to $1,500,000, PMIF proceeds may be used to fund not more than 45% of total project costs, except that, in the case of cooperative projects by two or more farmers, who do not share farm equipment or land, PMIF proceeds may be used to fund not more than 50% of the total project costs.

 • For projects with a total cost of more than $1,500,000, PMIF proceeds may be used to fund 25% of project costs above $1,500,000, in addition to the amounts permitted above.

 • No PMIF loan may be approved unless the applicant has demonstrated a commitment of private funds of at least 10% of the total project cost, except that, in the case of cooperative projects by two or more farmers, such demonstrated commitment of private funds shall total at least 5% of the total project cost.

 • One percent of the PMIF loan amount shall be paid to the Fund at closing as an administrative fee.

 • The borrower is responsible for all legal expenses and any other out-of-pocket expenses of the Department related to the borrower's project.

 (d) **Eligible Applicants**

 Any individual or organization in the business of growing, processing or marketing of potatoes may apply.

 (e) **Technical Criteria - storages**

 Proposals for new storages must include the following technical information:

 • A business plan that explains how the storage will be used to improve marketing practices and product quality as well as details on plans to store for extended or late-season shipments;

 • Type of ventilation, humidification, and insulation systems to be used;

 • Background of and provision for the services of an architect, engineer, or consultant who may provide advice on storage design, construction, and operation.

 (f) **Technical Criteria - central packing facilities**

 Proposals for new central packing facilities must include the following:

 • A description of the product to be packed with emphasis on an added-value pack;

 • Plans to operate over an extended shipping season, particularly during harvesting and planting;

 • Sources of early and late season supplies;

 • A sales plan, including dealer channels and target markets.

 2. **Storage Retrofit Loan Program**

 (a) **Description and Purpose**

 The Storage Retrofit Loan Program is designed primarily to upgrade existing storages with insulation, other energy efficiency improvements, and ventilation and other climate-control equipment in order to improve the quality of the stored potatoes and extend the shipping season.

 (b) **Eligible Use of Loan Proceeds**

 Proceeds may be used for improvements to existing storages, provided the majority of the project cost is for expenditures to improve the energy efficiency and/or climate-control characteristics of the storage. This includes real estate improvements and acquisition and installation of machinery and equipment.

 Proceeds may be used for major repairs and upgrades of existing facilities, including structural repairs and improvements. Any facility using these funds for major repairs and upgrades shall be assessed for its structural integrity and overall physical condition prior to commencement of the proposed repair or upgrade, and will be determined to be suitable or appropriate for the proposed repair or upgrade.

 Growers and packers are eligible to use this fund to improve packing facilities.

 Funds in this program cannot be used for the purchase of existing storage or for working capital.

 (c) **Loan Rates, Terms, Amounts, and Fees**

 • The interest rate charged shall be fixed at the federal prime interest rate on the date of the loan commitment but may not be greater than 5%.

 • Loans shall be for ten years or less. The term of the loan shall reflect the useful life of the assets being financed.

 • For projects with a total cost of up to $150,000, PMIF proceeds may be used to fund not more than 55% of project costs.

 • The borrower is responsible for all legal expenses and any other out-of-pocket expenses of the Department related to the borrower's project.

 (d) **Eligible Applicants**

 Any individual or organization in the business of growing, processing or marketing of potatoes may apply.

 (e) **Technical Criteria**

 Applications for funds must include the following information:

 • A statement outlining the benefits to be gained from the improvements;

 • A statement outlining the technical assistance to be furnished by the contractor or a consultant at appropriate times during the initial storage season.

 3. **Purchase/Acquisition Fund**

 (a) **Description and Purchase**

 The Purchase/Acquisition Fund is designed to help finance the purchase and acquisition together with any necessary upgrading of existing modern storage facilities. Modern potato storages which have previously been financed through a PMIF loan, may be financed either by providing purchase money financing or by permitting the assumption of an existing PMIF mortgage and promissory obligation. Modern storage facilities not previously financed through a PMIF loan may be financed by providing purchase money financing. The availability of loans from this fund is subject to the conditions set forth below.

 (b) **Conditions**

 Any applicant for the Purchase/Acquisition Fund must demonstrate that, without the new financing or permission to assume the seller's PMIF financing, either

 1) it would not be reasonable to expect the applicant to place the potatoes in a storage which meets the PMIF technical standards prescribed under the definition of Modern Storage Facility, or

 2) the existing modern storage sought to be acquired could not be acquired by the applicant and, as a consequence, could not be as fully used for potato storage.

 (c) **Eligible Uses of Loan Proceeds and Conditions of Assumption**

 Proceeds may be used for, and permission for the assumption of existing financing may be given for, the acquisition of existing modern storage facilities previously financed through a PMIF loan, including but not being limited to:

 1) Payment of a portion of the purchase price for existing modern storage facilities, so long as the total purchase price does not exceed the fair market value of such facilities;

 2) Acquisition of a reasonable amount of land used in connection with the storage facilities;

 3) Other purposes authorized by these rules for the New Facilities Fund or the Retrofit Fund.

 For the purpose of ascertaining fair market value, the Commissioner may rely upon any appraisal performed by a participating or local dealer or any other credible information.

 (d) **Definitions**

 1) **Existing Modern Storage Facility**: "Modern Storage Facility" means a potato storage building which, after any necessary upgrading and improvements, meets current PMIF standards for insulation, ventilation, and humidification except where, because of engineering or cost considerations, upgrading to current PMIF standards is not feasible, so long as PMIF standards applicable at the time of construction of the existing modern storage continue to be met.

4. **Support Facilities Loan Program**

 (a) **Description and Purpose**

 The Support Facilities Loan Fund is designed to help finance the new construction or improvement of buildings and other structures which augment the production and/or storage of potatoes and/or potato rotation crops; or to help finance new facility construction or facility improvements required to meet food safety standards in potato storages and packing facilities.

 (b) **Eligible Uses of Loan Proceeds**

 Proceeds may be used for facility acquisition, construction, conversion, or expansion, including, but not limited to:

 • Land acquisition;

 • Land improvements;

 • Purchase and remodeling of existing buildings. PMIF participation is limited to cost of remodeling, up to a maximum of 45% of total project cost;

 • Major repairs and upgrades of existing facilities, including structural repairs and improvements. Any facility using these funds for major repairs and upgrades will be assessed for its structural integrity and overall physical condition prior to commencement of the proposed repair or upgrade, and will be determined to be suitable or appropriate for the proposed repair or upgrade.

 • Building construction or additions;

 • Leasehold improvements. Additional loan covenants may be required to protect the borrower's and the Department's rights to collateral;

 • Proceeds may not be used for working capital, nor will interim financing be an eligible use of PMIF proceeds. This provision notwithstanding, applications will be accepted and processed prior to the initiation of construction, and conditional approval of the project for PMIF financing may be used to secure interim or construction financing.

 (c) **Loan Rates, Terms, Amounts, and Fees**

 • The interest rate charged shall be fixed at the federal prime interest rate on the date of the loan commitment but may not be greater than 5%.

 • Loan term shall not exceed 10 years and shall reflect the useful life of the assets being financed.

 • For projects with a total cost of up to $300,000, PMIF proceeds may be used to fund not more than 45% of total project costs.

 • No PMIF loan may be approved unless the applicant has demonstrated a commitment of private funds of at least 5% of the total project cost.

 • One percent of the PMIF loan amount shall be paid to the Fund at closing as an administrative fee.

 • The borrower is responsible for all legal expenses and any other out-of-pocket expenses of the Department related to the borrower's project.

 (d) **Eligible Applicants**

 Any individual or organization in the business of growing, processing or marketing of potatoes may apply.

 (e) **Technical Criteria – Support Facilities**

 Proposals for support facilities must include the following technical information:

 • A business plan that explains how the support facility will be used to improve the farm operation.

 • Background of and provision for the services of an architect, engineer, or consultant who may provide advice on design and construction.

 5. **Value Added Loan Program**

 a) **Description and Purpose**

 The Value Added Loan Program is designed to help finance the acquisition, construction, or improvement of facilities and equipment to add value to farm production with a direct benefit to potato production.

 (b) **Eligible Uses of Loan Proceeds**

 Proceeds may be used for equipment acquisition and facility acquisition, construction, conversion, or expansion, including, but not limited to:

 • Land acquisition;

 • Land improvements;

 • Purchase and remodeling of existing buildings. PMIF participation is limited to cost of remodeling, up to a maximum of 50% of total project cost;

 • Major repairs and upgrades of existing facilities, including structural repairs and improvements. Any facility using these funds for major repairs and upgrades will be assessed for its structural integrity and overall physical condition prior to commencement of the proposed repair or upgrade, and will be determined to be suitable or appropriate for the proposed repair or upgrade.

 • Building construction or additions;

 • Leasehold improvements. Additional loan covenants may be required to protect the borrower's and the Department's rights to collateral;

 • Purchase and installation of machinery and equipment for use in value added projects;

 • Proceeds may not be used for working capital, nor will interim financing be an eligible use of PMIF proceeds. This provision notwithstanding, applications will be accepted and processed prior to the initiation of construction, and conditional approval of the project for PMIF financing may be used to secure interim or construction financing.

 (c) **Loan Rates, Terms, Amounts, and Fees**

 • The interest rate charged shall be fixed at the federal prime interest rate on the date of the loan commitment but may not be greater than 5%.

 • Loan term shall not exceed 10 years and shall reflect the useful life of the assets being financed.

 • For projects with a total cost of up to $300,000, PMIF proceeds may be used to fund not more than 45% of total project costs.

 • No PMIF loan may be approved unless the applicant has demonstrated a commitment of private funds of at least 5% of the total project cost

 • One percent of the PMIF loan amount shall be paid to the Fund at closing as an administrative fee.

 • The borrower is responsible for all legal expenses and any other out-of-pocket expenses of the Department related to the borrower's project.

 (d) **Eligible Applicants**

 Any individual or organization in the business of growing, processing or marketing of potatoes may apply.

 (e) **Technical Criteria – Value Added Projects**

 Proposals for value added projects must include the following technical information:

 • A business plan that explains how the storage will be used to improve marketing practices and product quality as well as details on plans to store for extended or late-season shipments;

 • Type of ventilation, humidification, and insulation systems to be used;

 • Background of and provision for the services of an architect, engineer, or consultant who may provide advice on storage design, construction, and operation.

**B-1. Grant Programs**

 1. **Irrigation Grant Fund**

 (a) **Purposes and Limitations**

 The Commissioner may make grants from money received by the fund from sources other than State bonds and interest earned on the loan program cash balance or loans, to individuals, firms, corporations, or other organizations for the purpose of water source development and irrigation, including well drilling and pond construction, alteration of existing ponds or wells, irrigation pipe and pipe burial, water pumps, new irrigation equipment and updating of existing irrigation equipment, and other irrigation uses or projects as deemed appropriate by the Commissioner. Grants under this section are limited to $100,000 per project per applicant. In no event shall any grants under the Grant Fund exceed 75% of the cost of any project eligible to receive a grant.

 (b) **Criteria for Eligibility**

 An applicant is eligible to receive a grant under Section 1, upon a clear demonstration of the following:

 1) The applicant's production consists primarily of potatoes;

 2) The applicant’s existing or proposed water source meets all requirements of the Maine DEP Low Flow Rule (Chapter 587).

 3) The applicant has a current water management plan for use of the water source to be developed.

 4) The applicant can prove the ability to provide their share of the funds for completion of the project.

. (c) **Application Requirements**

 For the purpose of demonstrating a completed application the applicant shall submit a written application to the Commissioner including information or statements showing:

 1) The applicant’s crop production consists primarily of potatoes;

 2) The applicant has a current water management plan for the water source to be used for irrigation;

 3) Documentation that the existing water source complies with the Maine DEP Low Flow Rule or a proposed new water source will meet the Maine DEP Low Flow Rule;

 4) Any required permits have been obtained or applied for. Copies of any permits required for the project shall be submitted with the application. If any required permits are not approved by the date of grant application, the applicant shall submit letter(s) from the permitting agency(s) explaining the status of the permits;

 5) Documentation that all matching funds have been secured.

 (d) **Eligible Uses for Grant**

 If the project involves the construction or alteration of an irrigation water source, purchase and / or installation of pump(s), purchase and / or burial of pipe, irrigation system improvements, or purchase and installation of a new irrigation system, then grant proceeds may be used for any one or more of the following:

 1) Payment for materials and services in new water source construction, or alteration of an existing water source;

 2) Payment for materials and services in installing a pump(s) and burial of pipe to supply water to the irrigation system;

 3) Payment for materials and services in installing an irrigation system.

 (e) **Application Approval Process**

 Grant funds availability will be made on an annual basis with a formal legal announcement. Grants will be awarded on a first come first served basis. Determination of grant submittal date will be based on the date a completed application is received and time stamped in at the PMIF office in Presque Isle. The Irrigation Grant Review Committee will review the grant application for eligibility and make recommendations to the Commissioner. Grants will continue to be made so long as grant funds are available. Grant awards will be limited to one per farming unit per funding cycle.

 (f) **Procedure for Payment of Grant Proceeds**

 Upon presentation of a written estimate or quote as to the cost of a project, the Commissioner will commit to either, a) 75% of that estimate or quote, or, b) $100,000, whichever is less. Upon presentation of a certificate of completion and lien waivers signed by the applicant and by any contractors who provided materials or services to the project, the Commissioner shall issue a check in the amount determined above. Eligible grants will be awarded on a first come first served basis.

 2. **Research and Infrastructure Improvement Grants**

 (a) **Purposes and Limitations**

 The Commissioner may make grants from the interest earned on the cash balance of the fund to individuals, firms, corporations or other organizations for research on potato storage and handling technologies and for projects for potato industry infrastructure improvements.

 (b) **Applications**

 Applications for these grants shall consist of a complete written proposal indicating the following:

 1) Identification of the project;

 2) Project cost and amount of grant requested;

 3) Names and qualifications of person(s) to work on, monitor and otherwise be responsible for the project;

 4) Identification of benefits to potato industry to be realized by the project;

 5) For research projects, identification of research methodology and data sources;

 6) Identification of site or sites of the project;

 7) Identification of other financial resources available for support of project;

 8) Identification of time required for completion of project, and completion of interim phases, if applicable;

 9) Ability of project results to be implemented.

 (c) **Determination**

 1) No application will be approved unless the Commissioner determines that the application is complete and that information sufficient to make an informed decision on the application has been received.

 2) In reviewing and selecting applications, the Commissioner will consider the following:

 a) The feasibility of the project to render tangible results which will benefit the potato industry;

 b) Whether the time frames to complete the research project are reasonable;

 c) Whether the applicant has the qualifications and experience to complete the research or infrastructure improvement project;

 d) Whether the projected costs reasonably support the research proposal or infrastructure improvement proposal and the proposed benefits to the potato industry.

 (d) **Approval or Rejection**

 1) Upon approval of the research or infrastructure improvement grant application, the Commissioner will execute a letter setting forth the terms and conditions upon which the grant will be made.

 2) No grant proceeds will be made until the applicant has accepted the terms and conditions of the letter.

 3) In the event that the application is rejected, the Commissioner will notify the applicant promptly of the reasons for the rejection.

 4) No single grant under this section may exceed $50,000.00.

**C. Loan Application Contents**

 1. **Required Contents**. In addition to the technical information referenced above, applications shall contain the following:

 (a) Identification of the proposed amount of the loan, repayment term, and description of the collateral;

 (b) If applicable, copies of letters of commitment to the borrower from other sources of financing;

 (c) Information detailing exact uses of loan proceeds from all sources;

 (d) Historical business financial statements for the previous three years, both personal and corporate, if applicable, including balance sheets and profit and loss statements. Income tax returns may be substituted for profit and loss statements. The balance sheet must list current balances, rates, payments, maturities and security of all business debts;

 (e) Pro forma profit and loss statement for the first year after project loan closing;

 (f) Production history for the previous three years and marketing plan for the year in which application is made;

 (g) Preliminary plans and specifications, including proposed floor plan, and estimates of project costs from contractors and suppliers.

 2. **Supplemental information**. The Commissioner may require appraisals of collateral, credit reports, copies of leases or purchase agreements, or any other information or certifications from the borrower or other lender deemed to be necessary for thorough review of the application.

**D. Application Procedures**

 The Commissioner shall determine when an application is complete and shall consider the application as expeditiously as possible after receipt of a complete application.

**E. Criteria and Considerations**

 1. No application will be approved unless the Commissioner determines that the application is complete and that information sufficient to make an informed decision on the application has been received.

 2. An application will not be approved unless the Commissioner determines that there is a reasonable prospect that the borrower will repay the loan according to its terms.

 3. In reviewing applications, the Commissioner will consider the following:

 (a) The economic feasibility of the business as evidenced by the borrower's present and past financial position and the reasonableness of the proposal and financial projections for the future;

 (b) Whether the borrower and guarantors have satisfactory credit histories and adequate and relevant management experience;

 (c) Whether the borrower has sufficient capital and other resources to conduct business as planned;

 (d) The adequacy of the security offered for the loan;

 (e) The extent to which the risk of financial loss is shared by others.

 4. A single borrower's or grant recipient's (including affiliated entities or farmers who share land and/or machinery and equipment) total outstanding participation is limited to 10% of the program's total amount of outstanding grants, loans and cash balance at the time of receipt of the applicant's completed application.

 5. Unless specifically approved by the Commissioner, in his or her discretion, no one borrower or grant recipient (including affiliated entities or farmers who share land and/or machinery and equipment) may receive more than 50% of the total amount of new funds available to the program in any one calendar year, as determined by the Commissioner, at the time of receipt of a completed application.

**F. Commitment or Rejection**

 1. Upon approval of an application, the Commissioner will execute a letter of commitment setting forth the terms and conditions upon which the loan will be made.

 2. No commitment shall become effective until the applicant has accepted the terms and conditions of the commitment letter.

 3. In the event the application is rejected, the Commissioner will notify the applicant promptly of the reasons for the rejection.

**G. Collateral**

 Repayment of a loan shall be secured by the following:

 1. A mortgage or security interest in real estate, building and/or personal property of the business, subject only to such other encumbrances, including priority, junior or coordinate liens, as the Commissioner may approve;

 2. Such other collateral as the Commissioner may require, including without limitation, assignments or pledges of leases, contracts, stock certificates and other instruments, personal or corporate guarantees, insurance, letters of credit and surety bonds;

 3. Loans may, at the discretion of the Commissioner, be secured by collateral valued at less than the amount of the loan, provided that the borrower, its principals and any guarantors, are of good character and have good credit histories;

 4. Real estate or stationary machinery or equipment constituting a significant portion of collateral for repayment of a loan shall be located within the State. Mobile machinery or equipment, constituting a significant portion of collateral for repayment of a loan, shall be registered with and taxed by the State or municipal authorities. Other types of collateral constituting a significant portion of collateral for repayment of a loan shall be owned by or provided for the benefit of a person or business association with a place of business in the State.

**H. Project Completion**

 The project shall be considered complete and final total costs verified upon receipt by the Commissioner of all invoices from and waivers of mechanics' and materialmen's liens by contractors and suppliers. The Commissioner shall ensure that the project was completed in accordance with the plans and specifications as proposed in the application.

 Neither the approval of loan after review of plans and specification for a project by the PMIF Project Review Committee, nor the Commissioner’s ensuring that the project was completed in accordance with the plans and specifications is intended to be, nor shall it be interpreted as a representation, endorsement or warranty of the quality, workmanship, functionality or fitness for any purpose of such plans or specifications or of the construction undertaken in accordance with such plans or specifications, all of which are expressly disclaimed by the Department.

**I. Loan Covenants**

 The covenants and requirements of the loan shall be established by the Commissioner in accordance with prudent lending practices. At minimum, the documents should ordinarily require the borrower to:

 1. Make periodic payments of principal and interest;

 2. Make any lease payments;

 3. Maintain adequate insurance on collateral, and maintain books and records on the business;

 4. Maintain and repair the collateral;

 5. Pay any taxes or governmental charges assessed against the collateral and comply with all applicable governmental laws and regulations;

 6. Keep the collateral free of liens and encumbrances except as may be expressly accepted by the Commissioner;

 7. Provide periodic financial reports;

 8. Repay advances necessary to protect the collateral and all expenses of protecting or enforcing the rights of the Department.

 The Commissioner may require such additional covenants and requirements as may be necessary, prudent or desirable, including, but not limited to, crop insurance.

 The borrower will be required to sign a loan agreement containing such covenants and adhere to the terms thereof.

**J. Loan Documentation**

 The borrower will be required to sign such documentation as the Commissioner deems necessary to ensure that the borrower and any guarantors have binding, enforceable obligations to repay the loan and that the Department has such valid and enforceable mortgages, security interests and assignments as necessary to protect the interest of the Department.

**K. Default**

 The Loan documentation will outline events and/or conditions which create a default situation. Upon default, the Department shall request that the Attorney General of the State of Maine or such attorneys approved by the Attorney General of the State of Maine take such action as may be prudent, including repossessing and liquidating or foreclosing on collateral.

**L. Administration**

 1. **Commissioner of the Department of Agriculture, Conservation and Forestry**

 The Commissioner shall:

(a) Make final decisions on participation by the Potato Marketing Improvement Fund in loans and grants;

 2. **Maine Potato Board** shall:

 (a) Provide overall supervision and policy oversight to the program;

 (b) Assign employees of the Maine Potato Board or contract for services to advise and assist potential borrowers in applying for funds and to work with other lenders in packaging loan proposals;

 (c) Enter into agreements with individuals or organizations for the purposes of financial record keeping, to facilitate collection of funds owed to the PMIF, and to develop appropriate loan forms.

 (d) Annually, at the beginning of each calendar year, make a best estimate of the amount available for loans and grants to be made in that calendar year, by projecting principal and interest repayments to the PMIF due in that year and subtracting operating costs and expenses projected to be incurred during that calendar year and provide a copy of this best estimate to the Commissioner.

 3. **Advisory Role of PMIF Committee**

 The PMIF Committee shall function as policy advisor to the Maine Potato Board.

 (a) Membership shall consist of:

 1) The Commissioner, or the Commissioner’s designee; and

 2) Six members appointed by the Maine Potato Board, 2 representing the processing sector of the potato industry, 2 representing the seed sector of the potato industry, and 2 representing the tablestock sector of the potato industry.

 The Committee shall advise the Maine Potato Board on the development and implementation of programs and activities that improve the economic viability of the potato industry; advise the Board concerning the funding and expenditures of the Fund; and make recommendations to the Board on authorized uses of the Fund and activities relating to the Fund, other than activities relating to the processing of loan applications or the servicing and administration of loans.

 4. **Project Review Committee**

 (a) **Purpose**

 A Project Review Committee shall be established for the purpose of reviewing proposals for funding under the New Facilities Fund. This review shall encompass the marketing, technical, business and other aspects of the proposal with particular attention paid to the intent of the Legislature in establishing the Fund.

 Under no circumstances will financial data about the applicant and the project be available to this Committee, but all other aspects of the proposed project will be reviewed by this group.

 The Project Review Committee's evaluation of a proposed project will be forwarded to the Commissioner, together with the supporting rationale for its recommendations regarding loan decisions.

 (b) **Membership**

 The Project Review Committee shall consist of eight (8) people appointed by the Maine Potato Board and approved by the Commissioner. The Committee shall include people with the following qualifications:

 • Knowledge of the potato industry in Maine and/or other potato producing regions;

 • Experience as growers;

 • General marketing expertise; and

 • Engineering and/or technical expertise.

 5. **Credit Committee**

 (a) **Purpose**

 A Credit Committee shall be established for the special task of providing financial analysis of proposals for funding through the New Facilities Fund. For any project proposal whose total estimated cost exceeds $100,000,the Credit Committee shall review all financial aspects of the proposal, as well as other information about each project, and evaluate each project from a credit perspective. The Credit Committee shall not provide financial information to the Project Review Committee. The Credit Committee will report its findings and recommendations on individual proposals directly to the Commissioner.

 (b) **Membership**

 The Credit Committee shall consist of four (4) members each of whom has commercial or agricultural lending experience, two of whom shall represent the USDA Farm Service Agency and the Farm Credit System. Committee members are appointed by the Commissioner and approved by the Maine Potato Board.

 6. **Irrigation Grant Review Committee**

 (a) **Purpose**

 An Irrigation Grant Review Committee shall be established for the purpose of reviewing proposals for grant funding under the Irrigation Grant Fund. This review shall encompass the technical aspects and eligibility criteria of the proposal.

 The Irrigation Grant Review Committee's evaluation of a proposed project will be forwarded to the Commissioner, together with the supporting rationale for its recommendations regarding grant decisions.

 (b) **Membership**

 The Irrigation Grant Review Committee shall consist of three (3) people appointed by the Maine Potato Board. The Committee shall include people with one of the following qualifications:

 • Knowledge of the potato industry in Maine and/or other potato producing regions;

 • Experience as growers;

 • Engineering and/or technical expertise.

STATUTORY AUTHORITY: 7 MRS ch. 103 Article 1-A; Title 10 MRS §1023-N; Public Law 2013 ch. 403

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