

**Massachusetts Department of Agricultural Resources
FARM VIABILITY ENHANCEMENT PROGRAM**

Frequently Asked Questions

Please note: these FAQs are not intended to be a substitute for a careful reading of the current year's Farm Viability Enhancement Program Request for Responses (RFR).

Q. What is the Farm Viability Enhancement Program?

- A. The Farm Viability Enhancement Program provides business planning and technical assistance to established, commercial farms to help improve the viability of the farm business operation. Application is by a competitive process and selected farmers participate in a process to work with a business plan writer with experience working with agricultural operations to develop or update a farm business plan. If the business plan is completed and identifies a need for a capital project on the farm that meets the goals of the program, the farmer may be eligible to receive a grant in return for signing a covenant to keep the land in agriculture use for a specified term (five, ten or fifteen years depending upon the size of the grant the farm is eligible for).

Q. Who is eligible to apply to the Program?

- A. Farm operations must have been in active use by the current operator for at least the three previous years and have generated at least \$10,000 in gross farm income, as shown on Schedule F or Form 1120, or other relevant tax statements from the most recent tax year to be eligible to apply. Farms must own at least 5 acres of land currently in active agricultural production. Farms must intend to keep their land in continued agricultural use and the property to be put under covenant through the program must be unencumbered by any other restrictions on the deed.

Q. Am I eligible to apply to the Program if I don't own the property that I am farming?

- A. Ownership of farmland is required in order to receive a grant through this program. While not typical, farmers on leased land may be eligible to participate if the landowner is a co-applicant with the operator and is willing to sign an agricultural covenant and if there is a land use agreement between the farmer and the landowner for at least the term of the covenant.

Q. Must I farm on a minimum number of acres to apply?

- A. Yes, you must have at least 5 acres currently in active agricultural production.

Q. My farm is a non-profit organization. Am I eligible to apply?

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

Q. Am I eligible to apply if I have already participated and received grant funding from the Farm Viability Enhancement Program (FVEP)?

A. If you have already participated in the FVEP once and your covenant has already expired, you may apply for a second round of participation. However, you must provide information about the impact of prior participation on the application and your application will receive a lower ranking in the selection process than farms that have not received FVEP assistance and grant funding from the Department.

Q. Am I eligible to apply if I have already participated and received grant funding from the APR Improvement Program (AIP)?

A. No. AIP is a farm viability program for APR farms that offers the same type of business planning and grant assistance as FVEP but without the covenant since the farm has already been permanently protected.

Q. How do I apply to the Program?

A. A Request for Responses (RFR) which contains the application is usually announced in late Winter/early Spring of each year, dependent upon available funding, and posted on the program website at <https://www.mass.gov/service-details/farm-viability-enhancement-program-fvep> To request that an RFR be mailed to you contact the Farm Viability Enhancement Program at (413) 726-2001 or Melissa.L.Adams@mass.gov

Q. How are applications reviewed and selected?

A. The FVEP review committee reviews each eligible application based on a predetermined set of selection criteria that are listed in the current Request for Responses. Those applications that best meet these criteria will receive the highest ratings for selection.

Q. How does the program work?

A. If selected for Phase I of the program, farmers must agree to participate in a business planning process intended to help them increase the economic viability of their farm. Participants receive assistance to develop a business plan or business plan update including financial projections. Additional technical assistance may also be available. This process usually takes about 5 or 6 months. Upon approval of a completed plan by the Department, the farm may be eligible to move to Phase II of the program to receive a grant for eligible capital projects identified in the plan intended to increase farm viability in return for placing land under a short-term a covenant to keep it in agricultural use.

Q. What is the timeline for the program?

A. Eligible Applications received by the deadline are reviewed and farmers are usually notified around September as to whether or not they have been accepted into Phase I of the Program. Phase I business planning and technical assistance for participating farms typically begins in October and should be completed by April of the following calendar year. Participating farms may be eligible to advance to Phase II to sign a contract with the Department to receive grant funds for an agreed upon capital improvement project identified in the business plan. Upon execution of a contract, usually around April or May, funds are released in a lump sum.

Contracts for grants typically terminate 8 to 12 months later with a closeout visit at the farm by program staff to view completed projects and to collect records and receipts of the expenditures made with funds received from the Program.

Q. If I am selected to participate in FVEP, will I be expected to share financial information with MDAR?

- A. Yes. All participants are expected to share business operational and financial information with program staff and technical assistance provider(s) during Phase I of the program in order to develop or update a farm business plan. All such financial data shall be considered confidential to the extent permitted by M.G.L. c. 4, Section 7(26).

Q. How much money is available through the Program?

- A. Technical and business planning assistance are provided at no cost to the farmer. Farmers who participate to complete a business plan and then move to Phase II may be eligible for a grant award in return for placing an agricultural covenant on the property. Grant award amounts vary depending on the size of the farm and the acreage of land under covenant with up to \$50,000 available for a 5-year covenant; up to \$100,000 available for a 10-year covenant; and up to \$150,000 available for a 15-year covenant or as described in a current Request for Responses. The provision of grants is dependent upon available funding and award levels are determined by the Department upon completion of a business plan and the execution of a covenant.

Q. What are the conditions and terms in the Agricultural Covenant?

- A. The covenant is a deed restriction prohibiting any uses on the farm except agricultural uses. The covenant is recorded at the registry of deeds and prohibits activities detrimental to the agricultural use of the land for a specific term, either five, ten, or fifteen years. Rights retained by landowners include the right to privacy and to carry out regular agricultural practices, to maintain the farm in its present condition, and to construct or place temporary structures for agricultural uses. Prohibited uses include construction or placement of non-agriculturally related temporary or permanent structures, and non-agricultural uses on the land. Prior written approval may be requested for certain agricultural structures or uses that do not derogate from the intent of the covenant.

Q. What can grant funds be used for?

- A. Funds must be used for approved capital projects intended to increase farm viability. Examples of eligible uses of funds include new structures for agricultural use, improvements to existing farm structures, new or used farm equipment, agricultural resource improvements, food processing, and marketing improvements.

Q. I have a question that's not answered here. Who can help me?

- A. Please contact the Farm Viability Enhancement Program at 413-726-2001 or Melissa.L.Adams@mass.gov