



MARBIDCO
growing rural ventures™

MARYLAND AGRICULTURAL AND RESOURCE-BASED
INDUSTRY DEVELOPMENT CORPORATION
1410 Forest Drive, Suite 21 ~ Annapolis, MD 21403
Office: 410-267-6807 ~ Fax: 410-267-6809
www.marbidco.org

Dr. Howard Leathers, *Chair* / **Stephen R. McHenry**, *Executive Director*

For Immediate Release
Contact: Steve McHenry,
410-267-6807
smchenry@marbidco.org

Maryland's Next Generation Farmland Acquisition Program Now Open

Annapolis (September 5, 2018)...The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) announced today that the Next Generation Farmland Acquisition Program (“Next Gen Program”) will reopen for a second round this fall to help qualified young and beginning farmers who seek to purchase farmland, but need some specialized financial assistance to enter (or continue in) the agricultural profession in exchange for helping to preserve the farmland.

The Next Gen Program is a relatively fast-moving farmland conservation easement option purchase program that is designed to help facilitate the transfer of farmland to a new generation of farmers, while also effectively helping to preserve the subject agricultural land from future development. The selection for participation in this program is expected to be competitive.

“We are very appreciative of the support that we have received from the Hogan Administration and the Maryland General Assembly for this innovative dual-purpose program,” said Steve McHenry, MARBIDCO’s Executive Director. The State Government appropriated \$2.5 million for the Next Gen Program in FY 2019, matching a similar amount of funding that was provided in FY 2018. MARBIDCO also appreciates the great support it has received from a number of county land preservation offices as well as local land trusts. During the first year, the Next Gen Program was able to assist six farm purchases, with the secondary objective to help permanently preserve nearly 800 acres of agricultural land on farm properties located in Frederick, Prince George’s, Talbot and Washington Counties.

-MORE-

Through the Next Gen Program, MARBIDCO pays up to 51% of the Fair Market Value (FMV) of the land only (with a cap of \$500,000). The Next Gen Program funds are provided as a down-payment at the real estate settlement and MARBIRDO takes a contractual option on the farmland preservation easement purchase. This is designed to help enable a commercial lender to also make a loan to help with the purchase of the farm.

The Next Gen Farmer will then have a period of several years to sell the permanent easement to a rural land preservation program that is able to hold the permanent conservation easement (thus extinguishing the development rights on the property forever). Once a permanent easement sale has been facilitated, the Next Gen Farmer will repay MARBIDCO the original Next Gen Program option amount, plus a 3% administrative fee, using the money from the permanent easement sale. If the Next Gen Farmer cannot sell the permanent easement within the specified timeframe, the Next Gen option will be exercised (for no additional money) and a permanent easement on the property will be held by a “third-party default easement holder” (either a county agricultural land program or a private land trust designated by MARBIDCO).

While there is no age restriction to participate in the program, persons who are “beginner farmers” will have a greater likelihood of being selected to participate. The Next Gen Program defines a “beginner farmer” as those not owning a farm or ranch (or owning less than 10 acres currently), not operating a farm or ranch as a principal operator for more than 10 years and have at least one year of farming experience. The beginner farmer must also plan to participate actively in the farming operation.

Persons interested in applying to the Next Gen Program are requested **to make contact with their respective county agricultural land preservation staff** (in the county in which the farmland is located) **by no later than Friday, October 19, 2018**, to discuss the suitability of a subject farm being permanently preserved.

The formal Next Gen Program application submission deadline (including all required application forms and related attachments) **is Tuesday, November 20, 2018; by no later than 4:00 p.m.**, at the MARBIDCO offices in Annapolis. Late applications will not be accepted.

Applicants selected for the Next Gen Program will be notified by early-January, with the actual real estate settlements expected to occur once land appraisals been conducted and other transactional closing work has been completed (sometime during the winter and spring of 2019).

Further information about the Next Gen Program may be obtained by contacting Allison Roe, Financial Programs Associate, at (410) 267-6807, or by visiting MARBIDCO's website at: www.marbidco.org.

###

MARBIDCO was established by the Maryland General Assembly more than a decade ago to help enhance the sustainability and profitability of the State's agricultural and resource-based industries in order to help bolster rural economies, support locally-produced food and fiber products, and preserve working farm and forest land. MARBIDCO is a nimble, quasi-public financial intermediary organization which has a mission to serve exclusively the commercial farming, forestry and seafood industries of Maryland. Young and beginning farmers are a special focus for MARBIDCO, as is farm operation diversification. In delivering its financing programs, MARBIDCO works cooperatively with commercial banks and Farm Credit Associations, as well as, a host of federal, State, regional and local government agencies and universities. Since 2007, MARBIDCO has approved 475 financings totaling nearly \$51 million for food and fiber business projects located in of all Maryland's counties – and in the process has leveraged more than \$145 million in commercial lender financing. For more information about MARBIDCO's programs, please visit: www.marbidco.org.