

Appendix A - Part 1- COVER PAGE

Department of Agriculture, Conservation and Forestry
 Maine Farms for the Future Program – Round 13
 RFP # 201307567

Bidder's - Farm Business Name:		
Farm Business Owner's Name:		
Farmland Owner's Name:		
Tel:	Fax:	E-mail:
Headquarters Street Address:		
Headquarters City/State/Zip:		
<i>(provide information requested below if different from above)</i>		
Lead Contact for Proposal - Name/Title:		
Tel:	Fax:	E-mail:
Street Address:		
City/State/Zip:		

<p>Actual "Proposed Cost" for a Phase 1 Grant Award of: \$6,000.00 (\$4,000 to Bidder and \$2,000 to SBDC or other qualified, certified professional Business Counselor) <i>Any potential Phase 2 grant award in April 2015 would be for 25% of a proposed project cost, matched at 75%, and would be capped at \$25,000.</i> <i>The proposed cost listed above is for reference purposes only, not evaluation purposes.</i></p>

- This proposal and the pricing structure contained herein will remain firm for a period of 180 days from the date and time of the bid opening.
- No personnel currently employed by the Department or any other State agency participated, either directly or indirectly, in any activities relating to the preparation of the Bidder's proposal.
- No attempt has been made or will be made by the Bidder to induce any other person or firm to submit or not to submit a proposal.
- The undersigned is authorized to enter into contractual obligations on behalf of the above-named organization.

To the best of my knowledge all information provided in the enclosed proposal, both programmatic and financial, is complete and accurate at the time of submission.

 Authorized Signature

 Date

 Name and Title (Typed)

Appendix A - PART 1- APPLICATION

Department of Agriculture, Conservation and Forestry Maine Farms for the Future Program – Round 13 RFP # 201307567

For Phase 1: The RFP period is between November 25, 2013 and April 10, 2015.

PHASE 1 – Eligibility Requirements

Private for-profit companies, owned by individuals, partners or corporations, that grow or produce agricultural products for commercial sale, and have all State of Maine certification or licensure required for the particular type of agricultural operation (Nutrient Management Plan, Licensed Commercial Kitchen, Milk License, etc) that:

- a. Own and operate a Farm Business that has been producing agricultural products commercially in the State of Maine for at least two (2) years (24 months) at the time of application. The applicant must own their farmland or be a partner or shareholder in a legal entity that owns the farmland.
 - i. If the applicant does not own farmland, and instead operates leased farmland, then the applicant must have at least a 10-year lease agreement with the farmland owner, and the farmland landowner must co-sign the Phase 1 Application (Appendix A). Then, if awarded Phase 1 funds, both the farmland owner and the farmland operator would be the grant recipients (*Providers*) and both would sign the Department’s Phase 1 grant contract.
 - ii. If having recently purchased their farmland, the applicant must have had at least two years of experience operating a Farm Business elsewhere in Maine.
- b. Meet the Criteria for Selection established in statute (*Title 7, MRS Chapter 10-2B*), and the *Rules Governing the Maine Farms for the Future Program (Chapter 36)* and further described in Appendix C – *Phase 1 Selection Criteria Guidance and Scoring System*.
- c. Submit documentation of gross and net farm income, expenses, net worth and farm debt, including copies of IRS Schedule F tax forms for 2011 and 2012.

For Phase 2: The Department will distribute the Phase 2 applications to Phase 1 “Providers” in January 2015 and the deadline for application to Phase 2 will be April 10, 2015.

PHASE 2 – Eligibility Requirements

Only those Bidders who are awarded Phase 1 grants, and who enter into Phase 1 contracts as *Providers* to the Department, are eligible to apply for Phase 2. Only those *Providers* who complete all requirements of Phase 1, and submit a Phase 2 Application (to be disseminated by the Department in January 2015) and a complete written Business Plan are eligible to apply on April 10, 2015.

7. Briefly describe your farm as you would to your customers - what you raise or produce, who works on the farm, how many acres you farm, services or activities you provide for your customers.

7a. Number the products you grow for commercial sale in the order that they generate income for you, from greatest income generated (#1) to least.

- | | | |
|----------------------------------------------------|--------------------------------------------|--------------------------------------|
| <input type="checkbox"/> agritourism | <input type="checkbox"/> grains | <input type="checkbox"/> poultry |
| <input type="checkbox"/> apples | <input type="checkbox"/> goats | <input type="checkbox"/> sheep |
| <input type="checkbox"/> beef | <input type="checkbox"/> hay | <input type="checkbox"/> vegetables |
| <input type="checkbox"/> berries | <input type="checkbox"/> herbs | <input type="checkbox"/> other _____ |
| <input type="checkbox"/> micro-dairy
(creamery) | <input type="checkbox"/> honey | <input type="checkbox"/> other _____ |
| <input type="checkbox"/> eggs | <input type="checkbox"/> ornamentals | <input type="checkbox"/> other _____ |
| <input type="checkbox"/> fiber | <input type="checkbox"/> maple syrup | |
| <input type="checkbox"/> flowers | <input type="checkbox"/> milk (dairy cows) | |
| | <input type="checkbox"/> pigs | |

7b. Additional notes on farm products, if applicable.

8. How would you describe your current customer base and markets?

(check all that apply.)

- | | |
|-----------------------------------------------------|----------------------------------------------------------------------------------|
| <input type="checkbox"/> Family, friends, neighbors | <input type="checkbox"/> Farmer's Markets |
| <input type="checkbox"/> Community | <input type="checkbox"/> CSAs |
| <input type="checkbox"/> Statewide | <input type="checkbox"/> Buying Clubs |
| <input type="checkbox"/> National/International | <input type="checkbox"/> Your own Farm Stand or Farm Store |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Other Farm Stands or Farm Stores |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Other Small Stores |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Large wholesale stores or distributors |
| | <input type="checkbox"/> Restaurants/Institutions |
| | <input type="checkbox"/> One or two large contract-based customers or processors |

9. How would you describe your anticipated future customer base?

(check all that apply.)

- | | |
|-----------------------------------------------------|----------------------------------------------------------------------------------|
| <input type="checkbox"/> Family, friends, neighbors | <input type="checkbox"/> Farmer's Markets |
| <input type="checkbox"/> Community & region | <input type="checkbox"/> CSAs |
| <input type="checkbox"/> Statewide | <input type="checkbox"/> Buying Clubs |
| <input type="checkbox"/> National/International | <input type="checkbox"/> Your own Farm Stand or Farm Store |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Other Farm Stands or Farm Stores |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Other Small Stores |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Large wholesale stores or distributors |
| | <input type="checkbox"/> Restaurants/Institutions |
| | <input type="checkbox"/> One or two large contract-based customers or processors |

Section 2 – Farm Financial Information

10. What was your OVERALL gross and net profit from the farm in 2012?

a. Gross \$ _____ (your total revenues)

b. Net \$ _____ (your total revenues, minus your expenses*)

** We are looking for the amount after you pay all your farm expenses, including paid labor and/or salary, utilities, supplies, insurance, loans, depreciation, etc).*

c. Are you paying yourself (or someone in your family) as part of those expenses?
(circle one) YES NO

11. Complete the 3-year OVERALL gross and net profit chart below. Do your best to show the gross and net profit from 2010 through to 2012 for each of the CROPS or PRODUCTS you listed in Question #7a.

Note the acres needed/used for each product, for each of the three years.

Farm Crop/Product	2011			2012			2013 (anticipated)		
	Acres	Gross	Net	Acres	Gross	Net	Acres	Gross	Net
<i>Example: Mixed Vegetables</i>	<i>3</i>	<i>\$12,000</i>	<i>\$6,000</i>	<i>3.5</i>	<i>\$15,000</i>	<i>\$10,000</i>	<i>3.5</i>	<i>\$25,000</i>	<i>\$12,000</i>
TOTAL									

Additional notes on farm income, if necessary:

12. Methods used to track farm revenues and expenses. (Please check all that apply).

- | | |
|--------------------------------------------------------------|----------------------------------------------------|
| <input type="checkbox"/> QuickBooks | <input type="checkbox"/> a hired bookkeeper |
| <input type="checkbox"/> Excel (or other spreadsheet) | <input type="checkbox"/> a hired accountant |
| <input type="checkbox"/> pencil, paper, & simple notebooks | <input type="checkbox"/> a friend or family member |
| <input type="checkbox"/> farm ledger books | <input type="checkbox"/> don't really keep track |
| <input type="checkbox"/> a shoebox of loose notes & receipts | <input type="checkbox"/> other |

13. How often do you bring your overall farm financial records up to date?

- Weekly Seasonally Monthly At tax time

14. Please identify any farm debt, including mortgages. If none, please state so.

Amount outstanding	Purpose	Held by	Payoff date
<i>Example: \$9,000</i>	<i>Used tractor purchase</i>	<i>Farm Savings Bank</i>	<i>March 2020</i>

15. What is your perspective on farm debt and debt management? (Please check one of the following)

- Comfortable with some debt, when managed well
 Somewhat comfortable with debt
 Uncomfortable with debt, but not entirely opposed
 Avoid it at all costs

16. Would you like to maintain or change your debt situation? (circle "maintain" or "change")

If you circled "change" please describe what you would like to change, and by when....

Section 3 - Farm Personnel

17. On-farm family or household members employed on farm:

Name	Relationship	Full time or part time?
<i>Example: Mary Smith</i>	<i>Owner and spouse</i>	<i>Part time</i>

18. Annual average number of non-household farm employees:

Full time _____ Part time _____

19. Annual average total payroll for non-household employees: \$ _____

20. Annual average number of farm apprentices or interns: _____

21. Annual average total of stipends for farm apprentices or interns: \$ _____

(circle one) Room? YES / NO *(circle one)* Board? YES / NO

22. Please explain if any key personnel & family members expect to transition into or away from farming in the next three (3) years.

23. Do any farm household members have off-farm income?

(circle one) YES NO

24. If farm household members are earning income off the farm, please explain the role of the off-farm income in your farm business and family finances. *(check one choice and provide a brief note.)*

<input type="checkbox"/> Off-farm income supports family expenses and the farm pays for itself with farm revenue
<input type="checkbox"/> Off-farm income supports family expenses and contributes a small amount to the farm
<input type="checkbox"/> Off-farm income supports the farm and family

Notes:

25. Please explain your goals to change or maintain the balance of off-farm and on-farm income.

26. Please describe how many years you have been farming, and your experience in and knowledge of farming. (*production, management, marketing, training, education, personal background, etc.*)

27. Please describe (if applicable) what else in your background contributes to your capability as a farm business manager, including your experience with planning and implementing changes.

Section 4 – Ideas for Change and Business Planning Goals

In this section, identify what needs improvement on the farm and whether you have identified any potential strategies for improvements.

28. What is your “big picture” or long term vision for your farm?

29. What do you believe needs to change about the farm or farm business to achieve that vision?

30. What are your ideas or strategies for change to help make the farm more viable?

31. Why do you think that writing a business plan will help improve farm viability?

32. What are some specific questions about your farm that you would like to clarify in the business planning process? Try to put into words your questions or “unknowns” about your ideas for the farm.

Examples are:

- *Can these new ideas be done on my land?*
- *Are there enough customers?*
- *Am I actually making any money?*
- *What enterprises might I expand?*
- *Is this industry going anywhere?*
- *Who will take over for me when I retire?*

a. _____

b. _____

c. _____

d. _____

e. _____

f. _____

g. _____

h. _____

i. _____

33. What are some specific abilities or skills you are seeking from the business planning process?

- | | |
|------------------------------------------------------------------|-------------------------------------------------------------|
| <input type="checkbox"/> Bookkeeping or Recordkeeping | <input type="checkbox"/> Market assessment |
| <input type="checkbox"/> Diversification strategies | <input type="checkbox"/> Marketing |
| <input type="checkbox"/> Energy use assessment | <input type="checkbox"/> Production management/efficiencies |
| <input type="checkbox"/> Explore business partnerships or models | <input type="checkbox"/> New product development |
| <input type="checkbox"/> Financial management/decision making | <input type="checkbox"/> Perspective of experts |
| <input type="checkbox"/> General planning skills | <input type="checkbox"/> Research |
| <input type="checkbox"/> Labor hiring and management | |

Additional skills and assistance I/we are seeking include:

Section 5 – Other Questions

34. Do you envision that your idea for change will help the farm provide more employment opportunities and/or support regional agricultural infrastructure?

(circle one) YES NO *If "YES", describe briefly*

35. Do you envision that your ideas for change will help the farm protect or improve natural resources (water, soil, air)?

(circle one) YES NO *If "YES", describe briefly*

36. Do you envision that your ideas for change will enhance the farm's importance to the local community (i.e. as a historic landmark, a community gathering place, an outlet for local products in an otherwise underserved area, a venue for agricultural education, etc.)

(circle one) YES NO *If "YES", describe briefly.*

37. Rate the development pressure* on your farmland.

(circle one) Low Moderate High

**Development Pressure means the potential of the Farm Business to be put out of business due to increasing development of non-compatible land uses near the farm. This includes, but is not limited to residential and industrial development, nuisance complaints, and loss of agricultural infrastructure in the vicinity of the farm or food business. These, and other non-compatible land uses create environmental, social, political or operational constraints on the farm operation and result in negative financial impacts on the Farm Business.*

38. Business planning with Maine Farms for the Future is an intense and time consuming process involving:

- Discussing the future of your farm enterprise with your family and key employees
- Taking classes to build business planning and financial management skills
- Working with a business counselor to assemble a financial history and make projections for the future
- Scheduling meetings with farm consultants and advisors
- Conducting research on your own and with your consultants and advisors
- Visiting other farms to talk with other farmers about their experiences
- Writing and sharing drafts of your business plan with the Department's program administrator to obtain constructive guidance and coaching

38a. Therefore, please identify the people from your farm who will take the lead in the process, and who else from the farm will be involved.

38b. Please explain how these folks will dedicate time and energy for the business planning process.

39a. Attach Part 2 – Comprised of copies of your IRS Schedule F for years 2011 & 2012. If you did not file a Schedule F, you must submit other documentation showing the farm income and expenses for both years.

 2011 & 2012 IRS Forms are attached
 Other financial documentation is attached.

39b. Attach Part 3 – Comprised of copies of all certification documents & licenses required by State or Maine and private organizations (i.e.MOFGA) your farm is affiliated with or regulated by.

40. By checking the following boxes and signing this APPLICATION, I/we understand that:

- Phase 1 business planning is a grant to develop a written business plan for an “**idea or ideas for new changes**” related to the farm business. It is not a grant to fund current farm projects and/or operations.
- If awarded a Phase 1 grant, the Program Administrator will visit my/our farm and conduct a farm interview and field inspection and address our questions regarding the program and the contract.
- If awarded a Phase 1 grant, I/we must attend meetings in Augusta in mid-December 2013, late January 2014 and November 2014.
- If awarded a Phase 1 grant, I/we must schedule meetings with my business counselor and other professional agricultural consultants who might provide technical assistance to me.
- Farms that do not fulfill the terms of the grant contract - **to research and write a business plan** - may be required to reimburse the Department for grant funds expended.

**I/We agree that the information in this APPLICATION for RFP 201307567 is factual.
And I/we authorize a representative of the Department of Agriculture, Conservation and Forestry to conduct a field inspection of our farm in November 2013.**

Signature of Owner(s)

Date _____
Date _____
Date _____
Date _____
Date _____

Appendix A - PART 1- COST PROPOSAL FORM

Department of Agriculture, Conservation and Forestry
Maine Farms for the Future Program – Round 13
RFP # 201307567

The undersigned has read Part IV, Sections A and B of this RFP and understands that all grants awarded will be capped at \$6,000 and disbursed as follows:

- A. \$4,000 to the Bidder in incremental amounts that are itemized on the attached SAMPLE Invoice or Request Advance forms, and further described on the attached SAMPLE Progress Report form, provided these are reviewed and approved for payment by the Department's Program Administrator; and
- B. \$2,000 to the relevant Small Business Development Center in a contract that is reviewed and approved Purchases.

Bidder's Name: _____
(sign your name)

Bidder's Name: _____
(print your name)

Farm Name: _____
(print your Farm's Name)

THIS ENDS PART 1 OF THE RFP.

TO COMPLETE YOUR RFP PROPERLY, YOU MUST ALSO ATTACH PARTS 2 & 3:

PART 2

- Copies of the farm's **IRS Schedule F Tax Forms for 2011 AND 2012** &/or Financial Records for 2011 & 2012.

PART 3

- Copies of the farm business's **current certificates, certifications or licenses** required by the State of Maine (i.e. organic certification, certified nutrient management plan, licenses for production and sale as a maple syrup producer, bakery, home food processor, mobile vendor, etc.)

**COMPLETED PROPOSALS comprised of Parts 1, 2 & 3
MUST BE RECEIVED no later than 2:00 p.m. Monday, October 10, 2013.**

- Incomplete or unsigned applications will not be accepted.
- No additional information or application materials will be accepted after the deadline.
- If necessary, after reviewing your application, a representative of the Department may contact you by telephone to clarify information provided in your application.

PLEASE NOTE: The proposals are not to be submitted to the RFP Coordinator at the requesting Department. **The official proposal submission site is the State of Maine Division of Purchases.** See address in box below.

- Only proposals received at the official delivery site prior to the stated deadline will be considered. Bidders submitting proposals are responsible for allowing adequate time for delivery. Proposals received after the 2:00 p.m. deadline will be rejected without exception. Postmarks do not count and fax or electronic mail transmissions of proposals are not permitted unless expressly stated in this RFP. Any method of hardcopy delivery is acceptable, such as US Mail, in-person delivery by Bidder, or use of private courier services.
- The Bidder must send its proposal in a sealed package including one (1) original and five (5) copies** of the complete proposal. Please clearly **label the original.** **One electronic copy of the proposal must also be provided on CD or flash drive with the complete narrative and attachments in MS Word format.** Any attachments that cannot be submitted in MS Word format may be submitted as Adobe (.pdf) files.
- Address each package as follows, and be sure to include the Bidder's full business name and address as well as the RFP Number and RFP Title:

Bidder's Full Business Name
Bidder's Return Address

**Division of Purchases
Burton M. Cross Building, 4th Floor
111 Sewall Street
9 State House Station
Augusta ME 04333-0009**

RFP Number: # 201307567

RFP Title: Maine Farms for the Future Program – Round 13 - Phase 1 w/ potential for Phase 2

Appendix B – Frequently Asked Questions

Maine Farms for the Future Program - Round 13 - Phase 1 Business Planning

Question 1

The Phase 1 eligibility requirements state that I must own and operate a Farm Business. We have several income streams on the farm, we rent rooms in the farmhouse, we rent the farm grounds for special events and we board horses. Are we eligible for Phase 1?

ANSWER 1- To be eligible for Phase 1 business planning, you must own a Farm Business, meaning that the agricultural products grown or produced on the farm are being sold commercially and the farm has documentation of gross and net farm income, expenses, net worth and farm debt. The Farm Business must have been producing agricultural products commercially in the State of Maine for at least two (2) years at the time of application. Beyond the required two (2) years, the more commercial experience you have the better.

The rental of farm grounds, farmhouse apartments and animal boarding would not meet the eligibility requirements. However, if such uses are accessory and in conjunction with the farm's production of an agricultural product like a specialty forage mix that is grown on the farm and had been for commercial sale for at least 2 years, then the farm would be considered eligible for Phase 1.

Question 2

The Phase 1 eligibility requirements state that I must own my farmland or be a shareholder or partner in a legal entity that owns the farmland. What constitutes a "legal entity" and "shareholder" or "partner"?

ANSWER 2 - A "legal entity" is an entity, other than an individual person, which exists in law that can function legally to make decisions through agents as in the case of corporations. Examples of a "legal entity" are: a limited liability company, a corporation, a partnership, a limited partnership, a cooperative, or a trust.

A "shareholder" is someone who owns shares in a corporation or limited liability company. A "partner" is a member of a partnership or firm, one who has joined with others to form a partnership in business. A partner may be full or limited, may share ownership of the property of a partnership, may participate in the management of the partnership, and may be responsible for its liabilities and debts. If you are not yet a shareholder or partner, but are in the process of becoming a shareholder or partner in a legal entity (an eligible Farm Business) then through that entity you may be eligible for Phase 1.

QUESTION 3

We operate a small vegetable farm and manage all aspects of the farm business—from marketing, to financial planning, to production. However, we do NOT own the farm, but rather lease all of our land. Are we eligible?

ANSWER 3 - To be eligible for Phase 1 (and Phase 2) funding, the farmland owner must be the applicant. While a lease gives you an interest in property, it does not guarantee a right of ownership in that property. You alone are not eligible. If the landowner is willing to enter into a joint ownership or long-term lease (10 year) agreement with you, AND she/he is willing to co-sign the Phase 1 application, AND both lessee and the landowner understand that both would be the recipients of the grant funds AND mutually agree to sign the grant contract stating who will do the grant work, THEN you could become eligible.

Question 4

The application asks if I have sold or donated the “development rights” on my farm. In the past, back when I bought the property, I sold some parcels that have since had houses built on them. What do you mean?

ANSWER 4 - When you sell a house lot or two, you sell your land and the right to develop it transfers to the new owner. That is different from what is meant by selling development rights.

When a landowner sells or donates their “development rights” they put a permanent restriction on their deed to the land. The restriction, often called a conservation easement, carries forward with the deed to all future owners. In terms of the Maine Farms for the Future Program, if you already have a permanent conservation easement on your farmland you are eligible and encouraged to apply for the Phase 1 – Business Plan Development grant. If you went on to apply for Phase 2 Investment Support, you would only be eligible to apply for the recommendation for the Reduced Interest (2%) Loan, and would not be eligible to apply for the Cash Grant.

Question 5

How do I find out my soil classification?

ANSWER 5 - Contact your county Soil and Water Conservation District and USDA Natural Resources Conservation Service (NRCS) Office to request GIS maps of your farmland’s soil types which are typically classified as “Prime Farmland”, “Farmland of Statewide Importance” or “Not Prime Farmland” (in Androscoggin, Kennebec, Sagadahoc and York Counties there is also a classification of “Farmland of Local Importance”). These are busy offices and you may need to make an appointment to go into the office to work with a technician to generate this map. Go to <http://www.maineswcds.org/> to find your county office location and telephone number.

Question 6

What is the Bidder's Conference scheduled for Thursday, September 26, 2013, 10:00 AM – 12:00 PM, in Room 319, in the Deering Building, at 90 Blossom Lane, in Augusta, ME?

ANSWER 6 – The purpose of the Bidders' Conference is to answer and/or field questions, clarify for potential Bidders any aspect of the RFP requirements that may be necessary and provide supplemental information to assist potential Bidders in submitting responses to the RFP. Although attendance at the Bidders' Conference is not mandatory, it is strongly encouraged that interested Bidders attend.

Question 7

Do I submit my application in 6 individually sealed envelopes, or do I submit 6 copies of my application in one sealed envelope?

ANSWER 7 - The Bidder must send its proposal in a sealed package including **one (1) original and five (5) copies** of the complete proposal. Please clearly label the original. One electronic copy of the proposal must also be provided on CD or flash drive with the complete narrative and attachments in MS Word format. Any attachments that cannot be submitted in MS Word format may be submitted as Adobe (.pdf) files.

All proposals are due on or before: Monday, October 7th, 2013, no later than 2:00 PM local time

Submit to:

Bidder Name
Return Address

**Division of Purchases
Burton M. Cross Building, 4th Floor
111 Sewall Street
9 State House Station
Augusta ME 04333-0009**

**Re: RFP # 201307567
Maine Farms for the Future, Round 13**

REMEMBER:

Submit your written questions to Stephanie.gilbert@maine.gov by the deadline of 5:00 PM, on Thursday, September 18th, 2013.

Attend the Bidders' Conference will be held on Thursday, September 26, 2013, 10:00 AM – 12:00 PM, in Room 319 of the Deering Building, located at 90 Blossom Lane, Augusta, ME.

Stephanie Gilbert, Maine Farms for the Future Program – RFP Coordinator
Maine Department of Agriculture, Conservation and Forestry
(207) 287-7520
Stephanie.gilbert@maine.gov

Appendix C – Phase 1 - SELECTION CRITERIA GUIDANCE AND SCORING SYSTEM

ELIGIBILITY FOR PHASE 1

An applicant must own and operate a Farm Business that has been producing agricultural products commercially (selling) in the State of Maine for at least two (2) years at the time of application. The applicant must own their farmland or be a partner or shareholder in a legal entity that owns the farmland. If having recently purchased their farmland, the applicant must have had at least two years' experience operating a Farm Business elsewhere in Maine. As defined in the Rules governing the Maine Farms for the Future Program, the term "Farm Business means that the agricultural products grown or produced on a farm are being sold commercially and the farm has documentation of gross and net farm income, expenses, net worth and farm debt."

SUITABILITY OF FARMS FOR PHASE 1

The selection process for Phase 1 involves determining the likelihood that a farm's viability will be significantly increased by researching ideas for change and writing a business plan to implement some or all of those changes. "Business Plan" means a document that identifies changes in farm management practices and investments in equipment and property that would increase the profitability and net worth of the farm (vitality). A typical plan identifies ways to increase on-farm income through such methods as improved management practices, direct marketing, and value-added initiatives; and describes current operations and future plans for the business, including but not limited to sections on mission/vision, legal organization, management team, product descriptions, market research, market promotion, customer profiles, financial statements, financial analysis of planned changes in the business and long-term goals for the business.

Factors that tend to shape the FARM & FARMER'S SUITABILITY for the Program.

- Own the farmland and are in control of land and resources that will be covered by the plan.
- Are free to make farm management decisions (i.e. there is no outstanding legal situation or family member with "veto power" that might prevent planning and decision making).
- Are committed to farming as a primary lifestyle and income source.
- Have either clear **ideas for change** or a transition they want to pursue, or a clear **sense of what needs to be changed** on the farm (for example, something they want to move **towards** or **away from**).
- May be having difficulty now, but would likely be successful if they received support to develop a written plan for changes in the farm operation.
- Would benefit greatly by learning and seeing what other similar farm operations are doing.

- Are motivated and organized and ready to meet with consultants to: investigate their idea(s) for change, conduct market research, review financials with their business counselor, and write their own business plan.
- Have a positive attitude and are willing to consider a variety of options and set goals for the future.
- Are willing to incur some risk and debt in order to change (if necessary), but are not already overburdened with debt at a level that a new business plan cannot overcome.
- Understand that Phase 1 grants are not for regular farm upkeep, operations, or standard business expansions that make no fundamental changes to the farm enterprise or vitality.

DETAILS OF PHASE 1 SELECTION CRITERIA AND SCORING SYSTEM

CRITERIA 1 - MANAGEMENT CAPACITY: The applicant’s knowledge, experience and capability to successfully plan and implement changes. **Maximum Points = 20**

Related questions on the APPLICATION: 2, 4, 4a, 17-27, 31-33, 38-39.

Elements of Review Panel discussion during consensus scoring:

- a. Does the farmer demonstrate the knowledge, experience and capability to plan and implement changes?
- b. Will business planning move this farm forward?
- c. Will the farmer make good use of business planning process?

LOWER SCORE 0		HIGHER SCORE 20
<ul style="list-style-type: none"> • The applicant does not have enough years of experience and training in farming to show that they will be able to plan and implement farm changes. • The applicant is not in control of land and resources. • The applicant’s statement of purpose is not clear or realistic. • The applicant’s statement of readiness for farm planning is not clear or realistic. • The applicant does not own the land they operate. 		<ul style="list-style-type: none"> • The applicant’s years of experience and training in farming show that the applicant is capable of judging own abilities and industry trends. • Evidence of knowledge is clear in the way the applicant describes the farm and the vision for change. • The applicant has the clearly and compellingly described why writing a business plan will help, including listing skills or knowledge they hope to gain. • The applicant has demonstrated that their family and employees are prepared to commit the time and energy required for Phase 1. • The applicant owns the land they operate.

DETAILS OF PHASE 1 SELECTION CRITERIA AND SCORING SYSTEM

CRITERIA 2 - QUALITY OF IDEAS FOR CHANGE: The likelihood that the applicant’s proposed “ideas for change” and the business planning process can affect a fundamental change that will make the farm more viable. **Maximum Points = 25**

Related questions on the APPLICATION: 7-11, 28-37.

Elements of Review Panel discussion during consensus scoring:

- a. Has the applicant described areas within the current farm enterprises that need improvement, and/or identified potential strategies for change towards profitability?
- b. What is the degree of transformation that the applicant is considering?
- c. Does the proposed idea appear to have potential to positively impact farm vitality?
- d. Does the proposed idea directly rely on farm production for its success?
- e. Does the applicant intend to remain in farming?

LOWER SCORE 0			HIGHER SCORE 25
The applicant has provided little or no information about farm revenue.	The applicant’s farm revenue information is present but incomplete or incomprehensible.	The applicant has clearly provided or attempted to provide accurate information about farm revenues.	
Description of changes are incomprehensible or clearly do not fit intent of FFF program.		The applicant has identified potential strategies for change towards profitability (a clear idea for change, a clear sense of what needs to be changed, or both)	
The “changes” the applicant describes are a typical operating expense (i.e. rebuild a barn and keep the business the same).	The changes the applicant describes are a standard business expansion (i.e. add a few more cows).	The applicant seeks to make a <u>fundamental</u> change that is essential to the long-term viability (i.e. adopt a new management structure, bring in transformative technology, diversify products or markets, seek fundamental production efficiencies, begin to make 100% living from farming activity)	
The ideas pose a high degree of threat to profitability.	The ideas take a farm that is currently viable and make it more viable.	The ideas potentially take a farm that is not viable (can’t sustain itself, always requires outside infusion of cash or inputs, will not survive changes in markets, regulation, or dynamic business environment) and sets it on the path towards viability.	
The improvements or ideas do not use products raised or grown on the farm, or	The improvements or ideas will utilize products raised or grown on the farm in the	The improvements or change ideas incorporates products or services currently raised or grown on this farm	

rely on farm production for its success	future, but not currently	
The applicant clearly does not intend to work towards viable farming as a primary activity or income source.	The applicant intends to make the farm business the primary source of income in 5 years or so.	The farm is the primary source of income and the applicant intends to remain in farming.

DETAILS OF PHASE 1 SELECTION CRITERIA AND SCORING SYSTEM

CRITERIA 3 - FARM FINANCIAL HEALTH AND ABILITY TO TRANSFORM: The farm’s current financial position, especially the debt load, can allow change(s) towards greater farm viability.

Maximum Points = 25

Related questions on APPLICATION: 10-16, 19

Elements of Review Panel discussion during consensus scoring:

- a. Has the applicant attempted to provide clear information about gross & net income (current year and past 1 or 2 years)?
- b. Does farmer clearly describe the current financial condition of the business and identify debts and asset? Does farmer describe goals and attitude regarding debt and managing debt?
- c. How does debt level affect plans for change?

LOWER SCORE 0			HIGHER SCORE 25
Applicant does not provide any information about debt	The applicant needs help to clearly state the current financial condition of the business and identify debts and assets	The applicant clearly states the current financial condition of the business and identifies debts and assets	
The farm is struggling to manage the current debt load or lack of profitability and there is low likelihood that course can be corrected with support	The farm is struggling to manage the current debt load or lack of profitability and there is moderate likelihood that course can be corrected with support	The applicant demonstrates that the farm can manage the current debt load or lack of profitability. The farm is struggling to manage the current debt load or lack of profitability but there is high likelihood that course can be corrected with support	
The applicant’s preferences/attitude about debt are incompatible with proposed ideas for change and business planning will not help	The applicant’s preferences/attitude about debt are not compatible with proposed ideas for change but business planning will help	The applicant’s preferences/attitude about debt seem mostly compatible with proposed ideas for change; business planning will help.	
The current debt load is unsustainable at a level that a business plan cannot help.	The debt level is not manageable now, but there is a chance that it will become manageable, with business plan help.	The current debt load (or lack thereof) allows change towards viability. It is manageable now, and will continue to be. OR It is challenging now but likely to be manageable, with business plan help.	

DETAILS OF PHASE 1 SELECTION CRITERIA AND SCORING SYSTEM

CRITERIA 4 - PHYSICAL RESOURCE BASE: the suitability and productivity of the farmland for its intended agricultural use, the physical condition of buildings and equipment, and other assets needed to maintain and increase productivity of the farm enterprise. **Maximum Points = 20**

Related questions on APPLICATION: 2-7, 11, 35

Elements of Review Panel discussion during consensus scoring:

- a. Is the land good for agriculture and/or the proposed idea for changes? Are the soils classified by the USDA NRCS as Prime Farmland, Statewide Important or Locally Significant?
- b. Is the land suitable for changes/expansion in crops, pasture, or whatever the idea entails?
- c. Does the building and equipment list suggest that business planning could help transform the farm’s physical resources toward long-term viability? (*i.e. Does the building and equipment list suggest that help is needed and would make a difference?*)

LOWER SCORE 0			HIGHER SCORE 20	
The applicant does not describe their farmland.	The farmland information is partially complete.		The applicant provides evidence that the soils & water are suitable for the changes proposed, noting how much of the land is classified by the USDA Natural Resources Conservation Service as <i>Prime Farmland</i> or <i>Farmland of Statewide or Local Importance</i> .	
The farmland has poor quality soils and is unsuitable for supporting the ideas for change.	The farmland is in moderate condition or somewhat suitable for the ideas for change.		The farmland is in moderate to excellent condition, and moderately or highly suitable for the proposed ideas.	
The applicant does not describe farm buildings and equipment.	The applicant already has buildings and equipment and most of what is needed for the proposed ideas.		The applicant does not already have buildings and equipment or most of what they need for their proposed ideas, but acquiring it seems reasonable and realistic, and business planning would clearly help.	
The farm’s asset base is nonexistent or in such poor shape that change ideas or business planning will not overcome the challenges at hand.	The applicant does not have most of what is needed for their proposed ideas, and acquiring what is needed seems challenging, but business planning would help. OR, the applicant has some of what they need, but the condition is poor or marginal and they will need to improve it.		The asset base and land conditions indicate that the ideas for change offer considerable potential for improvement.	

DETAILS OF PHASE 1 SELECTION CRITERIA AND SCORING SYSTEM

CRITERIA 5 - OTHER CONDITIONS: The degree of impact on the farmland that the business planning process would have. **Maximum Points = 10**

Related questions on the APPLICATION: 2-3, 8-9, 18, 20, 22, 25, 29, 34-37

Elements of Review Panel discussion during consensus scoring:

- a. What is the degree of development pressure on the acreage? Is there a high number of acres owned and/or operated
- b. Will the idea help the farm be in a position to provide more employment opportunities and/or support regional agricultural infrastructure?
- c. Is there an environmental benefit from the proposed idea?
- d. Will the idea help the farm become/remain important to the local community?

LOWER SCORE 0			HIGHER SCORE 10
No development pressure on the farmland.	Moderate development pressure on the farmland,	High development pressure on the farmland.	
No environmental benefit from the proposed change.	Some environmental benefit from the proposed change.	High environmental benefit from the proposed change.	
No regional or community benefit from the proposed change.	Some regional or community benefit from the proposed change.	High regional or community benefit from the proposed change.	
Low number of total acres operated or low percentage of acres owned to acres operated.	Medium number of total acres operated or moderate percentage of acres owned to acres operated.	High number of total acres operated or high percentage of acres owned to acres operated.	

Phase 2 - Selection Criteria Guidance and Scoring System

ELIGIBILITY for a Cash Grant or the Recommendation to Apply for a Reduced-Interest Loan.

According to the Program rules an applicant must:

- a) Have completed a business plan under the current or most recent round of Phase 1 of the Farms for the Future Program.
- b) Own at least 5 acres of farmland that is currently in agricultural use.
- c) Have at least 2 years' experience operating their Farm Business, either on their current farmland or elsewhere in Maine (required in Phase 1).

If applying for a Cash Grant, the Phase 2 applicant must be willing to sign a 7-year Farmland Protection Agreement before grant funds are awarded. If the farmland has already been protected by a permanent conservation easement, the applicant is only eligible for the Reduced-Interest Loan.

If granted the Recommendation to apply for the Reduced-Interest (2%) Loan, the Phase 2 applicant must be willing to complete the loan application for the Agriculture Marketing Loan Fund.

According to Maine's Farms for the Future Program Rules (Chapter 36):

Business Plan means a document that identifies changes in farm management practices and investments in equipment and property that would increase the profitability and net worth of the farm (vitality). A typical plan identifies ways to increase on-farm income through such methods as improved management practices, direct marketing, and value-added initiatives; and describes current operations and future plans for the business, including but not limited to sections on mission/vision, legal organization, management team, product descriptions, market research, market promotion, customer profiles, financial statements, financial analysis of planned changes in the business and long-term goals for the business.

Farm Business means that the agricultural products grown or produced on a farm are being sold commercially and the farm has documentation of gross and net farm income, expenses, net worth and farm debt. A farm that has completed a Business Plan as defined above is eligible to apply for investment support funding to implement the Business Plan. The applicant may apply to be considered for either or both of two types of investment support grants. They may apply to receive the Department's recommendation to apply for a reduced-interest (2%) loan from the Agricultural Marketing Loan Fund under Title 7, Chapter 101, Subchapter 1-D, and/or they may apply for an investment support cash grant in exchange for a Farmland Protection Agreement. If an applicant has previously permanently protected the farm with a conservation easement, then he or she is not eligible to apply for the investment support cash grant, but may apply to be recommended to apply for a reduced- interest (2%) loan. An applicant requesting an investment support cash grant in exchange for a Farmland Protection Agreement must own at least 5 acres of land in agricultural use at the time of application.

SUITABILITY OF FARMS FOR PHASE 2

The Farms for the Future Review Panel reviews each applicant's Phase 1 business plan, and Phase 2 application to determine which farm projects are most likely to benefit from a public investment. Whenever practicable, the Review Panel will award grants to applicants that represent a diversity of agricultural enterprise types and broad geographic distribution across the State.

When there is sufficient capital generated by off-farm enterprises, services or employment to fund implementation of the business plan, then the Review Panel may designate that particular farm as a lower priority for investment support grant funds.

Many factors shape a particular farm's suitability for Phase 2 investment support. In general, successful applicants *demonstrate confidence* that investments in the "new directions" described in their business plans will lead to the increased viability of their farm businesses.

Phase 2 applicants should be able to demonstrate:

- Control over the land and resources associated with the business plan that will be protected by the 7-year Farmland Protection Agreement.
- Autonomy to make farm management decisions (i.e. no outstanding legal situations, or family members with veto power, preventing forward progress).
- A commitment to farming as a primary lifestyle and income source.
- A clear description of the farm's management and/or marketing plan.
- A reasonable balance of projected income, debt, and risk in the future.
- Compelling evidence that the proposed project and new direction will increase the farm's viability.
- Knowledge of relevant agricultural industries.
- A positive attitude and evidence of a thorough and honest analysis of a variety of options for future directions for the farm.
- An interest in and ability to make fundamental changes to the farm enterprise, where necessary.
- A high likelihood of success if assisted with public investment to implement the business plan.

Phase 2 Selection Criteria

Total Possible Points for Each

1. The Business Plan (completeness)	5 points
2. Character (Management Capacity)	20 points
3. Financial Capacity (Debt Management)	10 points
4. Farm Vitality and Development of New Capital	30 points
5. Collateral (Asset Base)	20 points
6. Other Conditions	15 points
Total	100 points

DETAILS OF PHASE 2 SELECTION CRITERIA AND SCORING SYSTEM

1. The Business Plan Maximum Points = 5

This criterion evaluates whether the business plan is complete, as defined by the Rules for Farms for the Future Program and the Business Plan Template provided by the Department in Phase 1.

A document that identifies changes in farm management practices and investments in equipment and property that would increase the profitability and net worth of the farm (vitality). A typical plan identifies ways to increase on-farm income through such methods as improved management practices, direct marketing, and value-added initiatives; and describes current operations and future plans for the business, including but not limited to sections on mission/vision, legal organization, management team, product descriptions, market research, market promotion, customer profiles, financial statements, financial analysis of planned changes in the business and long-term goals for the business.

LOWER SCORE 0		HIGHER SCORE 5
The business plan falls severely short of providing information in all of the above categories.		The business plan includes clear and complete information in all of the above categories. <i>(The plan acknowledges when a particular category does not apply to a specific farm.)</i>

Program Rules – Chapter 36, Section 7.2.A.: “To be selected for the investment support program, an applicant must ... submit... a written Business Plan that ... satisfies the definition in Section 1 and requirements in Section 6 above.”

DETAILS OF PHASE 1 SELECTION CRITERIA AND SCORING SYSTEM

2. Character, or Management Capacity Maximum Points = 20

The applicant’s knowledge, experience and capability to successfully plan and implement changes leading to business viability. Evaluation is based the qualifications, knowledge and readiness of the farm owners and management personnel. Evaluation is based on the information provided throughout the plan, but in particular the information from the **Management Plan** section.

LOWER SCORE 0		HIGHER SCORE 20
<p>The applicant does not have enough experience and training in farming to show that they will be able to plan and implement farm changes.</p> <p>The applicant’s management plan is not clear or realistic.</p> <p>Unclear or questionable qualifications for the people who will be implementing the plan.</p> <p>The applicant has not adequately described management changes or transitions necessary for the growth or exit strategy of the business.</p>		<p>The management and personnel sections demonstrate that the applicant is capable of judging his/her own abilities, observing industry trends, planning and implementing transformative projects, managing personnel, and maintaining business relationships with lenders, suppliers, customers, and industry peers.</p> <p>Evidence of knowledge and management capability is clear in the way the applicant describes the farm and the vision for change.</p> <p>The applicant has clearly and compellingly described, from an owner/manager’s perspective, why the project will benefit the farm.</p> <p>The applicant has demonstrated that their family and employees are on board and that there is a commitment to the project and the new directions described in the Business Plan.</p> <p>The applicant’s management plan identifies and supports farm transition to new management through intergenerational transfer or other suitable ways.</p>

Program Rules – Chapter 36, Section 7.2.B.: “To be selected for the investment support program, an applicant must ... submit a written Business Plan that ... provides evidence of the applicant’s knowledge, experience and management capacity to successfully plan and implement the proposed changes to the Farm Business.”

DETAILS OF PHASE 2 SELECTION CRITERIA AND SCORING SYSTEM

3. Financial Capacity Maximum points = 10

The impact of the proposed changes on the farm’s debt load.

Will the proposed project and changes improve the cash flow and the management of debt, even if new debt is required? All assumptions underlying the applicant’s debt management goals and growth projections in the financial sections must be clear and realistic. Evaluation is based on the information described and analyzed in the Proposed Projects and Changes, Sources and Uses of Funds, and Financial Analysis sections of the Business Plan.

LOWER SCORE 0		HIGHER SCORE 10
Applicant does not provide any information about debt. The role of debt on the farm is not clear at all.		The applicant clearly states the current financial condition of the business, identifies debts and assets, and demonstrates that the proposed project can be financially well-managed and will ultimately improve the farm’s debt-to-asset ratio.
The farm is struggling to manage the current debt load or lack of profitability and there is low likelihood that course can be corrected with the proposed project and support.		The applicant demonstrates that the farm can manage the current debt load or lack of profitability. Even if the farm is struggling to manage the current debt load or lack of profitability, there is high likelihood that their course can be corrected with support for the proposed project.
The applicant’s goals, preferences, or attitude about debt are incompatible with the proposed project.		The applicant’s preferences or attitude about debt seem compatible with proposed idea for change, and supporting the project will help.

Program Rules – Chapter 36, Section 7.2.C.: “To be selected for the investment support program, an applicant must ... submit a written Business Plan that demonstrates...the proposed changes to the Farm Business will improve the cash flow thereby improving the management of debt load needed to pay any new debt associated with the proposed change(s) to the Farm Business.”

DETAILS OF PHASE 2 SELECTION CRITERIA AND SCORING SYSTEM

4. Farm Vitality and Development of New Capital Maximum Points = 30

The degree to which the proposed project and changes will make the farm more viable, in relation to the applicant’s long-term vision for the farm business. To invest public resources well and wisely, the Review Panel considers whether the proposed project increases the farm’s profitability and net worth and therefore improves the sustainability of the farm enterprise. Evaluation is based on ALL parts of the business plan, including the Financial, Marketing, Management and Operations sections. According to the Definitions within the FFF program, “*Vitality*” means an increase in long-term, maintainable, farm profitability and net worth.

LOWER SCORE 0			HIGHER SCORE 30
Marketing strategy is not likely to lead to long term farm vitality .		Business plan demonstrates that farm is taking advantage of marketing opportunities that will improve farm vitality and buffer against market threats.	
The project’s production efficiencies do not improve and potentially hinder farm vitality OR the business plan does not demonstrate how production efficiencies will improve farm vitality.	The project’s production efficiencies contribute somewhat to increased farm vitality, but clearly could be improved.	Business plan demonstrates production efficiencies that will improve farm vitality.	
Business plan does not indicate any improvements to facilities, land and/or equipment necessary to improve farm vitality.	Business plan indicates modest improvements to facilities, land and/or equipment necessary for improved farm vitality.	Business plan indicates clear improvement (or very strong potential for improvement) to facilities, land and/or equipment necessary for improved farm vitality.	
Balance sheets indicate clear decrease (or strong potential for decrease) in net worth as a result of the project.	Balance sheets demonstrate moderate increase (or potential for increase) in net worth as a result of the project.	Balance sheets demonstrate clear increase (or very strong potential for increase) in net worth as a result of the project.	
The applicant has provided little or no information about farm revenue and profitability OR the financial information clearly does not demonstrate progress toward viability.	The applicant’s farm revenue and profitability information is incomplete or incomprehensible. OR the applicant’s farm revenue and profitability information does not clearly demonstrate progress toward viability.	Business plan, especially financial section, clearly demonstrates that farm revenues and profitability will progress toward viability.	

<p>The proposed project poses a high degree of threat to profitability.</p>	<p>The proposed project takes a farm that is currently viable and makes it even more viable.</p>	<p>The proposed project takes a farm that is not viable (can't sustain itself, always requires outside infusion of cash or inputs, will not survive changes in markets, regulation, or dynamic business environment) and clearly sets it on a path to viability.</p>
<p>The applicant clearly does not intend to work towards viable farming as a primary activity or income source. The farm enterprise will not likely be sustainable even with the proposed project.</p>		<p>The farm is the primary source of income, and the applicant intends to remain in farming. OR The applicant clearly intends to make the farm business income the primary source of income within 5 years or so.</p>

Program Rules – Chapter 36, Section 7.2.D.: “To be selected for the investment support program, an applicant must ... submit a written Business Plan... that demonstrates...through better strategies, marketing, production efficiencies and upgrading of facilities and equipment, an increase in profitability and overall net worth that will improve the overall sustainability of the Farm Business.”

DETAILS OF PHASE 2 SELECTION CRITERIA AND SCORING SYSTEM

5. Collateral, or Asset Base Maximum Points = 20

The proposed project’s impact on farmland productivity, and the physical condition of buildings, equipment, and other assets. The Review Panel will consider the potential impact of the business plan on environmental and economic sustainability of land, buildings, equipment, and ability to sufficiently maintain any newly acquired assets. Evaluations will be based on the Production & Operation Plan and Proposed Projects & Changes sections of the business plan.

LOWER SCORE 0			HIGHER SCORE 20
The farmland has poor quality soils and is unsuitable for supporting the idea for change.	The farmland is in moderate condition or somewhat suitable for the idea for change.	The farmland is in moderate to excellent condition, and suitable for the proposed idea.	
The applicant does not describe farm buildings and equipment.	Prior to Phase 1 entry, the applicant acquired buildings and equipment and most of what is needed for the proposed project.	The applicant does not already have buildings and equipment or most of what they need for their proposed project, but acquiring it seems reasonable and realistic, and Phase 2 support would clearly help.	
The farm’s asset base is nonexistent or in such poor shape that change idea or business planning will not overcome the challenges at hand.	The applicant does not have most of what is needed for the proposed project, and acquiring what is needed seems challenging, but business planning would help. OR, the applicant has some of what they need, but the condition is poor or marginal and they will need to improve it.	The asset base and land conditions indicate that the idea for change offers considerable potential for improvement.	

Program Rules – Chapter 36, Section 7.2.E.: “To be selected for the investment support program, an applicant must ... submit a written Business Plan... that demonstrates... that the farm operations will improve the productivity of the land (soil quality, fertility, water holding capacity), and the physical condition of the buildings and equipment, and sufficiently maintain any newly acquired assets to increase the overall sustainability of the Farm Business.”

DETAILS OF PHASE 2 SELECTION CRITERIA AND SCORING SYSTEM

6. Other Conditions Maximum Points = 15

The degree of impact the proposed project would have on the farmland and the local community.

- How the proposed farm operations will accomplish broader conservation objectives such as: protecting water quality, improving wildlife habitat, maintaining open space, maintaining local scenic and cultural amenities, maintaining or enhancing local/regional agricultural infrastructure, maintaining or enhancing local community assets, providing that such practices enhance or maintain the profitability of the farm. *5 points*
- The percentage of the farmland owned by the applicant that is to be protected under the 7-year Farmland Protection Agreement. *5 points.*
- The degree to which the project represents change that is new and different to the business, as opposed to a standard upgrade or operating expense that could be assisted or funded through other available channels. *5 points*

LOWER SCORE 0			HIGHER SCORE 15
No development pressure on the farmland.	Moderate development pressure on the farmland.	High development pressure on the farmland.	
No environmental benefit from the proposed change.	Some environmental benefit from the proposed change.	High environmental benefit from the proposed change.	
No regional or community benefit from the proposed change.	Some regional or community benefit from the proposed change.	High regional or community benefit from the proposed change.	
Low number of total protected acres operated or low percentage of acres owned to acres operated.	Medium number of total protected acres operated or moderate percentage of acres owned to acres operated.	High number of total protected acres operated or high percentage of acres owned to acres operated.	
The proposed “change” is a not a true change. It is a typical operating expense (i.e. rebuild a barn and keep the business the same).	The proposed “change” is a standard business expansion (i.e. add a few more cows).	The applicant seeks to make a <u>fundamental change</u> that is essential to the long-term viability (i.e. adopt a new management structure, bring in transformative technology, diversify products or markets, seek fundamental production efficiencies, begin to make 100% living from farming activity)	

Program Rules – Chapter 36, Section 7.2.F: “To be selected for the investment support program, an applicant must... submit a written Business Plan... that demonstrates... 1. how the current or proposed farm operations will accomplish broader conservation objectives such as protecting water quality, improving wildlife habitat, or maintaining open space and local scenic and cultural amenities as long as such practices enhance or maintain the profitability of the farm. 2. The percentage of farmland...to be protected under the Farmland Protection Agreement. 3. The degree to which the change in the business is new and different to the business.”

Appendix D – Sample PHASE 1 - Progress Report, Invoice & Request for Advance Forms

Maine Farms for the Future - Phase 1 Progress Report

HIGH HILLS FARM

Phase 1 Farms are required to submit this form along with EACH submission of invoice with receipts or request for advance with purchase orders, in order to draw allocations from your Phase 1 business planning grant contract.

Farm Information

Farmer(s)' Last

Name(s):

Steph Hill

Farm Name:

High Hills Farm

Mailing Address:

123 High Hill Road

Littleacres, ME

Phone1 :

XXXXXXXXXX

Phone 2:

XXXXXXXXXX

Email: XXXXXXXXXXXXXXXXXXXXXXXX

Work Plan Overview (details from Contract - Rider A)

OVERALL IDEA: Research and write business plan to assess the feasibility diversification of High Hills Farm

PHASE 1 Components (including but not limited to):

- 1) pasture improvement and land clearing to expand the intensive, multi-species grazing operation;
- 2) further development of High Hill Farm's brand and market channels for "grass-fed, locally-raised/grown" lamb and beef;
- 3) continued breeding & sales Scottish Highland cattle and Icelandic sheep;
- 4) further development of market channels for fiber
- 5) investigate opportunities for more on-farm agritourism – specifically on-farm classes and workshops

Progress Report

Date:

Note the big "milestones" since your last report – met with business counselor, met with loan officer, met with architect, etc.

Note some of the key details...*What expenses are included in this request? How do these expenses relate to your Phase 1 work plan? How is the work going?*

Note any barriers you've encountered or issues you would like technical assistance with.

Invoice

or

Request for Advance

High Hills Farm

123 High Hill Rd
Littleacres, ME 04000

Phone 1: (207) 123-4578
Phone 2: (207) 987-6543
Fax: (207) 123-6789
Email: hhfarm@somewhere.com

DATE:
02/06/13

INVOICE # 1
ADVANCE # NA

Bill To:
Department of Agriculture, Conservation and Forestry
28 State House Station
Augusta, Maine 04333-0028
Attention: Stephanie Gilbert

For:
Farms for the Future Grant - R12-P1
Contract #: CT 01A 2012.....
Vendor Code #:

DESCRIPTION	AMOUNT
Itemized Travel (toll slips and receipts attached)	
mileage reimbursement at \$0.44 per mile	
Lodging at GSA per diem rate for county/state/zip	
Meals, I & E at GSA per diem rates for county/state/zip	
Itemized Materials (invoices or purchase orders attached)	
Quickbooks software	
Quickbooks class	
Itemized Services (invoices or quotes attached)	
Met with crop advisor to improve pasture forage quality	
TOTAL	\$0.00
State of Maine only obligated for the amount stated in Contract # CT 01A 2012.....	

Please make all checks payable to High Hills Farm
If you have any questions concerning this invoice, contact Steph Hill at 123-4567