FARRMS Loan Program Guidelines

1. The FARRMS Loan Program is funded by the ND Rural Rehabilitation Corporation. Per their request, their name is NEVER to be mentioned as the funder of this program. When asked the source of the funds, use the phrase “We have a private funder who sponsors this program.”

2. Who can apply?
   a. Producers with a project that will help achieve greater sustainability* on their new or existing farm, ranch, or food and agriculture enterprise
   b. Producers that are certified organic or are actively transitioning into organic production
   c. Growers who are dedicated to sustainable* gardens/plots

*We define sustainability according to the definition provided by SARE (www.sare.org). “…profit over the long term; stewardship of our nation’s land, air, and water; quality of life for farmers, ranchers, and their communities.”

3. The program categories are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Request Amt.</th>
<th>Award Type</th>
<th>Application Deadline</th>
<th>Age Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to $1000</td>
<td>Straight grant</td>
<td>Ongoing</td>
<td>N/A</td>
</tr>
<tr>
<td>2</td>
<td>$1001 to $3000</td>
<td>$500 as grant with additional funds as low interest loan</td>
<td>Ongoing</td>
<td>18 years or older</td>
</tr>
<tr>
<td>3</td>
<td>$3001 to $10,000</td>
<td>$500 or 10% of the loan (whichever is higher) requested in grant with additional funds as low-interest loan</td>
<td>Ongoing</td>
<td>18 years or older</td>
</tr>
<tr>
<td>4</td>
<td>Up to $3000</td>
<td>One time line of credit payable in 12 months</td>
<td>Ongoing</td>
<td>18 years or older</td>
</tr>
</tbody>
</table>

4. The application includes the following:
   a. Biographical data – name, address, phone, email, etc.
   b. Vision Statement – shares the vision for the farm including history, current operation, plans, dreams, practices, etc. (If transitioning to organic production, include a transition plan)
   c. Project Plan
      i. Clearly describe the problem or need that inspired this project
      ii. Describe how this project is economically, environmentally and socially sustainable and how these factors will be measured or considered
      iii. Include a timeline for the project
   d. IRS Schedule F for the past two years or a current balance sheet and a profit and loss (either prior year or projected for upcoming year)
e. Spending plan and budget – detailed description of how the money is to be used; may attach price quotes, pictures, etc. Also, include items or services that will be provided or matched by the recipient.

5. A previous loan recipient may apply for up to two additional loans.

6. The FARRMS Loan Program committee is made up of at least three members and at least one of those members must be a current FARRMS board member. The FARRMS treasurer serves as the chair of the committee.

7. The function of the FARRMS Loan Program committee is to:
   a. Review the applications for financial soundness, risk, production techniques, projections, marketing avenues, as well as economic, environmental and social sustainability.
   b. Interview the loan applicant face-to-face. Teleconference is also an option if a face to face meeting cannot be scheduled.
   c. Provide suggestions for improvement, alternatives or advice.
   d. Sign and return loan paperwork authorizing the loan.

8. Category 1 requests are reviewed and determined by staff. Categories 2-5 are reviewed and determined by the FARRMS Loan Program committee.

9. A FARRMS board or staff member may apply for a grant or grant/loan. The request follows the direction in #8 and is then sent to the full FARRMS board for their approval.

10. The interest rate on any loan is 5%. Interest begins to accrue on the first day of the fourth year. Payment #4 will be the first to include both principal and interest. Therefore, if the loan is paid in full within the first three (3) years, there is no interest on the loan.

11. The life of the loan is 10 years.

12. Payments are made on an annual basis.

13. Collateral is required on the loan amount and documentation submitted. {For official purposes only - It is the spirit of this program that we would never collect collateral.} Therefore, every effort will be made to work with the recipient to meet their needs. This could entail extending their payment schedule, changing the payment date, etc.

14. Recipients are required to provide an annual report to the FARRMS office on the loan and their farm activities for the life of the loan. This report will be due 60 days prior to the anniversary date of their loan.
   a. Grant recipients provide a one-time project summary, including pictures and narrative. This summary will be provided within 12 months of the grant award.

15. Receipts or copies of receipts detailing the expenditure of the grant or grant/loan are required to be submitted to the FARRMS office with annual report for the life of the loan.

16. Recipients of the grant/loan are REQUIRED to:
   a. Participate in the Farm Beginnings program. Tuition is paid by the FARRMS Loan Program.
   b. Work with a Farm Business Management Instructor for at least one (1) year. Tuition is paid by the FARRMS Loan Program.
c. The above requirements may be suspended at the discretion of the FARRMS Loan Program Committee.

17. The loan forms required are attached to this document as Appendices A through F.

18. The deadline for applying is rolling. Currently applicants are asked to submit their request by the 10th day of the month in order for the request to be reviewed in that month. Requests received after the 10th day of the month will be reviewed in the following month. The committee will meet and award funding within 30 days. These dates are subject to change in order to accommodate Loan committee, staff and board time restraints.

19. Applications will be awarded based on the results of a scoring system and discussion amongst the committee members.

APPENDICES:

A. Sample Installment note
B. Sample Loan Amortization Table
C. Collateral Information template
D. Sample Promissory Note
E. Sample Loan Application Form
F. Sample Loan Application Evaluation Form
G. Sample Annual Report From
Appendix A: Sample Installment Note

Installment Note

Borrower: 
Home Phone No: 
Address: 

dba: 

Loan No: 1 Loan Amount: Loan Amount $9,000.00  
Grant Amount $1,000.00

Payment Dates: 05/01/18 through 05/01/27

Term of Loan: Yearly Payments 2018 through 2020: $335.00 
Yearly Payments 2021 through 2027: $1381.69 (includes interest)

Payment due at FARRMS, PO Box 22, Tuttle ND 58488

For value received, the undersigned borrower, promises to pay to the Foundation for Agricultural and Rural Resource Management and Sustainability the above loan amount on the outstanding balance consistent with all the below terms.

1. Principal and interest: The borrower agrees to pay the principal. A tentative amortization table, showing how the payments break down between interest and principal will be sent to the borrower when the loan check is disbursed.

2. Loan use: FARRMS requires receipts of the purchased chattel from the proceeds of Transition Loan.

3. Method of payment:
   
   (a) Payments of Transition Loans will be to the FARRMS, PO Box 22, Tuttle ND 58488. All loans will be due on the first day of each month as stated on the attached schedule of payments.
   (b) Meeting attendance for Borrowers: Borrowers are required to engage in the ND Farm Business Management Program, Farm Beginnings Classes, and are encouraged to participate in area/regional events when available.
   (c) A $15 fee will be charged for handling returned/late checks.
   (d) Last payment: The last payment may vary from earlier amounts. FARRMS staff will notify all parties involved of the final payment.

4. Prepayment: At any point, the borrower may prepay the entire loan without penalty. To prepay, the borrower must contact the FARRMS main office for the exact pay off amount.
5. Late Payments: A payment is considered late if unpaid by the 1st day of each month or due date that is agreed upon, if FARRMS considers the loan late, they will notify all involved parties of the overdue payment. If the loan is not brought current by the next due payment, FARRMS and the borrower will discuss and adopt appropriate measures as described in the Transition Loan delinquency rules. The borrower agrees to cooperate with those procedures.

To bring an overdue loan current, the borrower must pay all past due payments and late fees. The borrower should contact the FARRMS office to determine the exact amount.

6. Default; loan loss: Any loan payment that is overdue for 90 days will be declared in default and a default letter will be sent to the borrower from FARRMS staff. A loan is defaulted if the entire principal balance is unpaid ten (10) days after written default notice is sent to the Borrower. Once a default is declared, FARRMS is entitled to collect the collateral provided for the loan.

The borrower understands that formal collection actions will be taken and can include hiring a collection agency, garnishment of wages, the forced sale of the borrower’s assets, and/or other processes to satisfy the outstanding indebtedness. The borrower agrees to pay any reasonable attorney or other fees required as a result of any such collection efforts.

7. Special provisions: The borrower understands that this installment note may be subject to additional terms in Transition Loan Program described in the application materials and correspondence which are not inconsistent with the terms of this note.

8. Governing Laws: This installment note will be governed by the laws of Bottineau County in the State of North Dakota. Any discrepancy between this note and those laws will be reconciled in a manner that best preserves the intent of all FARRMS policies. This note has been pledged to the Foundation for Agricultural and Rural Resources Management and Sustainability. Further assignment cannot be made without the prior written consent of the FARRMS and involved parties.

I have read the above note and agree to all terms.

Signed: __________________________________________  Date: ________________
(Borrower)

Signed: __________________________________________  Date: __________ __________
(Borrower)
## Appendix B: Sample Loan Amortization Table

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Year</th>
<th>Total Payment</th>
<th>Interest</th>
<th>Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 9,000.00</td>
<td>1</td>
<td>$ 335.00</td>
<td>$ 335.00</td>
<td>$ 335.00</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>$ 335.00</td>
<td>$ 335.00</td>
<td>$ 335.00</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>$ 335.00</td>
<td>$ 335.00</td>
<td>$ 335.00</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>$ 1,381.69</td>
<td>$ 399.75</td>
<td>$ 981.94</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>$ 1,381.69</td>
<td>$ 350.65</td>
<td>$ 1,031.04</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>$ 1,381.69</td>
<td>$ 299.10</td>
<td>$ 1,082.59</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>$ 1,381.69</td>
<td>$ 244.97</td>
<td>$ 1,136.72</td>
</tr>
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<td></td>
<td>8</td>
<td>$ 1,381.69</td>
<td>$ 188.14</td>
<td>$ 1,193.55</td>
</tr>
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<td></td>
<td>9</td>
<td>$ 1,381.69</td>
<td>$ 128.46</td>
<td>$ 1,253.23</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>$ 1,381.73</td>
<td>$ 65.80</td>
<td>$ 1,315.93</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 10,676.87</td>
<td>$ 1,676.87</td>
<td>$ 9,000.00</td>
</tr>
</tbody>
</table>

Compund Period : Annual  
Nominal Annual Rate : 0.00 %

### CASH FLOW DATA

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Amount</th>
<th>Number</th>
<th>Period</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>03/01/2018</td>
<td>9,000.00</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>03/01/2019</td>
<td>335.00</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>03/01/2020</td>
<td>335.00</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>03/01/2021</td>
<td>335.00</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>03/01/2021</td>
<td>Rate: 5.00 %</td>
<td>Compounding Annual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>03/01/2022</td>
<td>1,381.69</td>
<td>7 Annual</td>
<td>03/01/2028</td>
<td></td>
</tr>
</tbody>
</table>

### AMORTIZATION SCHEDULE - Normal Amortization

<table>
<thead>
<tr>
<th>Date</th>
<th>Payment</th>
<th>Interest</th>
<th>Principal</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/01/2018</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>9,000.00</td>
</tr>
<tr>
<td>2018 Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/2019</td>
<td>335.00</td>
<td>0.00</td>
<td>335.00</td>
<td>8,665.00</td>
</tr>
<tr>
<td>2019 Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/2020</td>
<td>335.00</td>
<td>0.00</td>
<td>335.00</td>
<td>8,330.00</td>
</tr>
<tr>
<td>2020 Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/2021</td>
<td>335.00</td>
<td>0.00</td>
<td>335.00</td>
<td>7,995.00</td>
</tr>
<tr>
<td>2021 Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/2022</td>
<td>1,381.69</td>
<td>399.75</td>
<td>981.94</td>
<td>7,013.06</td>
</tr>
<tr>
<td>2022 Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/2023</td>
<td>1,381.69</td>
<td>350.65</td>
<td>1,031.04</td>
<td>5,982.02</td>
</tr>
<tr>
<td>2023 Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/2024</td>
<td>1,381.69</td>
<td>299.10</td>
<td>1,082.59</td>
<td>4,899.43</td>
</tr>
<tr>
<td>2024 Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/2025</td>
<td>1,381.69</td>
<td>244.97</td>
<td>1,136.72</td>
<td>3,762.71</td>
</tr>
<tr>
<td>2025 Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/2026</td>
<td>1,381.69</td>
<td>188.14</td>
<td>1,193.55</td>
<td>2,569.16</td>
</tr>
<tr>
<td>2026 Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/01/2027</td>
<td>1,381.69</td>
<td>128.46</td>
<td>1,253.23</td>
<td>1,315.93</td>
</tr>
<tr>
<td>2027 Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix C: Collateral Information Template

Collateral Information

The applicant understands that, when listing assets below, they are documenting them as assets to be used as security for their proposed FARRMS Loan program and are certifying that the collateral is real and of the value established. Furthermore, the applicant will make available to FARRMS all identifying characteristic, lien information and will allow for physical inspection of listed assets. The applicant also understands that upon perfection of the security interest in the collateral, all products and proceeds from the secured assets will be attachable.

Please list below all requested information relating to the collateral offered as security for this proposed FARRMS Loan Program. Please use fair market value when determining the worth of listed assets.

<table>
<thead>
<tr>
<th>ASSET</th>
<th>DESCRIPTION (SERIAL#, MODEL#, VIN, ETC)</th>
<th>VALUE OF THE ASSET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The undersigned certifies that the assets listed above (and on attached sheets, if necessary) are real and of the values listed. The undersigned also agrees that all identifying characteristics and lien information concerning these assets is forthcoming and accurate. Furthermore, the undersigned agrees to allow FARRMS to perform a physical inspection of any of the assets proposed as collateral for security of this loan. If, after the loan is approved, there exists a misrepresentation of the above information, FARRMS reserves the right to foreclosure, retrieval of secured assets and the ability to engage collection proceedings for any unpaid balance of the loan.

__________________________________________________________________________  
Signature                                                      Date

__________________________________________________________________________  
FARRMS (name & position)                                       Date
PROMISSORY NOTE

For the purposes of this promissory note the lender is FARRMS, PO BOX 22, TUTTLE ND, 58488

The Borrow _____________________________ of _________________will adhere to all the terms and conditions set forth in this document

$___________ (AMOUNT) ______________________________________ (DATE)

FOR VALUE RECEIVED, the borrower, ______________________, hereby promises to pay to the order of __________________ (“Payee”), the principal sum of $ _______ pursuant to the terms and conditions set forth herein.

PAYMENT OF PRINCIPAL. The principal amount of this Promissory Note (the "Note") and any accrued but unpaid interest shall be due and payable in ______ payments beginning (DATE OF FIRST PAYMENT). All payments under this Note shall be applied first to accrued but unpaid interest, and next to outstanding principal. If not sooner paid, the entire remaining indebtedness (including accrued interest) shall be due and payable on ____________ (DATE OF FINAL PAYMENT).

INTEREST. This Note shall bear interest, beginning in the fourth year, compounded annually, at _____ % (ANNUAL INTEREST RATE) percent.

PREPAYMENT. The Borrower shall have the right at any time and from time to time to prepay this Note in whole or in part without premium or penalty.

REMEDIES. No delay or omission on part of the holder of this Note in exercising any right hereunder shall operate as a waiver of any such right or of any other right of such holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. The rights and remedies of the Borrower shall be cumulative and may be pursued singly, successively, or together, in the sole discretion of the Payee.

EVENTS OF ACCELERATION. The occurrence of any of the following shall constitute an "Event of Acceleration" by borrower under this Note:
   (a) Borrower’s failure to pay any part of the principal or interest as and when due under this Note; or
   (b) Borrower’s becoming insolvent or not paying its debts as they become due.

ACCELERATION. Upon the occurrence of an Event of Acceleration under this Note, and in addition to any other rights and remedies the lender may have, Lender shall have the right, at its sole and exclusive option, to declare this Note immediately due and payable.

SUBORDINATION. The Borrower's obligations under this Promissory Note are subordinated to all indebtedness, if any, of borrower, to any unrelated third party lender to the extent such indebtedness is outstanding on the date of this Note and such subordination is required under the loan documents providing for such indebtedness.
WAIVERS BY BORROWER. All parties to this Note including BORROWER and any sureties, endorsers, and guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest and all other sums due under this Note notwithstanding any change or changes by way of release, surrender, exchange, modification or substitution of any security for this Note or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

EXPENSES. In the event any payment under this Note is not paid when due, the BORROWER agrees to pay, in addition to the principal and interest hereunder, reasonable attorneys' fees not exceeding a sum equal to 15% of the then outstanding balance (principal and accrued interest) owing on the Note, plus all other reasonable expenses incurred by lender in exercising any of its rights and remedies upon default.

GOVERNING LAW. This Note shall be governed by, and construed in accordance with, the laws of the State of North Dakota.

SUCCESSORS. All of the foregoing is the promise of borrower and shall bind borrower and borrower's successors, heirs and assigns; provided, however, that Maker may not assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the holder of this Note.

IN WITNESS WHEREOF, borrower has executed this Promissory Note as of the day and year first above written.

____________________________________ (BORROWER SIGNATURE)

____________________________________ (BORROWER NAME)

____________________________________ (FARRMS Presiding Board President SIGNATURE)

____________________________________ (FARRMS Presiding Board President NAME)

To the Co-signer/s. (If Required)
You have received, read, understand, and agree to be bound by all of the terms and conditions of this Promissory Note should the borrower default on the above Promissory Note.

____________________________________  __________________________
Signature of Co-Signer                     Date

____________________________________
Co-Signer Name
FARRMS Loan Program Application

FARRMS offers loans and grants up to $10,000. A portion of the loan is awarded as a grant, which means that portion will not have to be repaid. For example, if a $10,000 loan is made, $1,000 is awarded as a grant and $9,000 is repaid in annual loan payments. Loans are free of interest for the first three years. After that they accrue interest at a rate of 5%. Loan payments are made annually for up to ten years. The following table lists the categories under which we make loans and grants.

<table>
<thead>
<tr>
<th>Category</th>
<th>Request Amount</th>
<th>Award Type</th>
<th>Age Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to $1,000</td>
<td>Straight grant</td>
<td>N/A</td>
</tr>
<tr>
<td>2</td>
<td>$1,001 to $3,000</td>
<td>$500 grant with additional funds as low-interest loan.</td>
<td>18 +</td>
</tr>
<tr>
<td>3</td>
<td>$3,001 to $10,000</td>
<td>$500 or 10% of the loan (whichever is higher) requested in grant with additional funds as low-interest loan.</td>
<td>18 +</td>
</tr>
<tr>
<td>4</td>
<td>Up to $3,000</td>
<td>One-time line of credit payable in 12 months.</td>
<td>18 +</td>
</tr>
</tbody>
</table>

Timeline:
Our loan and grant program operates on a rolling deadline. We accept applications at any time of the year. The FARRMS loan committee meets monthly to review requests and interview applicants. Applications received by the 10th day of the month will be reviewed in that month. On the 10th day of the month, FARRMS staff will schedule a meeting for the loan committee to review all new applications. At this time FARRMS Staff may schedule phone or in-person interviews between applicants and the loan committee. If approved the check will be mailed by the 3rd day of the following month. Applications received after the 10th day will be reviewed in the following month.

Please complete the following application.
Return this application and supporting documents to:
FARRMS, PO Box 22, Tuttle ND 58488 or email to info@farrms.org.

<table>
<thead>
<tr>
<th>Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
</tr>
<tr>
<td>City/State/Zip:</td>
</tr>
<tr>
<td>Email:</td>
</tr>
<tr>
<td>Phone (Home):</td>
</tr>
<tr>
<td>Phone (Work/Cell):</td>
</tr>
<tr>
<td>What is the best day/time to call and which phone number should we use?</td>
</tr>
</tbody>
</table>

I am requesting $____________ in category __________.

**Vision Statement:**
Tell the story of your farm, ranch, or enterprise. Describe the history and current operation.
What are your plans and dreams? What are your current practices?
If transitioning to organic production include a transition plan.

**Project Plan:**
Clearly describe the problem or need that inspired this project.
Describe how this project is economically, environmentally and socially sustainable and how these factors will be measured or considered.

Include a timeline for the project.

**Spending plan and budget:**
Provide a detailed description of how the money is to be used. You may attach price quotes, pictures, or any other descriptive information. Also, include items or services that will be provided or matched by the recipient.

**Financial Documents**
Provide an IRS Schedule F from the past 2 years or a current balance sheet and profit and loss (either prior year or projected for upcoming year).
*If this is a new business and you do not have the above information, please provide a projected budget for your first year of operation with as much detail as possible.*

**Provide any additional information:**

**Explanation of why you cannot provide any or all of the requested information.**

Applications will be reviewed for approval upon receipt if program funds remain available. If you have questions, please contact our office at 701-867-2921 or email info@farrms.org. Applicants may be required to have an interview with the Loan Committee. A repayment plan will be set up for all loans during the application process.
Appendix F: Sample Loan Application Evaluation Form

FARRMS Grants to Grow Application Evaluation Form

USE WHOLE NUMBERS ONLY. Move the circle to the number rating you choose.

1. Does the application demonstrate economic, environmental and social sustainability?
   a. On a scale of 1 (low) to 5 (high), how would you rate the application?

   1  2  3  4  5  Rating______ (low)
   (high)

   Comments:

2. How well does the application demonstrate existing knowledge of the identified problem(s) or need(s)? Does the request involve a systems approach and will it provide the desired outcome?
   a. On a scale from 1 (low) to 5 (high), how would you rate the application?

   1  2  3  4  5  Rating______
   (low)
   (high)

   Comments:

3. Does the application include a plan to use this grant/loan award as a tool to further expand or develop their farming operation? Is it clear? Viable?
   a. On a scale from 1 (low) to 5 (high), how would you rate the application?

   1  2  3  4  5  Rating______
   (low)
   (high)

   Comments:

4. Is this project appropriate for this farm? Is it a realistic timeline? Is there a plan to evaluate potential environmental, economic, and social impacts?
   a. On a scale of 1 (low) to 5 (high), how would you rate the application?

   1  2  3  4  5  Rating______
   (low)
   (high)

   Comments:
5. Is the budget appropriate for the work proposed?
   a. On a scale from 1 (not appropriate) to 5 (appropriate), how would you rate the proposal?

   ![Radio button options](1 2 3 4 5)

   **Rating**

   *(not appropriate)*

   *(appropriate)*

   **Comments:**

6. Add scores (these should all be whole numbers). Proposals with overall scores of 16 and above may be considered for funding.

   **Overall Score:**

7. What are the proposal’s major strengths and weaknesses?

   **Strengths:**

   **Weaknesses:**

8. What suggestions do you have for improving the proposal? (Please be constructive. Comments will be sent to grant applicants at their request.) Indicate which of these suggestions are conditions for funding.
Appendix G: Sample annual report form

FARRMS Annual Report Form for Loans and Grants

FARRMS offers grants and loans because we want to help your business grow. As a participant of the loan/grant program we require that you submit an annual report along with your loan payment. Please answer the questions below and return this form with your loan payment to FARRMS, PO Box 22, Tuttle ND 58488

In the past twelve months has your business grown, declined, or remained the same? Do you measure this in sales, number of customers, amount of production, another measure?

What lessons have you learned over the past year? In what areas have you been particularly successful?

Please describe any questions that you have or areas in which FARRMS can better assist you.

Have you completed Farm Beginnings?

Have you participated in Farm Business Management?

Grant recipients provide a one-time project summary, including pictures and narrative. This summary is to be provided within 12 months of the grant award.