

Matching Enterprise Grants for Agriculture (MEGA) Program – FY16 FREQUENTLY ASKED QUESTIONS

Please note: these FAQs are not intended to be a substitute for a careful reading of the MEGA Request for Responses (RFR).

I completed an application last year but never sent it in. Can I submit that application now, or must I fill out a new one?

You will need to complete a new application. The applications are revised each year, and for FY16 several important changes have been made to the MEGA Program. They include:

- You must have been in business for at least 1 year (but no more than 5) to apply.
- MEGA is now a cost reimbursement program (no upfront grants).
- Agreed upon expenditures will need to be completed (grant and matching funds) by June 30, 2016

What can a MEGA grant be used for?

Both MEGA grant funds and your matching funds may only be used for fixed capital improvements (e.g., barns, sheds, greenhouses, farm stands, irrigation systems) and equipment (e.g., tractors, field equipment, fencing, farm vehicles) that will help improve or ensure your farm's viability. Grant and matching funds may not be used to purchase land, purchase livestock, pay off debt, or be used for normal operating or overhead expenses.

What is the purpose of the business analysis portion of the MEGA Program?

Program consultants will provide financial analysis and other technical assistance to confirm the use of grant funds, and work with you to develop an implementation plan. In the course of the business review, the project proposed in the application may be modified, or an alternate use of funds may be identified. It may also be determined that a Program investment is not recommended. Both the farmer and the Department must agree to the planned use of funds before a contract is signed.

I need money to start my farm business. Am I eligible to apply?

No. To apply you must have already started and have been operating your business for at least one year.

I have been farming as a hobby for a few years but plan to farm as a business this year. Am I eligible to apply?

No. To apply you must have been operating your farm as a commercial venture for at least 1 year. If this is your first year as a business you will need to wait until next year to apply.

I have been farming for 10 years and want to start a new business on my farm. Can I apply for a MEGA grant for the new business?

No. The MEGA Program is for farmers who have been operating their own commercial farm business for 1 but no more than 5 years. It is not for new enterprises on existing (more than 5 years) farms.

Our farm is operated as a non-profit organization. Are we able to apply?

No. Non-profit farms and organizations are not eligible to apply to MEGA.

We own 20 acres and have been in business for 4 years. Should we apply to MEGA or Farm Viability?

Farmers who own more than 5 acres of agricultural land and have operated for three years or more are encouraged to consider applying to the Farm Viability Program. Should you choose to apply to MEGA and are awarded a grant, you will not be able to apply to Farm Viability for a period of 3 years. If your farm income/sales have been very modest, MEGA may be a better choice than Farm Viability.

My family received a Farm Viability grant a few years ago and I now want to start a new business on their farm. Can I apply for a MEGA grant?

If your family's farm has participated in the Farm Viability Program previously, you are not eligible to now apply for a MEGA grant.

I live in Massachusetts but my farmland is just across the border in CT. Am I eligible to apply?

No. To apply, your farm must be located in Massachusetts.

Must I have a certain number of acres to apply?

There is no minimum acreage required to apply to the MEGA Program. However, it is the objective of the Program to assist farmers in developing commercially viable operations. If you are farming on very small acreage, you may wish to explain why size will not be a deterrent to viability.

I rent my farmland. Am I eligible to apply?

You do not need to own your farmland to apply. However, you do need to have "secure access" to the land. That means you should have a written lease agreement with a term long enough to complete your proposed project and see a return on the investment. You will need to provide a copy of your lease if you are accepted into the Program.

What can I use as matching funds?

Matching funds must be in the form of cash and may come from personal resources such as savings, other (non-Department of Agriculture) grants or loans. Matching funds may not be in the form of "sweat equity" (i.e., labor), assets you already have, or prior expenditures.

Do I have to have matching funds when I apply to the Program?

You will need to show that you have access to sufficient funds to complete your project (matching funds and funds for which you will be reimbursed) before a contract for the grant is written. Since that will not occur until after the business analysis portion of the Program, you do not need to have the matching funds when you apply. However, you are asked in the application form where you think matching funds would come from (e.g., reinvestment of this year's farm income, other personal cash resources, another grant that you are applying for, a loan, etc.).