



Dairy Improvement Fund

The Dairy Improvement Fund program is intended to help farms and other dairy enterprises fund capital improvements to maintain and enhance the viability of their farms.

Funding

The Dairy Improvement Fund program was developed by the Maine Department of Agriculture, Conservation and Forestry and is administered by FAME.

Eligibility

Generally, any business or individual located in Maine and identified by the Department of Agriculture, Conservation and Forestry as engaged in commercial production of dairy milk or dairy milk products.

“Dairy” or “dairy farm” means any place where one or more cows, goats, or sheep are kept and from which milk or milk products are provided, sold, or offered for sale.

Eligible uses include design, construction or improvement of milking parlors, dairy housing, silos, grain bins, feed sheds, or the construction or renovation of buildings, or equipment, located in Maine and used in connection with a dairy enterprise.

Loan funds may not be used for working capital, non-project-related equipment and expenses, or refinancing. Outside construction lending sources may be required for projects seeking to use the Dairy Improvement Fund for dairy-related construction take-out financing.

Loan Amount/Exposure

- Up to 90% of total project cost, if eligible project cost is \$100,000 or less.*
- Up to 75% of total project cost, if eligible project cost is over \$100,000.*
- Maximum loan amount is \$250,000.

**Borrower is responsible for identifying and injecting private funds in an amount equal to the difference between the loan amount and the total project costs.*

Interest Rate

1% fixed rate

Payment

Deferred principal and interest payments may be available up to 24 months from closing; interest accrues beginning at closing.

Loan Term

Up to 30 years and determined by the useful life of the asset(s) being financed.

Security

Asset(s) being financed and 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.

Fees

Loan origination fee: 1% (for loans over \$100,000)

Borrower is responsible for all loan closing costs.

Application Process

The first step in the application process is an eligibility determination. Submit an Eligibility Form to the Maine Department of Agriculture, Conservation and Forestry (DACF). If the project is deemed eligible, DACF will notify the applicant(s) and will forward the Eligibility Form to FAME. The applicant(s) must then complete and submit the required program application documents (listed below) to FAME.

Eligibility Documents

- Eligibility Form: Dairy Improvement Fund

Eligibility Contact

Maine Department of Agriculture, Conservation and Forestry
Agricultural Resource Development Division
207-287-3491
DACF@maine.gov

Program Application Documents

- Application: Dairy Improvement Fund
- Personal Financial Statement

Program Contact

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

All documents are available for download in PDF format from FAMEmaine.com. Downloaded documents should be viewed with Adobe Acrobat.