

## Potato Marketing Improvement Fund



The Potato Marketing Improvement Fund program provides low-interest financing to help Maine potato growers and packers improve the quality and marketing of their potatoes and support the investment in structures that augment the production of potatoes or add value to potato production.

Funds may be used for:

- New construction or improvements to storage and packing facilities;
- Purchase of packing, sizing, washing and drying equipment;
- New construction or improvements of structures which augment potato production; or
- Purchase, construction or improvements that add value to farm production with direct benefit to potato production.

### Funding

The Potato Marketing Improvement Fund program is managed by the Maine Potato Board. FAME provides loan underwriting and loan management in conjunction with the Maine Department of Agriculture, Conservation and Forestry.

### Eligibility

Generally, any person or business engaged in growing, processing or marketing potatoes in Maine. All potatoes stored or packed in facilities financed by the Potato Marketing Improvement Fund must be produced in Maine.

### Types of Loans

**New Facilities Loan Fund** may be used for acquisition/improvement projects, or new construction of storages and/or centralized packing facilities and actuation of equipment.

**Storage Retrofit Loan Program** may be used for upgrading storages with energy efficiency improvements, and climate control equipment.

**Support Facilities Loan Program** may be used for construction and acquisition, or improvement of buildings and other structures which augment the production and/or storage of potatoes, or help meet food safety standards.

**Value Added Loan Program** may be used for construction, or for improvements of facilities and equipment to add value to farm production with a direct benefit to potato production.

### Security

Asset(s) being financed or other collateral, as required or available.

Guarantees of business principals owning 20% or more of the business, or 5% or more and receiving significant income from the business.

Borrower is responsible for all loan closing costs.

<b>Loan Program</b>	<b>New Facilities</b>	<b>Storage Retrofit</b>	<b>Support Facilities</b>	<b>Value Added</b>
<b>Lending Values</b>	45% of total project costs for projects up to \$1,500,000*  Minimum project cost of over \$150,000	55% of total project costs for projects up to \$150,000	45% of total project costs for projects up to \$300,000	45% of total project costs for projects up to \$300,000;  50% if purchase or remodel of existing buildings
<b>Interest Rate</b> <i>(set at time of loan commitment)</i>	Federal prime rate but not greater than 5%.			
<b>Term</b>	Up to 25 years	Up to 10 years	Up to 10 years	Up to 10 years
<b>Loan Origination Fee</b>	1%	N/A	1%	1%
<b>Borrower Commitment</b>	10%**	N/A	5%***	5%***

\* For projects over \$1,500,000, 45% of first \$1,500,000 of total project costs plus 25% of costs over \$1,500,000.

\*\* Borrower must inject at least 10% in private funds into the project except in the case of cooperative projects by two or more farmers; such demonstrated commitment of private funds shall total at least 5% of the total project.

\*\*\* Borrower must demonstrate a commitment of private funds of at least 5% of the total project cost.

### Application Process

Submit application to the Maine Potato Board. If the project is deemed eligible, the Maine Potato Board will notify the applicant(s) and will forward the application to FAME for financial review. Final approval is granted by the Commissioner of the Maine Department of Agriculture, Conservation and Forestry.

#### Eligibility & Application Contact

The Maine Potato Board  
744 Main Street, Room #1  
Presque Isle, ME 04769  
207-769-5061, 800-553-5516

#### Program Administration Contact

FAME  
207-623-3263 or 1-800-228-3734  
Business@FAMEmaine.com