

**Testimony of Donald E. Flannery, Executive Director, Maine Potato Board to the
Committee on Taxation
May 2, 2019**

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

Senator Chipman, Representative Tipping and members of the Taxation Committee, I am Donald Flannery, Executive Director of the Maine Potato Board (MPB) and would like to express the MPB's support for LD 1586: An Act To Promote Major Food Processing and Manufacturing Facility Expansion and To Create Jobs in Maine.

The Maine Potato Board (MPB) represents all of Maine's growers, processors and dealers from Fort Kent to Fryeburg and from Bethel to Belfast. The Maine potato industry has seen many changes over the years from being the largest potato production area in the United States, after World War II, with over 200,000 acres of potato production to today's 50,000 acres of production. There were many reasons for this decline in acreage but today potato acreage in Maine is stable and we see continued investments by growers and processors. The largest sector of our industry is processing which utilizes over 65% of all the potatoes grown in Maine each year. We support LD 1586 because if passed it will help continued growth in the processing sector of our industry and for other agricultural crops in Maine.

Maine has the opportunity to expand markets of agricultural products; consumers are looking for quality products and Maine has a reputation of providing those products whether its potatoes, blueberries, maple syrup, lobster and any of the many other great products we have in Maine. In order for Maine producers to be successful in developing and expanding markets, we need to add value to the products here in Maine, sending the raw product out of state to have someone else add value is not in the long-term best interest of Maine producers.

LD 1586 is an investment in proven Maine companies who have and will continue to support Maine's economy and employ Maine people, many of which are located in the most rural communities of our state where jobs and investment are needed the most. LD 1586 will also create manufacturing and value-added capacity for Maine agricultural products, a key element to growing Maine's agricultural economy. Many, including myself, believe agriculture has great opportunities in Maine but without the ability to add-value to our crops opportunities are limited.

In a past career I worked in economic development, many of our efforts were looking outside of Maine for companies we could get to invest in Maine, while outside investment is always important it requires incentives. These incentives require investments by the state and local community. I see this as the same type of investment by the state but instead of those investments going to someone from away we are investing in Maine companies who have already made a commitment and investment to Maine.

As you heard earlier today Penobscot McCrum is looking at expanding their potato processing facilities; the expansion would be in Washburn, a small town in Aroostook County. This

proposed investment will have a huge impact on the local community with creating jobs, increasing the tax base and for the potato industry, increased acres and market opportunities for Maine's potato growers. If this expansion happens, we estimate that there could be an additional 5,000 acres of potatoes planted in Maine, which is a 10% increase in acreage.

We ask that you support LD 1586 and I will be happy to answer any questions you have; I will be available for the work session and can provide any additional information necessary.