

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1925

H.P. 1286

House of Representatives, May 6, 2025

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

Reference to the Committee on Agriculture, Conservation and Forestry suggested and ordered printed.

A handwritten signature in cursive script, reading "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative OSHER of Orono.
Cosponsored by Senator BRENNER of Cumberland and
Representatives: FLYNN of Albion, FRIEDMANN of Bar Harbor, HALL of Wilton,
PLUECKER of Warren, RANA of Bangor, WHITE of Guilford, Senator: TALBOT ROSS of
Cumberland.

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

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

4 **§318. Business plan development**

5 **1. Eligibility.** An applicant must own a farm business that has been producing
6 agricultural products commercially in the State for at least 2 years at the time of application.
7 The applicant must submit an application to the department to be eligible for participation
8 in the program pursuant to procedures developed by the department. Exceptions to the 2-
9 year eligibility requirement may be granted at the discretion of the department.

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

12 A. The degree of opportunity for increasing the vitality of the farm business due to
13 factors such as the capability of the applicant to effect positive changes in farm business
14 operations and the suitability of the land in agricultural use to sustain those changes;
15 and

16 B. The degree of threat to the continuation of agricultural use of the land due to factors
17 such as the financial capacity and current farm management practices of the applicant.

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

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

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

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

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

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

37 **§319. Investment support**

38 **1. Eligibility.** A selected farm business that has completed a business plan pursuant
39 to section 318 is eligible to apply for funding to implement the plan. The applicant may
40 apply for a reduced-interest loan from the Agricultural Marketing Loan Fund under chapter
41 101, subchapter 1-D and for a grant pursuant to the terms outlined in exchange for a

1 ~~farmland protection agreement under subsection 4. A farmer requesting a grant in~~
2 ~~exchange for a farmland protection agreement must own at least 5 acres of land in~~
3 ~~agricultural use at the time of application.~~

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

9 A. The viability of the business plan;

10 B. The degree of threat to the continuation of agricultural use of the land due to factors
11 such as the financial capacity and current farm management practices of the applicant;
12 and

13 C. The degree to which the business plan would accomplish broader objectives such
14 as the protection of water resources, wildlife habitat, open space and scenic and cultural
15 amenities.

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

18 **3. Uses and limitations of funding.** Any funds provided by the department pursuant
19 to this section must be used to implement the business plan either in the plan's original form
20 or in a subsequent amended version that has been approved by the department. For a farm
21 business applying for and receiving a loan from the Agricultural Marketing Loan Fund, the
22 loan requirements and limitations under chapter 101, subchapter 1-D and Title 10, section
23 1023-J apply. For a farm business receiving a grant, the department may provide funds to
24 implement the business plan in an amount not to exceed ~~\$25,000~~ \$45,000 or 25% of the
25 total investments identified by the business plan, whichever is less.

26 **4. ~~Farmland~~ Agricultural conservation agreement or farmland protection**
27 **agreement.** A farm business selected to receive a grant under subsection 2 must have an
28 existing agricultural conservation agreement or enter into a new 7-year farmland protection
29 agreement with the department before the department provides investment support
30 pursuant to this section. The agreement must provide that the farm business will protect
31 the land in agricultural use from nonagricultural development for the period of the
32 agreement. Exceptions may be granted by the department if an applicant does not own the
33 land on which the applicant operates the applicant's farm business but has a long-term lease
34 arrangement. A selected farm business may terminate the farmland protection agreement
35 at any time if the farm business repays the department for any funds provided to the farm
36 business by the department pursuant to this section.

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

40 **Sec. 3. 7 MRSA §435, sub-§2, ¶A,** as amended by PL 2021, c. 710, §5, is further
41 amended to read:

42 A. An agricultural marketing loan for any project under this subchapter, the total cost
43 of which exceeds ~~\$200,000~~ \$450,000, may not exceed 90% of the project cost. A loan
44 from the fund may not be provided for such a project unless the applicant demonstrates

1 a commitment of private funds of at least 5% of the total cost of the project; except
2 that, in order to encourage the undertaking of cooperative projects by 2 or more
3 agricultural enterprises, an agricultural marketing loan may not be provided unless the
4 cooperating agricultural enterprises as a group demonstrate a commitment of private
5 funds of at least 5% of the total cost of the project.

6 **Sec. 4. 7 MRSA §435, sub-§2, ¶B**, as amended by PL 2021, c. 710, §6, is further
7 amended to read:

8 B. An agricultural marketing loan for any project under this subchapter, the total cost
9 of which is ~~\$200,000~~ \$450,000 or less, may not exceed 90% of the total cost of the
10 project.

11 SUMMARY

12 This bill amends eligibility criteria for the Maine Farms for the Future Program to
13 ensure that farmers who lease rather than own land and those who farm on land that is
14 already protected by an agricultural conservation agreement are able to receive grants in
15 the program. The bill also allows the Department of Agriculture, Conservation and Forestry
16 to grant exceptions to eligibility criteria to allow for more flexibility for business plan
17 development and investment support for farms. Lastly, the bill increases the maximum
18 allowable amounts for grants and agricultural marketing loans awarded through the
19 program.