

POTATO
MARKETING
IMPROVEMENT
FUND

2024/2025
ANNUAL REPORT

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ABSTRACT

Potato Marketing Improvement Fund

In 1981, the 110th Maine Legislature authorized the creation of the Potato Marketing Improvement Fund (PMIF) and, after approval by Maine voters in November of that same year, a \$5 million general obligation bond was issued to capitalize the new program.*

PMIF provides direct, fixed-rate loans to growers and packers for the acquisition, construction and retrofitting of modern potato storages, packing facilities, and the acquisition and installation of packing equipment.

Modern ventilated and humidified storage facilities maintain potato quality after harvest. By providing a controlled warehouse environment, growers are able to deliver field-fresh product throughout the year. This is extremely important to both processors and consumers. Modern packing sheds and state-of-the-art equipment are also used to pack potatoes according to specific customer needs and preferences.

Program staff are available for site visits, assistance with project planning, design, and the PMIF loan application process. For further information, please contact the staff listed on the final page of this report.

**Maine voters subsequently approved \$1 million of general obligation bond proceeds in 2002 and \$500,000 in 2003 to recapitalize the PMIF program.*

EXECUTIVE DIRECTOR'S REPORT



To the Honorable Janet T. Mills, Governor; Amanda E. Beal, Commissioner, Department of Agriculture, Conservation and Forestry; and members of the Agriculture, Conservation and Forestry Committee:

From the time of initial authorization in 1981 through the 2025 fiscal year, the Maine Department of Agriculture, Conservation and Forestry (MDACF) and the Maine Potato Board (MPB) have administered the Potato Marketing Improvement Fund (PMIF), provided PMIF staff, and coordinated loan activities with the Finance Authority of Maine.

In 2013, the Legislature transferred administration responsibility and staff to the Maine Potato Board. The MPB has continued to operate the PMIF program for the benefit and improvement of the Maine potato industry. The Commissioner of the Maine Department of Agriculture, Conservation and Forestry provides final approval of all loan proposals and potato industry infrastructure improvement grants.

Since its inception in 1983, the PMIF has invested over \$32.8 million in 371 potato storage or packing and handling projects. This investment, combined with \$28.7 million in commercial lender financing and \$14 million in owner equity, has resulted in over \$75.5 million in investments in Maine potato industry storage and packing facilities and packing and handling equipment. The success of PMIF is a direct result of the strength of its partnerships with participating lenders, borrowers, and the agricultural community.

In 2019, much needed loan programs were added to PMIF to allow the potato industry to grow and move forward. The Support Facilities Loan helps finance buildings and other structures which augment the production of potatoes and related rotation crops; the Value-Added Loan Program is designed to help finance the acquisition, construction or improvement of facilities and equipment to add value to farm production directly related to potato production.

There is increased demand for storage/renovation loans, the PMIF Program Manager has assisted with six projects this past fiscal year and is currently working with growers on nine potential new projects, to include one new storage facility, two support facilities and six storage renovations.

The infrastructure investments financed by PMIF have helped position the Maine potato industry to compete with other U.S., Canadian, and international potato producing areas. Technical standards adopted for PMIF financed storage facilities help assure long-term storage quality of Maine potatoes to meet customer demands. Maine-produced seed potatoes are among the best in North America, and Maine-grown processing potatoes supply local, national, and multi-national processors with high-quality raw product.

The MPB and MDACF continue to foster and support the on-going improvement of all sectors of the Maine potato industry infrastructure, including growers, processors, and related entities.

Respectfully submitted,
Jeannie Tapley
Jeannie Tapley
Executive Director

PROGRAM OVERVIEW

The Potato Marketing Improvement Fund provides direct loans to growers and packers to help finance the acquisition, construction and retrofitting of modern storages, packing facilities and acquisition and installation of state-of-the-art packing equipment. The program participates with private lenders to provide customized, cost-effective financing packages for these capital projects.

Since the program's inception in 1983, PMIF has invested a total of \$32,823,724 in support of Maine's potato industry. This investment continues to help finance projects and assist farmers in storage, as well as overall capacity.

PORTFOLIO SUMMARY

	1983-2024	Fiscal Year 2025	Total Program Activity
Number of Projects	365	6	371
PMIF Financing	\$30,599,982	\$2,223,752	\$32,823,734
Participating Lender Financing	\$26,485,700	\$2,233,695	\$28,719,395
Equity	\$13,440,786	\$580,585	\$14,021,371
Total Investments	\$70,526,469	\$5,038,032	\$75,564,501
Storage Capacity (cwt)	13,175,810	245,500	13,421,310

The Potato Marketing Improvement Fund can be disbursed through any one of six mechanisms defined in its enabling legislation. These are as follows: (1) New Facilities Loan Fund, (2) Storage Retrofit Loan Program, (3) Support Facility Loan Program, (4) Value-Added Loan Program, (5) Purchase/Acquisition Fund, and (6) Grant Programs. All potatoes stored or packed in facilities financed by the Potato Marketing Improvement Fund must be produced in Maine.

NEW FACILITIES LOAN FUND

The New Facilities Loan Fund is designed to help finance acquisition/improvement projects, or new construction of storages and/or centralized packing facilities and acquisition of packing, sizing, washing or drying equipment. Projects above \$150,000 total cost qualify for the New Facilities Loan Fund.

Eligible Applicant:

Any individual or organization in the business of growing, processing or marketing of potatoes.

Eligible Use of Loan Proceeds:

Proceeds may be used for land and building acquisition and improvements, major repairs and upgrades of existing facilities; new construction or expansion; and purchase and installation of machinery and equipment.

Rates, Terms, Amounts, and Fees: Please refer to Chart on Page 8.

STORAGE RETROFIT LOAN PROGRAM

The Storage Retrofit Loan Program is designed primarily to upgrade existing storages with insulation, other energy efficiency improvements, and ventilation and other climate-control equipment in order to improve the quality of the stored potatoes and extend the shipping season.

Eligible Applicant:

Any individual or organization in the business of growing, processing or marketing of potatoes.

Eligible Use of Loan Proceeds:

Proceeds may be used for improvements to existing storages, provided the majority of the project cost is for expenditures to improve the energy efficiency and/or climate-control characteristics of the storage. This includes real estate improvements and acquisition and installation of machinery and equipment.

Proceeds may be used for major repairs and upgrades of existing facilities, including structural repairs and improvements. Any facility using these funds for major repairs and upgrades shall be assessed for its structural integrity and overall physical condition prior to commencement of the proposed repair or upgrade, and will be determined to be suitable or appropriate for the proposed repair or upgrade.

Rates, Terms, Amounts, and Fees: Please refer to Chart on Page 8.

SUPPORT FACILITIES LOAN PROGRAM

The Support Facilities Loan Fund is designed to help finance the new construction or improvement of buildings and other structures which augment the production and/or storage of potatoes and/or potato rotation crops; or to help finance new facility construction or facility improvements required to meet food safety standards in potato storages and packing facilities.

Eligible Applicant:

Any individual or organization in the business of growing, processing or marketing of potatoes.

Eligible Use of Loan Proceeds:

Proceeds may be used for land and building acquisition and improvements, major repairs and upgrades of existing facilities, and new construction, conversion or expansion.

Rates, Terms, Amounts, and Fees: Please refer to Chart on Page 8.

VALUE-ADDED LOAN PROGRAM

The Value-Added Loan Program is designed to help finance the acquisition, construction, or improvement of facilities and equipment to add value to farm production with a direct benefit to potato production.

Eligible Applicant:

Any individual or organization in the business of growing processing or marketing of potatoes.

Eligible Use of Loan Proceeds:

Proceeds may be used for land and building acquisition and improvements, major repairs and upgrades of existing facilities; new construction or expansion; and purchase and installation of machinery and equipment.

Rates, Terms, Amounts, and Fees: Please refer to Chart on Page 8.

PURCHASE/ACQUISITION FUND

The Purchase/Acquisition Fund is designed to help finance the purchase and acquisition together with any necessary upgrading of existing modern storage facilities. Modern potato storages that have previously been financed through a PMIF loan may be financed either by providing purchase money financing or by permitting the assumption of an existing PMIF mortgage and promissory obligation. Modern storage facilities not previously financed through a PMIF loan may be financed by providing purchase money financing.

The availability of loans from this fund is subject to the conditions set forth in *01-001 Department of Agriculture, Conservation and Forestry, Chapter 31: Rules for Operation of Potato Marketing Improvement Fund*.

Eligible Use of Loan Proceeds:

Proceeds may be used for, and permission for the assumption of existing financing may be given for, the acquisition of existing modern storage facilities previously financed through a PMIF loan.

GRANT PROGRAMS

Provisions under the governing statute and program rule for the operation of the Potato Marketing Improvement Fund allow the Commissioner to make grants from interest earned on the cash balance of the Fund for research on potato storage and handling technologies and for projects for potato industry infrastructure improvements.

The Commissioner may also make grants from money received by the fund from sources other than State bonds and interest earned on the loan program cash balance or loans, for the purpose of water source development and irrigation.

There was have been no grants issued by the Commissioner during fiscal year 2024/2025.

LOAN PROGRAMS

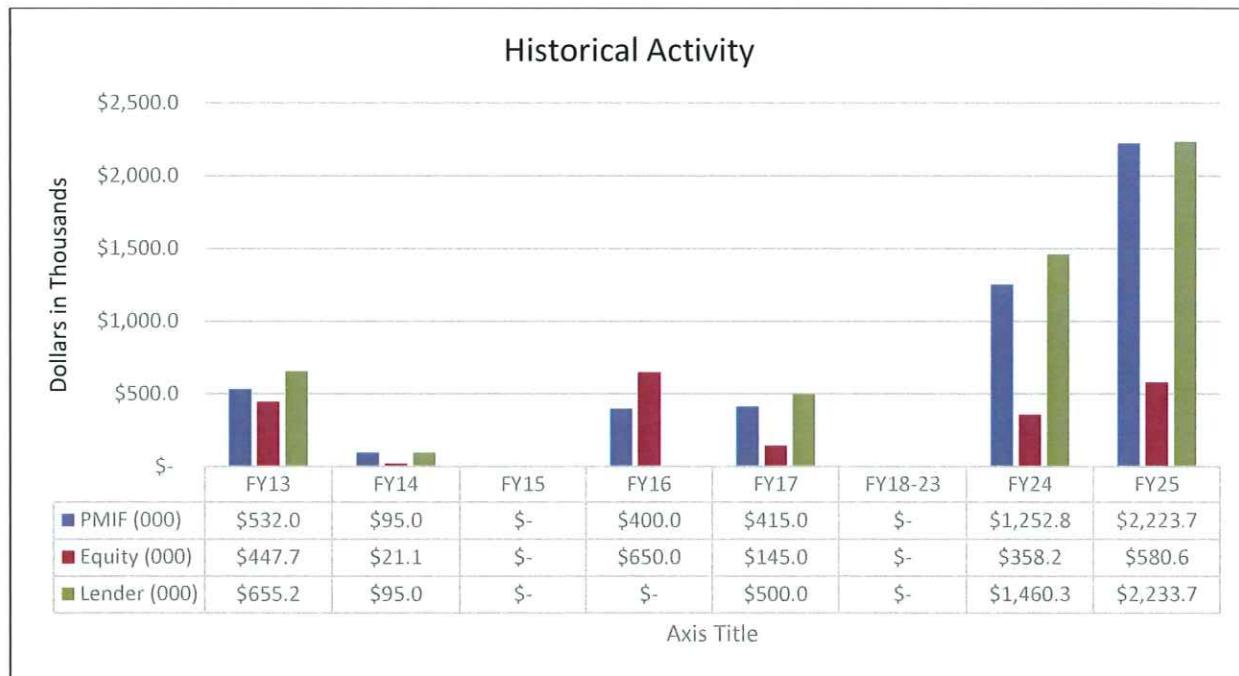
	New Facilities Loan Fund	Storage Retrofit Fund	Support Facilities Loan Program	Value-Added Loan Program
Lending Values	45% of total project costs for projects up to \$1,500,000* Minimum project cost of over \$150,000*	55% of total project costs for projects up to \$150,000	45% of total project costs for projects up to \$300,000	45% of total project costs for projects up to \$300,000; 50% if purchase or remodel of existing buildings
Interest Rate	Federal Prime Rate, but not greater than 5%	Federal Prime Rate, but not greater than 5%	Federal Prime Rate, but not greater than 5%	Federal Prime Rate, but not greater than 5%
Term	Up to 25 years	Up to 10 years	Up to 10 years	Up to 10 years
Fees	1% Loan Origination Fee All legal and out-of-pocket expenses of the Department related to borrower's project.	N/A	1% Loan Origination Fee All legal and out-of-pocket expenses of the Department related to borrower's project.	1% Loan Origination Fee All legal and out-of-pocket expenses of the Department related to borrower's project.
Borrower Commitment	10%**	N/A	5%***	5%***

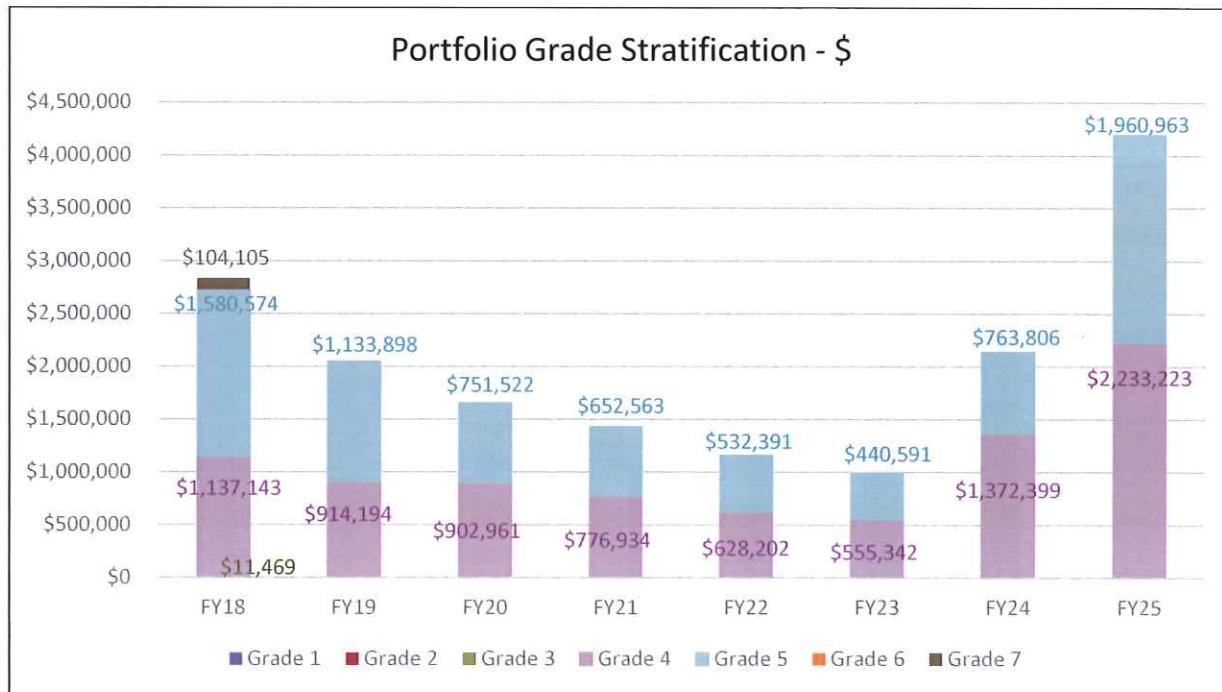
*For projects over \$1,500,000, 45% of first \$1,500,000 of total project costs plus 25% of costs over \$1,500,000

**Borrower must inject at least 10% in private funds into the project except in the case of cooperative projects by two or more farmers; such demonstrated commitment of private funds shall total at least 5% of the total project.

***Borrower must demonstrate a commitment of private funds of at least 5% of the total project cost.

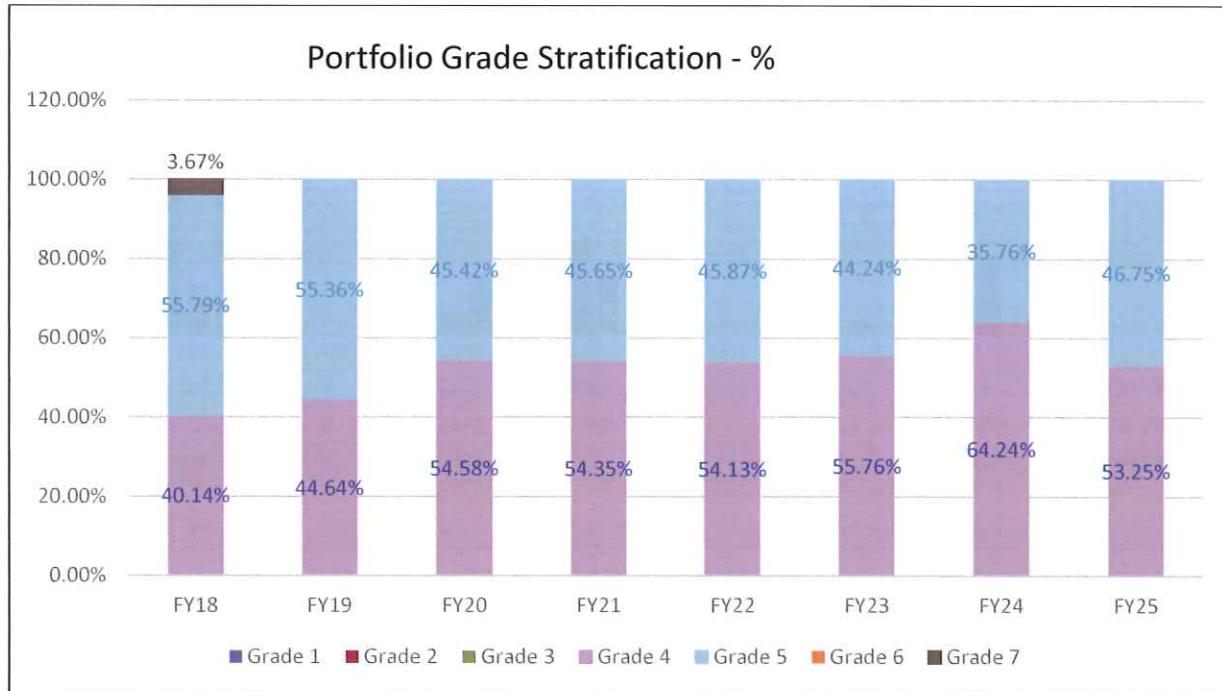
Historical Portfolio Summary

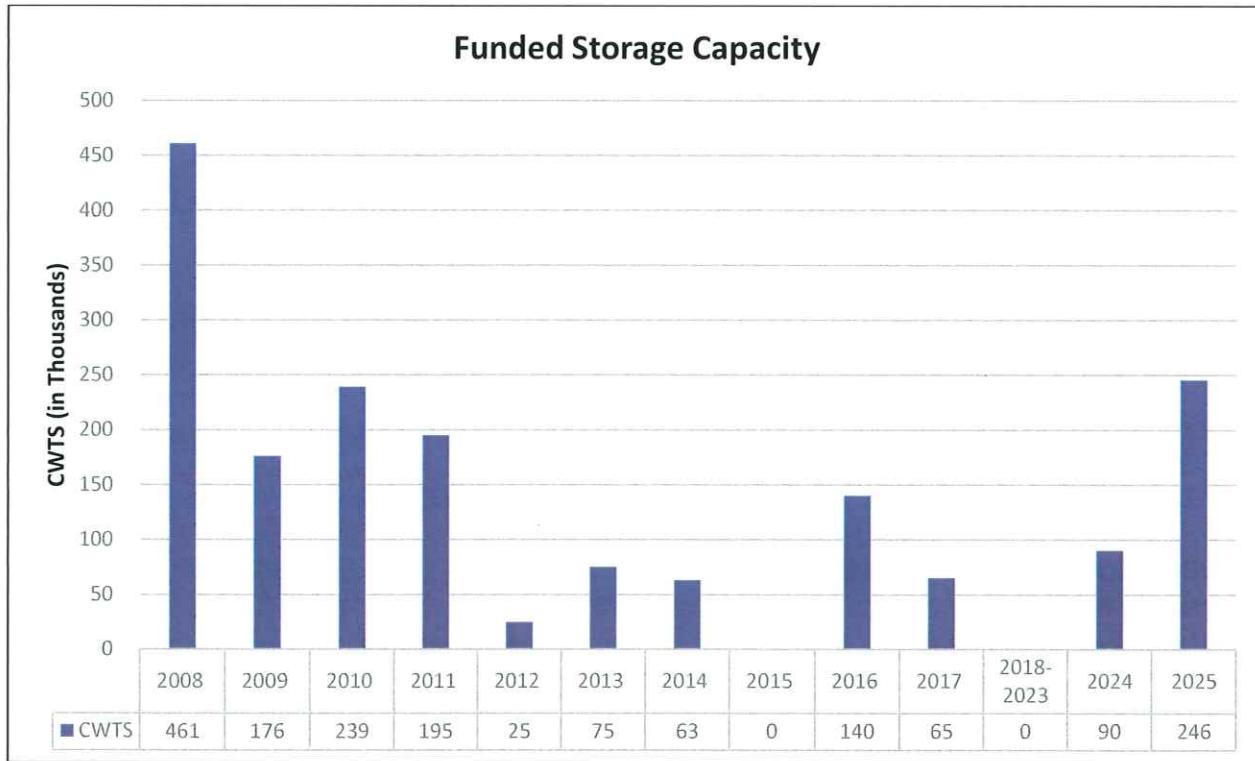
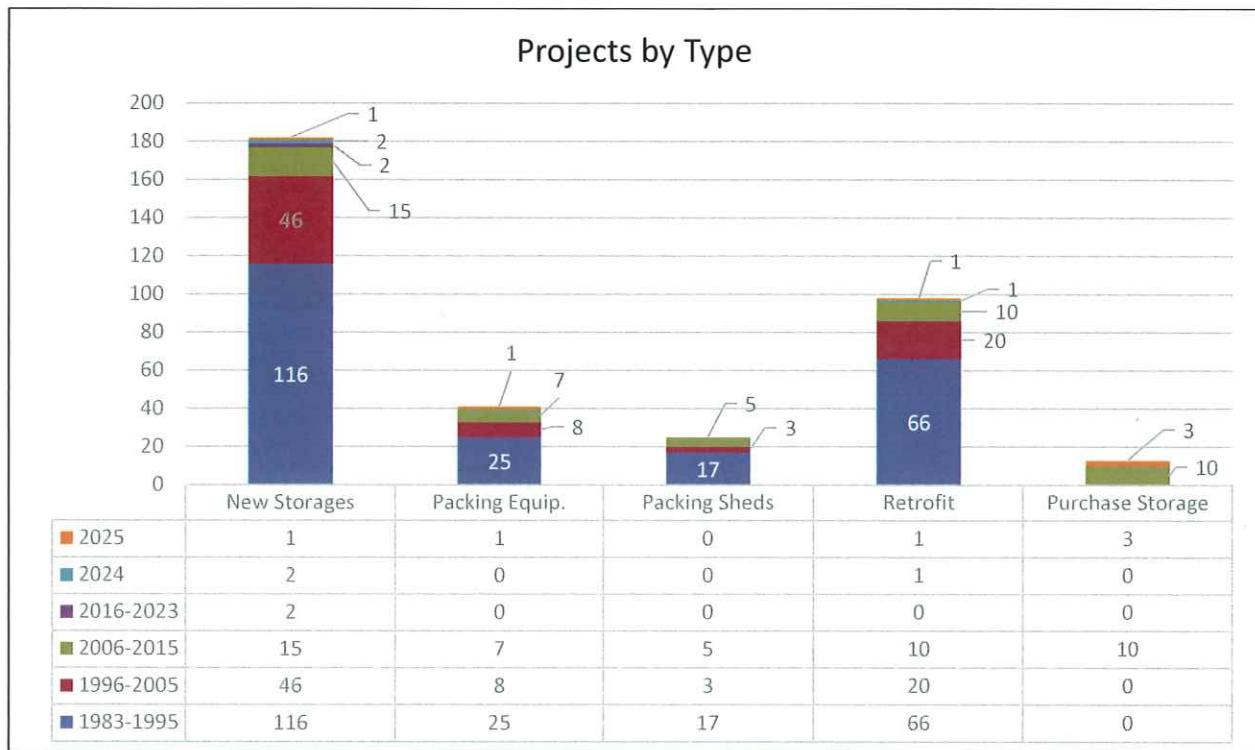




GRADE GUIDE:

1 – Superior	2 – Excellent	3 – Good	4 – Acceptable
5 – Sub-Standard	6 – Doubtful	7 – Liquidation	





FINANCIAL STATEMENTS

Balance Sheet

	FY24	FY25
	June 30, 2024	June 30, 2025
Assets		
Investments	\$ 14,503,184.90	\$ 13,907,767.20
Notes Receivable	\$ 2,136,205.52	\$ 4,113,012.92
Reserves for Losses	\$ -	\$ -
Accrued Interest	\$ 24,897.32	\$ 51,747.98
Total Assets	\$ 16,664,287.74	\$ 18,072,528.10
Liabilities		
Accounts Payable	\$ 40,460.60	\$ 19,737.27
Donated Surplus (Original Bond Issue)	\$ 6,500,000.00	\$ 6,500,000.00
Unappropriated Surplus (Retained Earnings)	\$ 10,123,827.14	\$ 11,552,790.83
Total Liabilities	\$ 16,664,287.74	\$ 18,072,528.10
Income Statement	June 30, 2024	June 30, 2025
Revenue		
Investment Income	\$ 490,273.65	\$ 385,986.01
MV Adjustment	\$ 1,185,192.99	\$ 1,157,380.84
Note Interest Income	\$ 44,612.34	\$ 152,169.40
Fees	\$ 12,527.55	\$ 22,237.52
Other Income	\$ 141.68	\$.00
Total Revenue	\$ 1,732,748.21	\$ 1,717,773.77
Expenses		
Salaries & Benefits (ME Potato Board)	\$ 216,742.80	\$ 221,472.00
Administrative Contracts (FAME)	\$ 63,400.00	\$ 47,300.00
Office Supplies	\$ 2,145.13	\$ 143.39
Utilities	\$ 505.20	\$ 505.20
Travel - staff	\$ 12,079.58	\$ 14,463.75
Telephone	\$ 1,829.86	\$ 1,876.01
Legal Expense - Projects	\$ 47.75	\$ (142.30)
Miscellaneous Expense	\$ 5,572.65	\$ 3,192.03
Grant Expense	\$ -	\$ -
Total Expenses	\$ 302,322.97	\$ 288,810.08
Provisions for losses on notes receivable	\$ -	\$ -
Notes Written Off	\$ -	\$ -
Net Income (Deficiency)	\$ 1,430,425.24	\$ 1,428,963.69

COMMITTEES

2024/2025 Potato Marketing Improvement Committee: Overall Program Evaluation

Garrett Hemphill
Presque Isle

Josh Qualey
Sherman

Matt Griffeth
Caribou

Jacob LaBrie
St. Agatha

Jason Woppard
Mars Hill

Dan Blackstone
Caribou

Justin Wilcox
Easton

Shawn Lovley
Fort Kent

Keith Thibeau
Fort Fairfield

Tyler Bradley
Chapman

Neil Grass
Mars Hill

2024/2025 Credit Review Committee: Reviews Financial Feasibility

Al Butler
Camden National Bank, Gardiner

Ghent Holdsworth
Farm Credit East, Presque Isle

Ryan Ellsworth
The County Federal Credit Union, Presque Isle

Chris Fitzpatrick
Machias Savings Bank, Houlton

Brian Flewelling
KeyBank National Association, Presque Isle

Jeff Pangburn
TD Bank, Bangor

2024/2025 Project Review Committee: Reviews Technical Feasibility

Scott Ayotte
Ayotte Farms, Van Buren

James Park
Farm Credit East, Presque Isle

Brent Buck
United Ag, Presque Isle

Erica Fitzpatrick Peabody
Fitzpatrick-Peabody Farms, Houlton

Gregg Garrison
Double G Farms, Mars Hill

Nick McCrum
County Super Spuds, Inc., Mars Hill

STAFF

Department of Agriculture, Conservation and Forestry

Amanda E. Beal
Commissioner

Nancy McBrady
Bureau Director

Maine Potato Board

Jeannie M. Tapley
Executive Director

George F. McLaughlin
Program Manager/Agricultural Engineer

ADMINISTRATIVE CONTRACTOR

Finance Authority of Maine

Carlos Mello
Chief Executive Officer

Emily Babineau
Business Programs Manager

Jennifer Cummings
Director of Business Programs

Michelle MacKenzie
Business Programs Specialist

Jay Beck, Program Manager
Commercial Loan Officer

Kathy Clary
Commercial Loan Assistant

Kim Getchell
Senior Commercial Loan Officer

Danielle Otis
Commercial Loan Assistant

Matthew Lindquist
Commercial Loan Officer

Allie Moen
Commercial Loan Assistant

Ellen Curtiss
Credit Analyst

Karen Kunesh
Workout Officer

Jeff Murch
Credit Analyst

Abel Auclair
Collections Coordinator / Default
Prevention Specialist