

**Maine Agriculture, Food System and Forest Products
Infrastructure Investment Fund
Advisory Board Meeting
Wednesday, June 25, 2025; 12:30 – 2:30 pm; via Zoom**

[AFFPIF Webpage](#)

Members of the public, please register for the Zoom meeting [HERE](#)

Desired Outcomes - By the end of this meeting, we will have:

- Discussed takeaways from the Benchmarking Report
- Considered the results of the Fund surveys
- Identified some draft sector funding priorities
- Provided an opportunity for public input

Agenda

What	When
Agenda Review, Working Agreements	12:30 – 12:35
Recap May Meeting Highlights; Further Feedback on Benchmarking Report	12:35-12:50
Presentation on Survey Highlights – InCommon Group	12:50 – 1:20
Breakout Groups – Identifying any initial priorities within your sector	1:20-1:50
Breakout Session Report-out and Discussion	1:50 – 2:20
Public Input	2:20 – 2:25
Next Meeting: July, 12:30-2:30 pm, virtual	2:25- 3:00

Note: Agenda item times are subject to change based on the progress of the group

Maine Agriculture, Food System and Forest Products Infrastructure Investment Fund Advisory Board Members

Board Member	Affiliation	Seat Description
Craig Hickman (Co-Chair)	Annabessacook Farm	Historically underserved racial populations in nondairy farming
Tricia Rouleau (Co-Chair)	Maine Farmland Trust	Statewide industry group representing conventional nondairy farming
Amanda Beal	Commissioner, DACF	Commissioner DACF or designee
Jay Beck	FAME	Financial institutions with experience in the agricultural and forest products industry
Matt Chin		Supply chain in processing, mfg or distribution
Marada Cook	Crown O'Maine	Supply chain in processing, mfg or distribution
Dana Doran	Professional Logging Contractors	Statewide group representing logging and trucking industry
Shannon Hill	Mi'kmaq Farms	Member of a federally recognized Indian nation, tribe, or band
Michael Duguay	Commissioner, DECD	Commissioner DECD or designee
		Mfg of forest products
Muhidin Libah	Liberation Farms	Historically underserved racial populations in nondairy farming
Nicolas Lindholm	MOFGA	Statewide industry group representing organic nondairy farming
Jameson Little	Farm Credit East	Financial institutions with experience in the agricultural and forest products industry
Sarah Littlefield	Maine Dairy Promotion Board	Statewide industry group representing dairy producers
Krysta West	Maine Forest Products Council	Statewide industry group representing forest products industry
Amy Winston	CEI	Provider of mktg assistance, mkt development, or business and financial planning
Jeffrey Wolovitz	Heiwa Tofu	Mfg of value-added products or representative of the value-added agricultural products industry

§320-A. Agriculture, food system and forest products infrastructure investment

1. Definitions. As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

A. "Food system" means all processes, infrastructure and persons involved in feeding a population, including growing, harvesting, collecting, processing, manufacturing, packaging, transporting, marketing, selling, consuming and disposing of food and food-related items in the State. [PL 2021, c. 483, Pt. KK, §2 (NEW).]

B. "Infrastructure" means property, equipment, networks and supporting services associated with the production, harvesting, processing, manufacturing, storage, packaging, transporting, marketing, sales and disposal of food. [PL 2021, c. 483, Pt. KK, §2 (NEW).]

C. "Producer" means a person in the State that grows, manufactures, harvests or otherwise creates agricultural, food or forest products and value-added products, including a person engaged in farming, harvesting or other agricultural and forestry manufacturing activities. [PL 2021, c. 483, Pt. KK, §2 (NEW).]

D. "Supply chain" means the chain of distribution by which agricultural, food and forest products are moved from the producer to the consumer and may include intermediate entities, including aggregators of various products, manufacturers, value-added producers, processors, packagers, warehouse operators and other storage entities, distributors, wholesalers and retailers. [PL 2021, c. 483, Pt. KK, §2 (NEW).]

E. "Value-added" means changing the physical state or form of a product through processing or manufacturing to enhance or increase the product's value, including making the product suitable to generate renewable energy. [PL 2021, c. 483, Pt. KK, §2 (NEW).]

[PL 2021, c. 483, Pt. KK, §2 (NEW).]

2. Goals; investment; inclusiveness. The commissioner, in coordination with the Department of Economic and Community Development, industry stakeholders, representatives of Indian tribes, communities of color and other underserved communities and populations and other relevant agencies, shall:

A. Strengthen the State's agricultural, food and forest products economy with a priority of making resulting efforts more inclusive of and increasing investments in historically marginalized, underrepresented and underserved communities, including communities of color, low-income communities and rural communities that typically lack access to capital to start, sustain, scale and innovate businesses; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

B. Expand infrastructure investments in the agricultural, food and forest products economy to increase access to new markets and opportunities for producers, processors, small businesses and consumers in the State in the producing, processing, manufacturing, packaging, distribution, marketing, sale and consumption of products; and [PL 2021, c. 483, Pt. KK, §2 (NEW).]

C. Collaborate with other state agencies, economic development organizations and other key institutional partners to establish technical assistance programs to support the objectives of this chapter. [PL 2021, c. 483, Pt. KK, §2 (NEW).]

[PL 2021, c. 483, Pt. KK, §2 (NEW).]

3. Powers. In carrying out the purposes of this chapter, the commissioner may:

A. Hire or assign staff or contractors, including community development financial institutions, economic development organizations, quasi-governmental entities or other capital or technical assistance providers; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

B. Seek and accept funds from public and private sources; and [PL 2021, c. 483, Pt. KK, §2 (NEW).]

C. Administer funds, grants and programs. [PL 2021, c. 483, Pt. KK, §2 (NEW).]
[PL 2021, c. 483, Pt. KK, §2 (NEW).]

SECTION HISTORY

PL 2021, c. 483, Pt. KK, §2 (NEW).

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§320-B. Maine Agriculture, Food and Forest Products Investment Fund

1. Fund established. The Maine Agriculture, Food and Forest Products Investment Fund, referred to in this chapter as "the fund," is established and administered by the department to support public-private partnerships to carry out the purposes of this chapter. The fund consists of money appropriated to the fund or received from any other private or public source. Interest in investment of money of the fund is credited to the fund. Unexpended balances at the end of the fiscal year do not lapse but carry over into the next fiscal year. The Maine Agriculture, Food System and Forest Products Infrastructure Investment Advisory Board established in section 320-C shall oversee and determine expenditures from the fund.

[PL 2021, c. 483, Pt. KK, §2 (NEW).]

SECTION HISTORY

PL 2021, c. 483, Pt. KK, §2 (NEW).

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§320-C. Maine Agriculture, Food System and Forest Products Infrastructure Investment Advisory Board

1. The Maine Agriculture, Food System and Forest Products Infrastructure Investment Advisory Board. The Maine Agriculture, Food System and Forest Products Infrastructure Investment Advisory Board established in Title 5, section 12004-J, subsection 1-A, referred to in this section as "the board," is created to oversee and determine expenditures from the Maine Agriculture, Food and Forest Products Investment Fund in section 320-B.

[PL 2021, c. 483, Pt. KK, §2 (NEW).]

2. Membership. The board consists of the commissioner or the commissioner's designee, the Commissioner of Economic and Community Development or the commissioner's designee and 15 members appointed jointly by the commissioner and the Commissioner of Economic and Community Development as follows:

A. One member of a statewide industry group representing conventional nondairy farming; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

B. One member of a statewide industry group representing organic nondairy farming; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

C. One member of a statewide industry group representing dairy producers; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

D. One member of a statewide industry group representing the forest products industry; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

E. Two members from relevant financial institutions with experience in the agricultural and forest products industries; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

F. One manufacturer of forest products; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

G. One manufacturer of value-added agricultural products or representative of the value-added agricultural products industry; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

H. Two members representing the supply chain in processing, manufacturing or distribution; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

I. One member actively engaged in providing marketing assistance, market development or business and financial planning; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

J. One member from a statewide group representing the logging and trucking industry; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

K. One member who is a member of a federally recognized Indian nation, tribe or band in this State; and [PL 2021, c. 483, Pt. KK, §2 (NEW).]

L. Two members who represent historically underserved racial populations in nondairy farming. [PL 2021, c. 483, Pt. KK, §2 (NEW).]

Board membership must reflect a diversity of skills and experience relevant to investment in agricultural, food and forest products processing and manufacturing industries and represent the racial diversity of the food system in the State with specific representation by Indian tribes, communities of color and other underserved communities and populations.

[PL 2021, c. 483, Pt. KK, §2 (NEW).]

3. Terms; officers; committees; rules. Board members serve for 3-year terms and may serve no more than 2 consecutive terms. The members shall elect a chair and may elect officers, establish one or more committees or subcommittees and adopt such procedural rules as the members determine necessary and appropriate to perform the board's work.

[PL 2021, c. 483, Pt. KK, §2 (NEW).]

4. Quorum; meeting; voting. A majority of the sitting members constitute a quorum, and action taken by the board may be authorized by a majority of the members present and voting at any regular or special meeting at which a quorum is present. The board may permit any or all members to participate in a regular or special meeting by or conduct the meeting through the use of any means of communication, including electronic telecommunications or a telephone conference call, by which all members participating may communicate with each other during the meeting. A member participating in a meeting by means approved by the board under this subsection is deemed to be present in person at the meeting.

[PL 2021, c. 483, Pt. KK, §2 (NEW).]

5. Reimbursement. A member of the board is entitled to reimbursement of mileage and other incidental expenses, if funds are available for such purposes, pursuant to Title 5, chapter 379.

[PL 2021, c. 483, Pt. KK, §2 (NEW).]

6. Powers and duties of board. The board, in determining disbursements of the Maine Agriculture, Food and Forest Products Investment Fund, shall:

A. Facilitate strategic investments in the State's agricultural, food and forest products processing and manufacturing industries, including value-added products; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

B. Foster an environment that encourages innovation, sustainable growth, equity and inclusion; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

C. Implement and maintain business technical assistance programs in support of the fund and other funds as needed; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

D. Determine and devise a process for requests for proposals to perform 3rd-party services in support of and for the management and administration of the fund and other potential natural resource-related funds as needed and for technical assistance programs that ensure that economic development organizations, capital providers and community development financial institutions in any region of the State are able to fairly compete for disbursements from the fund to meet identified infrastructure investment needs and fulfill the objectives of the funding and technical assistance programs; [PL 2021, c. 483, Pt. KK, §2 (NEW).]

E. Enter into performance contracts with one or more persons in order to provide investment and services to agricultural, food and forest products industries, including:

- (1) Technical assistance and product research services;
- (2) Marketing assistance, market development and business and financial planning;
- (3) Organizational, regulatory and development assistance, including feasibility studies of facilities or capital investments to optimize construction and other cost efficiencies; and
- (4) Identification of workforce needs and programs in order to develop training and incentive opportunities for the agricultural, food and forest products industries after consulting with the Department of Labor; and [PL 2021, c. 483, Pt. KK, §2 (NEW).]

F. Oversee, analyze and evaluate programs, contractors and other recipients of funds disbursed by the board annually, including:

- (1) Analyzing fund and technical assistance program use;
- (2) Recommending program changes and improvements;
- (3) Preparing a comprehensive report, in collaboration with the Department of Economic and Community Development and other appropriate agencies and organizational partners, on the

performance, use and sustainability of funds and supporting programs of the Maine Agriculture, Food and Forest Products Investment Fund to submit to the commissioner; and

(4) Collaborating with the Department of Economic and Community Development and other appropriate agencies and organizational partners to ensure that investment objectives are appropriately targeted and not duplicative and to establish various grant and loan instruments as part of the fund. [PL 2023, c. 470, §§1-3 (AMD).]

[PL 2023, c. 470, §§1-3 (AMD).]

SECTION HISTORY

PL 2021, c. 483, Pt. KK, §2 (NEW). PL 2023, c. 470, §§1-3 (AMD).

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Agriculture, Food System and Forest Products Infrastructure Advisory Fund Advisory Board Working Agreements

- Meetings will start and end on time.
- When meetings are held in person, Advisory Board members will make every effort to attend in person to maximize learning, communication, and collaboration.
- Cameras will remain on during virtual meetings to facilitate communication and understanding.
- Meeting materials will be shared in advance of meetings with sufficient time for review.
- Come prepared, having read meeting materials and completed assignments.
- Be present and engaged.
- Strive for equal airtime, enabling all to participate fully.
- Listen with curiosity and an openness to learning and understanding.
- Adopt a creative problem-solving orientation.
- Name the tension, kindly.
- Humor is welcome!

The Advisory Board will strive for consensus in its deliberations through a facilitated, discussion-based process. It will not hold votes on program design decisions. The Advisory Board will shift to a voting system as the Fund begins grantmaking.

Maine Agriculture, Food System and Forest Products Infrastructure Investment Fund Advisory Board

Meeting Schedule and Draft Meeting Content

Date	Time	Location	Draft Meeting Content
March 5, 2025	1:00-2:30 PM	Remote Only - Zoom	PFAS Fund Presentation
March 26, 2025	1:00-2:30 PM	Remote Only - Zoom	AIIP and RFSI Presentation Funding Landscape Presentation
April 30, 2025	12:30-2:30 PM	Remote Only - Zoom	Forestry Presentation Benchmark Report Presentation VT guest speaker
May 28, 2025	12:30-3:00 PM	In-Person, Augusta, Marquardt 118	Facilitated discussion focused on Funding Landscape Report, AIIP presentation, RFSI data, and Forestry presentation; Embedding equity considerations into grant decisions
June 25, 2025	12:30-2:30 PM	Remote Only - Zoom	Survey Analysis presentation; Facilitated discussion focused on Benchmarking Report, Survey Analysis, equity
July 30, 2025	12:30-2:30 PM	Remote Only - Zoom	Interviews Analysis Presentation; Facilitated discussion focused on Interviews, equity; Consideration of outline of initial Fund structure
August 27, 2025	12:30-2:30 PM	Remote Only - Zoom	Metrics Framework presentation; Facilitated discussion focused on Metrics, equity; Consideration of revised outline of initial Fund structure; public comment period?
September 24, 2025	12:30-2:30 PM	Remote Only - Zoom	Consideration of public comment; final revisions to initial Fund structure
October 29, 2025	12:30 – 3:00 PM	In-Person, Brewer	Approve plan for initial round of funding
November 19, 2025	12:30-2:30 PM	Remote Only - Zoom	Presentation of draft rules? Public Hearing

AFFPIF Homework Assignment re: Benchmarking Report

June 25, 2025

1. What are your key takeaways from this report, and what, if any, conclusions do you draw that could inform initial fund design?

- Grants are a popular option in VT, MI, and MA. Awardees must have matching funds. Most programs have equity requirements to ensure funds align with the purpose of the program. It is important to have metrics for evaluating jobs that have been created or retained due to the disbursement of funds.
- I am pleased to share some insights on the various state programs supporting agricultural and food business development that I have reviewed recently. It is encouraging to see Maine making efforts to look at initiatives in other states as a starting point. From my experience collaborating with partners in Massachusetts, I have observed the significant difference in the level of support provided by the states to such organizations. I have always been keen on seeing similar initiatives in our state, even on a smaller scale, to foster growth in the sector. One notable program is the Food Security Infrastructure Grant Program in Massachusetts, which has proven to be effective in supporting local enterprises. I also admire the model of the Local Enterprise Assistance Fund that aids businesses in the vicinity. The criteria set by the Michigan Food and Agriculture Investment Fund may seem stringent, but they ensure that funds are utilized effectively for community impact. In Vermont, the innovative approach of funding the Farm and Forest Viability Program through property taxes demonstrates a bold move that not all states may consider due to potential political implications. Their Agricultural Viability Alliance is another commendable initiative that I believe Maine could benefit from, even with gradual implementation.
- MA: - FSIG distributed \$108M to 844 food entities (no forestry), ME must build the funding to at least \$25M for the initial disbursement - leveraged other financial resources to provide a portfolio of funding options for the food industry - committed to annual funding cycles, which offers continual funding support and allows the fund to distribute smaller amounts each year - 30% of the application scoring is centered on equity, we will need to consider what is the appropriate value on ME's application - segregate applications into project types which put similar entities into the same pool MI: - evaluation criteria is comprehensive, a good basis for ME's program - leveraged other financial resources to provide a portfolio of funding options for the food/forestry industries - funding amounts might be closer to ME's eventual funding pool, interesting to look at the effectiveness of this smaller pool of funding VT: - \$1M is distributed annually, is this small amount generating any sustainable benefits to VT's ag/forestry

industries? - their work is highly integrated with many other state programs, this is a great model that DACF can lead - have a forestry set-aside, this eliminates the difficulty of prioritizing food and forestry into a single allocation - waiver for matching funds requirement, also see comment on reimbursement grants below - specifically call out populations considered under-served.

- Technical assistance, especially business technical assistance, has played a greater role in the success of the 3 case studies than thought it would. It should be considered to invest more in technical assistance in the initial fund design to help farmers, producers, forestry begin to build from the ground up with business plans and feasibility studies so they can be successful long term.
- Clarify that while we need to find balance in ease of application and description of the full story/plan of the applicant and project. - Including this language from page 15 as we consider who will follow us as advisors of the fund "having a mission-focused board rather than day-to-day involvement can help a board stay focused on strategy"
- 1. Each fund employed several strategies to achieve the policy goals, collaborated with existing TA & Finance organizations, and had renewed annual funding through appropriations. 2. The scale of grants ranged from relatively small projects to fairly large projects, and annually, a fairly high number of grants were funded overall. 3. Each fund tracked metrics to meet policy goals; some of the funds tracked additional metrics around economic growth and development objectives. A concern about long-term metric tracking was raised. Conclusions: My thoughts are not meant to be comprehensive as I thought the report itself was thorough and informative, with broad themes as well as specific datapoints and examples. A few conclusions that may be valuable to inform initial fund design: 1. Designing the fund to work at either a relatively small (\$1MM-\$3MM) annual funding level or a broader funding level like MA (\$24MM-\$36MM) might be useful in designing the fund to be relevant at potentially variable funding levels, giving it resilience over time. 2. Contracting with administrative partners, given Maine has many, to administer the fund, seems appropriate. 3. I thought some of the observations such as restricting eligibility for prior recipients of the grant, considering funding for long term positive impacts vs completability (or funding for both but in parallel strategies), using bridge loans to ensure equitable access to reimbursement type funds, and having a two step application process to reduce the work asked of applicants all were ideas that had merit in designing our fund. 4. Given that our fund may be small, perhaps a focus on 'nimble, spunky, and collaborative' over scaled impact or numbers of jobs or market penetration/reach, might be better metrics for a small amount of money. Nimble, spunky, and collaborative are hallmarks of many underserved community efforts that are at times boxed out of eligibility requirements and administrative heavy lifts. Perhaps this isn't the role for the State. Or perhaps it begins a new cohort of projects to benchmark in the future.

- Despite the fact that TA can be helpful, the point that TA is most impactful when it is "freely entered into rather than obligatory as a condition of funding" is going to be an important consideration.
- Evaluation metrics will need to be carefully considered. The report notes that having fund metrics with too high of a bar can be detrimental, particularly considering that some projects show impact beyond the grant cycle and "the greater impact may be seen in year 2 or 3 after a one-year grant", infrastructure investments and workforce development are not easily measured in the short term, etc.
- Will need to be careful about funding categories that end up favoring nonprofits with grant awards – report noted that nonprofits have the capacity and ability to more easily write grant proposals. I've heard from some farmers that they felt that BFRD grants funding went to too many service providers. The Mass idea to segregate applications into project types relevant to specific entities (For profit businesses, Nonprofit organizations, Public Tribal entities) is something to consider. (This will also support equity considerations.)
- The recognition that agriculture and food systems development is economic development is important to consider in program design (eligibility criteria, application process, etc).

2. Are there any critical gaps in this information that, if filled, would help you in thinking about initial fund design?

- One area I see as a challenge is bridging the gap between available resources and the communities that could benefit from them. Many small businesses in areas like Lisbon Street in Lewiston and Portland lack awareness of potential funding opportunities, hindering their growth potential. Providing access to information on capital, loans, and grants could significantly impact their development. While the funding criteria in Michigan favor larger entities, I believe there is room to simplify the process for smaller and emerging businesses that may struggle with data collection requirements. It is crucial to ensure that all businesses, regardless of their stage, have equal opportunities to access state support.
- Reimbursement grants are impossible for very small start up entities without cash reserves, wondering how this sector can be included in appropriations - did any state determine what was the total state financial need, AIIP's application pool was \$180M, is that ME's need or is it some other number? - what were the most requested TA, how will ME support these requests? This support should be monetized and included in the fund total. - how to measure impact on the ecosystem? Challenge is that individual grants have an insignificant impact on the ecosystem and there is latency between the funding and outcomes.
- I don't feel there was any "critical" gaps. All the information was relevant and covered all aspects to be considered.

- Clarification around how we are defining technical assistance (TA) could be helpful. In my mind, that would encompass business planning, grant-writing support, marketing assistance, etc. The report refers to both the importance of TA in business success and market development then refers to a discrepancy in the results Ag Trades Show listening session, but I think we should take those results with a grain of salt since there was a relatively small audience and there seemed to be confusion about the term "technical assistance" and what that really meant. It may be helpful to look more closely at the various types of TA that could be provided and assess them individually.
- It might be helpful to better understand the network connectivity in the State to help determine whether there are potential partner orgs that have capacity and ability to strategically collaborate to support this fund. For the example, the report mentions an example of bridge loans to grant awardees, for grant funds are disbursed on a reimbursement basis.
- I thought the information was very thorough.
- N/A.
- No gaps in this information.

3. Taking this information into account, how could the Fund best ensure equitable outcomes in fund distribution?

- During application process, applicants should fill out a demographics survey to help the Board determine if the application fits within the requirements of the fund.
- By merging MI, MA, and VT's ideas, we can strategize a comprehensive approach that ensures equal consideration for all sectors involved. In doing so, we can effectively reach a wider audience and provide adequate support to stakeholders, including those in the Agriculture and Food Business, Forestry, and Fishermen sectors. We must prioritize inclusivity and fairness in our distribution of funds. By actively seeking out and engaging with unlikely recipients, we can ensure access to financial resources for all. This collaborative effort will not only enhance our outreach but also have a positive impact on all parties involved. I look forward to collaborating with all of you to refine this approach further and develop a plan that maximizes the impact of our initiatives. Please feel free to share your thoughts and suggestions on how we can proceed.
- Scoring criteria that appropriately accounts for equity (unsure how to do that as of now), or having a specific pool that "equity - centered" applications pull from - GENERAL COMMENT: there is a lot to learn from the work of MA, MI and VT. We should consider what worked and why, and what should be included in ME's program.
- Our state is really two parts. The highest population areas tend to get more money even though they have higher income levels whereas the lowest population areas tend to get less money but have the greater need. This fund should meet its target audience where they are at with few as possible hurdles to overcome. This fund should only be for those

entities that are small to medium and not huge farms or forestry businesses who have capital to leverage loans.

- I prefer the model discussed of allotting initial points to applications in the demographic section of the application. Utilizing technology to build the application to do that work for the reviewer would be beneficial.
- It seems to me there are many ways to meet that goal. I'll propose my current understanding but my mind is very open about how it might develop through our process.
 1. The fund can best ensure equitable outcomes by having more than enough funding to meet the demand. Additionally, the fund can focus on grants vs loans.
 2. The fund can ensure the application process is easy and achievable, while balancing time requirements with making sure applicants provide enough information to allow the fund to be equitable and impactful.
 3. The fund can avoid being reimbursement based, which is inherently less accessible.
 4. The fund can (could) prioritize or sequence its goals around equitable outcomes to focus its investments on social equity, financial equity, geographic equity, sector equity (which types of ventures), scale equity (big players or small), market equity (who are the consumers the grant serves vs who are the recipients of the grants), access equity (has this entity received public sector support already? Perhaps it is more equitable to have a fund that aims at those who haven't yet). I hope the members of the board who are more well-versed than I in the policy and legislative requirements for meeting these standards can help define the terms of the equitable outcomes we are seeking to achieve.
- In terms of equity, to date we have primarily discussed ways to ensure equity among the pool of applicants, which is, of course, important. But, the programs in Mass and VT also incorporate scoring of how the projects themselves will reach or impact historically underserved and/or marginalized communities, or otherwise allow greater access to fresh, local food in a way that addresses systemic inequities, etc. This is another way to think about equitable outcomes in fund distribution.
- Providing access to grant-writing support could be another way to help ensure equity.

Analysis of 2025 Maine Farm, Food & Forest Business Survey

<< DRAFT >>

Prepared for the Maine Agriculture, Food System and Forest Products Infrastructure Investment
Fund Advisory Board
June 13, 2025

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Executive Summary

The Maine Department of Agriculture, Conservation, and Forestry (DACF) and the Department of Economic and Community Development (DECD), in partnership with Coastal Enterprises Inc. (CEI), engaged an external consultant to develop a survey for farms, food, and forest product sector businesses to inform the development of the Agriculture, Food System, and Forest Products Infrastructure Investment Fund. The survey was conducted over a six week period, from April to June 2025. The survey garnered 178 responses from Maine producers and business owners that represent a breadth of business types, revenue levels, and business stages.

Types of Businesses - Of the 178 responses, **35% identified solely as farms and 26% identified as a “Farm+”**, defined as a farm operation and any one (or more) of the following: food distributor, food hub, food processor/manufacturer/CPG company, or food retailer. **Twenty-seven (27)% identified as from the forest products industry** (forestry, logging, mills, forest products, etc.) or were a farm and forestry operation.

Total Revenue or Sales for 2023 or 2024 - 41.1% of respondents reported less than \$100,000 in revenue; a combined total of 37.5% reported revenue between \$100,000 - \$999,999; and a combined total of 21.4% reported revenue of \$1,000,000 or more.

Stage of Business Development - A clear majority of respondents **(74.1%) identified their business as being in a “Growth” stage or “Mature” stage.**

Identification as a historically underserved producer or business owner - For those that answered the question, **49% of respondents identified as a historically underserved producer or business owner, 51% did not.**

Helpful Form of Capital - Respondents were asked to rank types of capital in order of importance. The **top three preferred forms of capital were, in order, Low or zero interest rate loans; flexible loans (e.g. adjustable payment schedules); and tax credits.**

Ability to Provide a Match - In response to the question, “If you were to receive a grant, what is a likely dollar amount your business/farm would be able to provide for a match, either cash or in-kind?” **25.5% said that a required match may be prohibitive for them in applying for a grant.** Of the dollar values that were listed, the option most selected was the highest—\$75,000—with 36 selecting it, or 21.8% of respondents. Respondents with revenue less than \$100,000 are significantly more likely to find a required match prohibitive (43.08%).

Expected Uses of Capital - When queried about **the most likely uses of awarded capital, “Processing equipment or infrastructure” was selected most often**, with 100 respondents choosing it; “Production equipment” was a near second, selected by 93 respondents; and “Buildings” received the third most selections, by 71 respondents. Respondents with revenue under \$100,000 selected “Production equipment” most (58.46%) while respondents with revenue over \$100,000 selected “Processing equipment or infrastructure” most (63.83%).

Infrastructure and Capital Investment - There is overwhelming demand for investment in farm, processing, and distribution infrastructure—including buildings, cold storage, irrigation, transportation equipment, and energy-efficient upgrades. Many respondents emphasized that aging or inadequate infrastructure is a primary constraint on productivity and growth.

Accessible, Affordable Financing - Fixed, low-interest, and forgivable loans are strongly preferred over traditional or high-interest lending. Many called for flexible financing structures for working capital and infrastructure that don’t saddle farms with unsustainable debt. There’s also a clear call to move away from programs that disproportionately favor large or repeat grantees.

Support for Small, Beginning, and Underserved Producers - Respondents repeatedly asked for equity-focused funding criteria that prioritize producers without access to grant writers, family capital, or existing infrastructure. Many want streamlined application processes, smaller-scale awards, and restrictions on repeat winners to level the playing field.

Investment in Value-Added Processing and Market Access - Many respondents identified processing capacity—especially for meat, vegetables, dairy, fiber, and aquaculture—as a persistent bottleneck. Forest products business cited need for financing for modernization and new product development. Several stressed the need for coordinated marketing, branding, and distribution solutions to access regional markets.

Policy, Regulatory, and Tax Reform - Respondents were vocal about the need to ease regulatory burdens and reduce energy and tax costs. Several businesses from the forest products sector noted a sense of being deprioritized relative to agriculture and called for greater policy-level support.

Introduction

To support the Advisory Board in developing a framework for the Maine Agriculture, Food System and Forest Products Infrastructure Investment Fund (AFFPIF), consulting firm InCommon Group designed a survey to solicit feedback from the farms and businesses in the food and forest products sectors that will ultimately be applicants to and recipients of the fund.

The Maine Department of Conservation, Agriculture and Forestry, in conjunction with CEI, distributed an anonymous survey via websites, listservs, and individual outreach over a six week period. Survey questions were oriented to elicit both quantitative and qualitative results.

The survey questions were presented as follows:

1. What type of business do you own or work for? [Checkbox selection]
2. If your business is a farm, what products do you produce? [Checkbox selection]
3. What was your total farm/business' revenue/sales in 2024 or 2023? [Checkbox selection]
4. What stage of development is your business at? [Checkbox selection]
5. Would you categorize yourself as a historically underserved farm/business? [Short answer]
6. Which of the following types of capital or services would be most helpful for your businesses? [Ranked order]
7. If you were to receive a grant, what is a likely dollar amount your business/farm would be able to provide for a match, either cash or in-kind? [Checkbox selection]
8. If you were to receive a grant, what would you most like to use the capital for? [Limited checkbox selection]
9. What do you see as the greatest challenges and barriers for farms/businesses in your sector to be successful?

10. What are your biggest barriers in accessing capital?
11. Do you have any barriers in accessing technical assistance, and if so what are they?
12. Do you have ideas for how the Agriculture, Food System and Forest Products Infrastructure Investment Fund should be utilized to help address supply chains gaps and bottlenecks, and serve to strengthen businesses like your own?

Survey respondents were also presented with the following context regarding AFFPIF: “In 2021, the Maine Agriculture, Food System and Forest Products Infrastructure Investment Fund (AFFPIF) was established by the Maine legislature to:

- strengthen the State's agricultural, food, and forest products economy with a priority of making resulting efforts more inclusive of and increasing investments in historically marginalized, underrepresented, and underserved communities;
- expand infrastructure investments in the agricultural, food, and forest products economy to increase access to new markets and opportunities for producers, processors, small businesses, and consumers in the State in the producing, processing, manufacturing, packaging, distribution, marketing, sale and consumption of products; and
- collaborate with other state agencies, economic development organizations and other key institutional partners to establish technical assistance programs to support the objectives of this chapter.”

In total, **178 responses were received**. Those responses were coded and analyzed. The results of the quantitative and qualitative analysis are summarized here. These findings will be further utilized to inform formal recommendations to the AFFPIF Advisory Board.

Quantitative Analysis of Survey Questions 1-8

Types of businesses

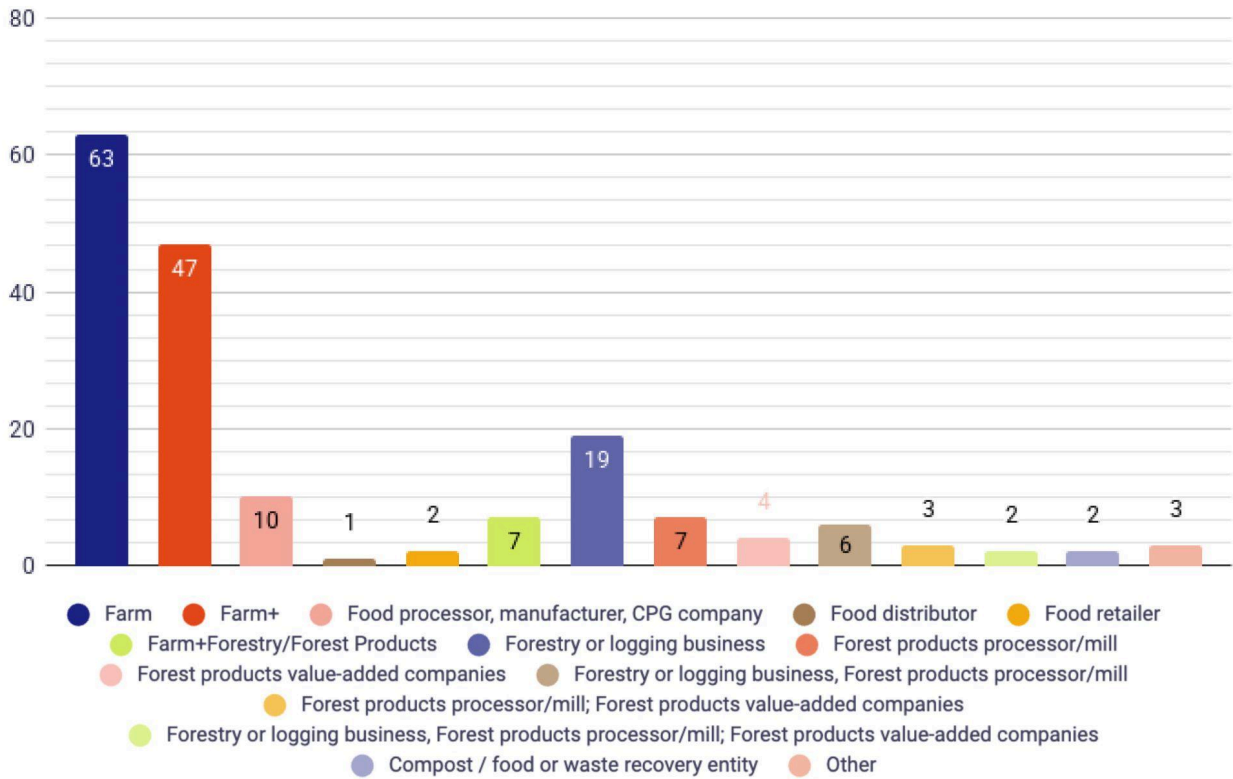
Respondents were provided a list of business types to select from, and were able to make multiple selections to best capture the full scope of their business. The selection of businesses included: Farm; Food processor, manufacturer, CPG company; Food distributor; Food hub; Food retailer; Forestry or logging business; Forest products processor/mill; Forest products value-added companies (paper, construction lumber, biomass energy products, etc.); and Compost / food or waste recovery entity.

For the purpose of this analysis, several minor categories of data were merged to create the representative category “Farm+” which encompasses all respondents which identified as a farm in addition to one or more other food business/s (e.g. hub, distributor, retailer, processor/manufacturer/CPG).

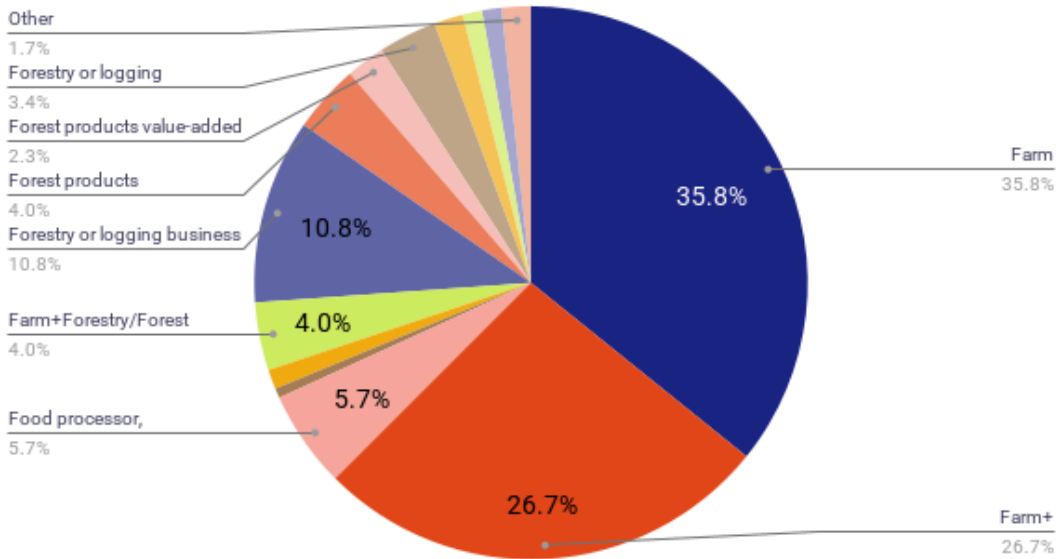
Similarly, respondents which identified as a farm in addition to a forestry or logging business, a forest products processor/mill, or value-added company were merged into a singular category, “Farm+Forestry/Forest products”. The category “Other” includes combinations of business types not otherwise captured (e.g. farm, food, and forestry combinations).

Of the 178 responses, 63 respondents identified solely as farms; 47 as a “Farm+”; and 19 as a forestry or logging business. These three categories represent the majority of the responses, accounting for 35.8%, 26.7%, and 10.8%, respectively.

Business Type



Business Type



Types of products

The table of types of products below provides insight into what types of agriculture producers were represented in this survey. Respondents were able to select from a list of 14 key Maine products, or reply “Other”. Overall, 123 respondents (69.1%) replied to this question. The primary types of products grown by respondents were “Fruits & berries” and “Vegetables”. The “Other” category included a range of contextual responses, including hay and seafood products.

Responses to this question also illuminated an oversight in the survey design—the list of products included “Evergreen/Christmas trees” but no other types of forestry products. In total, 53 respondents had indicated that their business was/included Forestry/logging, Forest products processor/mill, or Forest products value-added companies. Of these 53 respondents, some did select “Evergreen/Christmas trees” (for a total of 3.91% of the total response pool) while 45 indicated “Other” or left this question blank, which is a high non-response rate.

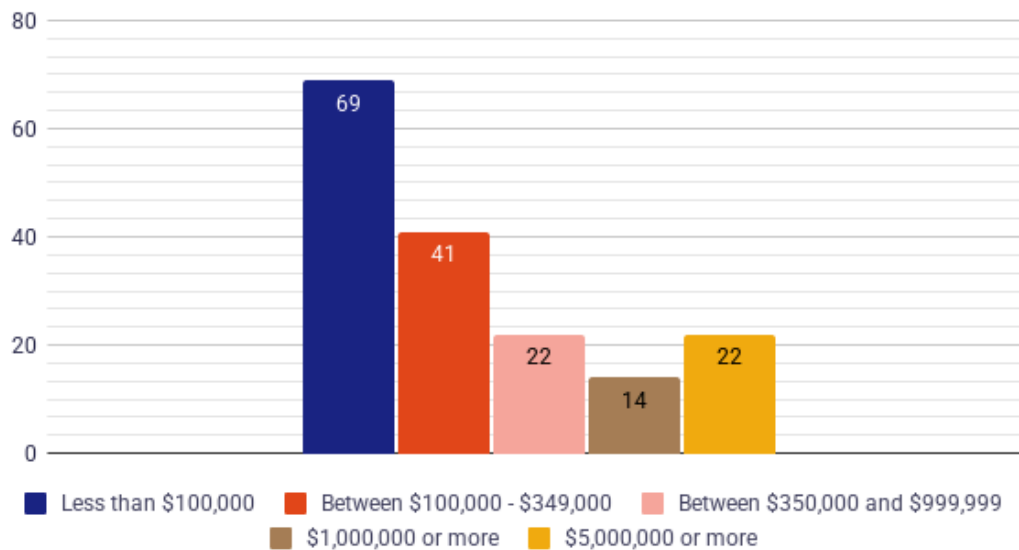
Product type	Percentage of responses that selected the product type
Fruits & berries	41.60%
Vegetables	32.00%
Livestock (meat)	24.80%
Other	21.60%
Flowers	20.00%
Herbs	19.20%

Tree fruit and nuts	17.60%
Maple	12.00%
Livestock (dairy)	12.00%
Other livestock (breeding stock/etc.)	12.00%
Wool	6.40%
Mushrooms	5.60%
Evergreen/Christmas trees	5.60%
Grains	0.80%
Hemp	0.00%

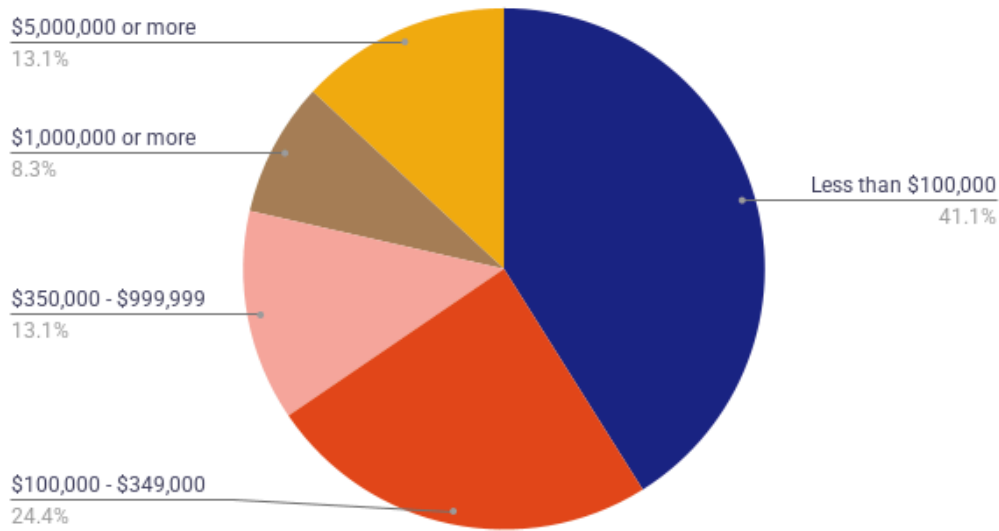
Total revenue/sales in 2023 or 2024

Of the total respondents, 168 provided relevant responses regarding their most recent revenue/sales from 2023 or 2024. **The majority of respondents, 41.1%, reported less than \$100,000 in revenue; a combined total of 37.5% reported revenue between \$100,000 - \$999,999; and a combined total of 21.4% reported revenue of \$1,000,000 or more.**

Most Recent Total Revenue/Sales (2023 or 2024)



Most Recent Total Revenue/Sales (2023 or 2024)



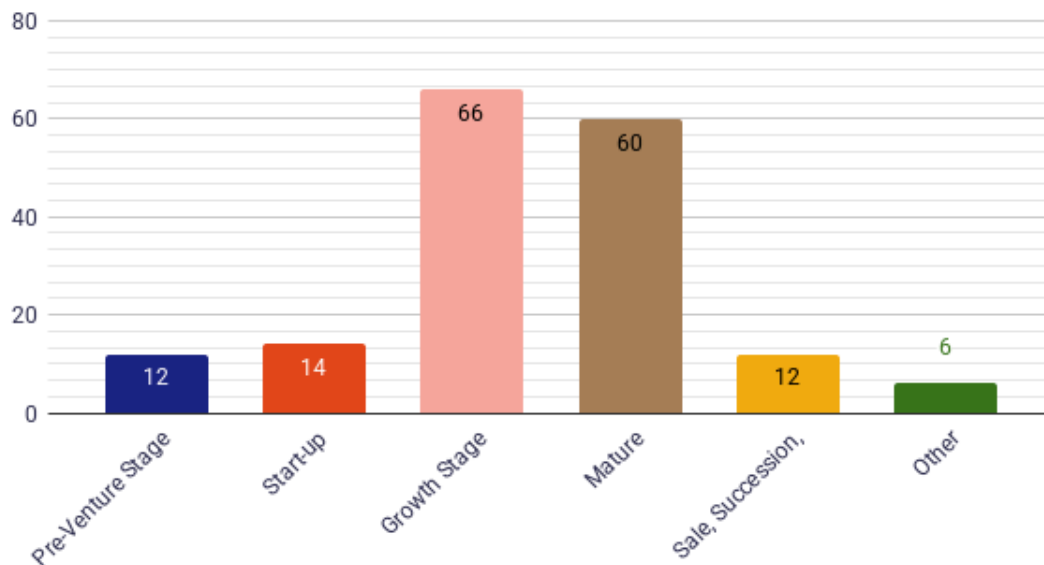
Business stage of development

Respondents were asked to self-select their current stage of business development from a list of provided options, which included the following descriptions:

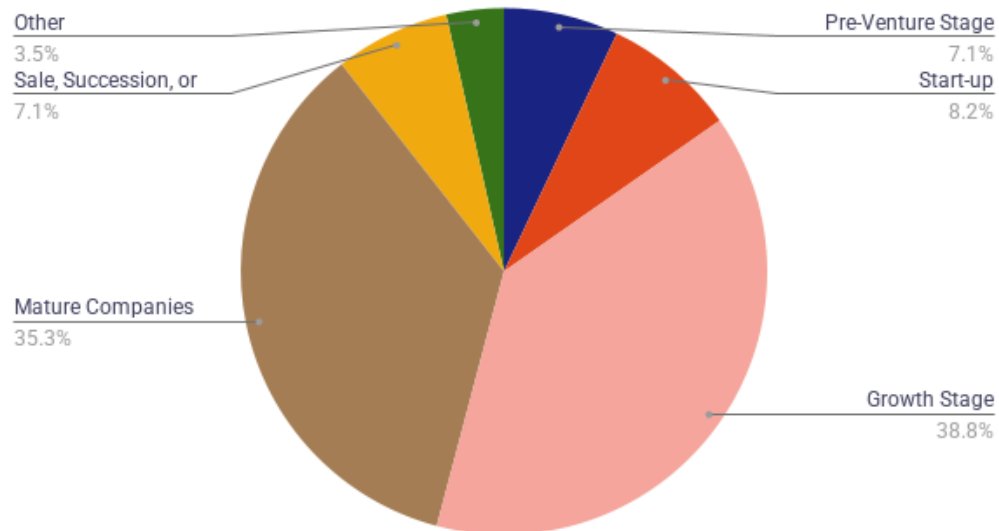
- **Pre-Venture Stage** (Early in the business life cycle, with no proven market or customers; focus is on planning and research)
- **Start-up** (Essentials are in place so that the business is viable and can sustain itself; this includes break-even sales, a customer base, and brand establishment)
- **Growth Stage** (Businesses seeking to take off from their base level of sales and operations to become profitable and achieve a higher base)
- **Mature Companies** (A solid and sustainable business that is unlikely to expand significantly)
- **Sale, Succession, or Reorganization** (Businesses that are in a process of selling or ready to implement a succession plan, or planning to significantly restructure.)

Of the 170 respondents that replied to this question, a clear majority identified their business as being in a “Growth” stage or “Mature” stage. Respondents were also able to reply “Other” and give an explanation—of the 6 respondents that did so, each indicated that they were on the cusp of a new stage, with 3 moving from a growth stage to mature, and 3 planning a transition towards a sale, succession, or reorganization in the near future.

Stage of Business Development



Stage of Business Development



Percentage of historically underserved respondents

Respondents were asked if they would self-categorize as a historically underserved farm or business. The survey provided the following description: "In Maine, historically underserved is defined in statute as "Historically marginalized, underrepresented or underserved communities,

including communities of color, low-income communities, and rural communities that typically lack access to capital to start, sustain, scale and innovate businesses.””

Of the total respondents, 148 responded concretely (yes/no) as to whether or not they identify as a historically underserved producer or business owner. These responses broke out nearly evenly, 49% yes and 51% no.

Helpful capital or services

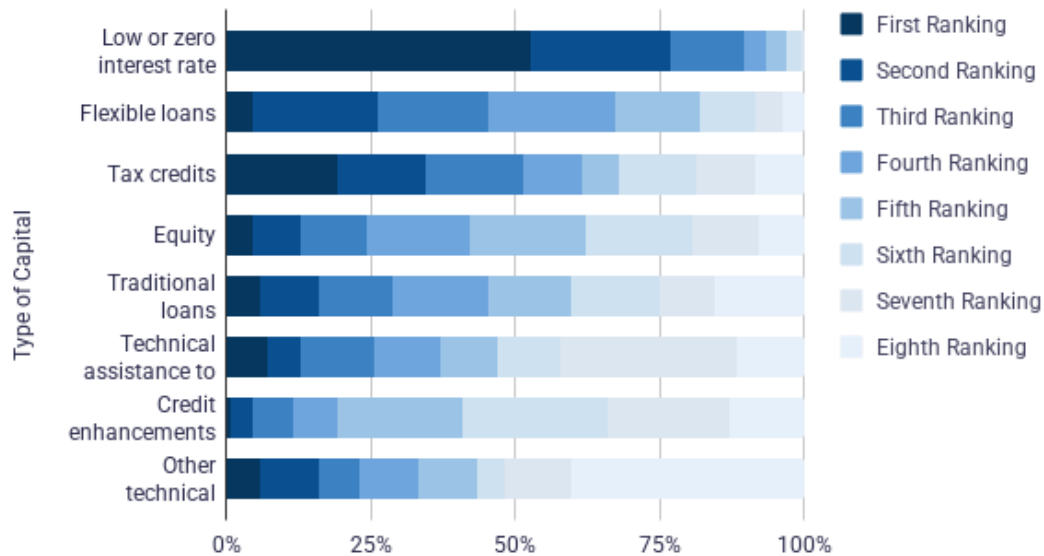
Respondents were asked to rank 10 different kinds of capital in order of importance to their farm or business. The preferred forms of capital were, in order of importance:

1. Low or zero interest rate loans
2. Flexible loans (e.g. adjustable payment schedules)
3. Tax credits
4. Equity
5. Traditional Loans
6. Technical assistance to access capital
7. Credit enhancements
8. Other technical assistance (marketing, business planning, etc.)

To determine the overall ranking, a weighted average was calculated based on the total responses provided for this question (156). A count was taken of the total number of times each type of capital was ranked for each position, and then a weighted average was calculated for each sum, with “First ranking” positions weighted 100% and each subsequent ranking position weighted 0.125 less (e.g., the “Eighth ranking” position was weighted only 0.125). For each type of capital, the weighted values for each ranking position were summed and averaged (divided by 156, the number of original responses). This provided each type of capital with a weighted average value; these values were then ordered from greatest to least, providing the final 1-8 ranking for each type of capital

This was charted using a 100% stacked bar chart, below, where the darkest shades equate to the highest ranking overall for that ranking position, while the lightest shades equate to the lowest ranking overall. Therefore, in this analysis, **“Low or zero interest rate loans” was ranked highest by the majority of respondents for both the first and second round of ranking, while “Credit enhancements” was ranked last in the first round of ranking, though ultimately “Other technical assistance” fell to the eighth position after all rounds of ranking were completed.**

Ranking of preferred types of capital



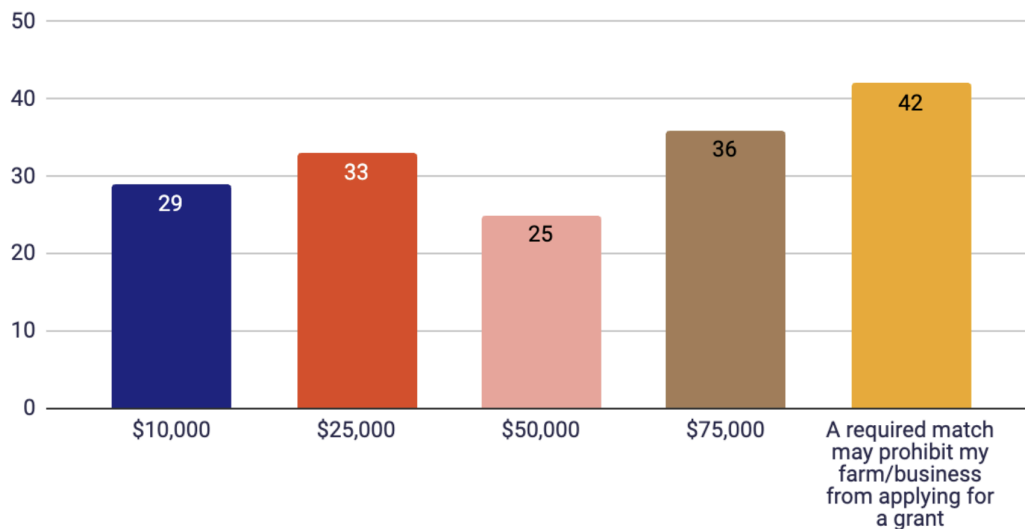
Ability to provide a match

Respondents were asked to select from a given list the likely dollar amount that they might be able to provide as a cash or in-kind match for a grant. The list was as follows:

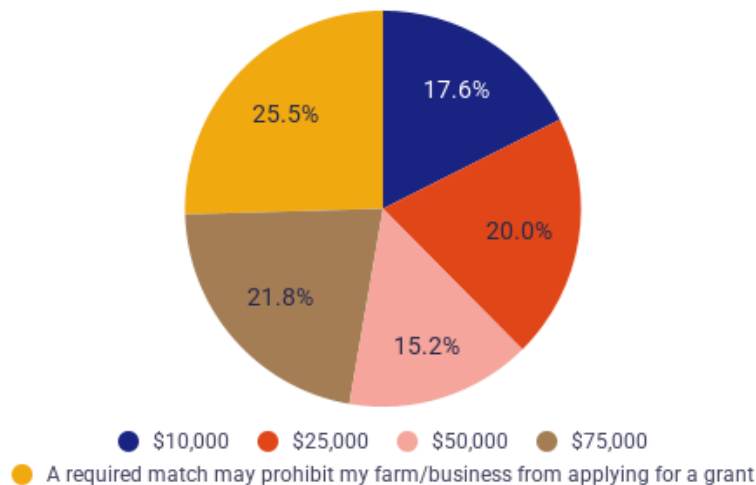
- \$10,000
- \$25,000
- \$50,000
- \$75,000
- A required match may prohibit my farm/business from applying for a grant

A full quarter of total respondents to this question, 25.5% (42), indicated that a required match may be prohibitive for them in applying for a grant. However, of the dollar values that were listed, the option most selected was the highest—\$75,000—with 36 selecting it, or 21.8% of respondents. The second most selected option was \$25,000, chosen by 20% of total respondents. This breakout suggested that there were clusters of responses at both ends of the value range (<\$10,000 and \$75,000 or more). To further assess this distribution, a cross-tabulation was run (see below).

Likely dollar amount that could be provided for a match (cash or in-kind)



Likely dollar amount that could be provided for a match (cash or in-kind)



The cross-tabulation below presents the breakout of responses from respondents who reported their revenue as “Less than \$100,000”, and respondents that reported their revenue as anything greater than \$100,000. For comparison, the percentage of total combined responses that were selected for each match level is also included. From this, it is evident that **respondents with revenue less than \$100,000 are significantly more likely to find a required match prohibitive (43.08%), though 27.69% could possibly match \$10,000.** Conversely, 36.17% of respondents with revenue over \$100,000 could possibly match

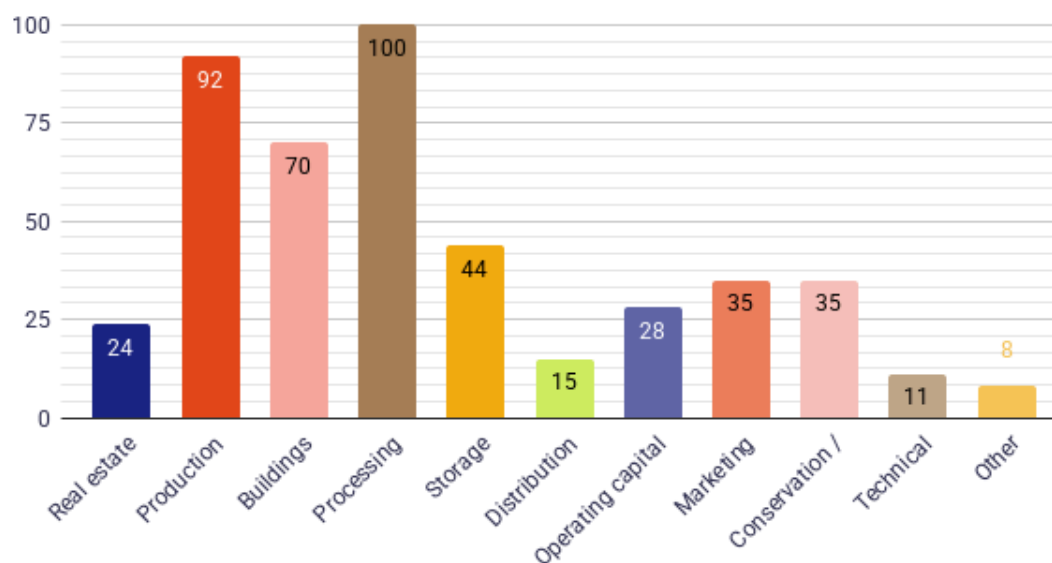
\$75,000, though 13.83% of respondents with revenue over \$100,000 still reported a match may be prohibitive.

Possible Match Level	Total Responses	Below \$100,000 Revenue (%)	Above \$100,000 Revenue
\$10,000	17.5%	27.69%	10.64%
\$25,000	19.9%	16.92%	22.34%
\$50,000	15.1%	12.31%	17.02%
\$75,000	21.7%	0.00%	36.17%
A required match may prohibit my farm/business from applying for a grant	25.9%	43.08%	13.83%

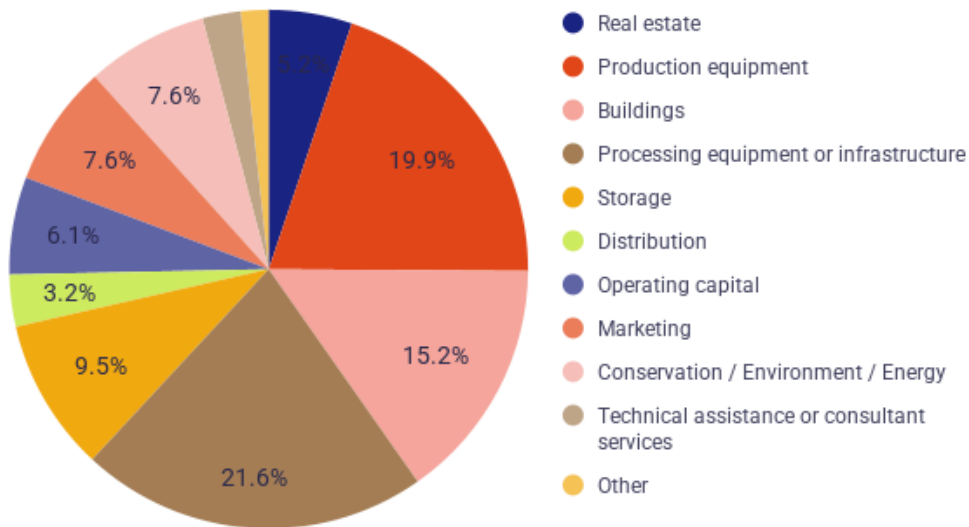
Uses of capital

Respondents were provided a list of 10 common uses of capital, and were asked to select which they were most likely to use a grant for. They were asked to select only 3. The charts below reflect the total responses. **“Processing equipment or infrastructure” was selected most often, with 100 respondents choosing it; “Production equipment” was a near second, selected by 93 respondents; and “Buildings” received the third most selections, by 71 respondents.**

Most likely uses of awarded capital



Most likely uses of awarded capital



The cross-tabulation below presents the selections from respondents who also reported their revenue as “Less than \$100,000”, and respondents that reported their revenue as anything greater than \$100,000. While the same top three funding uses were selected by both categories—“Production equipment”, “Buildings”, “Processing equipment or infrastructure”—**respondents with revenue under \$100,000 selected “Production equipment” most (58.46%) while respondents with revenue over \$100,000 selected “Processing equipment or infrastructure” most (63.83%)**, indicating a discrepancy in need for pre- and post-production funding.

Funding Uses	Revenue below \$100,000 (%)	Revenue above \$100,000 (%)
Real estate	13.85%	13.83%
Production equipment	58.46%	58.51%
Buildings	47.69%	41.49%
Processing equipment or infrastructure	49.23%	63.83%
Storage	26.15%	27.66%
Distribution	7.69%	10.64%
Operating capital	15.38%	17.02%
Marketing	20.00%	20.21%
Conservation / Environment / Energy	30.77%	13.83%
Technical assistance or consultant services	10.77%	3.19%

Other	6.15%	3.19%
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Qualitative Analysis of Survey Questions 9-12

Greatest challenges and barriers for sector success

Farm, food, and forest products business cited several challenges for their sectors, including: access to capital, lack of infrastructure, high costs of doing business, market access, equity, labor and workforce development, distribution and marketing, scaling and business support, and policy and regulations.

Capital & Financing

Capital and financing were the most frequently cited challenges, and businesses and farms said they faced difficulty accessing loans, grants, and investment for infrastructure, land, equipment, and scaling. Access to capital was especially cited for underserved, small, and beginning producers, and that financing and grants were not well tailored for small businesses. There were concerns that large businesses have better access to funding and grant-writing resources. High and rising interest rates were cited as a challenge, as well as the need for flexible and patient funding.

“Capital availability in Maine to companies in our state is anemic.”

“Working Capital.”

“The rising cost of capital.”

Infrastructure & Facilities

The lack of processing and distribution infrastructure was cited as the next most common challenge. Farmers struggle with limited access to processing spaces for poultry, meats, vegetables, and dairy. Forest products business also noted the lack of milling and processing capacity, including that many processing facilities are outdated or too small. Both farms and forest industry businesses also cited transport and storage as a barrier, and that rural distribution channels impair market access. Some respondents also noted a lack of shared infrastructure like commercial kitchens, co-packers, and transportation networks, while others mentioned the high costs and regulatory hurdles that prevent upgrades.

“We need to invest in mid-sized farms. And these farms need to have access to processing equipment and temperature controlled storage to truly scale.”

“Maintaining aging infrastructure and expanding infrastructure for operations, storage, and delivery to meet increased growth.”

High Costs & Tight Margins

Many respondents noted high costs, including energy, labor, taxes, insurance, inputs, packaging, and distribution, as well as rising costs of land due to gentrification and development (e.g., solar farms displacing agricultural land), especially for new and expanding

farms. Many noted Maine as a particularly high-cost state for doing business, exacerbated by regulatory burdens. The high costs contribute to tight margins, making reinvestment nearly impossible without outside help. Forest products businesses noted unstable wood markets, low timber values, mill closures, and competition with unregulated operators.

“Massive increases in costs from supplies, fertilizer, land expansion.”

“The cost of packaging, storage and distribution. As costs escalate including labor this is the area our costs are increasing the most.”

“Cost of doing business. High energy, high taxes, high labor.”

Market Access and Distribution Limitations

Many businesses noted that accessing markets is a serious issue. There are limited or distant markets due to Maine's rural nature and geographic isolation, and difficulty competing on price with larger producers or foreign imports, especially for value-added or organic products. Several noted underdeveloped local markets, while others pointed out that more markets outside of Maine need to be developed. There is a lack of marketing capital, brand-building resources, and sales expertise, as well as B2B sales and navigating retail and wholesale distribution systems. Institutional markets were also said to be underutilized: hospitals, schools, and jails have purchasing power but lack streamlined systems to buy locally.

“Lack of markets/distance to markets.”

“Cost of professional marketing services.”

“Marketing. We can grow way more than we can sell.”

“For forest products, we have to go through New England and New York to access the rest of the U.S. market (which) means that our larger U.S. market is limited primarily to New England.”

Equity & Accessibility

There was some frustration with grant systems; in particular, small farms often lack time or staff to pursue complex applications. Some respondents noted they have limited access to programs, and that many farms and businesses are unaware of programs or feel they have disadvantages in accessing existing programs.

“Limited access or readily available grant info. Many larger businesses seem to have regular access or excess money to hire someone to deal with the entire grant process while small mom and pop businesses struggle.”

“There is a lack of grants for women-owned businesses in our industry. (There is) limited access to grants because of technical language or qualifications.”

Labor & Workforce

A variety of workforce and labor challenges were cited. These include a lack of available skilled and unskilled labor (e.g., equipment operators, meat cutters, general farm help, etc.), limited training pipelines for skilled trades in agriculture and forest products, and generational transition issues with few young people entering the field and burnout on the rise. Other barriers cited include lack of housing, low wages, aging workforce, restrictive youth labor laws, and lack of vocational training. Worker housing was cited as an issue for some farms, food,

and forest products businesses. Some mentioned difficulty retaining employees and a shortage of trade services (e.g., vet, mechanic, etc.).

“For the forest sector, increasing the pipeline for incoming workforce.”

“Labor cost increases.”

Scaling & Business Support

Several businesses cited scale as a barrier, noting it was particularly complex. They have difficulty reaching a profitable scale without compromising values or entering debt. Businesses often “stall out” due to the absence of mid-size processing, storage, and transportation infrastructure. Business also noted some barriers to technical assistance. There is sometimes a lack of tailored support for business planning, navigating regulations, accessing financing, and leveraging new markets.

“So most of us have the choice between a traditional farm business operating at an uncompetitive and inefficient scale and therefore generating little profit... OR you can carve out a higher-value niche that may provide higher margins (and thus helps your family survive DESPITE lack of scale) but will have little to no chance at all of significantly impacting local food systems.”

“What we really need from state government is some investment in food system infrastructure (creamery, cannery, packaging, cold storage & distribution, etc) that will allow local/regional producers to achieve a scale and consistency of supply that has some hope of actually benefiting broader society.”

“Firstly, the way our system of food processing regulation is designed for larger businesses at the expense of small ones. A business...must reach a certain scale for regulatory compliance to be financially feasible. Therefore, businesses of truly small scale - which I believe are much needed in our rural communities - cannot be both legal and profitable.”

“Lack of service providers.”

“Developing realistic business plans for opportunities that could attract investment to our area.”

Policy and Regulation

Several respondents cited that regulatory frameworks often favor larger operations and make it hard for small producers to comply profitably. There are some frustrations with state-level policy decisions perceived as out of touch with rural and agricultural realities, including environmental restrictions, permitting delays, and compliance burdens which can be constraints on growth. There is a desire for more government support, many calling for public investment in mid-sized infrastructure and supportive policies for rural business like property tax reform, energy and freight cost relief, and faster permitting. Some forest products businesses mentioned that tax parity is needed between forestry and agriculture. In addition, some businesses mentioned economic instability: tariffs, inflation, and market volatility create uncertainty.

“Regulation is designed for larger businesses at the expense of small ones.”

“Cost of organic certification and excessive regulation.”

“High electrical costs, high taxes, and now that...paid family medical leave - which will be impossible to deal with.”

“The current economic chaos and tariffs are serious threats.”

Barriers in accessing capital

High Interest Rates & Cost of Borrowing

There was an overwhelming concern about current interest rates (7–8% or higher). Respondents also noted that the high cost of borrowing deters many from pursuing loans. Some specifically mentioned variable rates and personal guarantees as unacceptable risks.

“Percentage rates of 7 or 8 percent kill us.”

“Interest rates, debt to income ratio given that I hold a mortgage on the land I farm on.”

“Currently interest rates.”

“High interest rates. Debt for the life of the business and putting other assets (our home) at risk.”

Reluctance or Inability to Take on Debt

There is a strong aversion to debt due to risk, age, values, or past experience. Many prefer grants or low-/no-interest loans with long repayment terms.

“Not interested in borrowing money.”

“Reluctant to take on debt.”

“Not willing to go in debt at our advanced age. Looking for grants to take the farm into the future for new owners.”

Cash Flow, Profitability & Revenue Instability

Businesses cited that unpredictable or seasonal revenue makes repayment difficult. Low margins and lack of consistent profit can also hurt creditworthiness. Some businesses stated they are still recovering from COVID-era disruptions.

“Low cash flow.”

“Tight profit margins and investments in infrastructure that might not generate enough revenue to pay for their cost.”

“We still are struggling to rebuild a wholesale cluster base post 2020, so we have a more seasonal, variable cash flow than pre-2020.”

“Our farm is not making a profit so capital involves loans/repayment and basically always losing money.”

Collateral & Equity Constraints

Many respondents lack sufficient collateral (especially those renting land or facilities). “Asset-light” businesses can struggle to meet lending requirements. Some noted poor credit scores or limited equity due to past financial struggles.

“Having all your assets tied up as collateral.”

“Right now, our business' biggest barriers in accessing capital are collateral and asset lightness.”

“Credit score, equity.”

“Limited collateral.”

Loan & Grant Program Limitations

A few farmers noted loan and grant program restrictions. Some felt that the reimbursement model of grant and cost share programs can be prohibitive. Some feel excluded from FSA and other federal programs due to prior access to traditional lending. A few respondents mentioned that grant programs can favor underserved populations or specific types of innovative producers, leaving behind traditional farms. Yet more often, there was a sentiment that bigger farms and businesses have more collateral and ability to provide matching funds, which smaller and underserved farms don't always have.

“Matching grants... they're based on farm revenue, which helps big established profitable farms much more than smaller farms.”

“Grants we have applied for have given bonus points to women, and underserved populations, so we don't ever get enough points. Traditional farmers are treated poorly at best.”

“NRCS is a ‘pay back’ agreement. We do not have \$82,000 to ‘fork up’ and wait for a reimbursement. This is unrealistic ‘help.’”

Structural & Institutional Barriers

There are frustrations with banks and federal agencies that don't understand agriculture, including the need to fund large capital projects. Others noted a lack of tailored products for small or unconventional operations. Several noted the difficulty in navigating complex or competitive application processes.

“Banks don't want to fund ag-related business.”

“(It is) an absolute nightmare interacting with the FSA.”

“Maine does not have the consortium built out to invest in companies that have large capital needs.”

“(There are) nickel and dime programs that may be nice if you're a small woodlot owner... No focus on support for those that drive the business.”

Time, Capacity & Knowledge Gaps

Farmers cite lack of time, grant writing experience, or awareness of available programs. Some mentioned bandwidth limitations for pursuing opportunities while running their operation.

“Time, lack of financial info, the constant need to show ‘profit’ and growth.”

“Not knowing about non-traditional sources of capital.”

“Bandwidth/limited resources to seek out & understand available options.”

“There are many grants we would be eligible for... but it is hard to find the time to do the grant applications.”

Stage & Scale of Business

Startups and young farmers face added scrutiny due to short financial histories. Some businesses are either too small for large loans or grants, or too large for the small-dollar opportunities that do exist.

“The size and stage of our farm operation.”

“Credit as a startup.”

“Starting out as a company that is less than 10 years old.”

Mismatch Between Needs and Available Capital

Many stated that capital is available—but not in the right form (e.g., wrong loan sizes, inflexible terms, etc.). Infrastructure projects often can’t generate quick revenue, making loans risky. Businesses want more long-term, production-focused support rather than land-only conservation investments.

“We can access capital—but most of the improvements we want to make don’t cash flow.”

“Farming isn’t profitable. Grants or 0% loans with longer paybacks (5–10 years) should be prioritized... Locking up land is nice but if you cannot profitably grow product on the land it is all for naught.”

“Most operating loans are six figures which is more than most small farms need.”

“There’s a lack of grant funding for infrastructure projects.”

Other Notable Themes

- Non-traditional barriers like consumer confidence, market downturns, or geographic disadvantage.
- Generational transition concerns, with some older farmers seeking grants to prepare farms for future stewards rather than expanding.
- Call for systemic reform: many ask for more accessible, equity-oriented, and better-targeted capital programs that recognize the unique realities of farming in Maine.

A Few Respondents Reported No Current Barriers

- 37 people did not respond, but only 10 said there are no barriers
- Some have capital access through Farm Credit East, NRCS, or prior loans.
- Others stated they are not currently seeking capital.

Barriers in accessing technical assistance

No Barriers / Positive Experiences

A majority of respondents (60%) reported no significant barriers, citing success with organizations like: UMaine Cooperative Extension, MOFGA, Maine Farmland Trust, and NRCS. Many expressed appreciation for readily available and low-cost programming.

“I feel like there are a lot of services available.”

“I think we have done a good job of accessing MOFGA, UMaine Cooperative Extension, other farmers and articles, books, videos to help us learn practices we employ on the farm.”

Barriers Related to Time and Capacity

Many farmers said they don't have time to seek or use TA due to being understaffed or overextended. Some acknowledged that learning about available support took years.

"Majority of time is spent actually doing business which leaves little time for tech assistance."

"Primarily finding time to work with TA providers."

"Bandwidth/limited resources to seek out & understand available options."

Cost of Consulting Services

While many respondents noted there is ample affordable technical assistance services, others cited cost of consulting services as a barrier, particularly for marketing, food safety, bookkeeping, and engineering services that are desired but often cost-prohibitive. Some pointed out the mismatch between need and affordability.

"As a small food producer, the cost of getting third-party food safety certification is out of reach."

"A good marketing/branding project... could be upward of \$25–50K."

"We could definitely use a marketing consultant... but we can't afford one."

Availability of Specialized or Local Expertise

Several respondents reported that technical assistance is not well tailored to their specific sector, business scale, or location. Some mentioned that geographic isolation limits in-person support. Some noted a lack of expertise in areas like livestock, cheese, logging equipment, and niche processing.

"We find that those able to offer technical assistance... are often geographically far from us."

"NRCS lacks technical skills."

"Technical assistance is often 'cookie cutter' and does not apply to the unique circumstances of our business."

"Lack of in-state expertise in our types of processing."

Concerns with Government Programs

A few participants cited distrust, bureaucracy, or poor service from government agencies. Some feel TA is too focused on bureaucracy, not results. Some forest products businesses felt that there are more government supports for agriculture.

"Lack of trust in the government."

"You wait for a long time to get assistance, here in Maine."

"Forestry is left to do it on their own... AG is sacred... Forestry is an afterthought."

"Reduce red tape, reduce energy costs, get serious about reducing feel good spending and provide real tax relief."

Skepticism or Frustration with TA Quality

A few expressed that TA providers lack real-world experience. Some even mentioned that TA is ineffective or performative.

“Most people offering such services just forward you from one person.”

“Not many but not sure how good some of the tech assistance is.”

Other Barriers

Other barriers included lack of internet or cell service issues in rural areas, lack of awareness or clarity around where to go or what to ask, and funding cuts to TA programs.

“Knowing where to seek, knowing the right question to ask.”

“Internet access to learn how to do certain things... often cell service is 'emergency calls only.'”

“The government keeps taking the funding from the organizations we use for technical support.”

Using the Fund to address supply chains gaps and bottlenecks

Infrastructure and Capital Investment

Respondents strongly support funding for farm buildings, greenhouses, irrigation, cold storage, and equipment. Many noted aging or inadequate infrastructure as a primary barrier to growth and efficiency.

“We need refrigeration and a distribution vehicle.”

“Trying to grow and produce efficiently in old infrastructure is just impossible.”

Low- or No-Interest Loans and Flexible Financing

There is broad support for fixed, low-interest or forgivable loans, especially for infrastructure, refinancing, and working capital. Some preferred this over grants, to keep the fund sustainable.

“Make fixed & low interest infrastructure & working capital loans available.”

“Low/no interest loans are better than grants if they make capital available to more businesses.”

Support for Small, Beginning, and Underserved Producers

Many urged the fund to prioritize farms that are small, just starting out, or historically underserved. Concerns were raised about repeat funding for large, well-resourced operations.

“The only thing I'd really hope for is that smaller farms are prioritized.”

“Stop rewarding businesses huge grants over and over again.”

Processing and Value-Added Capacity

Respondents highlighted the need for meat processing, vegetable processing, fiber mills, co-packing, and other value-added infrastructure. Shared-use and regional models were seen as especially valuable.

“Maine needs an applesauce processing facility.”

“We need support for small fiber mills... we’re ready to grow.”

Marketing and Distribution

Farmers emphasized marketing assistance, brand development, website support, and expanded access to regional markets like Boston and New York.

“Advertising funds and partnerships.”

“For our forestry products, the fund could be used to ensure that there is demand for forestry products.”

“Have websites, maps, and ads where Maine producers can advertise for free.”

Labor, Workforce, and Training

Requests included support for on-the-job training, automation, employee retention incentives, support for early stage entrepreneurs, and more workforce development efforts that extend beyond farm owners.

“OTJ training programs should sponsor workers.”

“We would like to invest in robotics to assist employees.”

“Look to help startups and small businesses... foster young entrepreneurs.”

Grant Accessibility

Concerns were raised about the complexity of grant applications, match requirements, and lack of transparency in award decisions. Many called for simplified, fairer processes.

“Grants that don’t require a match are the best way to help small producers.”

“Have a period of time before past grantees can apply again.”

Regional Economic Development and Forest Products

Forest product businesses want investment in mill infrastructure, road and port access, and sector-specific support, as well as R&D, financing, grants, and tax options.

“Aggressive, business friendly financing/grant/tax options to build/modernize legacy industries in Maine - for the state and Maine-based businesses not to lose out on the opportunity ahead for wood pulp as a replacement for plastics, and R&D funding options to bridge the knowledge gap between plastic and fiber, modernize and onshore tooling-preferably outside of academia.”

“For our forestry products, the fund could be used to ensure that there is demand for forestry products. This could be by making sure the local paper mills are sustainable and that needed infrastructure (ports, roads, etc.) are able to handle forestry product transportation.”

Innovation, Sustainability, and Sector Diversification

Respondents want more support for sustainable practices, R&D, alternative energy, seaweed, legumes, and climate-smart infrastructure. Many urged a shift toward long-term resilience over short-term output.

“Don’t ignore the plant protein sector—there’s huge opportunity.”

“Invest in regional regenerative agriculture.”

“We need to mechanize pre- and post-harvest operations.”

Summary of Qualitative Questions:

Infrastructure and Capital Investment

There is overwhelming demand for investment in farm, processing, and distribution infrastructure—including buildings, cold storage, irrigation, transportation equipment, and energy-efficient upgrades. Many respondents emphasized that aging or inadequate infrastructure is a primary constraint on productivity and growth.

What’s needed: Buildings, cold storage, irrigation systems, greenhouses, delivery vehicles, processing equipment, on-farm energy systems, and ergonomic upgrades.

Why it matters: It directly supports on-farm efficiency, value-added production, and regional supply chains, and it’s applicable across sectors (dairy, livestock, produce, forestry, aquaculture).

Recommended investment types:

- Grants for capital improvements (especially for small and mid-scale producers and forest products businesses)
- Low-/no-interest loans for larger infrastructure projects
- Forgivable loans tied to benchmarks like job creation or local sourcing
- Technical assistance to support infrastructure planning and project management
- Forestry and forest products business specifically cited port and rail capacity improvements, support for siting and attracting new forest product facilities, and local investments in roads and electrical infrastructure

Accessible, Affordable Financing

Fixed, low-interest, and forgivable loans are strongly preferred over traditional or high-interest lending. Many called for flexible financing structures for working capital and infrastructure that don’t saddle farms with unsustainable debt. There’s also a clear call to move away from programs that disproportionately favor large or repeat grantees.

What’s needed: Alternatives to high-interest or traditional loans; options for refinancing existing debt; financial products designed for seasonality, low collateral, or lower profit margins.

Why it matters: It addresses both short-term cash flow and long-term investment barriers for small and mid-size businesses, while ensuring sustainability of the fund.

Recommended investment types:

- Fixed and/or guaranteed low-interest loan programs for working capital, refinancing, and growth (including early stage growth)
- Forgivable loans or blended finance packages
- Flexible and patient capital targeted to underbanked or asset-light businesses
- Grants for credit repair, financial planning, or upfront capital needed to unlock other funding

Support for Small, Beginning, and Underserved Producers

Respondents repeatedly asked for equity-focused funding criteria that prioritize producers without access to grant writers, family capital, or existing infrastructure. Many want streamlined application processes, smaller-scale awards, and restrictions on repeat winners to level the playing field.

What's needed: Equity-focused criteria and application processes; targeted funding and outreach; capacity-building to level the playing field with larger or better-resourced businesses. Prioritize equity and transparency to rebuild trust and expand access to historically underrepresented stakeholders.

Why it matters: Targeting support to those most excluded from existing programs is key to strengthening Maine's diversified food system and rebuilding rural economies.

Recommended investment types:

- Small-dollar non-matching grants with minimal red tape
- Early stage capital
- Grant-writing, financial literacy, and business planning technical assistance
- Outreach and application support programs (especially in underserved regions)
- Eligibility limits to prevent repeat funding of large, already successful businesses

Investment in Value-Added Processing and Market Access

Many respondents identified processing capacity—especially for meat, vegetables, dairy, fiber, and aquaculture—as a persistent bottleneck. Forest products business cited need for financing for modernization and new product development. Several stressed the need for coordinated marketing, branding, and distribution solutions to access regional markets.

What's needed: More regional manufacturing capacity, co-packing and shared-use facilities, expanded cold-chain infrastructure, and coordinated marketing/logistics for reaching urban markets. Also, bridging rural and urban markets to unlock new sales channels for Maine-grown and produced goods.

Why it matters: Scaling up processing and market access unlocks revenue, reduces waste, and makes Maine-grown and -made products more competitive in- and out-of-state.

Recommended investment types:

- Grants and loans for new or expanded meat, vegetable, and fiber processing facilities
- Co-investment models for shared-use facilities (e.g., co-packers, incubator kitchens)
- Marketing and branding grants (e.g., website development, packaging, regional brand campaigns, marketing consulting services)
- Technical assistance for scaling distribution, navigating regulations, and marketing
- Support for state-led infrastructure (e.g., cold storage hubs, regional transportation systems)

Policy, Regulatory, and Tax Reform

Respondents were vocal about the need to ease regulatory burdens and reduce energy and tax costs. Several businesses from the forest products sector noted a sense of being deprioritized relative to agriculture and called for greater policy-level support.

What's needed: Eased or more consistent regulations, property tax reform, energy and freight cost relief, and tax credit parity between forestry and agriculture

Why it matters: While policy and regulatory reform are not in the jurisdiction of AFFPIF, it's important to understand that many producers face regulatory and tax hurdles.

Analysis of 2025 Maine Capital & Technical Assistance Provider Survey

<< DRAFT >>

Prepared for the Maine Agriculture, Food System and Forest Products
Infrastructure Investment Fund Advisory Board

June 16, 2025

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Executive Summary

The Maine Department of Agriculture, Conservation and Forestry (DACF) and the Department of Economic and Community Development (DECD), in partnership with Coastal Enterprises Inc. (CEI), engaged an external consultant to develop a survey for capital and technical assistance providers to inform the development of the Agriculture, Food System and Forest Products Infrastructure Investment Fund. This interim report presents the summarized results of the survey, which received 57 responses in total.

Types of businesses served - 80.7% of providers surveyed serve multiple types of business entities. Farms and forestry/logging businesses are best served, with 35 and 30 available providers, respectively.

Core financial instruments and/or services provided - Technical assistance is a widely offered service, with 52% of providers offering some form of TA. Grants and loans are the most widely offered financial instruments, provided by 18.5% and 9.8% of respondents, respectively.

Business Stages served - Growth Stage and Mature Companies are the best supported business stages, with 26.4% and 24.2% of providers serving these business stages, respectively. The least supported business stage is Pre-Venture, with only 13.7% of providers offering services to this business stage.

Forms of accessing TA services - There is broad access to free services, with 64.7% of providers offering free services. There is an effective referral network in place as well, with referrals being provided and received by most providers (43.13% and 54.09%, respectively).

Forms of TA Service Delivery - Technical assistance is predominantly delivered as a 1:1 service. Survey responses indicate that 55.7% of providers offer 1:1 short-term services and 47.82% offer 1:1 in-depth services. 43.47% also offer training/workshops, and only 17.39% of providers surveyed offer cohorts/accelerators as a form of technical assistance.

Wraparound services - A limited number of providers responded as to whether or not they offer wrap-around services. Of responses received, 52.7% indicated no and 47.2% said yes.

Range of Capital Provided - The majority of providers did not respond to this question. For the 17 people who did respond, there was a wide range of capital, from \$1,000 to \$100 million.

Barriers, Gaps, or Challenges for Farm/Food/Forest Businesses to Access Capital

- Lack of Financial Management Skills and Business Planning Capacity
- Complexity and Inaccessibility of Capital Programs
- Lack of Cultural Relevance and Inclusion in Programs
- Lack of Awareness and Outreach
- Structural Barriers: Credit, Collateral, Matching Funds
- Seasonal Cash Flow and Industry-Specific Challenges
- Limited Access to Grant Capital
- Geography and Scale Disadvantages
- Economic, Infrastructure Gaps, and Market Challenges

Elements of the Farm/Food/Forest Products Sectors that Need the Most Support

- Processing Infrastructure
- Operating Capital
- Market Access and Marketing Support
- Labor and Workforce
- Transportation and Supply Chain Infrastructure
- Technical Assistance and Business Skills
- Land Access and Environmental Conservation

Opportunities for the State to Make it Easier for Capital / TA Providers to Support Farm/Food/Forest Businesses

- Increase Direct Investment in TA and Capital Delivery Infrastructure
- Simplify Access to State Programs and Improve Communication

- Broaden and Improve Technical Assistance
 - Make TA and Funding More Inclusive and Culturally Responsive
 - Improve Coordination Across Agencies and Programs
 - Provide Targeted Policy Reforms and Regulatory Relief
 - Create Shared Resources and Statewide Strategies
-

Introduction

To support the Advisory Board in developing a framework for the Maine Agriculture, Food System and Forest Products Infrastructure Investment Fund (AFFPIF), consulting firm InCommon Group engaged capital and technical assistance providers in the state of Maine via an anonymous survey, designed to elicit feedback on the services they offer and the sectoral funding needs they perceive.

The Maine Department of Conservation, Agriculture and Forestry (DACF) and the Department of Economic and Community Development (DECD), in conjunction with CEI, distributed the survey via websites, listservs, and individual outreach over a six week period. Survey questions were oriented to elicit both quantitative and qualitative results.

The survey questions were presented as follows:

1. What types of businesses does your organization serve? [Checkbox selection]
2. What are your core financial instruments and/or services? [Checkbox selection]
3. What stage of business development does your organization support? [Checkbox selection]
4. Please provide responses about TA service accessibility. [Checkbox selection]
5. If you are a TA provider, how do you deliver services? [Checkbox selection]
6. Do you offer, or are you part of a network, that offers wrap-around services? [Short answer]
7. If you provide capital / finance, what is the dollar range of capital you provide? [Short answer]
8. From your perspective, what are the biggest barriers, gaps, or challenges for farm/food/forest products businesses to access capital, particularly for underserved businesses? [Short answer]
9. What part / which elements of the farm/food/forest products sectors need the most support to be more successful? (E.g., processing infrastructure, marketing, operating capital, TA, etc.) [Short answer]
10. How could the state fund help serve these gaps and help drive positive impacts for the sectors? [Short answer]
11. How could the state make it easier for you as a capital / TA provider to provide support/services/funding to farms, food and forestry businesses, particularly for those who are underserved? [Short answer]

12. Is there anything else, regarding your services or otherwise, that you would like to share? [Short answer]

Survey respondents were also presented with the following context regarding AFFPIF: “In 2021, the Maine Agriculture, Food System and Forest Products Infrastructure Investment Fund (AFFPIF) was established by the Maine legislature to:

- strengthen the State's agricultural, food, and forest products economy with a priority of making resulting efforts more inclusive of and increasing investments in historically marginalized, underrepresented, and underserved communities;
- expand infrastructure investments in the agricultural, food, and forest products economy to increase access to new markets and opportunities for producers, processors, small businesses, and consumers in the State in the producing, processing, manufacturing, packaging, distribution, marketing, sale and consumption of products; and
- collaborate with other state agencies, economic development organizations and other key institutional partners to establish technical assistance programs to support the objectives of this chapter.”

In total, 57 responses were received. Those responses were coded and analyzed. The results of the quantitative and qualitative analysis are summarized here for initial review, and findings will be further utilized to inform formal recommendations to the AFFPIF Advisory Board.

Quantitative Analysis of Survey Questions 1-6

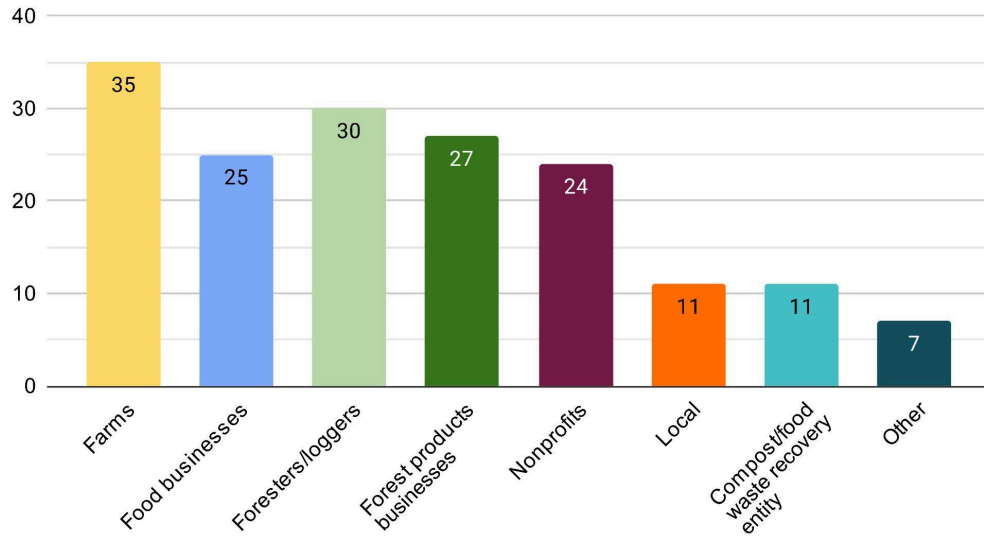
Types of businesses served

Respondents were provided a list of business types to select from, and were able to make multiple selections. The selection of businesses included: Farms; Food businesses (manufacturers, distributors, retailers, etc.); Foresters/loggers; Forest products businesses; Compost / food or waste recovery entity; Nonprofits; Local governments; or Other.

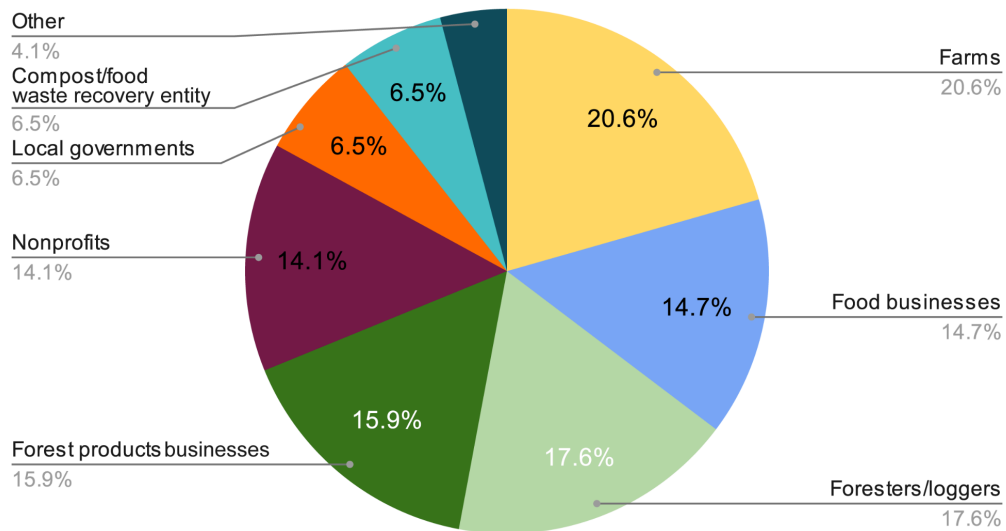
As respondents were able to select multiple types of businesses, the count in the chart below reflects the total number of respondent capital and TA service providers that serve that business category. 100% of respondents replied to this question.

The majority of the respondents serve multiple business types (80.7%), with only 11 respondents serving a single type of entity. Farms and forestry/logging businesses are best served, with 35 and 30 available providers respectively, based on the pool of respondents. Food and forest product businesses are similarly well-served, with 25 and 27 available providers, respectively. Interestingly, nonprofits are also relatively well-served, with 24 available providers. As the pie chart shows, food businesses and nonprofits are served at nearly equal rates. Remaining categories have access to less than half that amount of capital and TA service providers.

Types of businesses served



Types of businesses served



Core financial instruments and/or services

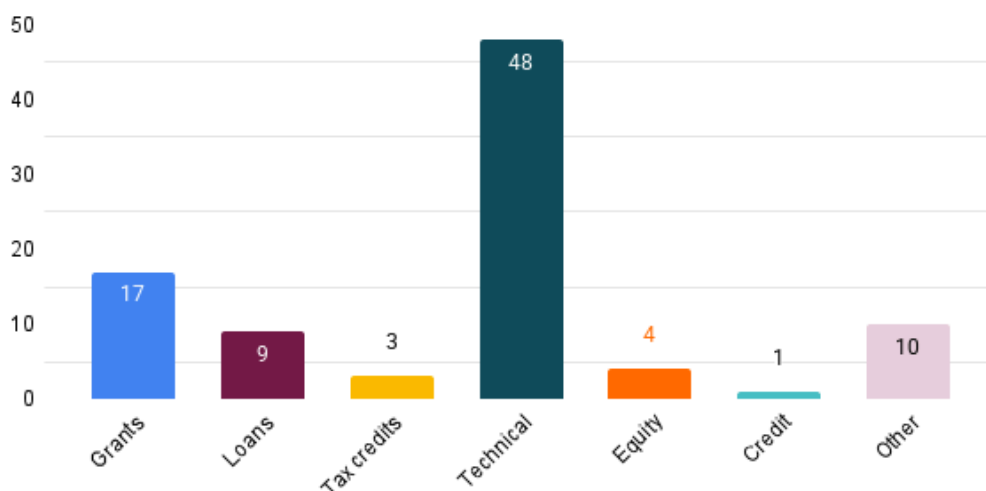
Respondents were asked to select the types of financial instruments or services they provided, from the following list: Technical assistance; Loans; Grants; Equity; Tax credits; Credit enhancement; or Other. 100% of respondents replied to this question.

The primary service selected was by far “Technical assistance” (52% of respondents offered this service), which could refer to a number of kinds of offerings that were explored in questions 4-6. Of the listed financial instruments, “Grants” and “Loans” are offered by 18.5% and 9.8% of respondents, respectively.

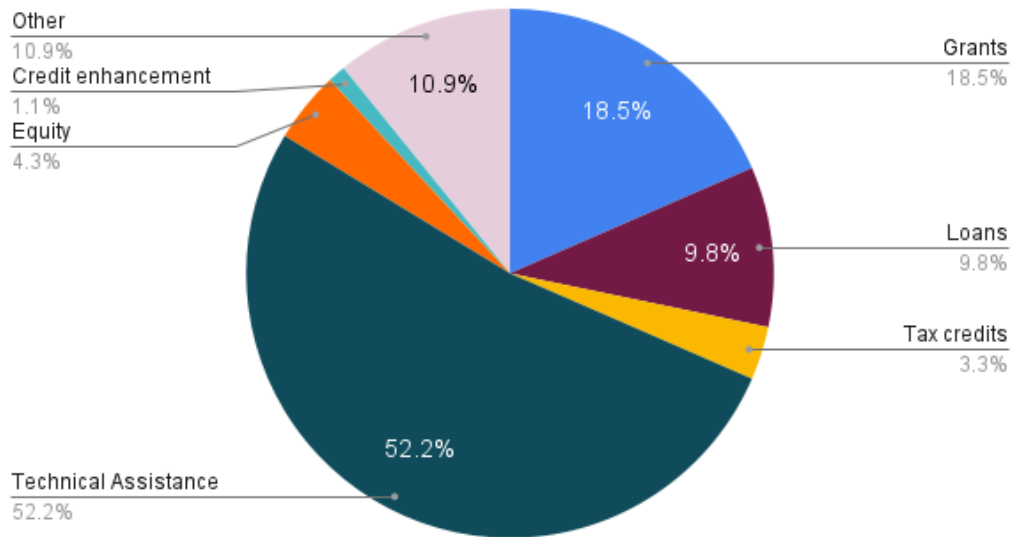
The “Other” category accounted for 10.9% of responses. Write-in responses that were offered in that category are listed here:

- Investment banking services (sale of companies, raising capital)
- Policy
- Forest management planning and mapping
- Business advising
- Consulting services
- Grant writing and market research
- Education/Interns-Trainees in agriculture
- Professional development
- Cost-share program
- Logistical support
- Resource navigation
- Marketing/trade support

Core financial instruments and/or services provided



Core financial instruments and/or services provided



Stages of business development supported

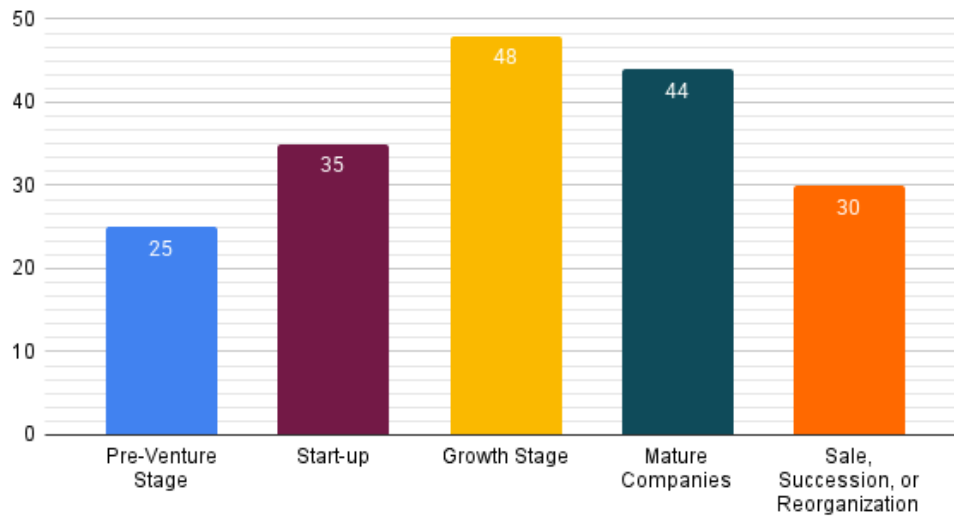
Respondents were asked to select what businesses they supported based on stages of development, from a list of provided options which included the following descriptions:

- **Pre-Venture Stage** (Early in the business life cycle, with no proven market or customers; focus is on planning and research)
- **Start-up** (Essentials are in place so that the business is viable and can sustain itself; this includes break-even sales, a customer base, and brand establishment)
- **Growth Stage** (Businesses seeking to take off from their base level of sales and operations to become profitable and achieve a higher base)
- **Mature Companies** (A solid and sustainable business that is unlikely to expand significantly)
- **Sale, Succession, or Reorganization** (Businesses that are in a process of selling or ready to implement a succession plan, or planning to significantly restructure)

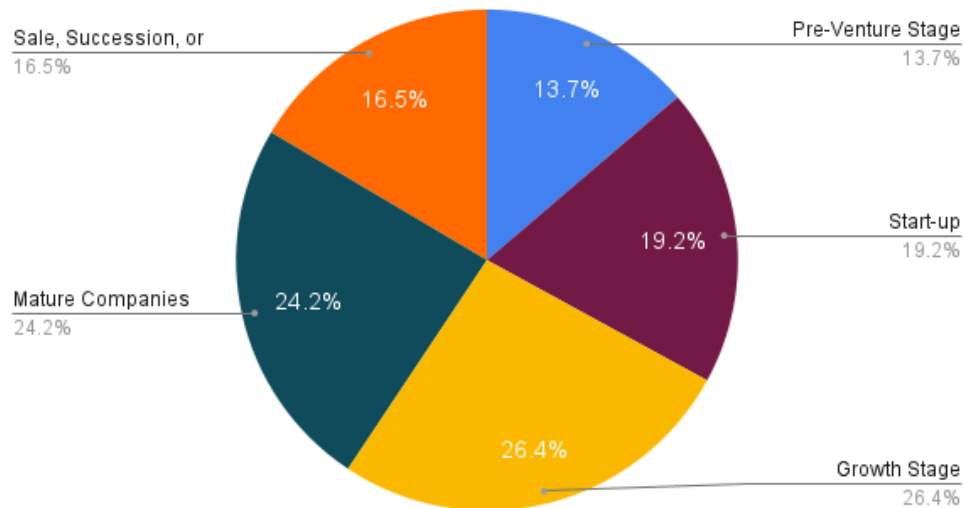
Overall, **Growth Stage and Mature Companies were best supported, with 26.4% and 24.2% of total respondents serving businesses in these stages, respectively. The least supported business stage is Pre-Venture, though 13.7% of total respondents do offer services to this business stage.**

Of the 53 respondents that replied to this question, 18 (33.96%) offer services to all business stages, while 10 respondents (18.86%) provide services to one or both of the Growth Stage and Mature Companies stages.

Business stages served



Business stages served



TA service accessibility

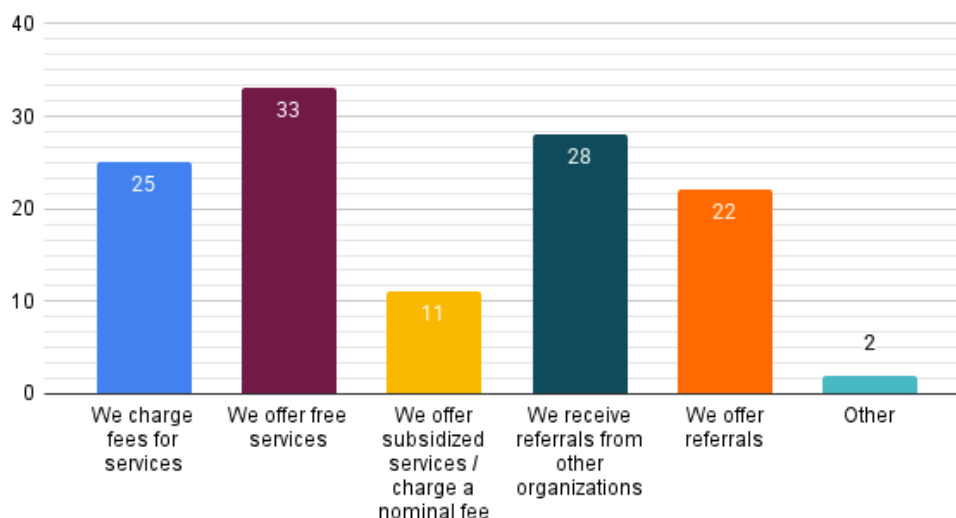
Respondents were asked about the pathways available to farm, food, and forestry businesses to access their services. A list of responses was provided to select multiple options from:

- We charge fees for services
- We offer free services
- We offer subsidized services / charge a nominal fee
- We receive referrals from other organizations
- We offer referrals

- Other

Responses indicate that there is broad access to free and subsidized services, with 33 of the 51 respondents to this question offering free services (64.7%); 8 of that pool also offer subsidized services. Nearly half of all respondents did also indicate that they do charge fees for services (49%), and referrals are also provided and received by most of respondents (43.13% and 54.09%, respectively).

Forms of accessing TA services



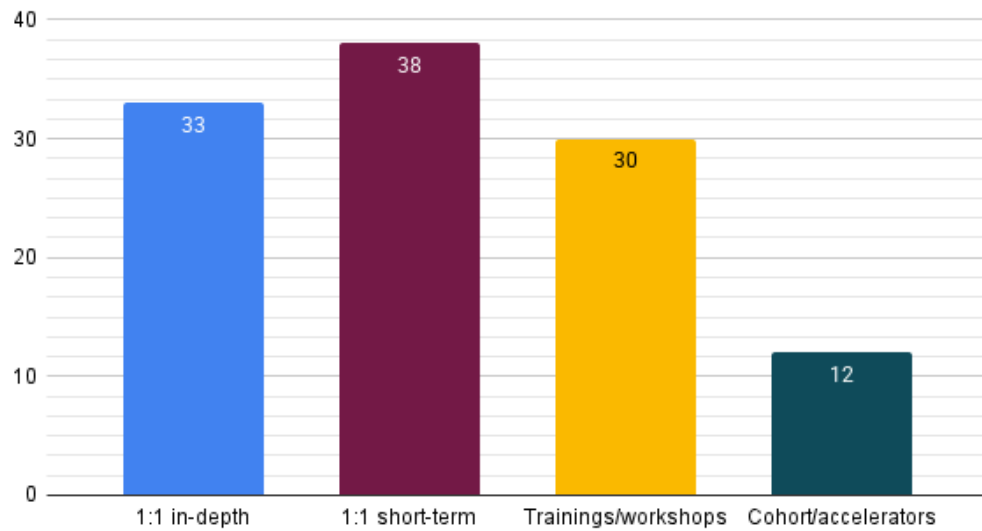
Service delivery

Respondents were asked to select the methods by which they deliver their services from a provided list of options, with the included explanations:

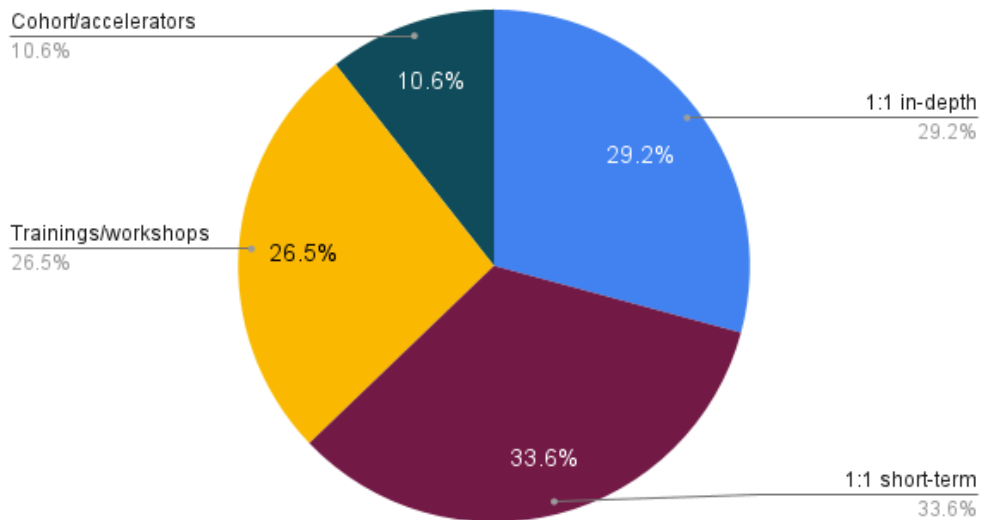
- **1:1 in-depth** (individualized services for one year or more, working continuously with client)
- **1:1 short-term** (individualized services for less than one year, can include one-time consultations)
- **Trainings/workshops**
- **Cohort/accelerators**
- **Other**

Of the 69 respondents that replied to this question, 38 offer 1:1 short-term services (55.7%) and 33 offer 1:1 in-depth services (47.82%). These forms account for 33.6% and 29.2% of total forms of service delivery reported, respectively. 30 respondents also offer training/workshops. In comparison, cohorts/accelerators were much less likely to be offered; only 12 respondents selected this as a form of service delivery, and overall, this category only accounted for 10.6% of the total.

Forms of service delivery



Forms of service delivery



Wraparound services

Respondents were asked to provide an open-ended short answer response to the following query about wraparound service:

- Do you offer, or are you part of a network, that offers wrap-around services?

(Wraparound services for businesses offer a holistic, personalized, and team-based approach to technical assistance, addressing complex needs and coordinating various resources to help businesses succeed.)

A quantitative analysis was conducted, assigning values to all responses that were concretely affirmative or negative. In total, 36 respondents provided a reply to this question, with **19 (52.7%) indicating “No” and 17 (47.2%) indicating “Yes” for a nearly even split.** Write-in responses that were offered in this category are included below for additional context.

“Yes” respondents:

- *“We work collaboratively with our clients, other professional service providers such as accountants, attorneys, wealth advisors, estate planning professionals, bankers, and investors.”*
- *“We have over 300 experienced mentors within our network that can offer wraparound services.”*
- *“We host the Maine Farm & Sea to Institution Network providing opportunities for food producers and institutional food buyers to come together to share learnings and resources to overcome barriers.”*
- *“We collaborate with State, Federal and local governments, NGO's, and private companies.”*
- *“Yes, we often pull in mentors from diverse backgrounds - whether it is finance, sales, quality assurance, certification, logistics, operations, etc. We also refer quite a bit to government and other associations with expertise.”*
- *“Yes- I regularly work with a curated network of business support service providers and lenders who offer a suite of services.”*
- *“Maine Mentor Network; also, building my own wraparound services with strategic partners.”*
- *“Yes, The Office of Business Development provides all of the above, but primarily will refer businesses to other more focused TA programs.”*

“No” respondents:

- *“Generally no. The forestry services I provide dovetail with other service providers, such as loggers, road construction contractors, surveyors, etc.”*
- *“No, unless a bespoke product for a specific client / project.”*

Qualitative Analysis of Survey Questions 7-12

Range of Capital Provided

The majority of providers did not respond to this open-ended question. For the 17 people who did respond, there was a wide range of capital provided. Some offered smaller grants or loans between \$10,000 - \$50,000, others offered grants or loans up to \$250-\$500 thousand. There were some in the range up to \$1 or 2 million, and one offered very large loans up to \$100 million. A few of these entities provided a significant range of capital—one provided loans as small as \$1,000 and up to \$1 million.

Biggest barriers, gaps, or challenges for farm/food/forest products businesses to access capital, particularly for underserved businesses

Lack of Financial Management Skills and Business Planning Capacity

Many providers cited poor or nonexistent business plans, weak financial literacy, and an overall lack of business acumen as the primary reasons businesses cannot access capital. These gaps can undermine their ability to secure loans, apply for grants, or sustain operations.

“Many of these businesses do not have well-developed business plans and legal strategies, nor are they run by business-savvy individuals. No amount of hard work will overcome the knowledge gap.”

“What we see are weak or absent business plans... very poor financial management... not understanding how to price to achieve desired gross and net profit goals.”

“Lack of a solid business plan and limited knowledge of opportunities... plus not having the capacity to apply for, manage, and provide match for funding programs.”

Complexity and Inaccessibility of Capital Programs

Grant and loan systems can be challenging to navigate with complex applications, match requirements, and delays in disbursement. Respondents emphasized that funding and capital programs (especially public ones) are too complex, inaccessible, or not designed for smaller or culturally diverse businesses. They noted that many programs make the assumption that businesses have a high level of financial fluency and administrative capacity.

“(There is) not enough outreach to underserved producers, and inaccessibility of programming.”

“For historically marginalized communities, there is often a lack of knowledge on how to navigate these complex and confusing systems.”

“Inaccessibility of programming (hard to access, understand and apply).”

Lack of Cultural Relevance and Inclusion in Programs

Several respondents—particularly those working with Indigenous communities or farmers of color—noted that existing capital programs do not reflect culturally specific production systems or lived realities. Some providers noted the need for creating more cultural competency and a program that works better for small and underserved businesses, as well as working with groups that serve these communities.

“It’s not a technical or technology access issue but rather a question of... am I truly welcome to participate?”

“For historically marginalized communities... financial systems often do not have cultural competency.”

“Engage and fund grassroots and affiliate groups and cultural brokers to do the outreach.”

Lack of Awareness and Outreach

Many underserved businesses simply don’t know what funding is available, where to go for help, or how to apply. Misinformation and limited outreach were highlighted as key structural barriers.

“Lack of knowledge on where to go. Rumors/false info.”

“Awareness of the availability and grants and the advantages and procedures of the grant process.”

“Knowing where to find money, connecting, and business planning (for early stage).”

Structural Barriers: Credit, Collateral, Matching Funds

Traditional capital requirements—such as strong credit history, cash reserves, collateral, and match—were widely viewed as major obstacles, especially for startups, younger businesses, and those in rural areas.

“Existing credit/debt—intense upfront costs to start a farm from scratch.”

“Lack of matching funds for grants.”

“The costs of entry are so high... financial institutions are hesitant to grant requests.”

Seasonal Cash Flow and Industry-Specific Challenges

The seasonal and low-margin nature of agriculture, food, and forestry businesses makes them poor fits for many financing models. Cash flow volatility undermines their ability to qualify for loans or absorb risk. In addition, there can be a mismatch between traditional financing models and ag/food/forest businesses, for example, these businesses are often early-stage, seasonal, or have non-traditional models that don’t align with standard bank or investor expectations.

“The biggest barriers are the knowledge around financing and the seasonality of the business.”

“They are too early-stage for traditional bank financing... margins are very slim.”
“For loggers, capital (is needed) that is flexible for the seasonality of the industry.”

Limited Access to Grant Capital

Providers noted that there is often more loan capital than grant funding, especially for business expansion, acquisition, and construction. Small businesses stuck between startup and bankability often fall through the cracks.

“There is plenty of funding on the loan side, but not the grant side.”
“Grants for business expansions, including acquisition, renovation, and construction.”
“Grant funds are typically not available to for-profit ventures.”

Geography and Scale Disadvantages

Rural location, low volumes, and high costs of production put Maine businesses—especially in agriculture and forestry—at a competitive disadvantage in regional or national markets. Businesses in rural areas face transportation, infrastructure, and labor access challenges.

“Maine-sourced products are much higher in costs and make it difficult to be competitive.”
“Growers are mostly in rural areas with limited capacity for staffing.”
“Most Maine farms are at a competitive disadvantage... Labor costs, limited growing season, high transportation costs, and lack of supporting infrastructure in rural areas all make growing a farm business difficult.”

Economic, Infrastructure Gaps, and Market Challenges

High costs, low margins, and systemic market disadvantages make many small or local operations high-risk and unattractive to investors. Land, equipment, and labor costs are prohibitive, especially without strong collateral or startup capital. Local businesses struggle to compete on price and scale, especially in regional and national markets. There are also inadequate processing and distribution systems, such as lack of access to local or regional infrastructure (like storage or aggregation centers), making it hard for producers to access markets.

“The costs of entry are so high that without significant collateral or money down, financial institutions are hesitant to grant requests due to the risk. Coupled with the high cost of entry, current interest rates don’t allow room for acceptable margins.”
“Investors are sensitive to this. Maine-sourced products are much higher in costs and make it difficult to be competitive once going regional and/or national.”
The volatility of forest products markets, and the ability to build a stable business model that addresses it.”
“Processing infrastructure including co-packing facilities. Cold chain distribution out of state.”

Elements of the farm/food/forest products sectors that need the most support

Processing Infrastructure

The most frequently mentioned need, providers emphasized a lack of processing facilities across sectors—especially for meat, milk, fiber, vegetables, and forest products. The absence of USDA-inspected and state-licensed facilities severely limits producers’ ability to add value and reach markets.

“Processing infrastructure, processing infrastructure, processing infrastructure.”

“Currently there is a lack of processing infrastructure in the state for most farm/forest products.”

“Lack of slaughterhouses... still sorely lacking. Milk is another livestock product for which we lack processors.”

Operating Capital

Many respondents pointed to the lack of flexible, accessible working capital for producers—particularly newer and scaling farms. This limits the ability to hire labor, purchase equipment, or invest in growth.

“Operating capital is always a challenge for growing farms.”

“Operating capital and having capital for equipment replacement or investment in new equipment.”

Market Access and Marketing Support

Challenges accessing local, regional, and national markets were widely cited, along with the need for coordinated marketing efforts, branding support, and consumer outreach—especially for Maine-branded or value-added goods.

“Help with marketing, business plans, early in the process.”

“A coordinated Maine Foods marketing effort.”

“Markets for low grade wood – in particular spruce-fir.”

Labor and Workforce

Workforce shortages—including lack of affordable housing, reliable labor supply, and fair compensation—were emphasized for both farms and forest product businesses.

“Labor housing and affordable/feasible labor supply; their compensations need to rise.”

“Anything to do with labor, storage and delivery mechanisms for both buyer and seller.”

“Not enough workforce.”

Transportation and Supply Chain Infrastructure

Gaps in cold chain logistics, rural transportation, and wood-to-mill infrastructure were named as significant constraints to product movement and regional economic growth.

“Infrastructure and transportation and accessing markets.”

“Cold storage infrastructure.”

“Supply chain – woods to the mill.”

Technical Assistance and Business Skills

Many respondents cited the need for expanded, ongoing TA—particularly in financial planning, business development, and navigating federal/state programs. There’s also a call for more support for underrepresented communities.

“More support for free, accessible Technical Assistance, marketing and business skills for producers.”

“Business plan development, funding.”

“Educating these business sectors on the need for business guidance, financial education.”

Forestry Sector-Specific Needs

In addition to wood processing, providers emphasized the need for innovation in forest products, support for logging capacity, and markets for low-grade wood. The aging workforce and lack of investment in new product development are also major concerns.

“Maine needs next-wave wood products manufacturing facilities.”

“Markets for low grade wood.”

“Financial incentives that increase investments that increase logging production capacity.”

Land Access and Environmental Conservation

New farmers and underserved producers face major barriers to land ownership or tenure. Respondents suggested shared-use models for land, particularly for those lacking capital. Some cited the need to support regenerative agriculture and stewardship efforts.

“Land access for new farmers.”

“Consider funding shared land and equipment arrangements for the underserved and under-resourced.”

“Regenerative agriculture practices and sustainability.”

Opportunities for the state to make it easier for capital / TA providers to support farms, food and forestry businesses, particularly those that are underserved

Increase Direct Investment in TA and Capital Delivery Infrastructure

Respondents stressed the need for more state funding, staffing, and flexible financial tools (grants, low-interest loans, loan guarantees) to allow TA and capital providers to expand and deepen their support.

“Compared to other states, Maine is providing very little capital and TA... Greater resources and staff capacity would make a tremendous difference.”

“Provide direct grants or loan assistance/guarantees for operating capital.”

“Increase funding to Soil and Water Conservation Districts that are active.”

“Provide stipends for professional services.”

Simplify Access to State Programs and Improve Communication

Providers want simplified applications, centralized resources, clearer eligibility criteria, and broader outreach to underserved businesses.

“Create low-barrier ways to access services... short and simple applications with little to no reporting requirements.”

“Better communication as to what may be available for grants.”

“A simple website that lists financial resources, grant programs and agencies, etc.”

“Advertise what’s available and educate people on how to access help.”

Broaden and Improve Technical Assistance

Suggestions included expanded TA for business planning, financial literacy, and compliance, as well as funding for ongoing, not one-off support, and recognition that producers often need help long before or after a grant.

“Offer stipends for producers to access technical assistance.”

“Provide business mentors to these sectors who have industry knowledge.”

“Create vehicles for ongoing technical support... focus on identifying businesses that are unlikely to succeed and TELL THEM.”

“More integrated and wraparound services.”

Make TA and Funding More Inclusive and Culturally Responsive

There is a strong call for the state to support grassroots and community-based organizations to reach underserved groups, rather than relying on traditional institutions alone.

“Engage and fund grassroots and affiliate groups and cultural brokers... not just the usual suspects.”

“Internal language justice work... and support putting together requests for funding.”

“Better connections between land-based agriculture and marine farming.”

Improve Coordination Across Agencies and Programs

Respondents urged better coordination between DACF, NRCS, USDA, and private lenders to streamline services and reduce duplication.

“Better coordination/communication between NRCS and MDACF.”

“Collaborate more with USDA NRCS – TA partnerships – TA certifications that are suitable for multi-agency work.”

“The state soil scientist has been very excellent to work with... in-person consultations are helpful.”

Provide Targeted Policy Reforms and Regulatory Relief

A number of providers pointed to the need for regulatory streamlining, tax changes, or labor/housing policy reforms to lower the cost of doing business and improve hiring.

“Lower the cost of doing business... policies like the Family Medical Leave Act increase costs.”

“Change the labor housing depreciation life to ten years.”

“Give the farmers a better chance to farm by eliminating rules and regulations.”

Create Shared Resources and Statewide Strategies

Suggestions included co-packing infrastructure, coordinated procurement, investment platforms, and structured collaboration among providers.

“More shared resources in the co-packing space.”

“More cohesive state level strategy... develop the Maine Forest Bioproduct Tech Hub.”

"The state has a good idea of what the capital needs are from unfunded AIFP applications and other data from folks like CEI Tastemakers, etc. With applicant permission, these groups could be connected to several capital providers at once to fill the need. Could use the already existing ME Funders Network tool through FAME to facilitate. Coordinating and convening capital providers to meet with the food businesses could be a great role for the state and help with leveraging the fund, which won't be enough."

Additional comments

The survey included an opportunity to provide additional comments. These included:

*“Farmers/Foresters are **reluctant to accept change in their cultural practices** even though changes are needed.”*

*“Access to **state and federal grants are in such limbo currently**. Maine needs to stabilize grant funds for agricultural producers so they can keep moving forward in the next 4 years.”*

*“We must **engage Maine's young people to enter the workforce**. We can address this in part by lowering the cost of living in Maine. Areas to address are new home construction regulation, energy cost, and child care. Maine's young people can't afford to live here!”*

*“As a staffer with a regional planning org in county government, I find my reach is highly valuable because I have strong connections with the ag and forestry business support industry, while also having strong relationships with the local business community. **A stronger regional support structure** for the state could go a long way, better bridging external resources with local industry partners, while delivering a stronger statewide impact.”*

*“Has anyone determined whether there is an adequate in-state market for the proposed infrastructure? Is there enough value-added jarred product to warrant a co-processing facility? Are there enough chickens year-round to support a poultry processor? Is there the potential for enough out-of-state protein producers to support a USDA facility? Can we attract private capital with government incentives? **We have a lot of “cart before the horse” issues to resolve in Maine.**”*

*“It takes time to build relationships with buyers and sellers - **providing more opportunities for people to meet up will help build sustainable relationships.**”*

*“Emphasis on **mentor network** for finance, sales and marketing, operations and management.”*

*“There has always been a massive amount of good ideas in agriculture; but only a handful of great ideas; **choose wisely!**”*

*“I think there are a lot of entities that offer help to companies with marketing needs and there are various marketing grants. I think that **our infrastructure and logistics costs are some of the biggest challenges to growth.**”*

*“The types of assistance now available seem very specific which makes it **difficult for a new, innovative business to qualify**. This is particularly true for small businesses (owner/operator types).”*

*“Develop **investor attraction programs** to demonstrate the Maine Forest and other Bioproduct investment opportunities and build relationships with future investors.”*

**Maine Agriculture, Food System and Forest Products
Infrastructure Investment Fund Advisory Board Meeting Summary
Marquardt Bldg, Room 118, Blossom Lane, Augusta
May 28, 2025**

In person: Sarah Littlefield, MDPB; Matt Chin, re'td; Dana Doran, logging and trucking; Jeff Wolowitz; Heiwa Tofu; Nicholas Lindholm, MOFGA, WBC; Tricia Rouleau, MFT; Commissioner Amanda Beal, DACF; Muhidin Libah, SBCA; Krysta West, MFPC.

Online: Jay Beck, FAME; Jameson Little, FCE; Commissioner Mike Duguay, DEC

Staff: Jo D. Saffair, Craig Lapine, Claire Hawkins, Elise Neidecker

Break Out Group Takeaways from Funding Landscape Report, AIFP Presentation, RFSI Survey, and Forestry Presentation

Questions to frame discussion:

- What are your key takeaways from this report or presentation, and what, if any, conclusions do you draw that could inform initial fund design?
- Are there any critical gaps in this information that, if filled, would help you in thinking about initial fund design?

Report-out Highlights:

- High interest rates are a barrier; access to low-interest loans is needed
- Grant writing expertise/support is needed
- Smaller grants could be highly impactful, especially for small or start-up operations
- In considering applications, significant due diligence should be done on the front end, in essence reviewing grant requests in much the same way as loans are underwritten, to help ensure success
- Ensuring sustained impact of investments is key, hence the need to look beyond just the proposed project to the stability of the business, including succession planning; consider including a question on succession planning in application
- Consider establishing two levels of funding with a simpler application process for smaller grants
- Establish right-sized metrics for assessing funding impact; the program's evaluation component should be robust while not being overly burdensome to fund recipients – job creation may not be the right metric; job quality may be
- Decide whether to prioritize new businesses or growth businesses

- There appear to be more funding programs for ag than forestry, but the ag funding sources aren't necessarily flexible or well-funded
- The logging industry needs support
- Provide TA support on financial literacy to small forest business owners
- A gap exists in funding for start-ups; this would be a good area of focus. So too would be supporting stable businesses with clear growth opportunities.
- Pair technical assistance with grants to create a greater likelihood of business success; partner with NGO or other technical service providers

Question framing the discussion on equity considerations after hearing a presentation by Jo D. Saffier on examples from other funding programs:

- Taking this information into account, how could the Fund best ensure equitable outcomes in fund distribution?

Discussion Highlights:

- Statute language: **“Strengthen the State's agricultural, food and forest products economy with a priority of making resulting efforts more inclusive of and increasing investments in historically marginalized, underrepresented and underserved communities, including communities of color, low-income communities and rural communities that typically lack access to capital to start, sustain, scale and innovate businesses”**
- A simple application process is needed to minimize barriers, ensuring accessibility for applicants with limited grant writing experience, and also in consideration of ESL applicants; HOWEVER, simplifying the application makes it easier for EVERYONE, which does not necessarily help to achieve equity; therefore, consider providing grant-writing support to target populations
- Consider earmarking a certain percentage of funding for technical assistance specifically for marginalized, underrepresented and underserved communities to ensure increased investments flow to these constituents
- Note: The \$500,000 general fund allocation is a non-lapsing fund that may ultimately be more flexible than potential bond funds; we therefore may want to protect these funds to set aside some for TA
- It may be helpful for board members to identify the most marginalized elements of their sector to help inform this equity conversation; it would also be necessary for applicants to self-identify in their application which group(s) they fall within
- Various ways of supporting equity include:
 - Have applicants self-identify as being part of a marginalized, underrepresented, or underserved community
 - Assigning greater points in a scoring rubric to applications from marginalized, underrepresented, and underserved communities
 - Earmarking a certain percentage of funds for these communities

- Providing a comparatively greater level of TA to these communities
- Prioritize particular subsectors within the agriculture, food system and forestry sectors understood to have a disproportionate need for support

Follow-up: Request application scoring rubric from the VT, MA, and MI funds.