



*“Helping to Sustain Food and Fiber Enterprise
for Future Generations”*

The Small Acreage Next Generation Farmland Acquisition Program Application Package

Program Description

The Small Acreage Next Generation Farmland Acquisition Program (the “SANG Program”) has been established as an offshoot of MARBIDCO’s original Next Generation Farmland Acquisition Program with the support of the State of Maryland to help qualified young and beginning farmers who have trouble entering the agricultural profession because of relatively high farmland costs and lack of access to adequate financial capital to purchase farmland. More specifically, the Small Acreage Next Gen Program seeks to help qualified beginning farmers to purchase smaller properties (between 10 to 49 acres in size and not eligible for the original Next Gen Program) by purchasing the permanent agricultural easement (thus extinguishing the development rights forever).

Since the launch of MARBIDCO’s original Next Gen Program in 2018, MARBIDCO has heard from several young and beginning farmers interested in participating in the Next Gen Program, but who wished to purchase smaller farm properties of less than 50 acres. Due to the eligibility criteria of the original Next Gen Program, the subject farm properties typically need to be at least 50 acres in size (or contiguous to preserved property), thus limiting these young and beginning farmers from being able to use Next Gen Program resources to purchase small farms.

Thanks to the financial support provided by the Governor and Maryland General Assembly, MARBIDCO partnered with the Southern Maryland Agricultural Development Commission (SMADC) to launch the SANG Program and the program will continue to be offered as long as available funding permits. In FY 2020, MARBIDCO received \$1 million from SMADC in State funding to serve the five Southern Maryland counties (including Anne Arundel, Calvert, Charles, Prince George’s and St. Mary’s Counties) and MARBIDCO allocated \$1 million in program funding to serve the remaining 19 counties. Maryland counties are also being encouraged to contribute additional funds to this combination agricultural business development/land preservation effort. With a total of at least \$2 million in funds availability, MARBIDCO hopes it can assist qualified “Beginner Farmers” (and possibly other) applicants on a competitive basis. *MARBIDCO’s definition of a “Beginner Farmer” can be found on page 38.*

The Small Acreage Next Gen Program is designed to help facilitate the transfer of farmland to a new generation of farmers, while also effectively preserving the subject agricultural land from future development. Under this program, MARBIDCO will award the “Small Acreage Next Gen Farmer” (or “SANG Farmer”) a permanent agricultural easement purchase contract for the subject property. The contractual agreement will allow the Small Acreage Next Gen Farmer to use funds to purchase the subject property, while agreeing that the property will be purchased only for agricultural purposes and no future development on the farm property will ever be permitted. At settlement, MARBIDCO will transfer the permanent agricultural conservation easement to a designated “Permanent Easement Holder”, since MARBIDCO does not hold or administer permanent conservation easements.

In short, the Next Gen Program enables MARBIDCO to provide a young or beginning farmer with the money needed to make a down-payment towards a small acreage farm purchase, in order to help meet the equity contribution requirements of a commercial lender (e.g., a bank or Farm Credit Association), which then allows the lender to make a rather small loan to help complete the financing needed for the real estate purchase transaction.

The SANG Program application package (including any required attachments) **is accepted on a monthly basis and must be submitted to the MARBIDCO office by the last business day of the month.** All required submission forms that are to be completed by the various parties (including property seller(s), program applicant(s), county agricultural land preservation administrators, and commercial lenders) are attached to this application package. **MOREOVER, applicants should contact their respective county agricultural land preservation staff at least one month in advance of this submission deadline** (since the respective county government staffs have a major role to play in helping to facilitate the application process).

Additional information about the SANG Program is provided in the following pages.

The Small Acreage Next Gen Program

Program Terms and Conditions

Subject Property Criteria: 10.00 to 49.99 acres in size (land only, not including residential structures) AND zoned rural or agricultural

Applicant Criteria: Eligible Farmer (and does not own more than 9 acres of farmland)

Maximum Down-Payment Amount: See Below

Easement Purchase Amount: Basic Valuation (using all MARBIDCO/SMADC State funding):
Capped at 60% of FMV and \$4,000/acre of MARBIDCO funding

No. of Development Rights*	Valuation (for Down-Payment/Easement Purchase)
0**	30% of FMV
1	40% of FMV
2	45% of FMV
3	50% of FMV
4	55% of FMV
5 or more	60% of FMV

*Note: The number of development rights to be extinguished.

**SANG eligible properties with zero development rights to be extinguished must be contiguous to farmland that is already preserved with a conservation easement for agricultural production.

Optional County Participation: Proposed Valuation in 50/50 Project (with County Matching funding):
Capped at 60% of FMV and \$2,000/acre of MABIDCO funding
(additional 15 points in ranking)

No. of Development Rights*	Valuation (for Down-Payment/Easement Purchase)
0**	30% of FMV
1	50% of FMV
2	55% of FMV
3 or more	60% of FMV

*Note: The number of development rights to be extinguished.

**SANG eligible properties with zero development rights to be extinguished must be contiguous to farmland that is already preserved with a conservation easement for agricultural production.

Send Completed Application to: MARBIDCO, Attn: Small Acreage Next Gen Program, 1410 Forest Drive, Suite 21, Annapolis, MD 21403

Timeline of Activities and Deadlines

30+ Days in Advance Applicants contact their county agricultural land preservation administrators and other agricultural service providers to prepare their SANG Program applications. **The deadline to make initial contact with the appropriate county agricultural land preservation administrator (or their staff) is one month prior to submission.**

30 Days in Advance Property Seller's Information Form (FORM 1) is due to be received by the county.

End of Month Deadline	The Application (one complete copy of an entire original with FORMS 1-4) is due to be received in the MARBIDCO office <u>no later than 4:00 p.m. on the last business day of the month.</u> Late applications will <u>not</u> be accepted.
30 Days After	Applications are reviewed and ranked by the Next Gen Program Review Committee.
30-45 Days After	Successful applicants are notified that they have been approved for SANG Program funding and will have 30 days to secure commercial lender financing for the subject property (if lender financing had not already been secured previously.)
60-75 Days After	Appraisals are ordered and conducted.
90-110 Days After	A Commitment Letter will be issued to an approved SANG Farmer with a Permanent Conservation Easement Purchase offer amount, and necessary preparations begin for the real estate transfer settlement. Applicants are notified that they may schedule a real estate settlement with the farm sellers and commercial lender. Please note that preparing for settlement can take some time to coordinate between all interested parties (including commercial lender, title company, property sellers, etc.)
120-150 Days After	Small Acreage Next Gen Program farm purchase settlements take place. Please note that the Next Gen Program Permanent Easement Purchase Contracts (with payments) are executed at the real estate property transfer settlement.

Application Instructions Summary

For the Applicant(s)

Applicants are required to have the farm's Property Sellers complete **FORM 1: Property Seller's Information** (on pages 9 through 12) which needs to be provided first to the county agricultural land preservation staff (a month in advance), and later to the MARBIDCO office (by the end of the month deadline). Applicants must also complete **FORM 2: Applicant Information** (found on pages 13 through 22). In addition, applicants are required to provide and attach all additional information identified in a Checklist (located on page 23). All required items must be submitted to MARBIDCO by the last business day of the month.

For the County Agricultural Land Preservation Administrator

A county agricultural land preservation administrator must complete **FORM 3: Subject Property Information Form** (on pages 25 through 31). In addition, the county agricultural land preservation administrator must complete **FORM 4: County Government Submission Form** (on pages 33 and 34). (NOTE: A Chief Elected/Appointed Official or County Director of Planning and Zoning must review and sign **FORM 4**. If the County is going to serve as the "default easement holder", then additional information will be required to be submitted.)

For the Commercial Loan Officer (if applicable at time of initial application)

A bank officer must complete **FORM 5: Commercial Lender Information Form** (on pages 35 and 36). (Note: Conventional commercial financing is a requirement for the Next Gen Program. This means that a commercial bank or Farm Credit Association will be providing a loan to help facilitate the farm purchase.)

The Small Acreage Next Gen Program Application and Approval Process

The Application Process

Applicants are required to submit a completed and signed application package (including any required attachments). Applicants are also required to complete **FORM 2** (on pages 13 through 22) including items listed in the Applicant Checklist (found on page 23). As part of the application process, the applicant and the county agricultural land preservation staff will identify the “permanent easement holder” of the subject property which is subject to MARBIDCO’s approval. Applicants should have a solid plan for the type of agricultural activity that they intend to pursue on the subject property.

Applicants will be required to submit a farm business plan of the proposed farm operation/project, as well as two years of most recent tax returns (if available) and additional financial information which is described in the Applicant’s Checklist. Finally, for those applicants that do not have a commercial loan for the farm purchase already approved at the time of application, a commitment from a commercial lender (a bank or Farm Credit Association) will be required within 30 days following notice of SANG Program approval.

Applicants are required to have a county agricultural land preservation administrator review the proposed property to be purchased. A county agricultural land preservation administrator is required to complete, sign and return **FORM 3** (on pages 25 through 31) by the established submission deadline. The county agricultural land preservation administrator will determine whether or not the subject property is eligible to apply for the SANG Program and will suggest options as to which organization can serve as the “permanent easement holder” (i.e., the entity which will hold and administer the permanent agricultural easement). If the county agricultural land preservation administrator believes that the county should hold the permanent agricultural easement, the county official will facilitate a county commitment to become the “permanent easement holder”. If the county does not wish to be the permanent easement holder, the county staff and MARBIDCO staff will discuss whether a local land trust, MET, or MALPF would be available to hold the permanent easement. In addition, a county government official will need to complete **FORM 4** (on pages 33 and 34) providing certain information required by MARBIDCO from the county government.

Applicants are advised that MARBIDCO cannot pay more than 30% to 60% of the Fair Market Value (FMV) of the agricultural land, as confirmed by an appraisal, and depending on the number of development rights being extinguished on the subject property.

Applicants are not required to have a commercial lender commitment for a mortgage loan at the time of submission of an application. If applicants have a commercial lender commitment, the loan officer should complete and sign **FORM 5** (on pages 35 and 36). MARBIDCO strongly encourages applicants to contact a commercial lender prior to submitting the SANG Program application package to get a clear sense of the lender’s financing requirements.

The Selection Process

Since the demand for the SANG Program is expected to be high, MARBIDCO plans to direct its limited program funding towards assisting qualified, but otherwise challenged, “Beginner Farmers” (and possibly other more experienced farmers) to help them in obtaining access to productive farmland. Accordingly, qualified Beginner Farmers with relatively limited financial resources and/or who are without current access to farmland may be ranked higher than those with more currently available farming advantages. MARBIDCO’s Next Gen Review Committee will rank the applications received by the deadline. Please refer to **Attachment 1** in this application packet for detailed information concerning the scoring criteria that will be used.

Failure to complete and submit ALL required attachments with the application package will potentially result in the deduction of points during the ranking process and/or applications could be deemed insufficient or incomplete.

["**Beginner Farmer**" has the meaning defined on page 38; which includes not owning a farm or ranch (or owning less than 10 acres), not operating a farm or ranch as a principal operator for more than 10 years, having at least one year of farming experience, and expecting to substantially participate in the farming operation on the subject property.] **Applicants who currently own more than nine (9) acres of farmland are not eligible to apply for the SANG Program. [However, MARBIDCO will allow Applicants who own more than nine (9) acres of farmland currently to apply under the following circumstances: 1. the Applicants do not have majority ownership interest in the family trust (that owns more than nine acres of farmland currently) and 2. the subject property is located within a Priority Preservation Area.]**

MARBIDCO will use estimates of agricultural land values in each county during its review process to determine approved Next Gen applicant's range of SANG Program funding. If after funding all the applications that rank the highest there are significant funds remaining unused, MARBIDCO reserves the right to select lower-ranked applications. In addition, MARBIDCO reserves the right to proportionately trim the higher ranked awards by up to 3%, if this would enable one additional Beginner Farmer that is ranked lower to receive Next Gen funding in that particular round. MARBIDCO also reserves the right to make a second round of offer(s), if funds become available.

Once applicants have been ranked and selected, MARBIDCO will notify selected applicants in writing, and the Approved Letter will include the estimated range of the Next Gen Program Permanent Easement Purchase value. Applicants will then have 30 days from the date of the Approved Letter to accept the commitment to move forward with the SANG Program Permanent Easement Purchase. In addition, the approved applicants must return a signed MARBIDCO Approved Letter and Appraisal Authorization Form (allowing MARBIDCO to order an appraisal on the subject property) within 15 days; and confirm the commercial lender commitment by submitting **FORM 5** (if not previously submitted) within 30 days. **(Note: A commercial lender financing participation is a requirement for the Small Acreage Next Gen Program.)**

Purchasing the Permanent Easement (by MARBIDCO)

Once MARBIDCO has received and reviewed the required documentation identified in the Approved Letter, MARBIDCO will order at least one appraisal to determine the FMV of the agricultural land. The FMV will be used by MARBIDCO to help determine the final permanent easement purchase price amount. MARBIDCO will pay the upfront cost for an appraisal, and the cost for same will be collected at the real estate settlement from the applicant or seller. MARBIDCO may order a second appraisal if MARBIDCO finds it to be necessary, but a second appraisal will be paid for entirely by MARBIDCO. (Note: Separate from MARBIDCO-ordered appraisals, the commercial lender will likely require its own appraisal. MARBIDCO will not pay for that cost.)

Special Note: It is possible that a land survey will be needed. Surveys may take several weeks to complete, so the Small Acreage Next Gen Applicant will want to factor this into the timing of the real estate closing. Surveys can be relatively expensive depending upon the circumstances. Please note that MARBIDCO does not pay for costs of surveys.

After MARBIDCO has received and reviewed the appraisals for the property, MARBIDCO will determine, based upon all of the available information and the program's valuation table (see below), the amount MARBIDCO will offer for the Permanent Easement Purchase Price. MARBIDCO will then mail a Conditional Commitment Letter (including the Permanent Easement Purchase Price amount), and a copy of the Easement Purchase Contract for review.

TABLE 1: Small Acreage Next Gen Program Valuation Chart

PROPOSED Basic Valuation (with only MARBIDCO funding):

(capped at 60% of FMV and \$4,000/acre of MARBIDCO funding)

<u>No. of Dev. Rights*</u>	<u>Valuation (for Down-Payment/Easement Purchase)</u>
0**	30% of Fair Market Value
1	40% of Fair Market Value
2	45% of Fair Market Value
3	50% of Fair Market Value
4	55% of Fair Market Value
5 or more	60% of Fair Market Value

PROPOSED Valuation in 50/50 Projects with County Matching funding:

(capped at 60% of FMV and \$2,000/acre of MARBIDCO funding)

<u>No. of Dev. Rights*</u>	<u>Valuation (for Down-Payment/Easement Purchase)</u>
0**	30% of Fair Market Value
1	50% of Fair Market Value
2	55% of Fair Market Value
3 or more	60% of Fair Market Value

*Note: The number of development rights to be extinguished.

**SANG eligible properties with zero development rights to be extinguished must be contiguous to farmland that is already preserved with a conservation easement for agricultural production.

Once MARBIDCO has issued a Conditional Commitment Letter, the Small Acreage Next Gen Applicant will have up to 30 calendar days to accept the offer amount and fully commit to moving forward with the real estate purchase using Small Acreage Next Gen Program funding. The Small Acreage Next Gen Applicant will need to notify the commercial lender with their decision, so that the bank’s loan closing and title work can commence (along with MARBIDCO’s). Please note that MARBIDCO does not pay for any costs of the real estate transaction, commercial lender, or title company work. Those costs are to be borne by the Small Acreage Next Gen Farmer and the property seller, as may be appropriate. MARBIDCO will also want to be reimbursed for its appraisal and legal costs.

The Permanent Easement

Once the Permanent Easement Purchase Contract is executed, MARBIDCO will effectively be handing the permanent easement over to a designed “Permanent Easement Holder”. The Permanent Easement Holder will hold and administer the permanent easement, since MARBIDCO does not hold or administer permanent easements. The Permanent Easement Holder may be (but not limited to): a volunteering county government, a local land trust, the Maryland Environmental Trust (MET), or the Maryland Agricultural Land Preservation Foundation (MALPF). The designed Permanent Easement Holder will be identified prior to settlement and MARBIDCO will help to facilitate the closing of the permanent easement which will also take place at the real estate settlement where the property transfer is happening.

Suggestions for the Contract of Sale and Related Items

MARBIDCO strongly recommends that Small Acreage Next Gen Program applicants incorporate the following provisions into their contracts of sale of the subject farm properties. The buyers and sellers of Next Gen Farmer agricultural properties need to negotiate and sign a contract of sale for the subject farm property before the final day of the month (since these sales contracts are a requirement for MARBIDCO to process applications).

- 1) It is recommended that the property sales contract not expire before eight (8) months from date the contract was signed (if possible). It should be noted that the quickest a SANG Program farm purchase can theoretically be completed start-to-finish takes six months – and under the most favorable conditions. Accordingly, eight (8) or nine (9) months for a contract expiration is strongly advised.
- 2) It is recommended that there be a provision for the return of an earnest money down-payment to the beginner farmer, in the event that the SANG Program funding is not approved.
- 3) It is recommended that these contracts specify whether the buyer and/or the seller will be responsible for paying the costs of a land survey for the subject property (if required) as well as any other land transfer closing costs.

In addition, the SELLERS of all Next Gen purchase properties must complete “Form 1” and completed copies of Form 1 must be provided to the designated county farmland preservation program staff and later submitted to MARBIDCO in the application package. As such, it may be a good idea for Next Gen farm buyers to ask the farm sellers to complete Form 1 while they are also in the process of negotiating the terms of the farm sale.

DO YOU HAVE ANY QUESTIONS?

Further information about the SANG Program may be obtained by contacting Allison Roe, MARBIDCO Financial Programs Specialist, by telephone at (410) 267-6807, or by email at: aroe@marbidco.org.

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SMALL ACREAGE NEXT GENERATION FARMLAND ACQUISITION PROGRAM

PROPERTY SELLER'S INFORMATION FORM

(To be completed by the Farm Property Seller and a copy must be received by the county staff at least 30 days prior to submitting an application to MABRIDCO)

SECTION 1: PROPERTY SELLER INFORMATION

1.) Name _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

Email Address _____

2.) Name _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

Email Address _____

SECTION 2: CURRENT LAND OWNER INFORMATION

1. The property is currently owned by:

a corporation

a partnership (limited or general)

limited liability company (LLC)

a Trust (or Trustee)

other: _____

None of the above (property is solely owned by those identified above in Subject Property Seller Information)

2. If applicable, list all members/partners/trustees/shareholders of the ownership entity. (Attach a separate sheet if necessary.)

SECTION 3: OTHER THIRD PARTY INTERESTS

Note: If an entity owns (other than those identified above) or leases any interest on the subject property, that will continue after the purchase of the subject property by the Next Gen farmer, he/she must agree to the terms of the MARBIDCO Permanent Easement Contact. Please disclose ground leases that will continue after the purchase of the subject property by the Next Gen farmer.

1. Does anyone hold a lease, right of first refusal, or option to purchase for the subject property?

Yes

No

If yes, please explain: _____

2. Does anyone own or lease surface or subsurface rights on the subject property (including oil/gas/mineral, whether or not there has been any activity on the lease)?

Yes No If yes, please explain: _____

3. Has any mining been done on the subject property?

Yes No If yes, please explain: _____

4. Are there any other third party interests in the subject property? (For example, life estate, right-of-ways, renewable energy operations, ground leases, etc.)

Yes No If yes, please explain: _____

5. Are there any railroad tracks that cross the subject property?

Yes No If yes, may be required proof of a legal access to the portion of the property the tracks may divide from the main entrance.

If yes was answered to any of the questions 1. through 5., please provide name and contact information for the third party interest.

SECTION 4: SUBJECT PROPERTY USE

1. Has the subject property been used for a purpose other than agricultural operations and residential use (for example, landfill, commercial cell tower, commercial energy production, sand and gravel extraction, railroad right-of-way)? Yes No Don't Know

If yes, indicate use/explain: _____

2. Have any chemicals been used on the subject property beyond what could reasonably be expected in normal and customary agricultural practices? Yes No Don't Know

If yes, indicate type of chemicals: _____

(Continued on the next page)

3. Has the subject property ever contained areas used to dispose of waste other than normal and customary household and agricultural waste? Yes No Don't Know

If yes, indicate the kinds of material disposed and method of disposal: _____

4. Has there ever been a chemical spill or leak on the subject property to your knowledge? Yes No Don't Know

If yes, indicate what was spilled, where it was spilled, approximately how much was spilled, and what actions were taken in response.

5. Have any previous environmental assessments/tests/samplings/impact statements been conducted for the subject property, to your knowledge? If yes, attach copies of appropriate documentation. Yes No Don't Know

6. Have any government officials ever investigated, cited, or been involved with any violations of any environmental law at the subject property to your knowledge? Yes No Don't Know

If yes, explain: _____

7. Are there/have there been any disputes, including claims of adverse possession, or written or oral agreements with adjacent landowners regarding boundary lines? If so, explain and provide detail on map. Yes No Don't Know

If yes, explain (and provide details on map): _____

IF YOU ANSWERED YES TO ANY OF THE ABOVE QUESTIONS, PLEASE ATTACH A LETTER OF EXPLANATION ALONG WITH ANY SUPPORTING DETAILS TO THE APPLICATION.

SECTION 5: EXISTING PROPERTY RESTRICTION(S)

Please state whether there are any known existing restrictive easements or covenants (such as Forest Conservation Easements, Open Space Easements, etc.) on your property and, if so, please explain:

SECTION 6: STRUCTURES

List and briefly describe any/all residential structures and non-agriculturally related structures (all structures currently existing on the property may be listed, however only the residential and non-agriculturally related structures are required to be listed at the time of application). On a current aerial map, locate and label by corresponding letter (1, 2, 3, 4, etc.) all structures listed here. A current aerial map may be obtained through the county program administrator. Use separate page if necessary.

Structure	Approximate Dimensions or Capacity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
11. _____	_____
12. _____	_____
13. _____	_____
14. _____	_____

ANY OTHER COMMENTS ABOUT THE PROPERTY

Name of the Property Seller Completing this Form: _____

Date: _____ Best Telephone Number to Reach You: _____

THANK YOU!

SMALL ACREAGE NEXT GENERATION FARMLAND ACQUISITION PROGRAM

APPLICANT INFORMATION FORM

(To be completed and signed by the applicant(s).)

SECTION 1: APPLICANT(S) INFORMATION

1. Primary Applicant

Name _____

Date of Birth _____ Email Address _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

2. Secondary Applicant (if applicable)

Name _____

Date of Birth _____ Email Address _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

APPLICANT(S) BACKGROUND AND EXPERIENCE

Primary Applicant

1. Do you currently own any agricultural land? Yes No

If yes, please state how many acres of agricultural land you own _____ acres

2. Have you operated as a primary operator on a farm or ranch for more than 10 years? Yes No

3. Do you expect to substantially participate in the farm operation on the subject property? Yes No

4. Do you have any farming experience? Yes No

If yes, please briefly describe your farming experience (including how many years)

NOTE: Please attach a copy of a resume and any additional sheets of paper as needed.

5. Have you completed a qualified farm management training program that includes substantial fieldwork experience? Yes No

If yes, please describe the completed farm management training program.
(A validating letter from an authorized program representative on the institution's letterhead, or equivalent documentation, is required.)

6. Have you received an agricultural degree from an accredited college or university? Yes No

If yes, please provide the following information:
(A copy of an unofficial transcript must be provided.)

University/Institution _____

Major/Minor/Program _____

Graduation/Completion Date _____

Secondary Applicant *(if applicable)*

1. Do you own any agricultural land in addition to the Primary Applicant? Yes No

If yes, please state how many acres of agricultural land you own _____ acres

2. Have you operated a farm or ranch for more than 10 years? Yes No

3. Do you expect to substantially participate in the farm operation on the subject property? Yes No

4. Do you have any farming experience? Yes No

If yes, please describe your farming experience (including how many years)

NOTE: Please attach a copy of a resume and any additional sheets of paper as needed.

5. Have you completed a qualified farm management training program that includes substantial fieldwork experience? Yes No

If yes, please describe the completed farm management training program.
(A validating letter from an authorized program representative on the institution's letterhead, or equivalent documentation, is required.)

(continued on the next page)

6. Have you received an agricultural degree from an accredited college or university? Yes No

If yes, please provide the following information:
(A copy of an unofficial transcript must be provided.)

University/Institution _____

Major/Minor/Program _____

Graduation/Completion Date _____

7. Do you (the applicant) currently produce food/feed/fiber products on agricultural land as a farm enterprise operator or manager? Yes No

If yes, please answer Items a. through c. below:

- a. Do you currently farm ONLY on a property owned by a relative? Yes No
If yes, please answer the following:

Is the family-owned property you farm the subject property for this program? Yes No

- b. Do you currently farm ONLY on leased land (in your own name)? Yes No

If yes, please provide the following information:

Annual Rental Expense _____ Size (acres) _____

Location _____

Owner/Farm Name _____ Phone Number _____

- c. Do you currently farm BOTH on leased land (in your own name), as well as, on property owned by a relative? Yes No

If yes, please answer the following question:

Is the family-owned property you farm the subject property to be purchased using the Next Gen program? Yes No

Is the family-owned property you farm 5% or more of your operation? Yes No

8. If your answer was "No" to Question 6, are you a farmer that does not currently have access to agricultural land to work as a farm enterprise operator or manager? Yes No

9. What is your Total Net Worth (all applicants combined)? _____
("Net Worth" EQUALS Total Assets MINUS Total Liabilities. Please refer to Attachment 2 for more information used in calculating Net Worth.)

Please provide any additional information, based on your knowledge and experience in agriculture, that you feel will be helpful for the reviewers to know:

SECTION 2: BRIEF SUBJECT PROPERTY INFORMATION

(To be completed by the applicant, detailed information will be completed by the Farm Property Seller(s) using FORM 1, and a country agricultural land preservation program administrator using FORM 3.)

Street Address _____

“OR”

Tax Map _____ Grid _____ Parcel # _____

City _____ State _____ Zip Code _____

County _____ Zoning of Property: _____

Total Size of Subject Property (acres) _____ Number of Parcels _____

1. Is the property a working farm today? Yes No

If yes, please provide a brief description of the usage of land for the working farm (if known).

2. Does the property include any existing dwellings? Yes No

If yes, please provide the following information of the existing dwelling(s):

Dwelling 1

Size (square feet) _____ Condition: Poor Fair Good Excellent

Explain intended use of dwelling _____

Is this dwelling a tenant house? Yes No

Dwelling 2

Size (square feet) _____ Condition: Poor Fair Good Excellent

Explain intended use of dwelling _____

Is this dwelling a tenant house? Yes No

Dwelling 3

Size (square feet) _____ Condition: Poor Fair Good Excellent

Explain intended use of dwelling _____

Is this dwelling a tenant house? Yes No

If no, does the property have development rights? Yes No

3. Is there currently any existing restrictive easements or covenants on the subject property? Yes No

If yes, please list and explain the restrictive easement or covenants placed on the subject property:

SECTION 3: PROPOSED BUSINESS OPERATION INFORMATION

PROJECT BUSINESS TYPE (Check any that may apply.)

- Beef Cattle
- Sheep/Goats/Swine
- Equine
- Dairy (please see below for specialized response)
- Grain & Row Crops
- Greenhouse & Nursery
- Poultry & Eggs
- Vegetables & Specialty Crops
- Value Added Products: _____
- Other: _____

BRIEF DESCRIPTION OF PROJECT, INCLUDING THE JUSTIFICATION FOR NEXT GEN PROGRAM FUNDING

(A brief description of the proposed Next Gen Program project, including information about the farmland purchase, and a summary of the proposed agricultural business activity on the subject property. As a reminder, the Farm Business Plan that you will submit will contain more extensive detail on proposed farm business activities.)

If Dairy is the primary business type, is the subject property currently a milking dairy operation? Yes No

If yes, please describe the dairy operation and facilities in some detail here (including number of cows being milked, name of milk cooperative or marketing outlet, labor needs, type and age of dairy facilities, etc.):

PROJECT ADVISOR(S) (If Applicable)

1.) Name _____ Title _____

Institution/Firm _____

Work Telephone _____ E-mail _____

SECTION 4: FARM BUSINESS INFORMATION (If Applicable)

Has your business been legally incorporated? Yes No

If YES, please complete the following information:

Year & State Established/Incorporated _____

Corporation Partnership Proprietorship LLC SIC/NAICS Code _____

Business/Farm Name _____

Business Address _____ County _____

City _____ State _____ Zip Code _____

Contact Person _____ Title _____

Work Telephone _____ E-mail _____

Home Telephone _____ Mobile Phone _____

MANAGEMENT/OWNERSHIP OF BUSINESS:

1.) Name _____ Title _____ % Ownership _____

Relationship to Applicant _____ Email _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

2.) Name _____ Title _____ % Ownership _____

Relationship to Applicant _____ Email _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

3.) Name _____ Title _____ % Ownership _____

Relationship to Applicant _____ Email _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

4.) Name _____ Title _____ % Ownership _____

Relationship to Applicant _____ Email _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

SECTION 5: SIGNATURE(S)

DECLARATIONS

If answering "yes" to any of these questions, please provide an explanation on a separate sheet and attach.

- 1. Is the business or any of the top management personnel an endorser, guarantor or co-signer for obligations not listed on its/their financial statements? Yes No
- 2. Is the business or any of the top management personnel a party to any claim or lawsuit? Yes No
- 3. Has the business or any of the top management personnel ever declared bankruptcy? Yes No
- 4. Does the business or any of the management personnel owe any taxes for prior years? Yes No
- 5. Have any managers or owners received a felony conviction? Yes No

EQUAL CREDIT OPPORTUNITY ACT (15 U.S.C. 1691)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status or age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

AUTHORITY TO COLLECT PERSONAL INFORMATION

This information is provided pursuant to Public Law 93-579 (Privacy Act of 1974). Effect of Non-Disclosure: Omission of an item means your application might not receive full consideration.

I/We authorize disclosure of all information submitted in connection with this application to the financial institution agreeing to participate in the project financing. I/We waive all claims against either the sponsoring financial institution or MARBIDCO.

CERTIFICATION

I/We certify all information in this application and the attachments is true and complete to the best of my/our knowledge and is submitted so the MARBIDCO's Next Gen Review Committee can decide whether to offer financial assistance.

Signature _____

Signature _____

Printed Name _____

Printed Name _____

Date _____

Date _____

Note: MARBIDCO agrees to hold Recipient's Application and Financial Reports in confidence to the extent reasonably permitted by Title 4 of the General Provisions Article of the *Annotated Code of Maryland*. Notwithstanding the foregoing, MARBIDCO shall not be obligated to maintain in confidence any information: 1) which was already known to MARBIDCO; or, 2) which is or comes into the public domain through no fault of MARBIDCO; or, 3) which is independently developed by MARBIDCO; or, 4) which comes to MARBIDCO from a third party which is not in violation of any obligation of confidentiality to Applicant or MARBIDCO

THE APPLICANT'S CHECKLIST (of required items to be submitted with the application):

1. A contract for sale of the subject property.
2. Applicant(s) Statement: separate document describing Applicant's experience and/or education related to agriculture
(Including: a copy of an unofficial college transcript; and/or, a description and proof – or certification – of completion of an appropriate farm training program).
3. Applicant(s) Resume (if available)
4. Description and history of the applicant company or farm operation (if applicable).
5. Applicant *and* farm operation Tax Returns for the two preceding years (if available).
6. Completed Balance Sheet (**Attachment 2**).
If applicable, complete an additional Balance Sheet for the agricultural business.
7. Completed Income Statement for the past 2 years (**Attachment 3a & 3b**).
8. Completed Pro Forma Income Statement (**Attachment 3c**).
9. Completed Debt Repayment Schedule (**Attachment 4**).
10. A Farm Business Plan – must include all of the following categories:
NOTE: Failure to address ALL categories in the Farm Business Plan will result in a deduction of points during the application's ranking process and/or the application could be deemed incomplete. For additional guidance on how the applications will be ranked, please see the Ranking Worksheet on page 37. If you need assistance on completing the Farm Business Plan, please contact MARBIDCO for referral to appropriate resources.
 - Executive Summary
 - Mission Statement & Goals
 - Background Information (Applicant's Experience & Education; and if applicable, Farm Business Operation's History & Overview)
 - Farm Business and Production Strategy
 - Farm Marketing Strategy and Plan
 - Farm Management Plan
 - Farm Financial Plan (including Pro Forma Financial Projections)
11. Completed **FORM 1**.
12. Completed **FORM 2**.
13. Completed **FORM 3**.
14. Completed **FORM 4**.
15. A commercial lender loan commitment form (optional at time of application, but is required once the application is approved. Please complete **FORM 5: COMMERCIAL LENDER COMMITMENT FORM**.

SMALL ACREAGE NEXT GENERATION FARMLAND ACQUISITION PROGRAM

SUBJECT FARM PROPERTY INFORMATION FORM

(To be completed by a county program administrator or other agricultural land preservation official)

SECTION 1: SUBJECT PROPERTY INFORMATION

- 1. Is the subject property eligible to apply for a permanent conservation easement through a designated County Program? *This does not imply that the Country Program will be the default easement holder.* Yes No No County Program
- 2. Is the subject property eligible to apply for a permanent conservation easement through the Maryland Agricultural Land Preservation Foundation (MALPF)? Yes No
- 3. Has the subject property applied to the County Agricultural Preservation Program in years prior to applying to the Next Gen Program? Yes No N/A
- 4. Has the subject property applied to MALPF in years prior to applying to the Next Gen Program? Yes No
- 5. Is the subject property located within a designated Priority Preservation Area? Yes No
- 6. Is the subject property located within a designated Rural Legacy Area? Yes No
If yes, name of Rural Legacy Area _____
- 7. Is the subject property approved for a county administered easement program and/or is it a county priority? Yes No N/A

In relation to the conservation easement, briefly describe additional information of subject property that may be informative to the Small Acreage Next Gen Program.

INSTRUCTIONS & INFORMATION FOR PART A:

1. Total property acreage determination:
The total acreage of property is the total property described in this application as the subject property. It refers to the entire acreage that is to be under common ownership, once the Next Gen farmer has successfully purchased the subject property. The total acreages of the property includes the total area before any withheld acreages and the total area before any excluded acreage (any area to be encumbered by the easement that the Next Gen farmer will not be potentially paid for). The total acreages of the property does not include any tax map parcel which may be contiguous and under common ownership, but for which no portion is being considered for eligible easement sale.

 2. Pre-existing dwelling(s):
Enter the total number of pre-existing dwellings, tenant houses, or permanently affixed trailers, i.e., those with electrical and sewage hook-ups and wheels removed.

 3. Withheld acreage:
Provide an explanation for withholding the acreage on a separate sheet. Be advised that some rural land conservation programs may discourages the exclusion of acreage from the easement. Please be aware that withholding acreage from the eligible easement could potential decrease the appraised value. The appraisers will deduct the total development potential associated with the excluded acreage. If the request is approved to withhold acres, a survey plat with metes and bounds description will be required at the Next Gen farmer's expense prior to settlement of the Permanent Easement Contract. Please note, at the settlement of the sale of the permanent easement, some rural land conservation programs may have policies that limit a certain amount of development rights, depending on county zoning regulations.

 4. Permanent Easement Purchase Price Acreage:
The Permanent Easement Purchase Price Acreage is the total acreage of property minus one (1) acre per pre-existing dwelling and total withheld acreage described in this application as the subject property. It refers to the acreage used to calculate and determine the Permanent Easement Purchase Price that MARBIDCO will pay for the subject property to be entered into the Permanent Easement Contract.
-

PART A

For purposes of valuation, I/we affirm that the acreage of the total property was determined by **one** of the following (a copy of which is attached to this application):

property deed(s) survey
 tax assessment records other (identify): _____

1. The total acreage of property is: _____
2. The number of Pre-Existing Dwelling(s) is (are): _____
3. The intended Acreage to be Withheld is: _____
(If subject property does not have an existing dwelling, MARBIDCO will likely require one acre (and one development right) for future dwelling.
4. The Permanent Easement Purchase Price Acreage is (1. minus 2. and minus 3.): _____
5. The total acres to be encumbered by Permanent Easement is (1. minus 3.): _____

INSTRUCTIONS & INFORMATION FOR PART B:

1. Planning and Zoning Information:

Pre-existing Dwelling(s) and Tenant House(s) Certification by Landowner

Depending on some rural land conservation programs, special consideration may be made on tenant houses with regard to potential development density when appraising properties for easement sale. The rural land conservation program may recognize the designation by a county of certain pre-existing dwellings as tenant houses which would otherwise be counted as a used density right. MARBIDCO shall inform the appraisers selected to assess the property to not assign a development right to any county-designated tenant house.

2. Development Rights:

The residential lot rights information provided in this section will be provided to the appraisers and used for valuation purposes.

3. Transferable Development Rights:

The TDR information provided in this section will be provided to the appraisers and used for valuation purposes.

PART B

1. **PLANNING AND ZONING INFORMATION**

a. **ZONING**

Current Zoning of Property: _____

Does the property lie within the boundaries of a planned 10-year water and sewer service district? Yes No

If yes, please describe _____

Is the encumbrance of this property by an agricultural land preservation easement consistent with county plans? (Master Plan, Comprehensive Land-Use Plan, Growth Management Plan, etc.) Yes No

b. Is there any withheld acreage? Yes No

If yes, what is the reason for the withheld acreage?

c. Is the property adjacent to other protected lands (fee or easement)? Yes No

If yes, what is the approximate size of protected block of land (without subject property acres included)?

- d. Is/are there a county-designated tenant house located on the property? Yes No

2. **DEVELOPMENT RIGHTS**

- a. Has the County adopted a Tier Map under The Sustainable Growth & Agricultural Preservation Act of 2012 (Senate Bill 236), also known as the septic law? Yes No

- b. If a Tier Map has been adopted, in which Tier is the subject property located? Tier _____
 Tier Exemption

- c. What is the maximum number of residential lots permitted in a minor subdivision? _____

- d. Taking into consideration underlying zoning, the restrictions of the septic law, and any other known restrictions (Chesapeake Bay Critical Areas regulations, forest mitigation easements, etc.), what is the maximum number of development rights for the subject property? _____
 (Same as below. If different, please explain.)

* Permitted On-Site Development Rights	Lot Rights	Acres
i. Total development rights/acres associated with the subject property		
ii. Total development rights/acres associated with pre-existing dwelling (within easement area) OR Total development rights/acres to be withheld associated with future dwelling (within easement area)		
iii. Unrestricted lot option chosen (RARE): <input type="checkbox"/> Yes - deduct 1 development right <input type="checkbox"/> No - deduct 0 development rights		
Total development rights/acres remaining associated with intended easement property (i - ii - iii)		

3. **TRANSFERABLE DEVELOPMENT RIGHTS PROGRAMS**

- a. Does the County have a TDR program? Yes No

- b. Is the subject property eligible to participate in the TDR program? Yes No

- c. How many residual TDRs are associated with the subject property as of July 1, 2017? _____

INSTRUCTIONS & INFORMATION FOR PART C:

1. Deed References:

All deeds and surveys with metes and bounds descriptions that cover the entire property should be listed here. The Liber and Folio should be stamped either on the top or bottom of all documents that have been recorded in the county land records. The Liber is the first number and the Folio is the second number shown on the recorded document.

2. Existing Property Restriction(s):

List any restrictive covenants, easements, or restrictive long term contracts on your property (e.g., forest conservation easements, open space easements, CREP easements, CRP contracts, forest mitigation easements, wetland mitigation easements, historical easements, environmental easements or residential covenants). FOR THE APPLICANT: Be advised that such restrictions may reduce the acreage on the eligible easement.

5. Qualifying Soils:

The Program Administrator is responsible for determining whether the property meets the minimum soils criteria.

PART C

1. **LOCATION OF PROPERTY**

Tax Map _____ Grid _____ Parcel # _____

Tax ID# _____ *(List all if more than one)*

Tax Map _____ Grid _____ Parcel # _____

Tax ID# _____ *(List all if more than one)*

Tax Map _____ Grid _____ Parcel # _____

Tax ID# _____ *(List all if more than one)*

Property Address: (if different from mailing address)

2. **DEED REFERENCE(S)**

_____/_____, _____/_____, _____/_____
liber folio liber folio liber folio

If acreage reflected in deed is different from acreage of proposed easement, please explain:
(Please refer to FORM 2, SECTION 3: Intended Lot Selection for applicant(s) explanation.)

3. **EXISTING PROPERTY RESTRICTION(S)**

Please provide information about any readily known existing restrictive easements or covenants (such as Forest Conservation Easements, Open Space Easements, etc.) on the subject property (a title search is not required prior to application submission):

4. **LAND USE** (round to whole number):

Tillable Cropland: _____ acres

Pasture: _____ acres

Woodland: _____ acres

Wetland(s): _____ acres

Orchard; Nursery: _____ acres

Structure(s): _____ acres
(Farm buildings and dwellings)

Pond/lake: _____ acres

Other: _____ acres
(Describe other land use)

TOTAL ACRES: _____ **acres**
(Acres must equal Part A – rounded to a whole number)

5. **QUALIFYING SOILS:** (To be completed by the County Program Administrator, see instructions for Part C: 5. Qualifying Soils)

	CLASS I	CLASS II	CLASS III	GROUP 1	GROUP 2	= TOTAL
ACRES:	_____	_____	_____	_____	_____	_____
PERCENT OF TOTAL:	_____	_____	_____	_____	_____	_____

Other information _____
(Please indicate if the wetland acres were not counted when calculating the percent of total figure.)

6. **CERTIFICATION OF SOIL CONSERVATION & WATER QUALITY PLAN**

Seller Name _____ Phone number _____

Property Address _____

Tax Map _____ Parcel _____ Conservation Tract No. _____ Farm No. _____

Does the subject property currently have a certified soil conservation and water quality plan? Yes No

7. IF PROPERTY HAS 25 ACRES OR MORE OF CONTIGUOUS WOODLAND, A FOREST STEWARDSHIP PLAN IS REQUIRED FOR A MALPF EASEMENT

a. Is a Forest Stewardship Plan required for this property: Yes No

b. If yes, is it still in effect: Yes No

8. **REQUIRED DOCUMENTATION** to be included with this Application

a. All deeds, surveys, and/or plats that describe the property.

Md. Ann. Code Agriculture Article, § 2-510(b)(3) requires that an Application to Sell An Easement to MALPF be accompanied by a complete description of the property to be encumbered by an Easement. Failure to submit a complete description with the Application to Sell an Easement may result in rejection of the Application.

b. Assessments and Taxation Data sheet from website.

c. A tax map outlining property boundaries, and clearly indicating withheld acreage, if any, including legal and practical access to the withheld acreage.

d. Aerial map with identified structures on the property located. Please use FORM 1, Section 6: Structures list, provided by the Property Sellers, as a reference when identifying structures on aerial map.

e. A county map with subject property identified and including shading of neighboring (or contiguous) properties that are already preserved (i.e., protected land). The shading should identify the type of preserved land (MALPF, Rural Legacy, State parks, preserved county farmland, etc.)

SECTION 2: SIGNATURE

I hereby affirm, to the best of my knowledge, information and belief, that FORM 3: SUBJECT PROPERTY INFORMATION FORM is complete and accurate.

County Program Administrator

Date

Print name

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SMALL ACREAGE NEXT GENERATION FARMLAND ACQUISITION PROGRAM
COUNTY GOVERNMENT SUBMISSION FORM

(To be signed by the chief elected/appointed county official, or the county director of planning and zoning or equivalent position)

SECTION 1: CONTACT INFORMATION (of county program administrator)

Name _____

Title _____

Agency _____ County _____

Address _____

City _____ State _____ Zip Code _____

Telephone _____ Email _____

SECTION 2: PROPERTY DESCRIPTION AND OWNER INFORMATION

Applicant Name(s) _____

Seller Name(s) _____

Subject Property Information

Address _____

City _____ State _____ Zip Code _____ County _____

Tax Map _____ Grid _____ Parcel # _____ Tax ID# _____

Please offer any comments about how this property fits into the County's program ranking, etc.:

SECTION 3: PERMANENT EASEMENT HOLDER INFORMATION

The "Permanent Easement Holder" agrees to hold and administer a permanent agricultural easement on the subject property. MARBIDCO will help to facilitate the transaction and transfer the subject property to the Permanent Easement Holder at the farm purchase real estate settlement. The Permanent Easement Holder can be (but not limited to): a county government, local land trust, the Maryland Environmental Trust (MET), or the Maryland Agricultural Land Preservation Foundation (MALPF).

Name of Suggested Easement Holder: _____

Address _____

City _____ State _____ Zip Code _____

Contact Person _____ Title _____

Telephone _____ Email _____

OPTIONAL: COUNTY FINANCIAL PARTICIPATION

The County agrees to participate jointly (on a 50/50 basis) with MARBIDCO in funding this project:

Yes No If "Yes, please provide a County commitment letter within 30 days.

Also, if "Yes", please briefly explain any additional county-imposed requirements with this easement purchase (including any special easement provisions beyond what would be typical for an ag conservation easement):

SECTION 4: COUNTY GOVERNMENT AUTHORIZATION

I, the authorized County Official, hereby have reviewed and affirm, to the best of my knowledge, information and belief, that this form is complete and accurate.

County Official/Director Signature

Date

Print Name

Title

SMALL ACREAGE NEXT GENERATION FARMLAND ACQUISITION PROGRAM

COMMERCIAL LENDER INFORMATION FORM

(To be completed by a commercial bank or Farm Credit Association representative at the time of application, or within 30 days following notice of the Next Gen award selection.)

SECTION 1: COMMERCIAL LENDER INFORMATION

Loan Officer Name _____ Title _____

Work Telephone _____ E-mail _____

Mobile Telephone _____ Fax Number _____

Lending Institution Name _____

Address _____ City _____

County _____ State _____ Zip Code _____

LOAN INFORMATION

Total Amount of financing to be provided by the Sponsoring Lender: _____

Bank Terms: _____ **Interest rate to be charged:** _____ (Fixed or Variable)

Use of Funds	Amount
	\$
	\$
	\$

Other Sources of Equity and/or Matching Funds:

Source	Amount
	\$
	\$
Total	\$

COLLATERAL

(List all collateral that can be used as security for the loan and any other lien holders on each item of collateral.)

Collateral	Value	Lien Holders	Lien Amount
	\$		\$
	\$		\$
	\$		\$
	\$		\$

(continued on next page)

SECTION 2: COMMERCIAL LENDER SIGNATURE

CERTIFICATION

The applicant is current on all existing financial obligations to our institution, and, to my knowledge, has not filed for Bankruptcy during the last 5 years: Yes No

We understand that our financial institution must subordinate our mortgage security interest in the subject real estate to a temporary and permanent conservation easement in order for the Next Gen funding to be advanced as a farm purchase down-payment: Yes No

I certify that the above information is accurate to the best of my knowledge.

Loan Officer Signature

Date

Print Name

COMMERCIAL LENDER CHECKLIST

1. Loan commitment letter (including any conditions).
2. Lender’s pro forma cash flow trend (or debt service coverage) analysis, with projections for at least three years into the future.
3. A recent appraisal report performed by a qualified real estate appraiser (if available).

SMALL ACREAGE NEXT GENERATION FARMLAND ACQUISITION PROGRAM

APPLICATION RANKING WORKSHEET

SECTION 1. Characteristics of Subject Property		Possible Points
	Property is a working farm and consists of: 50% of acres is cropland/forage land 60% of acres is cropland/forage land 70% of acres is cropland/forage land 80% of acres is cropland/forage land 90% of acres is cropland/forage land	2 points 4 points 6 points 8 points 10 points
	Property is located within the designated Priority Preservation Area or a Rural Legacy Area	10 points
	Property size consists of: 10 to 20 acres of farmland More than 20 acres (1 point for each full acre over 20)	0 points 1-10 points
	County has agreed to provide 50/50 matching funds	15 points
Section 1 Total (Max Points Possible):		45 Points

SECTION 2: Characteristics of the Applicant Farmer		Points Possible
A. Applicant's Agricultural Experience and Agricultural Education		
	Applicant is not a Beginner Farmer* (see definition below)	0 points
	Applicant is a Beginner Farmer*	25 points
	Applicant has received an agricultural degree from an accredited college or university (or qualified training program)	5 points
<p>*Beginner Farmer Definition: A Beginner Farmer is defined as one who:</p> <ul style="list-style-type: none"> • Has not owned a farm or ranch (or currently owns less than 10 acres of agricultural land); and • Has not operated a farm or ranch as a principal operator for more than 10 years; and • Has at least one year of farming experience or has completed a qualified farm management training program that includes substantial fieldwork experience (must be documented in an appropriate fashion); and • Expects to substantially participate in the farm operation on the subject property. 		
B. Applicant's Current Access to Farmland (Select only one choice)		
	Applicant currently farms ONLY on a property owned by a relative... <ul style="list-style-type: none"> • which is the subject property (OR) • but which is not the subject property <p style="text-align: center;">----- OR -----</p>	5 points 7 points
	Applicant currently farms BOTH on leased land (in the Applicant's name), as well as, on property owned by a relative. In addition, the property owned by a relative is... <ul style="list-style-type: none"> • 5% or more of Applicant's operation (OR) • less than 5% of Applicant's operation. <p style="text-align: center;">----- OR -----</p>	10 points 15 points
	Applicant currently farms ONLY on leased land (in the Applicant's name). <p style="text-align: center;">----- OR -----</p>	17 points
	Applicant currently does not have access to any farmland.	20 points

C. Applicant's Net Worth (Points only in one box are possible)		
	Net worth is more than \$500,000	0 points
	Net worth is between \$400,000 - \$499,999	3 points
	Net worth is between \$300,000 - \$399,999	6 points
	Net worth is between \$200,000 - \$299,999	9 points
	Net worth is between \$100,000 - \$199,999	12 points
	Net worth is less than \$100,000	15 points
Section 2 Total (Max Points Possible):		65 Points

SECTION 3: Quality of the Farm Business Plan	Points Possible
<p>A. Farm Business Plan targets a clearly defined market with enough size and sales power to produce a profit.</p> <p>Scale:</p> <ul style="list-style-type: none"> - LOW: A small, specialty market with little or no growth potential. - HIGH: A larger market with stable sales or high growth potential. 	0 points to 10 points
<p>B. Farm Business Plan shows that applicant(s) have the skills and the experience to make the farm a success.</p> <p>Scale:</p> <ul style="list-style-type: none"> - LOW: Applicant(s) have never operated a farm business of their own before. - HIGH: Applicant(s) have very substantial experience with the proposed enterprise. 	0 points to 10 points
<p>C. Applicant's products offer local customers a direct benefit (e.g., retail food purchases are within a 100-mile radius).</p> <p>Scale:</p> <ul style="list-style-type: none"> - LOW: Products are only exchange-traded commodities. - HIGH: Products are mostly or totally intended for local retail customers. 	0 points to 10 points
<p>D. Farm Business Plan lays out a clear, well-conceived, workable strategy for getting their business up and running.</p> <p>Scale:</p> <ul style="list-style-type: none"> - LOW: No real strategy exists, except in their head. - HIGH: A well-designed clearly formulated business strategy exists and has been explained in writing. 	0 points to 10 points
Section 3 Total (Max Points Possible):	40 Points

APPLICATION TOTAL SCORE: 150 POINTS

BONUS SECTION: Diversity in Applications Funded, Etc.	Points Possible
A. Geography (to help avoid county or regional funding concentrations and/or better serve an under-served area).	2 points
B. Business Operation Type (all other things being mostly equal, a diversity of farm operational types should be supported throughout the Next Gen Program). <i>If business operation is an operational dairy, please see below.</i>	2 points
C. Dairy Operation (subject property currently includes a milking dairy operation, and Next Gen Applicant intends to continue the milking dairy operation).	3 points
D. Overall impression of the application by the reviewer concerning extra credit that should be awarded.	3 points
Bonus Section Total (Max Points Possible):	10 Points

MAXIMUM TOTAL SCORE WITH BONUS POINTS: 160 POINTS

SMALL ACREAGE NEXT GENERATION FARMLAND ACQUISITION PROGRAM

APPLICANT(S) BALANCE SHEET

Balance Sheet Date: _____

Assets

Liabilities

Current Assets

Current Liabilities

Cash _____
 Accounts Receivable _____
 Notes Receivable _____

 Crops Held for Resale _____
 Inventory _____
 Savings Account _____
 Other Current Assets _____

Accounts Payable _____
 Credit Cards (specify): _____

 Notes Payable (specify): _____

Current Assets _____

Other Liabilities _____
Current Liabilities _____

Non Current Assets

Non Current Liabilities

Automobile/Trucks/Boats _____
 Machinery & Equipment _____
 Shops & Supplies _____
 Dairy Livestock _____
 Other Breeding Livestock _____
 IRA/401K Retirement Accts _____
 Farm Land _____
 Acres _____
 Acres _____
 Acres _____
 Forest Land _____
 Acres _____
 Acres _____
 Acres _____
 Residence _____
 Other Real Estate (specify) _____

Current Portion of Long Term Debt* _____

 Mortgages (specify) _____

 Car Loans (specify) _____

 Other long-term Loans (specify) _____

Non Current Assets _____

Non Current Liabilities _____

Total Assets _____

Total Liabilities _____

Your **Net Worth** equals "Total Assets" (above) *minus* "Total Liabilities" (above): \$ _____

*Current portion of long term debt represents the total amount of long-term debt that must be paid within the next year.

SMALL ACREAGE NEXT GENERATION FARMLAND ACQUISITION PROGRAM

INCOME STATEMENT

(Revenue and expenses from the past year)

Calendar Year: 2019

Farm/Business Income and Expenses

Other Income and Expenses

Income

Income

Sales of: _____

 Rental Income _____
 Ag Program Payments _____
 Other Income (specify) _____

 Less Cost of Goods Sold _____
Gross Farm/Business Income _____

Salaries & Wages _____
 Interest & Dividends _____
 Non Farm Rental _____
 Pension/Social Security _____
 Alimony/Child Support _____
 Other Income (specify) _____

Gross Other Income _____

Expenses

Expenses

Advertising _____
 Car & Truck Expenses _____
 Chemicals _____
 Salaries & Wages _____
 Labor Hired _____
 Custom Hire/Consultants _____
 Feed Purchased _____
 Fertilizer _____
 Freight, Trucking _____
 Gasoline, Fuel, Oil _____
 Insurance _____
 Rent of Machinery & Equip _____
 Rent of Farm, Pasture _____
 Repairs, Maintenance _____
 Seeds, Plants Purchased _____
 Storage, Warehousing _____
 Utilities _____
 Veterinary, Medicine, Breeding _____
 Miscellaneous Expenses (specify) _____

Total Farm/Business Expenses _____

Social Security Withholding _____
 Self-Employment Taxes _____
 Income Taxes (State & Federal) _____
 Alimony/Child Support _____
 Other Expenses (specify) _____

Total Other Expenses _____
Net Other Income _____

Net Farm/Business Income _____

SMALL ACREAGE NEXT GENERATION FARMLAND ACQUISITION PROGRAM

INCOME STATEMENT

(Revenue and expenses for the current year)

Calendar Year: 2020

Farm/Business Income and Expenses

Other Income and Expenses

Income

Income

Sales of: _____

 Rental Income _____
 Ag Program Payments _____
 Other Income (specify) _____

 Less Cost of Goods Sold _____
Gross Farm/Business Income _____

Salaries & Wages _____
 Interest & Dividends _____
 Non Farm Rental _____
 Pension/Social Security _____
 Alimony/Child Support _____
 Other Income (specify) _____

Gross Other Income _____

Expenses

Expenses

Advertising _____
 Car & Truck Expenses _____
 Chemicals _____
 Salaries & Wages _____
 Labor Hired _____
 Custom Hire/Consultants _____
 Feed Purchased _____
 Fertilizer _____
 Freight, Trucking _____
 Gasoline, Fuel, Oil _____
 Insurance _____
 Rent of Machinery & Equip _____
 Rent of Farm, Pasture _____
 Repairs, Maintenance _____
 Seeds, Plants Purchased _____
 Storage, Warehousing _____
 Utilities _____
 Veterinary, Medicine, Breeding _____
 Miscellaneous Expenses (specify) _____

Total Farm/Business Expenses _____

Social Security Withholding _____
 Self-Employment Taxes _____
 Income Taxes (State & Federal) _____
 Alimony/Child Support _____
 Other Expenses (specify) _____

Total Other Expenses _____
Net Other Income _____

Net Farm/Business Income _____

SMALL ACERAGE NEXT GENERATION FARMLAND ACQUISITION PROGRAM

PRO FORMA INCOME STATEMENT

(Revenue and expense projections for the next year)

Calendar Year: 2021

Farm/Business Income and Expenses

Other Income and Expenses

Income

Income

Sales of: _____

 Rental Income _____
 Ag Program Payments _____
 Other Income (specify) _____

 Less Cost of Goods Sold _____
Gross Farm/Business Income _____

Salaries & Wages _____
 Interest & Dividends _____
 Non Farm Rental _____
 Pension/Social Security _____
 Alimony/Child Support _____
 Other Income (specify) _____

Gross Other Income _____

Expenses

Expenses

Advertising _____
 Car & Truck Expenses _____
 Chemicals _____
 Salaries & Wages _____
 Labor Hired _____
 Custom Hire/Consultants _____
 Feed Purchased _____
 Fertilizer _____
 Freight, Trucking _____
 Gasoline, Fuel, Oil _____
 Insurance _____
 Rent of Machinery & Equip _____
 Rent of Farm, Pasture _____
 Repairs, Maintenance _____
 Seeds, Plants Purchased _____
 Storage, Warehousing _____
 Utilities _____
 Veterinary, Medicine, Breeding _____
 Miscellaneous Expenses (specify) _____

Total Farm/Business Expenses _____

Social Security Withholding _____
 Self-Employment Taxes _____
 Income Taxes (State & Federal) _____
 Alimony/Child Support _____
 Other Expenses (specify) _____

Total Other Expenses _____
Net Other Income _____

Net Farm/Business Income _____

SMALL ACREAGE NEXT GENERATION FARMLAND ACQUISITION PROGRAM
DEBT REPAYMENT SCHEDULE

Personal Debt Repayment Schedule
 (including car loans)
 Date: _____

Lender and Loan Number	Original Amount	Date Incurred	Interest Rate	Payments Per Year	Amount of Periodic Payment	Loan Balance
Annual Totals						

Farm or Business Debt Repayment Schedule
 Date: _____

Lender and Loan Number	Original Amount	Date Incurred	Interest Rate	Payments Per Year	Amount of Periodic Payment	Loan Balance
Annual Totals						