

# MAINE STATE LEGISLATURE

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# THE AGRICULTURAL C·R·E·A·T·I·V·E E·C·O·N·O·M·Y



## PROPOSED LEGISLATION

for the Second Regular Session of the 123<sup>rd</sup> Legislature  
by the Maine Department of Agriculture  
January, 2008



## Introduction

The 2007 Legislative Resolve Chapter 13 requires the Department to propose legislation to meet the needs of the Agricultural Creative Economy as described in the findings of the ACES report.

The Agricultural Creative Economy report establishes ten high priority educational, research, technical assistance and economic development initiatives. Each of these initiatives, if supported, would help this agricultural sector improve its vitality and sustainability.

The Department of Agriculture is providing a partial list of suggested legislative changes we feel will partially assist the Agricultural Creative Economy sector. The Department believes these changes will not require any additional funding. Changes in existing programs and new proposed programs will be incorporated into existing division responsibilities with existing staff.

The Department recommends that additional legislative initiatives be established in future years. These initiatives could come about from further deliberations of, and collaboration between, the various agencies highlighted in the report as having responsibility for some of the proposed new or expanded programs.

# Summary of Proposed Changes

## Marketing

- Changes are being made to existing Department of Agriculture marketing law to FOCUS, PRIORITIZE, and STRENGTHEN direct market promotion efforts. In particular, language is added to focus on developing a Word of Mouth marketing initiative and support consumer buying clubs and community supported agriculture (ACES Recommendation 2), and strengthen coordination between agencies to support Farm to School programs (ACES Recommendation 3).

## Business Planning

- Changes are proposed for the Department of Agriculture's NxLevel Business Planning program and Farms For The Future (FFTF) program (ACES Recommendation 6). The changes require farmers to have formal business planning training along with technical assistance.
- Additional incentives are developed to make available lower interest loans from the AMLF program for phase 2 investment.
- Administrative changes made to the FFTF program will eliminate the need for a \$200,000 match from the administrator of the program, and establish a minimum amount of investment funding for investment phase grants in exchange for farmland protection agreements.

## Technical Assistance

- Language is proposed to establish a new technical assistance program in the Department of Agriculture, called FarmNet (ACES Recommendation 7). This program will provide follow-up technical advisor support for farms who complete the NxLevel business planning program, FFTF program, or who need support in the case of an individual or industry-wide crisis. It is proposed that initial funding would be made available from the Agricultural Development Fund. Outside third party funding would also be sought.

## Access To Capital

- Changes are being made in the Agricultural Marketing Loan Fund to allow successful FFTF phase 2 investment grantees to have access to lower interest loans (ACES Recommendation 9). In addition changes were made to allow interest on the fund to be used for establishment of the FarmNet program.
- Changes were made to eliminate the business planning program under AMLF as it is now duplicative to the FFTF program.

**Research and Development**

- Changes are proposed to utilize the Agricultural Development Fund for the newly formed FarmNet program. Changes were also made to require an annual report to the legislature to comply with the OPEGA report findings for better transparency in economic development programs.

**Labor**

- Changes are proposed to the existing Department of Agriculture farm internship program to rename the program and improve connections with Department of Labor programs (ACES Recommendation 8).

**Accountability and Transparency**

- Changes were added to reporting requirements for all the grant and loan programs. Reporting will require consistent, comparable economic development program effectiveness indicators similar to those used in other economic development programs.

## Proposed Legislative Language

### Sec 1: Marketing Support for the Agricultural Creative Economy

#### **7 MRSA §241. Awareness program is amended as follows:**

The Commissioner of Agriculture, Food and Rural Resources shall:

**1. Public awareness.** Initiate a word of mouth marketing educational program to Produce audio-visual materials, facilitate public service programming, prepare written materials, organize a speakers' bureau and otherwise educate the public on where they can directly purchase Maine grown food products. The commissioner, in carrying out these duties, shall address the following needs: maintaining a lasting and sustainable agriculture; protecting our critical rural infrastructures; guaranteeing continued and effective production and marketing of fresh fruits, vegetables and livestock; preserving prime farmland; conserving our soils and water; and generally ensuring the quality of life in rural Maine.

**2. Agricultural literacy.** Cooperate with the Department of Education and the Department of Health and Human Services to develop instructional materials and curriculum on: health and nutrition using Maine grown food products; growing school gardens; and connecting food with farms. Train teachers and teacher trainers and otherwise complete actions for utilizing applying the curriculum agriculture as an exciting medium for educating students both about society and the natural world, and while increasing their agricultural literacy by infusing basic agricultural concepts such as food and nutrition and the value of supporting a local agriculture. ~~agriculture and economies, the dynamics of world hunger, agriculture and history within present subjects taught in Maine schools.~~

**3. Cooperation.** Cooperate with appropriate local, state, and federal agencies and institutions, educational and farm organizations and interested individuals, including the Maine Soil and Water Conservation Districts, the Maine Ag in the Classroom Association, the Department of Education and the Cooperative Extension Service in carrying out this chapter.

#### **7MRSA §401-B. Responsibilities of the commissioner is amended as follows:**

To further the purposes of this Part, the commissioner shall initiate and implement programs necessary to facilitate the effective, profitable marketing of Maine agricultural products. For the purposes of this subchapter, the terms "agricultural products" and "farm products" include, but are not limited to, products of aquaculture as defined in Title 12, section 6001, subsection 1. These programs include, but are not limited to, the following.

**1. Research.** The commissioner, in conjunction with the Maine Agricultural Experiment Station and the Cooperative Extension Service, shall conduct, assist and foster research to improve the marketing, handling, storage, processing, transportation and

distribution of agricultural products in order to develop new and wider direct and wholesale markets and reduce distribution costs.

**2. Information to producers.** The commissioner, in conjunction with the Maine Agricultural Experiment Station and the Cooperative Extension Service and other public or private agencies, shall provide producers information regarding current market conditions and such other information as may be needed to maintain quality control and promote quality improvement for Maine agricultural products.

**3. Information to consumers.** The commissioner, in conjunction with the Cooperative Extension Service, shall provide for the development of and dissemination of information to consumers about Maine agricultural products.

**4. Organization.** The commissioner shall aid Maine producers and consumers by assisting in the development of buying clubs, community supported agricultural enterprises, cooperative societies of buyers and sellers, encouraging direct marketing and by facilitating the efficient distribution of farm products.

**5. Coordination and assistance.** The commissioner shall consult with, coordinate and assist producer and dealer organizations and other groups interested in the production, processing and packing, grading, promotion and sale of agricultural goods.

**6. Monitoring consumption of Maine-produced food.** By November 1, 2000, the commissioner shall develop a method and baseline research to estimate the percentage of food consumed in Maine that is produced within Maine. The commissioner shall update the methodology and estimate every 2 years and include the latest estimate in the biennial report submitted to the Legislature pursuant to section 2, subsection 5.

**7MRS §411. Definitions is amended as follows:**

As used in this subchapter, the following terms shall have the following meanings.

**1. Commissioner.** "Commissioner" means the Commissioner of Agriculture, Food and Rural Resources.

**2. Direct-marketing.** "Direct-marketing" means the marketing of agricultural products commodities by farmers directly to consumers.

**7MRS §412. Research and preparation of information is amended as follows:**

The commissioner shall research and prepare information designed to develop and promote direct-marketing. The commissioner shall consult with the farm community, the faculty of the College of Agriculture of the University of Maine System, and with the various county extension agents in compiling information under this section. The information shall include, but not be limited to, the following:

**1. Description and evaluation.** A description and evaluation of the various methods of direct-marketing, such as farmers' markets, roadside stands, pick your own, subscription farming (community supported agriculture) and sales to consumer buying clubs, and cooperatives;



**2. Practical information.** Prepare practical information concerning the establishment and operation of various methods of direct-marketing, including business planning, promotion, advertisement, management, food stamp purchases and liability insurance;

**3. Survey.** A survey, ~~by county~~, of the present demand for agricultural ~~commodities~~ products to enable farmers to plan future production in closer accord with marketing demands;

**4. Feasibility study.** A study of the feasibility of direct-marketing to publically funded institutions, such as hospitals ~~and~~, schools, prisons; and

**5. List of farmers.** A list of the names and addresses of all Maine farmers and of the agricultural commodities which each produces, and their availability.

**7MRSA §413. Distribution is amended as follows:**

The commissioner shall develop suitable means to distribute information compiled under section 412 to all Maine farmers. ~~If the commissioner considers the cost of distributing any research or instructional publication prohibitive, he shall, by whatever means appropriate, notify farmers of the availability of the information. Distribution may be accomplished by means currently within the Department of Agriculture, Food and Rural Resources.~~

**7 MRSA §414. Assistance is amended as follows:**

The commissioner shall assist and advise individual farmers or groups of farmers in their efforts to market ~~more effectively~~ directly to consumers by;

**1. Soliciting participation.** Informing farmers of, and soliciting their participation in, any proposed method of direct-marketing;

**2. Technical assistance.** Providing technical assistance in such areas as business planning, word of mouth advertising, lease and contract negotiation; and

**3. Referral.** Referring farmers to other appropriate sources of assistance, such as the University of Maine System, College of Agriculture, the county extension offices and the United States Department of Agriculture.

## Sec 2. Business Planning

### **7 MRSA Chapter 10-B: MAINE FARMS FOR THE FUTURE PROGRAM is amended as follows:**

#### **§317. Maine Farms for the Future Program**

The Maine Farms for the Future Program, referred to in this chapter as the "program," is created. The program is administered by the department, either directly or by contract with a suitable organization. The program provides a selected farm with assistance in developing a detailed business plan that involves changes in the farm's operation to increase the vitality of the farm and reduced interest loans through the Agricultural Marketing Loan Fund or investment money to help implement the plan. The department shall organize a review panel, referred to in this chapter as the "panel," to evaluate and approve applications for participation in the program and for investment support.

#### **§318. Business plan development**

**1. Eligibility.** An applicant must be a Maine agricultural business in operation for at least the past two years. own at least 5 acres of land in agricultural use and The applicant must submit an application to the department to be eligible for participation in the program pursuant to procedures developed by 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 due to factors such as the capability of the applicant to effect positive changes in farm 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.

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

**3. Services package; reimbursement.** Once an applicant is selected to participate in the program, the department shall assist the selected farm in assembling a services package to develop the business plan within eighteen (18) months ~~one year~~ of the selection. These services ~~may~~ must include:

- A. Outside ~~financial~~ experts to provide services such as analyzing production practices, markets or developing financial data; and
- B. Instruction or classroom training in economics and business planning for the owner or operator of the farm. The classroom training must be the NxLevel curriculum for food processing and farm businesses or an equivalent program approved by the department.

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. ~~Payment of more than \$5,000 requires the approval of the commissioner.~~ The department shall keep an accounting of the services provided to a selected farm as part of the services package.

**~~4. First farmland protection agreement.~~**

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

**§319. Investment support**

**1. Eligibility.** A selected farm that has completed a business plan pursuant to section 318 is eligible to apply for a reduced interest loan from the Agricultural Marketing Loan Fund OR for funding to implement the plan in exchange for a farmland protection agreement. Farmers requesting funding must own at least 5 acres of land currently in agricultural use. funding to implement the plan.

**2. Award of funds.** The panel shall develop a competitive process to determine which farms receive implementation funds and enter into a farmland protection agreement. to implement a business plan. 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. The department may provide a selected farm with funds to implement the business plan. For those projects accessing the Agricultural Marketing Loan Fund, the amounts must be in accordance with loans requirements in the Agricultural Marketing Loan Fund and in an amount not to exceed the limits of the Agricultural Marketing Loan Fund. lesser of \$25,000 or 25% of the total investments identified by the business plan.

**4. Farmland protection agreement.** If a farm chooses to enter into an agreement rather than a loan, A the selected farm must enter into a 7-year farmland protection agreement with the department before the department provides investment support pursuant to this section. Investment for the farmland protection agreement shall be the lesser of \$25,000 or 25% of the total investments identified by the business plan. The agreement must

provide that the farm will protect the land in agricultural use from nonagricultural development for the period of the agreement. A selected farm may terminate the farmland protection agreement at any time if the farm repays the department for any funds provided to the farm by the department pursuant to this section.

### **§320. Program administration**

**1. Duties.** The department shall ensure that the following duties are performed:

- A. Promoting the program to farms in the State;
- B. Organizing and overseeing the panel;
- C. Developing criteria to select participants for the program and recipients of investment support;
- D. Compiling a list of outside service providers;
- E. Administering the disbursement of investment support;
- F. Executing and enforcing ~~first and~~ 2nd farmland protection agreements; and
- G. Evaluating and reporting annually by March 15th to the joint standing committee of the Legislature having jurisdiction over agricultural matters on the impact and effectiveness of the program.

**2. Outside service providers.** The department shall develop, maintain and periodically update a list of outside service providers who may provide services pursuant to section 318 by widely circulating an application to qualifying entities. The application must request information including qualifications of the entity in any area that may be of use in developing a farm viability business plan. "Qualifying entities" means individuals, private organizations, public organizations and agencies of the State, marketing consultants, accounting firms, business support organizations, farm support organizations and other organizations that the department determines may provide valuable services pursuant to section 318. A selected farm may use an outside service provider identified on the list of service providers or another outside service provider that has been approved by the department.

**3. Administration by other than department.** ~~If the department chooses, the~~ department ~~shall~~ may contract the administration of this program to a suitable organization selected through a competitive process developed by the department. ~~The organization selected must provide a match of a minimum of \$200,000 nonstate funds.~~ The contracting organization is responsible for performing all duties set forth in subsection 1, except that it is solely the department's responsibility to perform the duty set forth in subsection 1, paragraph F. The Department shall reserve at least 40% of the total annual state funding for this program for investment support pursuant to section 319. Funds appropriated to the program may not lapse but must be carried forward.

~~**4. Funding.** The contracting organization may not expend more than 15% of the total state funding per year or \$125,000 over the life of the program for this program on administration costs and shall reserve at least 40% of the total state funding for this program for investment support pursuant to section 319. Funds appropriated to the program may not~~

~~lapse but must be carried forward.~~

**5. Rulemaking.** The commissioner shall adopt rules to carry out the purposes of this chapter. All rules adopted pursuant to this chapter are routine technical rules pursuant to Title 5, chapter 375, subchapter II-A.

6. Reporting. The commissioner shall submit an annual report on or before March 1st of each year to the joint standing committee of the Legislature having jurisdiction over agricultural matters. The report must include a summary of grants made during the previous calendar year. The report shall address effectiveness of the program. Effectiveness measures may include, but not be limited to, evaluation of number of companies retained, expanded or new, increase in number of jobs created or retained, increased business revenues and new capital raised, improved wages paid to employees, and /or new capital investment and increase in profitability.

### **Sec 3 : Technical Assistance**

7 MRSA Chapter 10-C is created as follows:

#### Chapter 10-C: FarmNet Program

##### §321: Purpose:

A FarmNet program is created to provide selected Maine farm families with a network of contacts and support services to help them develop skills and solve problems in the farm business and for dealing with life challenges and transitions.

The goals of the program are to:

Maintain strong farm families and profitable businesses.

Provide early intervention assistance.

Enable farmers and their families to develop problem solving skills to meet their individual needs.

Help farmers and their families with farming transitions.

Foster information networking within the Maine agricultural community.

Further assist Farms For The Future participants in implementing changes in their farm businesses.

Complement other service providers in meeting the needs of farm families.

##### **§322 Operation of Program:**

###### **a. Eligibility**

Maine farmers and farm families who are seeking answers to family and business questions, or are experiencing financial, personal, legal, and other problems may apply to FarmNet.

###### **b. Services Provided**

The FarmNet program will provide confidential one to one technical assistance delivered or referral in a timely manner to eligible farms. FarmNet will also provide follow-up technical assistance to farm businesses who participate in the Farms ForThe Future Program.

###### **c. Consulting**

FarmNet shall be a confidential information, referral, and consulting network for farm families. The department shall contract with certified consultants, for up to

40 hours per eligible farm, to help farm families answer business and personal questions about any topic of concern, including: finances, farm changes, farm transfer, natural disaster, personal stress, family communication, and marital conflict. Confidential on-farm consultants will be screened and certified and registered by the department. Consultants may include, but not be limited to, Ag Mediation, Agricultural Lenders, Cooperative Education and CCE Educators, Lawyers, Agricultural organizations, State/community agencies, Utility Representatives, Education/Employment Resources and Local mental health or counseling services.

d. **Information and Referral**

The FarmNet program will provide information and referral to farm families by either answering questions directly, sending information from an extensive library, making referrals to other agencies and resources or assigning a FarmNet consultant to help the farmer or farm family address the issues.

e. **Resource Library**

The Farmnet program shall keep a resource library of publications available, covering a wide range of financial and personal topics, such as Farm Management, Business Transfer, Farm Transitions, Legal information, Family and Personal Matters, and Employment.

f. **Education/support groups**

The Farmnet program shall develop and facilitate education and support groups tailored to current issues such as: Coping with Natural Disaster, Improving Marital and Family Communication, Stress Management, and Educational workshops.

g. **Staffing**

The department shall provide staff for the FarmNet program.

h. **Fund established**

The FarmNet fund, referred to in this section as the "fund," is created. The fund must be administered by the Commissioner of Agriculture, Food and Rural Resources in accordance with the provisions of this chapter. Money may be received from any source for the development and implementation the FarmNet program and credited to the fund. The fund is a nonlapsing fund.

i. **Routine technical rules**

The commissioner may make rules for operation of the program, including, but not limited to eligibility, processing technical assistance requests, process for establishing consultant services and funding levels for those services, and

reporting requirements. Rules adopted pursuant to this subchapter are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.



## **Sec 4: Access to Capital**

7 MRSA Subchapter 1-D: AGRICULTURAL MARKETING LOANS is amended as follows:

### **§434. Definitions**

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.:

**1. Agricultural enterprise.** "Agricultural enterprise" means a person or business located in this State and engaged in the commercial growing or harvesting of plants; raising of animals; growing or obtaining plant or animal by-products; aquaculture, as defined in Title 12, section 6001, subsection 1; or further processing, storing, packaging or marketing a raw product derived from plants, animals, plant or animal by-products or aquaculture, as defined in Title 12, section 6001, subsection 1, with the intent that the product be sold or otherwise disposed of to generate income. "Agricultural enterprise" includes a business or activity that attracts visitors to a farm for the purpose of supplementing income from the primary crop or livestock operation. "Agricultural enterprise" does not include a business engaged primarily in the growing, harvesting or further processing of forest species of trees for the purpose of producing pulp or other materials used in the paper manufacturing or wood manufacturing process.

**2. Direct marketing.** "Direct marketing" means the marketing of agricultural products by farmers directly to consumers and restaurants. "Direct marketing" includes, but is not limited to, farmers' markets, farms selling produce picked by the consumer, roadside farm stands, farms selling shares of an anticipated harvest and catalog sales.

### **§435. Agricultural marketing loans**

**1. Administration.** The commissioner shall administer the Agricultural Marketing Loan Fund established under Title 10, section 1023-J.

**2. Conditions.** Agricultural marketing loans are subject to the following conditions.

A. An agricultural marketing loan for any project under this subchapter, the total cost of which exceeds \$100,000, may not exceed 75% of the project cost. A loan from the fund may not be provided for such a project unless the applicant demonstrates a commitment of private funds of at least 5% of the total cost of the project; except that, in order to encourage the undertaking of cooperative projects by 2 or more agricultural enterprises, an agricultural marketing loan may not be provided unless the cooperating agricultural enterprises as a group demonstrate a commitment of private funds of at least 5% of the total cost of the project.

B. An agricultural marketing loan for any project under this subchapter, the total cost of which is \$100,000 or less, may not exceed 90% of the total cost of the project.

C. An agricultural marketing loan must be at the interest rate established pursuant to subsection 3.

D. A purchaser of a modern storage facility that was previously financed with a state loan from the Potato Marketing Improvement Fund may receive a loan from the Agricultural Marketing Loan Fund, but not for the same project financed by the Potato

Marketing Improvement Fund. Mortgages obtained from the Agricultural Marketing Loan Fund may be assumed by subsequent purchasers of the property. The department shall adopt rules concerning the purchase of existing buildings. These rules must include provisions that ensure that the purchases are consistent with the purposes of this subchapter.

E. An agricultural marketing loan is subject to other terms and conditions prescribed, by rule, by the commissioner, including, but not limited to, a mechanism for reserving funds for, or giving priority to, projects in agricultural enterprises or areas of the State determined by the commissioner to require special assistance. When considering loans for aquacultural enterprises, the commissioner shall consult with the Department of Marine Resources.

F. [T. 7, §435, sub-§2, paragraph F (rp).]

~~G. An agricultural marketing loan for the purchase of land necessary for the start-up of a new agricultural enterprise may not exceed \$100,000.~~

**3. Interest rate.** The interest rate for loans is 5% per year. A farm business which has successfully completed a business plan by participating in the Farms For The Future Program shall be eligible for a reduced interest rate of 2% for a capital improvement loan identified in the business plan.

**4. Administrative costs.** The commissioner may establish, by rule, a fee for administrative costs on loans in excess of \$100,000. This fee may not exceed 1% of the loan. The commissioner may contract with the Finance Authority of Maine to assist in the administration of this subchapter.

**5. Report.** The commissioner shall submit an annual report on or before March 1st of each year to the joint standing committee of the Legislature having jurisdiction over agricultural matters. The report must include a summary of loans and grants made during the previous calendar year and loans outstanding categorized by the types of agricultural enterprises receiving the loans. The report shall address effectiveness of the program. Effectiveness measures may include, but not be limited to, evaluation of number of companies retained, expanded or new, increase in number of jobs created or retained, increased business revenues and new capital raised, improved wages paid to employees, and or new capital investment and increase in profitability.

#### **§436. Grants for technical assistance and research**

The commissioner may use all or a portion of the accrued interest in the cash balance of the Agricultural Marketing Loan Fund and all or a portion of loan repayments for grants for technical assistance and the agricultural development grant program in chapter 10 and FARMNET. The commissioner may expend grant dollars designated to an applicant in one fiscal year during the following fiscal years.

#### **§436-A. Development of business plans**

~~An agricultural enterprise applying for a loan under this subchapter may receive funding for the development of a business plan in accordance with this section.~~

~~1. **Eligibility.** The commissioner may authorize the release of funds to a loan applicant for the purposes of developing a business plan when the following conditions are met:~~

~~A. The project is eligible for a loan under the provisions of this subchapter and Title 10, section 1023-J;~~

~~B. The application does not include a business plan for the project or the business plan is deemed inadequate by the commissioner; and~~

~~C. The commissioner determines that the project as described in the application has merit.~~

~~2. **Limitations.** The amount of funds released for the purposes of developing a business plan may not exceed 50% of the cost of developing a plan. The amount of funds released for the purposes of developing a business plan may not exceed \$1,000 or 5% of the amount of the requested loan for the project, whichever is less.~~

~~3. **Final approval of loan.** When an applicant receives funding for the development of a business plan in accordance with this section, the applicant shall provide the commissioner with a copy of the completed business plan no more than 6 months from the date funding for the plan was received. At that time, the commissioner shall review the business plan and other application materials and make a final determination on the application. If the applicant receives a loan under this subchapter, the amount of money received from the fund for the business plan becomes part of the total loan amount and is paid back to the Agricultural Marketing Loan Fund. If the applicant does not receive a loan under this subchapter, the applicant is not required to pay back funds received for a business plan under this section.~~

## **Sec 5: Research and Development Support**

**7MRSA §306-A. is amended as follows :**

### **Agricultural Development Grant Program Fund:**

**1. Agricultural Development Grant Program Fund.** The commissioner shall establish an agricultural development grant program fund to accelerate new market development, adoption of advantageous technologies and promoteion of state agricultural products by state producers.

**2. Grant Program Fund operation.** The commissioner shall: ~~utilize the agricultural development fund to:~~

A. Provide grants to individuals, firms or organizations to conduct market research, market development, or to undertake market promotion activities for the purpose of expanding existing markets and developing new markets for state agricultural products; and

B. Test and demonstrate new technologies related to the production, storage and processing of state agricultural commodities; ~~and~~

C. Assist in providing technical assistance to individual farm businesses through a FARMNET program, as defined in 7 MRSA Chapter 10-C, § 321.

**3. Rulemaking.** The commissioner shall establish, by rule, in a manner consistent with Title 5, chapter 375, subchapter II-A criteria for the allocation of grant money, application requirements consistent with the provisions of this section, a schedule for accepting and reviewing applications, reporting requirements on grant expenditures and project results and any other administrative requirements necessary for the efficient implementation of this program. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

For Agricultural Development Grants, ~~The commissioner is~~ shall be guided by the following criteria:

A. Applications may be submitted by individuals, firms or organizations;

B. At least 25% of the total cost of any project must be funded by the applicant or applicants and at least 10% of the total cost must be funded from nonpublic sources. A single grant may not exceed 20% of the total funds available to be granted in a given year; however, in no case may a single grant exceed \$30,000;

C. Information relative to market research or development activities provided to the commissioner prior to formal application, included in grant applications or provided to the commissioner to fulfill reporting requirements is confidential information and may not be publicly disclosed by the commissioner as long as:

(1) The person to whom the information belongs or pertains has requested that certain information be designated as confidential; and

(2) The commissioner has determined that the information gives the person making the request opportunity to obtain business or competitive advantage over another

person who does not have access to the information or will result in loss of business or other significant detriment to the person making the request if access is provided to others; and

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

**4. Advisory committee.** The commissioner shall establish the Agricultural Development Project Review Committee to evaluate grant applications and make recommendations to the commissioner on grants to fund market and production development grant applications and review project results.

**7MRS §309. Annual review is amended as follows:**

The commissioner shall report annually on the effectiveness of the Agricultural Development Fund to the Joint Standing Committee on Agriculture. Effectiveness measures may include, but not be limited to, evaluation of number of companies retained, expanded or new, increase in number of jobs created or retained, increased business revenues and new capital raised, improved wages paid to employees, and or new capital investment and increase in profitability. ~~and the Agriculture Development Committee shall, on an annual basis, review the effectiveness of the programs operated under the provisions of this chapter.~~

**Sec 6: Labor**

**7 MRSA Chapter 8-B: AGRICULTURAL INTERNSHIP AND TRAINING is amended as follows:**

**§221. Establishment of Maine Agricultural Internship and Training Program**

The commissioner shall establish a Maine Agricultural Apprenticeship Internship and Training Program.

**§222. Responsibilities of the commissioner**

The commissioner shall:

**1. Information.** Conduct studies and otherwise gather, maintain and disseminate information concerning farmland transfers, availability of farm labor, existence of farm internship and training programs, persons desiring to participate in that training, farmers retiring or otherwise ceasing farming operations, persons desiring to enter farming or associated employment and all other information deemed necessary to carry out this chapter;

**2. Training.** Provide and supervise opportunities for on-farm and off-farm training, through state-sponsored programs or in cooperation with the Maine Department of Labor ~~other appropriate agencies~~ and other organizations. Training may include on-site experience under the guidance of approved farmer-supervisors or classroom instruction in farm management, finance, equipment use and maintenance, production and marketing principles and techniques and other relevant subjects;

**3. Assistance.** Provide assistance in matching retiring farmers with persons desiring to enter farming and recruit and place interns with farmer-supervisors;

**4. Cooperation.** Cooperate with appropriate local, state and federal agencies and institutions and with farm organizations and interested individuals, including the Department of Education, the Department of Labor, the University of Maine and the Cooperative Extension Service, in carrying out this chapter;

**5. Staff support.** Designate an employee of the department to oversee the Maine Agricultural Apprenticeship and ~~Internship~~-Training Program; and

**6. Report.** Report to the joint standing committee of the Legislature having jurisdiction over agricultural matters no later than March 1st of each odd-numbered year on activities relating to the implementation of this chapter.

