



**Northern
Maine
Development
Commission**

**Testimony in Support of LD 1586
An Act To Promote Major Food Processing and Manufacturing Facility Expansion and To
Create Jobs in Maine**

**By: Robert P. Clark, Executive Director
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Senator Chipman, Representative Tipping and Members of the Taxation Committee, I am providing testimony in support of LD 1586 on behalf of Northern Maine Development Commission.

Value added food processing is a significant opportunity for Aroostook County and the state as a whole. The Aroostook Washington Comprehensive Economic Development Strategy (CEDS) is an asset-based cluster development strategy focused on the region's unique assets, i.e. agriculture and forestry. The agricultural goals identified in the CEDS are to increase agricultural production by 5,000 acres, increase farmers net income by 10% and increase value added production. LD 1586 will provide the necessary incentives to accomplish the goals established in the CEDS and provide significant economic impact to a region that has lost 36% of its population since 1960 and a reduction in potato production from 110,000 acres in 1980 to 50,000 acres in 2018.

The proposed Washburn potato processing project, based on an assumption of 80 jobs, will provide an additional 94 indirect and induced jobs for an annual economic output of \$35.6 million. The assumption of \$65 million in capital investment will result in 864 construction jobs with another 668 indirect and induced jobs resulting in an economic output of \$137.2 million during construction alone. These figures are from the Northern New England Economic Scenario Model developed by ViTAL Economy.

LD 1586 would address Maine's disadvantages in attracting new investment, high energy and transportation costs and proximity to urban markets. Value added agricultural products will generate new revenue for our region and state from out-of-state markets and help bolster the economy. In addition, value added agricultural processing will address the outmigration our region has been experiencing for decades by providing good paying, skilled jobs that will in turn provide economic sustainability to the agricultural industry as a whole.

We are excited about the benefits LD 1586 will provide to our agricultural industry, the supply chain of businesses and organizations, and the employees who will benefit greatly from this legislation.

