



MAINE FARMLAND TRUST

Testimony of Shelley Megquier, Policy and Research Director, Maine Farmland Trust, before the 131st Legislature's Joint Standing Committee on Taxation April 13, 2023

Good afternoon Senator Grohoski, Representative Perry, and members of the Joint Standing Committee on Taxation. My name is Shelley Megquier, and I am testifying on behalf of Maine Farmland Trust (MFT) in support of LD 1276 – *An Act To Create and Sustain Jobs and Affordable Housing through Development of Cooperatives and Employee-Owned Businesses*.

MFT is a member-powered statewide organization that works to protect farmland, support farmers, and advance the future of farming. Since our founding in 1999, MFT has helped to permanently protect more than 330 farms and keep nearly 60,000 acres of farmland in farming. In 2022 alone, MFT supported 48 farm businesses with workshops, technical assistance, and grants – delivering over 680 hours of technical assistance and \$309,000 in business and seed grants to help businesses grow their profitability. Our main program areas are Farmland Protection, Farmland Access, Stewardship, Farm Business Planning, PFAS Support, Climate Resilience, and Policy and Research.

Protecting farmland in Maine is a principal part of our mission because we believe it is essential for ensuring that we have the land base to grow our agricultural economy, particularly as more farmers reach retirement age and development pressures increase across the state. Protecting land is also a key natural climate solution by avoiding the greater emissions associated with developed land, by ensuring we have the farmland needed to support our local and regional food economy and create food security for our state, and by preserving the climate benefits that can result from farmers using climate-friendly practices on the land.

Maine's farmland is a precious and limited resource. According to the last USDA Census of Agriculture report, between 2012 and 2017 Maine lost 10% of its farmland – that is over 145,000 acres of pastureland, cropland, and woodland.¹ This loss of farmland is troubling because farms provide many critical state and community benefits. Agriculture in Maine contributes over \$3.6 billion in economic impact and supports over 27,000 jobs statewide according to an analysis by Farm Credit East.² Access to farmland, whether to buy or lease, is becoming increasingly difficult for Maine farmers due to dramatic increases in land prices, a growing interest in farmland from non-farming buyers, the rapid pace of solar development on agricultural land across the state, and the PFAS (per- and polyfluoroalkyl substances) contamination of farmland. A 2022 survey conducted by the National Young Farmers Coalition revealed that finding affordable land to buy is the top challenge that young farmers face, and is an even greater challenge for farmers who identify as Black, Indigenous and People of Color (BIPOC). Over half of all respondents to this survey said they need more access to land, whether to buy or lease.³

¹ In 2012, Maine had 1,454,104 acres in farmland, but by 2017 that number had dropped to 1,307,566 acres – a loss of 146,491 acres or 10% of Maine's farmland. United States Department of Agriculture (USDA), National Agricultural Statistics Service (NASS), *U.S. Census of Agriculture for 2017*, Maine, https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_State_Level/Maine/mev1.pdf.

² Farm Credit East, "Northeast Economic Engine: Agriculture, Forest Products and Commercial Fishing," (2020), available at: <https://www.farmcrediteast.com/knowledge-exchange/Reports/2020%20Northeast%20Economic%20Engine>.

³ National Young Farmers Coalition, *Building a Future with Farmers 2022: Results and Recommendations from the National Young Farmers Survey*. Available at: www.youngfarmers.org/22survey/

Increasing farmland access by connecting farmland owners with incoming farmers helps keep the land in production, whether it be through a sale, lease arrangement, or by supporting a farmer's search for land. Many of MFT's programs are focused on creating access to farmland, including Maine FarmLink, our Purchased Easement Program, our Buy/Protect/Sell program, and Farmland Access programming. But, if we focus solely on private property ownership models and commercial agriculture then we may fail to address the diverse needs of many farmers within Maine's agricultural community, especially those who don't currently own land, lack access to capital, or are interested in alternative ownership or production models. MFT firmly believes that many different types of tools are needed to overcome entry barriers and get more farmers on the land. Cooperative ownership is one of those important tools, and by incentivizing such ownership, LD 1276 has the potential to be an important part of increasing access to farmland in Maine.

Cooperative ownership can provide a lot of important benefits to agricultural producers. These benefits include:

- Creating an economy of scale for smaller farms that allows them to access needed services or facilities, lower their costs, increase production to open new markets, generate more income, and increase access to capital;
- Sharing the costs, burden, and risk of growing, marketing and distributing products;
- Combining knowledge, skills, labor, and other supports; and
- Providing a longstanding vehicle to transition land, resources, and businesses among producers.⁴

MFT has witnessed the benefits of cooperative ownership firsthand. New Roots Cooperative Farm is a producer cooperative founded by four graduates of Cultivating Community's New American Sustainable Agriculture Program (NASAP). In January 2016, MFT was able to help New Roots find a 30-acre parcel of the former Gendron Dairy Farm in Lewiston along with Cultivating Community, the Cooperative Development Institute, and Land for Good. The four co-owners of New Roots incorporated as a cooperative to share land, markets, infrastructure, and resources, and this ownership structure has allowed them to successfully expand their operations. The crops grown at New Roots Cooperative Farm go to six farmers' markets or the farm's 250 CSA members, and three local food pantries. For many, New Roots Cooperative provides often their only source of culturally familiar food crops. With help from community members and fundraising partners, New Roots Cooperative purchased their farmland from MFT in 2022.

Given the alarming trends around farmland loss and barriers to accessing land, Maine needs as many tools as possible to ensure the transfer of land from one generation of farmers to the next. Doing so will ensure that farms continue to play an essential role in Maine by feeding our communities and stimulating our economy. LD 1276 provides important tax incentives for establishing cooperatives like New Roots that will increase access to farmland and provide important economic, labor, marketing, and risk-sharing benefits.

For all of these reasons, we hope that you will support LD 1276 to advance cooperative ownership models in Maine.

⁴ Faith Gilbert et al. (2014). *Cooperative Farming: Frameworks for Farming Together*. A Greenhorns Guidebook. Retrieved from http://www.thegreenhorns.net/wp-content/files_mf/1393438767FINAL_greenhorns_guidebook_PK2.pdf.