

Section IV

Farmland

Overview

Purpose

The purpose of the LMF farmland investment is to protect Maine's important farmlands from conversion into non-agricultural uses.

LMF seeks to protect farmlands comprised of soils identified and classified by the USDA Natural Resources Conservation Service as "Prime Farmland", "Farmland of Statewide Importance", and "Farmland Soils of Local Importance". This does not preclude those 'Unique Farmlands' that do not rely on prime, statewide or locally important agricultural soils, but do produce important high-value crops such as blueberries and cranberries.⁸

LMF also seeks to protect properties with these soils that support farming operations in areas of the State that support and anchor a viable agricultural economy.

The Land for Maine's Future Program protects farmland through the purchase of development rights. The Program works with the Department of Agriculture, Conservation and Forestry's Bureau of Agriculture, Food and Rural Resources, and cooperating entities (land trusts and/or towns) to bring farmland protection proposals to the Land for Maine's Future Board.

Use of the Fund

The Land for Maine's Future Program assists in the acquisition of conservation easements or in some instances, fee simple rights on farmland with a goal of protecting Maine's productive farm assets from conversion to non-agricultural use(s). The Program seeks to protect prime and statewide important farmland soils as well as unique farmlands that are productive for important crops that do not rely on prime farmland soils.

The LMF Program works with the sponsoring state agency, the Department of Agriculture, Conservation and Forestry, and a conservation partner that will hold and steward the agricultural conservation easement, and a farmland owner. The conservation partner may be a local or statewide land trust, a non-profit conservation organization, a town or other eligible entity that is a "qualified organization" under Title 33 M.R.S.A, Section 476(2) (A) and an "eligible donee" under Internal Revenue Code Section 170(h) (3). The farmland owner must be a "willing seller" and the conservation partner a "willing buyer". For an LMF Farmland Protection Proposal to be

⁸ If the primary purpose of a proposal is to protect a working farm -- and it has a secondary or minor conservation or recreation component -- then the project may fall under the farmland category. On the other hand, if the primary purpose of the proposal is conservation or recreation -- and it has a secondary or minor component that involves the protection of agricultural values -- then the project should be submitted under the Conservation and Recreation land category.

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competitive, the farmland owner and its conservation partner must demonstrate their capacity to undertake the project with a reasonable prospect of bringing it to a successful conclusion. And the conservation partner must provide evidence its ability to negotiate, hold and manage conservation easements on working farmland.

All conservation partners granted LMF funds to purchase development rights from the farmland owner, must sign a Project Agreement - with LMF and the Department of Agriculture, Conservation and Forestry (see Q #4 on page 136 and Appendix H). The conservation partner becomes a “cooperating entity” with the ‘designated State agency’, agreeing that the Department of Agriculture, Conservation and Forestry will be a third party to the conservation easement.

The Department will sponsor a conservation partner’s (cooperating entity’s) acquisition of the fee interest in a working farm only when there is a clear plan to transfer the ownership of the protected property to a new farmer, or to lease the protected farmland to one or more farmers long-term. If this model is anticipated, the conservation partner is strongly encouraged to consult with the Department’s staff in the Bureau of Agriculture, Food and Rural Resources.

On rare occasions, the Department of Agriculture, Conservation and Forestry may be the conservation partner and hold the easement.

Proposal Process

The proposal process outlined below is for farmland owners and “cooperating entities”, must work with the Bureau of Agriculture, Food & Rural Resources at the Maine Department of Agriculture, Conservation and Forestry, to gain sponsorship to LMF.

If you have any questions about your proposal or the LMF process, you can call (207) 287-7576 and speak to a member of the Land for Maine's Future Program staff.

How do a conservation partner and a farmland owner apply?

The Department of Agriculture, Conservation and Forestry is the only agency that can sponsor a farmland project to the Land for Maine's Future Program. This is done through the department's Bureau of Agriculture, Food and Rural Resources. The typical process is as follows:

- A farmland owner and the land trust or other conservation partner must contact the Bureau to schedule a site visit to the farm property.
- During the site visit the farmland owner and the land trust must provide a completed Farm Inquiry Form (Appendix B) and a copy of the USDA soil maps for the farm. The Bureau staff asks questions about the farmer's and land trust's goals, addressing questions about the LMF proposal process, and assists with determining the property's eligibility and potential competitive advantage for funding through LMF and other potential funding opportunities.
- If the farmland owner and land trust agree that the landowner is a willing seller and the conservation partner is a willing buyer, and decide to move forward with the protection of the farm, they will need to develop a project budget including all match required by LMF (see page 14). If the matching funds cannot be raised locally; then the Department will assist the conservation partner in applying for matching funds through the USDA Farm and Ranch Lands Protection Program (FRPP). The Bureau will review the draft budget before sponsoring the Farmland Protection Proposal to LMF.

LMF Review Process for Farmland Protection Proposals

1) Proposal Period: Farmland Protection Proposals must be received by the Land for Maine's Future Program at the closing date of the Proposal Period. Proposals must follow the Farmland Protection Proposal Format and Instructions (page 66) and include a Letter of Sponsorship from the Bureau of Agriculture, Food and Rural Resources in the Maine Department of Agriculture, Conservation and Forestry. Interested applicants are advised to contact the Bureau as soon as possible and no less than 6 weeks prior to the LMF Proposal Deadline.

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2) Scoring Procedure: Once the Proposal is reviewed by LMF Program staff and determined to be complete, it will be scored using the system found on page 60. As an applicant, it is important that you carefully review both the five “scoring system criteria”, the “Other Criteria” in this Section, and the “threshold criteria” in Section 1, which will be used by the Land for Maine’s Future Board in considering your proposal.

All proposals will be reviewed by program staff and scored by the Board’s Scoring Committee. The full list of scored proposals is then given to the Board’s Nominations Committee. The Nominations Committee flags any special issues or attributes and presents a list of recommended finalist projects with suggested funding allocations to the full Board. The Board reviews the proposals, selects the finalists, and determines funding. Scores are a guide for the Board; the Board will make the final decision. All applicants will be contacted and notified of the status of their proposal after final Board decisions.

Scoring System for Evaluating Farmland Protection Proposals

Each Farmland Protection Proposal will be scored according to the following five “primary scoring” categories, and the “other criteria” on page 65.

FIVE PRIMARY SCORING CATEGORIES

Category	Total Possible Points for Each
• Productive Farm Assets	25
• Current and Emerging Threats to Conversion	25
• Significant to Regional and Local Markets	25
• Open Space, Cultural, and Other Public Benefits.....	10
• Community Planning and Support	15
Total Points	<u>100</u>

The Scoring System

1. **PRODUCTIVE FARM ASSETS** (Maximum Points = 25)

Explanation: The focus is on agricultural soils (Prime, Statewide, Local, Unique Farmlands) and other factors that affect the productivity of a farm. These include, but are not limited to, the following: lands that are productive for crops that do not rely on prime agricultural soils; other types of natural resources available on a farm currently devoted to or having the potential for income-generating and agricultural-based uses, such as a sugar bush, woodlot, a farm stand, a mixture of crop, hay and pasture land, and/or other such diversified farm enterprises; and farm infrastructure and equipment (barns, buildings, processing facilities, etc.). Collectively, these serve as indicators of the existing and potential productivity of a farm’s assets. The applicant must have a conservation plan prepared and approved by the USDA Natural Resource Conservation Service.

	Points
The land has highly productive assets because of the combination of prime or unique soils, or soils of statewide importance, tillable land, orchards, berry lands, horticultural lands, pasture land, water resources, woodland, total farm acreage, buildings, etc. that could be used to sustain a variety of agricultural enterprises.....	18 - 25

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The land has **moderately** productive assets because of the combination of prime or unique soils, or soils of statewide importance, tillable land, orchards, berry lands, horticultural lands, pasture land, water resources, woodland, total farm acreage, buildings, etc. that could be used to sustain a limited number of agricultural enterprises..... 9 - 17

The land has **limited** productive assets because of the combination of prime or unique soils, or soils of statewide importance, tillable land, orchards, berry lands, horticultural lands, pasture land, water resources, woodland, total farm acreage, buildings, etc. that could be used to sustain a relatively few agricultural enterprises..... 0 - 8

SCORE _____

2. CURRENT AND EMERGING THREATS TO CONVERSION (Maximum Points = 25)

Explanation: The degree of threat to farmland can be reflected in the patterns and trends of development within a town or region. In some parts of Maine, little or no development pressure exists and farming is the basis of a stable or growing economy. In other parts of Maine, sprawl and development pressures are consuming irreplaceable and productive agricultural assets at an ever-increasing pace. Being able to recognize where loss of valuable farmland is imminent is an important step in determining where LMF funds should be applied.

Points

The farm is **highly** threatened by current/emerging conversion to other uses because of documented development pressure in the adjacent or surrounding area..... 18 - 25

The farm is **moderately** threatened by current/emerging conversion to other uses because of documented development pressure in the adjacent or surrounding area. 9 - 17

The farm is **not currently** threatened by current/emerging conversion to other uses because of documented development pressure in the adjacent or surrounding area..... 0 - 8

SCORE _____

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3. SIGNIFICANCE TO AND CONDITION OF REGIONAL AND LOCAL AGRICULTURAL ECONOMY (Maximum Points - 25)

Explanation: The contribution to regional or local agricultural processors, local retail and wholesale farm sales and emerging markets, the use of local services, and providing for employment are factors that help in determining the significance of a farm enterprise in maintaining the farming infrastructure within a region or locality. Also considered in this category is the vitality and viability of the agricultural economy of the region in which the project is located and the proximity of the project property to other active farms and farmland.

Points

The farm is highly viable or has the potential of becoming highly viable. The farm sells or has the potential to sell a **significant** quantity of products to meet local consumer demand, or the needs of other farmers, and is highly important to maintaining the local services infrastructure because of its use of these resources. The regional and local agricultural economy is viable and stable..... 18 - 25

The farm is moderately viable or has the potential of becoming moderately viable. The farm sells or has the potential to sell a **moderate** quantity of products to meet local consumer demand, or the needs of other farmers, and is moderately important to maintaining the local services infrastructure because of its use of these resources. The regional and local agricultural economy is threatened and/or declining..... 9 - 17

The farm's viability, and its potential to become viable, is low. The farm can only produce a **small** quantity of products to meet local consumer demand, or the needs of other farmers, and is unimportant to maintaining the local services infrastructure because of its use of these resources. The regional and local agricultural economy had declined to a low level and no longer can maintain a service infrastructure..... 0 - 8

SCORE _____

4. OPEN SPACE, CULTURAL AND OTHER PUBLIC BENEFITS (Maximum Points = 10)

Explanation: Open space, cultural and other public benefits within a community are often provided through the presence of farmland. Farms can give a region or a town an identity or sense of place, add to the quality of life for people living in an area thus making it an appealing place to live, or may contribute to the tourism economy by providing a scenic value. The relationship among the natural landforms, cultural elements, agricultural lands,

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and non-agricultural land uses contributes to the distinctive landscape character and rural beauty of the region or town where the farmland proposed for protection is located. Additionally, farmlands support habitat for wildlife, access for hunting, fishing, or boating, and provide for various forms of outdoor recreation. Some of these benefits accrue to the citizens at large simply by protecting a farm (scenery, open spaces, historic viewsapes), while others require the establishment of public rights of access or management rights. Whenever a landowner is willing to include a component of public access for any of these, this additional public value, along with open space and cultural values, will be awarded points.

Points

The farmland protection proposal will provide **significant** public educational, recreational, including guaranteed public access, and wildlife benefits or the farm makes a **highly** important contribution to the cultural and open space landscape values of the region or town..... 7 - 10

The farmland protection proposal will provide **moderate** public educational, recreational, and wildlife benefits or the farm makes a **moderately** important contribution to the cultural and open space landscape values of the region or town..... 3 - 6

The farmland protection proposal will provide **slight** public educational, recreational, and wildlife benefits or the farm makes a **slightly** important contribution to the cultural and open space landscape values of the region or town..... 0 - 2

SCORE _____

5. COMMUNITY PLANNING AND SUPPORT FOR AGRICULTURE (Maximum Points = 15)

Explanation: Level of community support is an important measure of local and regional efforts that can significantly further the Land for Maine's Future Program's farmland protection goals. Community support comes in a wide range of initiatives such as the existence of a comprehensive plan that recognizes the importance of farms to the quality of life or local identity, adoption of land use ordinances designed to protect prime farmland soils, property tax incentives that encourage/help farmers stay in farming, or zoning that encourages development to take place in growth areas. Other initiatives may also include support for locally produced produce such as its local distribution to institutional buyers, the establishment of farmers markets, and strong relationships between local farmers and school programs.

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	Points
The farmland protection has significant community support as evidenced by numerous measures, including an adopted comprehensive plan that is consistent with the State's Growth Management Act with one or more protective measures related to protection of rural areas and/or farmland implemented as recommended in the plan, established farmers' markets, and similar measures.....	11 - 15
The farmland protection has moderate community support as evidenced by some measures, including recognition in an adopted comprehensive plan with one or more protective measures implemented as recommended in the plan, established farmers' markets, and similar measures.....	6 - 10
The farmland protection has minimal of community support. No comprehensive plan exists or a comprehensive plan exists but no protective measures have been implemented	0 - 5

SCORE _____

Other Criteria Relating to Farmland Protection Proposals

The Land for Maine's Future Board follows established policies and guidelines when it makes decisions on which projects to fund. A list of other Board policies and guidelines are found in Section 1 on page 8.

Threshold refers to the Board's expectation that all proposals meet the minimum requirements, including farmland protection proposals. These are provided in Section I on page 14. As further guidance, for farmland proposal applicants the following is provided.

Ownership & Sponsorship:

LMF typically supports the acquisition of agricultural conservation easements, (also known as conservation easements or the purchase of development rights) on viable, working farms. In some instances if there is clear commitment to keeping the land in agricultural production, LMF may support a farmland protection project involving a fee purchase by a qualifying cooperating entity. The potential applicant is strongly encouraged to consult with the Department's Bureau of Agriculture Food & Rural Resource staff. The Department's Bureau of Agriculture Food & Rural Resources is the lead agency that can sponsor a farmland protection project to the LMF Program.

When ownership of working farmland or an interest in land (e.g. conservation easement) is held by a cooperating entity other than the ME Department of Agriculture, Conservation and Forestry, the cooperating entity will execute a Project Agreement with the State of Maine that contractually binds the terms of the project's management. This project agreement is recorded with the deed or easement, (see Appendix H, for a model LMF Project Agreement). The deed must also state that the parcel has been acquired as part of an LMF funded project.

Applicant's Capacity:

The Board requires an applicant to demonstrate the capacity to undertake the project with a reasonable prospect of bringing it to a successful conclusion, (see Section I, page 15, "Applicant's Capacity). The Board may consider all relevant factors including without limitation level of debt, fund raising, past land conservation activity and transactions, organizational history, scope of farmland conservation envisioned, and evidence of success in building and sustaining land protection campaigns. In addition, the Board will consider whether or not the proposed title or easement holder has the ability, experience, and resources to manage the property appropriately.

Farmland Proposal Format and Instructions

General Guidelines for Applicants

All Farmland Protection Proposals must conform to the following format, and include: a Letter of Sponsorship from the Bureau of Agriculture, Food and Rural Resources; maps, aerial photos, and supporting information to fully describe the property, the farm and the farmland protection goals.

A template of this format is available from the Bureau of Agriculture, Food and Rural Resources, by emailing stephanie.gilbert@Maine.gov or calling (207) 287-7520.

Submit an electronic PDF and eleven printed copies of your proposal to:

Land for Maine's Future
22 SHS / 18 Elkins Ln. / Harlow Building
Augusta, ME 04333-0022

Page 1 COVER SHEET – Photo, Farm Name, Project Name, Applicant Name, Date

Page 2 LETTER OF SPONSORSHIP

Bureau of Agriculture, Food and Rural Resources
Maine Department of Agriculture, Conservation and Forestry.

Page 3 PROPOSAL

- 1) **Applicant**
Name, address, and phone number of the land trust, town or other proposed and qualified easement holder and the primary contact person for the proposed project.
- 2) **Farmland Owner(s)**
Name(s), address, phone number, fax, e-mail & website (if applicable).
Include a photograph of the farm owners.
The Proposal's first appendix should be the landowner's letter indicating their willingness to sell development rights in exchange for the grant an agricultural conservation easement to the Applicant.
- 3) **Agency Sponsor - Bureau of Agriculture, Food and Rural Resources of the Maine Department of Agriculture, Conservation and Forestry.**
Please be sure that you have contacted the agency and they support your proposal.

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- 4) **Date of Application**
- 5) **Project Title/Name of Farm**
This is the name by which your proposal will be catalogued by Program staff.
- 6) **Location of the Project – Town and County**
- 7) **Size**
Acres to be protected and indicate fee or easement.
- 8) **Project Partners**
List the other organizations or entities supporting this project. Include name, address, phone number, fax and e-mail.
- 9) **Names of individuals knowledgeable about the farm site and this proposal.**
List the names of agricultural service professionals who can speak directly to the farm's productive assets, farm values, and significance to regional and local markets, and include a telephone or email where each of them can be reached.
- 10) **Status of Title**
Clear title is required prior to closing. Provide a brief status of title and documentation if available.
- 11) **Financial Summary**
Use the form in Appendix G. Note: the Board will not consider a proposal with an incomplete budget.
- 12) **Project Description**
A 3-5 paragraph narrative description of the proposed farmland protection project, including past, present and future uses of the farm that establishes the context for the protection effort and a clear articulation of the farmland owner's and land trust's goals.
- 13) **Location Information**
Provide a selection of easy to read maps no larger than 11"x 17" including:
 - a) Maine Atlas Base Map - showing project location and regional perspective
 - b) USGS Topographic Base Map - showing entire boundary of proposed project, legal access and adjacency of other public and private conservation lands.
 - c) Aerial Photo - showing project location, boundaries, buildings, land use types
 - d) Other Maps as Appropriate – showing, for example, significant wildlife habitat, endangered species, significant natural communities, outstanding physical features, proposed public access, trails, etc., the context of the project within a greenbelt plan, comprehensive plan, etc.

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- e) NRCS County Soil Survey map
- f) Copy of the recorded deed, including book and page reference of subject property.

14) **Productive Farm Assets**

The LMF Board seeks information that indicates the current and future productivity of the farm. These include, but are not limited to, the acreages for all agricultural soil classifications (prime, statewide important, locally important and unique soils) that are productive for crops that do not rely on prime agricultural soils. Other information to include in your proposal; natural resources which currently provide or have the potential for generating income, such as a sugar bush, woodlot, a farm stand, a mixture of crop, hay and pasture land, and/or other such diversified farm enterprises. Also please describe any existing ponds used for crop irrigation, water bodies, wetlands, and the types and uses of existing farm structures and equipment. The Board seeks indicators of the existing and potential productivity of a farm's assets. Note the date when the NRCS Conservation Plan and Forestry Management Plan were last updated. Include photographs of the farm and its infrastructure

15) **Current and Emerging Threats to Conversion**

Indicate the degree of threat to farmland as reflected in the patterns and trends of development within a town or region. The Board is seeking indications that the farm is **highly, moderately, or not at all** threatened by conversion to other nonagricultural uses because of development pressure in the adjacent or surrounding area.. Indicate the time frame in which these threats exist. Include one or more of the following to document the potential for conversion to non-farm uses: a) full fair market value appraisal, with, if applicable, before easement and after easement values; and/or (b) the number of subdivision permits issued, the number of new house lots approved, the number of building permits issued in the town or township during the previous two years,. The town office can be a good source for this information.

16) **Significance to Regional and Local Markets**

Document the farm's economic viability or its potential for economic viability, as defined by current or potential markets. Document the farm's contribution to regional or local agricultural processors, local retail and wholesale farm sales and emerging markets, the use of local services, and provisions for employment. List the number of wholesale, retail, and customer accounts. Note the geographic range of the distribution of the farm products and other factors that will help the LMF Board determine the significance of the farm enterprise in maintaining the farming infrastructure within a region or locality. Using **Significant, Moderate** or **Slight** as terms of measure, indicate whether the farm sells, or has the potential to sell, a quantity of products to meet local or regional consumer demand, or the needs of other farmers, and is important to maintaining the local services infrastructure because of its use of these resources.

17) **Open Space, Cultural and Other Public Benefits**

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Open space, cultural and other public benefits within a community are often provided by working farmland. Farms tend to give a region or a town an identity or sense of place, add to the community's quality of life, and contribute to the tourism economy by providing scenic value. Note how the proposed farmlands contribute to the overall distinctive landscape character and rural beauty of the region or town, (i.e. the relationship between the natural landforms, including farmlands, and non-agricultural land) Note if the farmlands support habitat for wildlife, and if the landowner will allow public access for hunting, fishing, or boating, and provide for recreational uses such as: hiking, bird watching, snowshoeing, cross-country skiing or natural resource education activities. There is no requirement for the farmland owner to guarantee public access. Where ever a landowner is willing to include a component of public access or permanent protection for any of these, these additional public values along with open space and cultural values will add to the project's score.

Be specific about these values and how they will benefit or be permanently protected through your proposal. Provide supporting documentation, e.g. reports from the Maine Natural Areas Program, research papers, Town reports, open space inventories.

18) **Community Support**

Community support at the local and regional level significantly furthers the Land for Maine's Future's investment and vision for farmland protection. Community support comes in a wide range of initiatives such as the existence of a comprehensive plan that recognizes the importance of farms to the quality of life or local identity [the local plan itself should be consistent with the State's Growth Management Act]; adoption of land use ordinances designed to protect prime farmland soils and/or farming activity; property tax incentives that encourage/help farmers stay in farming; or zoning that encourages development to take in growth areas or the like. Other initiatives also include support for locally produced produce such as its local distribution to institutional buyers; the establishment of farmers' markets and relationships between local farmers and school programs.

Indicate the level of community support (significant, moderate, or minimal level of support) and be specific with the examples you associate with your proposal. Provide documentation in the form of photographs, letters of support, copies of town zoning ordinances, excerpts from a comprehensive plan, etc.

19) **Estimate of monitoring and management costs**

An entity submitting a proposal to acquire property or an interest in property with funding from LMF shall provide:

- A description of the management envisioned for the property for the first 10 years following acquisition. When the proposal proposes acquiring an interest in property, the proposal must provide a description of the anticipated management responsibilities retained by the landowner and those to be assumed by the State or a cooperating entity;

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- Estimates of the costs to the State or a cooperating entity of managing the land for the uses proposed in the proposal; and
- Estimates of the costs associated with monitoring compliance with an easement when an interest in land is acquired.

20) **Project Readiness**

To ensure that the project can be completed in a timely manner, the LMF Board considers how many due diligence items are completed at the time the proposal is submitted.

Readiness items include:

- Completed appraisal (acceptable for Board review)
- Final easement or fee acquisition conditions completed
- Cost Share commitment established
- Signed option or purchase and sales agreement
- Pre-acquired and held by a third party in coordination with the sponsoring state agency

Readiness scale:

- Level 1 - 4 items completed
- Level 2 – 3 items completed
- Level 3 – 2 items completed
- Level 4 – 1 item completed
- Level 5 – 0 items completed

Also include a description of the plan for and status of fund-raising efforts for matching funds.

21) **Organizational capacity**

Organizational capacity is a criterion that reflects the Applicant's capacity to undertake the project with a reasonable prospect of bringing it to a successful conclusion. The Board will consider all relevant factors including without limitation: organizational level of debt, fund raising ability, past land conservation activity and transactions, especially conservation of farmland, organizational history, scope of conservation vision, and evidence of success in building and sustaining land protection campaigns. Non-profit applicants must submit their most recent financial audit if one exists and most recent financial statement (balance sheet)⁹ that fairly represents the organization's current financial condition. Describe the proposed title or easement holder's ability, experience, and resources to manage the property appropriately.

⁹ This material should be accompanied by a statement from the organization's treasurer that affirms that the material accurately represents the organization's current financial condition.

Potential Farmland Project Partners

Federal Agencies

USDA Natural Resource Conservation Service
967 Illinois Avenue, Suite 3
Bangor, Maine 04401
Lance Gorham, USDA Farm and Ranch Lands Protection Program
Tel: (207) 990-9501

Land Trusts and Non-Profit Organizations

For the name of the land trust nearest your property, please contact the Maine Land Trust Network www.mltn.org or the Land for Maine's Future Program.