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STATE OF MAINE HOUSE OF REPRESENTATIVES SPEAKER'S OFFICE AUGUSTA, MAINE 04333-0002 (207) 287-1315

Sen. Rotundo, and Rep. Gattine and distinguished members of the Appropriations and Financial Affairs Committee, I am Representative Bill Pluecker, representing House District 44, which includes Warren, Union, and Hope. I stand before you today to strongly advocate for "An Act to Authorize a General Fund Bond Issue to Support Maine's Agricultural Sector." This is a critical \$55.6 million bond proposal to support Maine's agricultural sector.

Maine's Agricultural Heritage at a Crossroads

As both a farmer and a legislator, I see firsthand the challenges facing our agricultural community. Maine's farms and food producers are the backbone of our rural economies and a vital part of our state's heritage and future. However, they face unprecedented pressures from economic volatility, climate change, aging infrastructure, and competition from large corporate agriculture.

The investments proposed in this bond issue represent a comprehensive approach to strengthening our agricultural sector for generations to come.

Strategic Investments for Maximum Impact

This bond issue thoughtfully allocates resources across multiple programs designed to address the most pressing needs in our agricultural sector:

1. \$25 million for the Maine Agriculture, Food and Forest Products
Investment Fund - This substantial investment will provide direct support to farms and food businesses, allowing them to modernize operations, improve efficiency, and expand production.

District 44: Hope, Union, & Warren

- 2. \$5 million each for the Dairy Improvement Fund and Agricultural Marketing Loan Fund These targeted investments recognize the unique challenges facing our dairy industry and provide critical capital for agricultural marketing efforts.
- 3. **\$10 million for the Dirigo Business Incentives Program** for agriculturally directed spending This will catalyze entrepreneurship and innovation in our agricultural sector.
- 4. **\$5** million for the Agricultural Buildings Property Tax Exemption **Program** This addresses a significant burden on farmers by providing a 10-year property tax exemption for new or improved agricultural buildings, encouraging investment in essential infrastructure.
- 5. \$5 million for an agricultural subaccount within the Business Recovery and Resilience Fund This recognizes the need for sector-specific support for recovery from climate disasters.
- 6. \$600,000 to create a common application for financial assistance programs This addresses bureaucratic barriers that have prevented farmers from accessing existing support programs.

Reducing Barriers to Support

A key component of this proposal is the requirement for the Department of Agriculture, Conservation and Forestry to study barriers to accessing financial assistance programs. As I participated in the Dairy Taskforce this past year, I heard how navigating complex application processes across multiple programs creates significant obstacles for those who could most benefit from these resources.

By creating a common application and streamlining these processes, we can ensure that our investments reach farms of all sizes and types, including beginning farmers and those who have historically been underserved by existing programs.

Economic Benefits for All Maine

This bond issue is not just an investment in agriculture; it's an investment in Maine's economy, food security, and rural communities.

For every dollar we invest in agricultural infrastructure, we see a multiplier effect throughout rural economies. These investments will:

- Create and preserve jobs across the food system
- Strengthen local food security
- Keep working lands in production
- Support the next generation of farmers
- Enhance Maine's reputation for high-quality agricultural products
- Build resilience in our food supply chain

A Ten-Year Vision for Maine Agriculture

The tax exemption for agricultural buildings represents a particularly innovative aspect of this proposal. By providing a 10-year exemption on the increased value of new or improved agricultural structures, we create a powerful incentive for farmers to invest in the infrastructure needed to grow their businesses. We have consistently learned that we can grow all the crops we like in Maine but without the ability to process, add value and storage capabilities, we will have a hard time supporting our existing agricultural industry into the future.

From greenhouses and storage facilities to housing for farm workers and facilities for value-added production, these investments will position Maine farms for success in an increasingly competitive marketplace.

Conclusion: A Transformative Investment in Maine's Agricultural Future

Members of the committee, this bond issue will deliver tangible, life-changing benefits to Maine's farmers and agricultural communities:

- 1. Capital for Infrastructure Modernization: Farmers will access funds to build essential structures like barns, greenhouses, and processing facilities—investments many have postponed for years due to financial constraints.
- 2. **Tax Relief When It Matters Most**: The 10-year property tax exemption means farmers who invest in new buildings won't face immediate tax increases, allowing operations to become profitable before bearing additional tax burdens.
- 3. **Support for Dairy Innovation**: Our dairy farmers will receive dedicated assistance to modernize operations, improve efficiency, and develop value-added products in this challenging but essential sector.

- 4. **Accessible Financing**: The common application system will dramatically reduce paperwork and bureaucratic hurdles, ensuring more farmers—especially small and beginning farmers—can access the support they desperately need.
- 5. **Marketing Resources**: Enhanced marketing support will help Maine farmers reach new customers and command premium prices for their high-quality products.
- 6. **Business Resilience**: Farmers will gain resources to diversify operations, build climate resilience, and weather economic disruptions.
- 7. **Next Generation Support**: Young and beginning farmers will find the startup capital essential to establish viable operations in a high-cost environment.
- 8. **Value-Added Development**: Producers will access capital to transform raw commodities into higher-value products, keeping more food dollars in Maine's rural economies.

The \$55.6 million question before Maine voters is about much more than dollars and cents. It's about whether we, as a state, will protect our agricultural heritage while building a resilient food system for our future. It's about the rural communities that rely on agriculture for their economic vitality. It's about ensuring that when Mainers go to the grocery store, they can find food grown by their neighbors.

I can tell you from my own experience: these investments will make the difference between struggling operations and thriving farms. They will determine whether young people see agriculture as a viable career path. And they will shape the Maine landscape for generations to come.

I urge you to vote "ought to pass" on this legislation and send this transformative bond issue to Maine voters. Our agricultural communities are counting on this support, and the benefits will reach every corner of our state.

Thank you for your consideration, and I would be happy to answer any questions you may have.