



# MAINE FARMLAND TRUST

**Testimony of Shelley Megquier, Policy and Research Director, Maine Farmland Trust, before  
the 132<sup>nd</sup> Legislature's Joint Standing Committee on Taxation  
March 12, 2025**

Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation:

My name is Shelley Megquier, Policy & Research Director at Maine Farmland Trust (MFT), and I am providing testimony on behalf of MFT in support of LD 756 – *An Act Creating and Sustaining Jobs Through the Development of Cooperatives and Employee-owned Businesses by Providing Tax Deductions for Certain Qualified Business Activities*.

MFT is a member-powered statewide organization that works to protect farmland, support farmers, and advance the future of farming. Our goals are to keep agricultural lands working and help farmers and their communities thrive. Since our founding in 1999, MFT has helped to permanently protect farmland in every county in Maine, amounting to nearly 57,000 acres across 345 farms. Our Farm Network includes more than 550 farms that have participated in MFT's programming either through an agricultural easement or through one of our programs. 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.

But, farmland in Maine is at risk. The [2022 Census of Agriculture](#) showed that between 2017 and 2022, more than 82,000 acres of farmland in Maine fell out of agricultural production.<sup>1</sup> This loss of farmland is troubling because farms provide many critical state and community benefits. Agriculture production and food manufacturing in Maine contributes over \$7.7 billion in economic impact and supports over 33,000 jobs statewide according to an analysis by Farm Credit East.<sup>2</sup> Access to farmland, whether to buy or lease, is becoming increasingly difficult for Maine farmers due to dramatic increases in land prices and a growing interest in farmland from non-farming buyers. 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.<sup>3</sup>

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<sup>1</sup> USDA NASS, *Census of Agriculture for 2022*, Maine, "Land: 2022 and 2017."

<sup>2</sup> Farm Credit East, *The Northeast Economic Engine: Agriculture, Forest Products, Commercial Fishing, and Food Manufacturing*, (2024), available at: <https://www.farmcrediteast.com/en/resources/Industry-Trends-and-Outlooks/Reports/2024-Northeast-Economic-Engine>

<sup>3</sup> 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/](http://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/Support/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 756 has the potential to be an important part of increasing access to farmland in Maine. 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.

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.<sup>4</sup>

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. With help from community members and fundraising partners, New Roots Cooperative purchased their farmland from MFT in 2022.

LD 756 would establish the Maine Employee Ownership Center to provide information and programs to assist businesses in the transition to employee or cooperative ownership. Farm business owners considering their farm transfer options would likely find such support very helpful. The bill also incentivizes transfers to cooperatives and ESOPs by excluding from Maine income tax the amount of gain, up to a maximum of \$750,000, when the business owner transfers the business to one of the eligible types of joint ownership models. Our only question about this effort is whether this incentive would place sole proprietors or LLCs at a disadvantage when trying to access farmland. MFT would want to ensure that there are no adverse impacts in situations of farm transition/sale to a single owner.

Thank you for the opportunity to contribute to the dialogue on LD 756 and for this effort to create and sustain jobs in Maine's economy.

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<sup>4</sup> Faith Gilbert et al. (2014). *Cooperative Farming: Frameworks for Farming Together*. A Greenhorns Guidebook.