



Washington County

DEPARTMENT OF BUSINESS DEVELOPMENT

Agriculture Incentives & Financial Programs



Maryland Agricultural & Resource-Based Industry Development Corporation (MARBIDCO)

Agricultural Development & Rural Working Land Preservation Programs

Maryland Resource-Based Industry Financing Fund*+ (MRBIFF) offers low-interest (2.25% initially) loans to Ag/RBI-industry enterprises for the purchase of land and capital equipment for production and processing activities (including building construction). The maximum MARBIDCO loan amount is \$250,000 for acquisition of equipment and fixed assets, \$500,000 for real estate purchases, and \$750,000 for large-scale food/fiber processing projects.

Rural Business Equipment and Working Capital Loan Fund*+ offers moderate-cost loans (5.25%) to Ag/RBI-industry firms and producers (including farmers) for working capital and equipment purchases. The maximum loan amount is \$100,000 (while the minimum amount is \$15,000).

Maryland Vineyard/Hops/Orchard Fruit Planting Loan Fund*+ offers moderate-interest (4.50%) loans to help meet the unique financing needs of Maryland's landowners wanting to plant fruit-bearing vines and trees. The maximum loan amount is \$100,000, and an interest-only option is available for a period of two to three years.

Forestry Equipment and Working Capital Loan Fund*+ offers moderate-interest (starting at 4.75%) loans to Maryland's forest products businesses with respect to funding working capital and equipment purchases. The maximum loan amount is \$150,000.

Specialty Lending Programs

Rural Business Energy Efficiency Improvement Loan Fund* (working in collaboration with MEA and using RGGI funds) offers low-interest (4.50%) loans for energy efficiency projects undertaken by food and fiber producers and processors implementing the recommendations of a third-party energy auditor. Loans may range from \$2,500 to \$30,000.

Agri-Business Grant Incentive Programs

Maryland Urban Agriculture Commercial Lending Incentive Grant (MUACLIG) Program, offered with some matching support of Farm Credit, is designed to meet the financing needs of urban farmers by providing an incentive for them to seek commercial lender financing for the development or expansion of their agricultural enterprises. The participation of a commercial bank, Farm Credit Association or FSA in providing project financing is required. The maximum amount of the incentive grant is \$10,000, calculated at no more than 20% of the project's total cost and no more than 25% of the amount of the approved commercial loan for the project.

Maryland Value Added Producer Grant – Capital Assets Option (MVAPG-CAO) is designed to encourage farms and other rural businesses wanting to expand or diversify their operations to purchase equipment or construct facilities. Once per year MARBIDCO offers competitive grants of between \$2,500 and \$10,000 for capital asset projects. Eligible applicants must be a crop producer, agricultural cooperative, seafood or livestock processor, or primary or secondary timber products processor, and have been in business for a minimum of two years. Hemp fiber processors may be eligible under certain conditions and must have been in business in Maryland on or before June 30, 2020. In addition, applicants must be making a product that is "value added". A product that is value added has in incremental value realized by the producer or processor as a result of: 1) change in physical state; 2) differentiated production or marketing; 3) product segregation; and 4) economic benefit realized from the production of farm based or ranch based, rural community-based biomass energy. MVAPG funds and matching funds must be used for capital assets that have a useful life of seven years or more. The match required from the rural business must be at least equal to the amount requested from MARBIDCO.



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Agri-Business Grant Incentive Programs Continued

Maryland Value Added Producer Matching Grant (MVAPMG – USDA Option) is designed to encourage participation in USDA's highly competitive Value-Added Producer Grant Program (which has both planning and working capital components). The USDA VAPG Program, which is offered annually, requires a non-federal financial matching commitment and each application for the VAPG must include a "verification of matching funds". The USDA VAPG Planning Grant offers a maximum award of \$75,000, and the Working Capital Grant offers a maximum of \$250,000. MARBIDCO will provide up to 15% of the matching funds requirement to eligible applicants (up to \$11,250 for Planning Grants and up to \$25,000 for Working Capital Grants). To be eligible to apply to MARBIDCO for funding, an applicant must also be eligible under the USDA VAPG Program, and funds will only be awarded to those who receive the USDA VAPG award. Each applicant that has been approved to receive a MVAPG will receive a letter for submission to USDA that contains how much funding will be to be available to the applicant.

Rural Working Land Preservation Facilitation Programs

Next Generation Farmland Acquisition Program ("Next Gen Program") enables MARBIDCO, working with commercial lenders, and farmland conservation programs to assist beginning farmers with down-payment funding for the purchase of farmland, while at the same time effectively extinguishing the development rights on the farmland being purchased. (Program uses an easement option purchase contract.) Contact MARBIDCO or your county agricultural land preservation program office for more information.

Small Acreage Next Generation Farmland Acquisition Program ("SANG") SANG targets young and beginning farmers wishing to purchase 10 to 49 acre farms. MARBIDCO will provide 40% to 60% of the FMV of the farmland in exchange for a permanent agricultural conservation easement - which is used as a down-payment to purchase the farm property.

Food Access Program

Maryland Market Money Program (MMM). MARBIDCO contracts with the Tri-County Council of Southern Maryland (TCCSMD), through its division the Southern Maryland Agricultural Development Commission (SMADC), to run a statewide food incentive program. MMM provides a dollar-for-dollar match for purchases made using federal nutrition benefits (SNAP/EBT, P-EBT, WIC & Senior FNMP) at select farmers markets. MMM takes a three-pronged approach. It helps shoppers by lowering barriers to purchasing healthy foods; farmers by improving their economic viability; and farmer's markets by increasing their customer base.



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United States Department of Agriculture (USDA)

USDA Farmers Market Promotion Program (FMPP) The Farmers Market Promotion Program (FMPP) funds projects that develop, coordinate and expand direct producer-to-consumer markets to help increase access to and availability of locally and regionally produced agricultural products by developing, coordinating, expanding, and providing outreach, training, and technical assistance to domestic farmers markets, roadside stands, community-supported agriculture programs, agritourism activities, online sales or other direct producer-to-consumer (including direct producer-to-retail, direct producer-to-restaurant and direct producer-to-institutional marketing) market opportunities. A 25% match is required. Funding can range from \$50,000 to \$500,000.

<https://www.ams.usda.gov/services/grants/fmpp>

USDA Local Food Promotion Program (LFPP) The Local Food Promotion Program (LFPP) funds projects that develop, coordinate and expand local and regional food business enterprises that engage as intermediaries in indirect producer to consumer marketing to help increase access to and availability of locally and regionally produced agricultural products. Grants can be used for the planning stages of establishing or expanding a local and regional food business enterprise or to improve or expand a food business that supports locally and regionally produced agricultural products and food system infrastructure by performing feasibility studies, market research, training and technical assistance for the business enterprise and/or for producers working with the business enterprise. A 25% match is required. Grants range from \$25,000 to \$500,000

https://www.ams.usda.gov/sites/default/files/media/2020_LFPP_RFA.pdf

USDA Rural Development Grants (RBDG) Enterprise type grant funds must be used on projects to benefit small and emerging businesses in rural areas as specified in the grant application. Uses may include: Training and technical assistance, such as project planning, business counseling/training, market research, feasibility studies, professional/technical reports, or product/service improvements; Acquisition or development of land, easements, or rights of way; construction, conversion, renovation, of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities; Pollution control and abatement; Capitalization of revolving loan funds including funds that will make loans for start-ups and working capital; Distance adult learning for job training and advancement; Rural transportation improvement; Community economic development; Technology-based economic development; Feasibility studies and business plans; Leadership and entrepreneur training; Rural business incubators; Long-term business strategic planning. A rural area can include all the territory in a state that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing area. Small and emerging businesses would generally employ 50 or fewer new employees and have less than \$1,000,000 in projected annual gross revenues. Grants range from \$10,000 to \$500,000.

https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RBS_RBDG.pdf

USDA Rural Development, Value Added Producer Grants (VAPG) Grant and matching funds can be used for planning activities or for working capital expenses related to producing and marketing a value-added agricultural product. Examples of planning activities include conducting feasibility studies and developing business plans for processing and marketing the proposed value-added product. Examples of working capital expenses include processing costs, marketing and advertising expenses and some inventory and salary expenses. Grants range from \$75k-\$250k.

<https://www.rd.usda.gov/programs-services/value-added-producer-grants/md>



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Other Funding Opportunities

Regional Food System Partnership Program. (RFSP) The Regional Food System Partnerships (RFSP) program supports partnerships that connect public and private resources to plan and develop local or regional food systems. Effort is focused on building and strengthening local or regional food economy viability and resilience by alleviating unnecessary administrative and technical barriers for participating partners. Grants range from \$100,000 to \$1,000,000. A 25% match is required.

<https://www.ams.usda.gov/services/grants/rfsp>

Community Food Projects, Competitive Grants Program (CFP) Community Food Projects must meet the food needs of low-income people; or increase the self-reliance of communities in providing for their own food needs or promote comprehensive responses to local food, farm, and nutrition issues; Promote comprehensive responses to local food access, farm, and nutrition issues; and Meet specific state, local or neighborhood food and agricultural needs including needs relating to: Equipment necessary for the efficient operation of a project; Planning for long-term solutions; or The creation of innovative marketing activities that mutually benefit agricultural producers and low-income consumers. Grants become available in April with a June deadline. Grants range from \$35,000 to \$400,000 and require 100% match.

<https://nifa.usda.gov/funding-opportunity/community-food-projects-cfp-competitive-grants-program>

Rural Energy for America Program (REAP) The REAP program provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Through projects that derive energy from a wind, solar, biomass, or geothermal source, or hydrogen derived from biomass or water using wind, solar, or geothermal energy sources

MD Agriculture Water Quality Cost Share Program This program provides farmers with grants to cover up to 87.5 percent of the cost to install conservation measures known as best management practices (BMPs) on their farms to prevent soil erosion, manage nutrients and safeguard water quality in streams, rivers and the Chesapeake Bay. Grants range from \$50,000 to \$300,000 depending upon project.

Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF) This grant offers important financial support to rural-serving nonprofit organizations that promote statewide and regional planning, economic and community development, and agricultural and forestry education efforts. The fund also provides targeted financial assistance to community colleges that support small and agricultural businesses through enhanced training and technical assistance offerings. MAERDAF. Project must serve two or more counties. Maximum grant award is \$40,000.

Washington County Public Schools Youth Apprenticeship Program WCPS Youth Apprenticeship Program is for current juniors and seniors, ages 16 and up, who are in a career pathway that could lead to seeking employment in manufacturing and STEM occupations. Students are placed with an approved employer who assigns a qualified mentor for on the job training. Current internship positions in Manufacturing, Engineering and Technology, Business Management and Finance, Construction and Development and Arts, Media and Communication and Agriculture.

Tri-County Council Programs Tri County Council for Western Maryland is a resource for funding and grant opportunities for businesses in Washington County.

www.tccwmd.org