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IN SUPPORT LD 1140 – An Act to Authorize a General Fund Bond Issue to Strengthen the Resilience and Growth of Maine's Agricultural Economy

Dear Senator Rotundo - Chair, Representative Gattine - Chair, and members of the Committee On Appropriations and Financial Affairs,

My name is Christine Cummings and I am the Executive Director of the Maine Grocers & Food Producers Association (MGFPA). The Maine Grocers & Food Producers Association is a business trade association representing Maine's food community; Main Street businesses, including independently owned and operated grocery stores and supermarkets, food and beverage producers and processors, manufacturers, wholesalers, distributors, and supportive service companies.

Maine's rural and agricultural sectors are cornerstones of our state's identity, economy, and future. From dairy farms and forest lands to food producers and processors, these industries support thousands of jobs, nourish our communities, and preserve the working landscapes that make Maine unique.

- Maine's food producers and farmers have a significant economic impact here in Maine; Maine's total direct economic impact across agriculture, manufacturing, wholesaling, and on and off-premise retailing creates more than 203,000 jobs, \$4.55B in wages and \$15B in output.¹
- The Maine Department of Labor's data demonstrates that as 2024 -Q3, the state of Maine had more than 280 food manufacturers. These producers include those milling grains, sugar and confectionery manufacturing, fruit and vegetable preserving, dairy processors, animal slaughtering and processing, seafood preparation and packaging, bakeries and tortillas, sauces, snacks, coffee and tea, and other perishable and nonperishable food manufacturing. In total generating more than 6,018 jobs and generating \$73 million+ in total wages. In addition, in 2024- Q3, Maine was home to 141 beverage (and tobacco) manufacturers who helped create more than \$42 million in total wages and more than 2,700 jobs.²

Unfortunately, these businesses face increasing challenges—from aging infrastructure and global competition to the accelerating impacts of climate change and need financial investments.

In 2022, the Mills Administration invested approximately \$20 million in federal funds to help Maine farmers and food processors improve critical infrastructure. The Maine Agricultural Infrastructure Investment Program (AIIP) grant was a highly competitive program, ultimately attracting approximately 850 applications, with requests totaling nearly \$180 million. DACF publicly "recognizes that there is both need and opportunity for additional meaningful and strategic investments to further strengthen Maine's food system." Monetary

¹ The 2025 Feeding the Economy Report

² 97% of data. Industry Employment and Wages: Data is derived from the Quarterly Census of Employment and Wages (QCEW) program. QCEW is a federal-state cooperative program that collects employment and wage information for workers covered by State unemployment insurance (UI) laws and for Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. Data includes wage, employment, address and coding information for individual establishments.

strategic investments are essential to preserving Maine's agricultural legacy, driving economic development, and supporting the vibrancy of rural communities.

Funds via LD 1140, specifically seek to make the Maine Agriculture, Food System and Forest Products Infrastructure Investment Fund (AFFPIIF) financially viable with capital to achieve its primary goals:

- Strengthening Maine's agricultural, food, and forest products economy.
- Make strategic investments in infrastructure to add value to Maine's raw commodities.
- Increase access to new markets for Maine's agricultural, food, and forest products industries.
- Increase investments in historically marginalized, underrepresented, and underserved communities.
- Focus on supporting rural communities, low-income communities, and communities of color.
- Address barriers to capital access for businesses in these communities, helping them start, sustain, scale, and innovate.

The AFFPIIF is modeled after a similar program in Vermont, since its inception in 2012, Vermont's Working Lands Enterprise Initiative has significantly bolstered the state's agricultural and forestry sectors. Over 12 years, the program invested \$18.8 million in 555 projects, leveraging an additional \$30.9 million in matching funds. These investments have led to the creation of numerous jobs, impacted thousands of acres, and generated substantial sales revenue, underscoring the initiative's vital role in strengthening Vermont's rural economy. Investing in the Maine Agriculture, Food, and Forest Products Infrastructure Fund is vital for bolstering the state's economy and supporting OUR Maine agricultural sector.

Maine's 10-year Economic Development Strategy identifies 'food' as one of the four 'thematic areas' "in which Maine has current strengths, there is growing global demand, and there is a potential for job creation."

- To quote the plan, "From aquaculture to traditional seafood harvesting to value-added food production, growth is anticipated in these food industries and Maine can benefit greatly by growing our capacity to meet these markets. This global trend intersects with Maine's strengths in marine resources, food, manufacturing and technical services. Maine can be a leader in the development of new and sustainable ocean fisheries and products." The increasing interest and demand for healthy and sustainable options sets the stage for Maine's locally sourced products and ingredients to prosper.
- Supporting funding for food manufacturing in Maine is essential, as highlighted by the Maine Brand Study. Maine businesses and U.S. consumers alike agree that the Maine brand influences the development of products and services. In fact, U.S. consumers are willing to pay 22% more for Maine products and services.³ Consumers are willing to pay a premium for products made in Maine, indicating a market advantage for local food manufacturers. Investing in this sector not only leverages the state's strong brand identity but also fosters economic growth and job creation within the community.

Maine is known for quality goods and is well-positioned for growth; securing funds to enable the food processing and manufacturing sector to grow is critically important for these companies to meet the booming demand.

We ask for your support in leading the path forward to further support Maine's agriculture community and food manufacturers. Thank you for the opportunity to provide testimony.

Christine Cummings

Christine Cummings
Executive Director

³ What is the Maine brand? https://umaine.edu/business/wp-content/uploads/sites/6/2023/12/Maine-Brand-Study-Insert.pdf