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DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY
OFFICE OF THE COMMISSIONER
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**¹TESTIMONY BEFORE THE JOINT STANDING COMMITTEE ON
APPROPRIATIONS AND FINANCIAL AFFAIRS**

NEITHER FOR NOR AGAINST LD 1739

An Act to Authorize a General Fund Bond Issue to Support Maine's Agricultural Sector, to Create an Agricultural Buildings Property Tax Exemption and to Direct the Department of Agriculture, Conservation and Forestry to Study Barriers to Its Financial Assistance Programs and Study the Potential for a Common Application for Those Programs

May 13, 2025

Senator Rotundo, Representative Gattine, and members of the Joint Standing Committee on Appropriations and Financial Affairs Committee (AFA), I am Craig Lapine, the Director of the Bureau of Agriculture, Food, and Rural Resources. I am speaking on behalf of the Department of Agriculture, Conservation and Forestry (DACF) as neither for nor against LD 1739, *An Act to Authorize a General Fund Bond Issue to Support Maine's Agricultural Sector, to Create an Agricultural Buildings Property Tax Exemption and to Direct the Department of Agriculture, Conservation and Forestry to Study Barriers to Its Financial Assistance Programs and Study the Potential for a Common Application for Those Programs*.

The value of Maine's agriculture and food economy is estimated to be \$5.3 billion with an economic impact of \$7.8 billion. This vital sector not only feeds our communities but also drives rural economic development, preserves our working landscapes, and maintains Maine's unique agricultural heritage.

Several proposals in this bill overlap with LD 1140, the agricultural bond recently presented by Senator Daughtry, and we appreciate that both the Senate President and ACF House Chair Pluecker have made strong proposals for supporting agriculture.

To that end, I've outlined below the priority areas for the administration, should an agricultural bond bill move forward.

¹ "The Northeast Economic Engine," Farm Credit East Report on Agriculture, Forest Products, Commercial Fishing, and Food Manufacturing. 2024.



The Maine Agriculture, Food System and Forest Products Infrastructure Investment Fund

AFFPIF was established during the 130th legislature under LD 1733 to facilitate strategic investments in Maine's agricultural, food, and forest products processing and manufacturing industries, including value-added products. However, the program has not been adequately funded or staffed since its inception, although recently, a multi-year federal grant was secured to provide staffing resources for the Fund program. Substantial and sustained funding is essential for the success of both our agriculture and forestry industries.

Supporting local infrastructure will strengthen and grow our agricultural and forest-based economy by diminishing supply chain vulnerability, fostering business activity, and growing opportunities for rural communities. It will also enhance our food security and support our state in reaching its climate action plan resilience goals as they pertain to our working lands.

From DACF's experience administering the \$20 million Agriculture Infrastructure Investment Program (AIIP), we know that a highly conservative estimate of the demand for infrastructure investment in the agricultural sector alone exceeds \$160 million. This points to the need for substantial future investment in this Fund to consistently and sustainably meet the infrastructure support needs of the agriculture, food system, and forest products sectors.

Maine Dairy Task Force Recommendations².

The Maine dairy industry acts as a kind of center of gravity for all Maine agriculture. Because dairy farming is both labor- and capital-intensive, dairy farms have a disproportionate impact on the health of rural communities. Their operations support not just significant payrolls but also many allied businesses, such as feed suppliers and tractor dealers. The Maine Dairy Task Force, established by L.D. 1274 Resolve, was charged with developing recommendations for supporting Maine's dairy industry. Maine dairy farms are crucial to the state's food system and rural economy, providing vital nutritional benefits to Maine people, significant statewide economic contributions, and rural land stewardship that safeguards Maine's environment and supports the state's tourism economy. The number of dairy farms, however, is in steady decline due to highly variable federal milk pricing, high production costs, and broader challenges facing all of Maine's agriculture. The task force's recommendations aim to stabilize Maine's dairy sector, attract new farmers, and support the broader agricultural economy. We would recommend that the Committee consider specifying the **Dairy Improvement Fund (DIF) and the Agricultural Development Loan Fund (AMLF)**, which are both established and well-utilized programs, as a potential vehicle for this funding.

Land For Maine's Future/Working Farmland Access Protection Program

The Maine Climate Council's Natural and Working Lands Work Group proposed doubling the permanently protected farmland in Maine by 2030 by annually investing \$20 million in state funding toward the permanent conservation of Maine's farmland, with the goal of protecting at least 7% of the state's presently undeveloped farmland by 2030.

² <https://www.maine.gov/dacf/ag/dairytaskforce/docs/dairy-task-force-report-final.pdf>

If the legislature directs funding to the Working Farmland Access and Protection Program (WFAPP) currently housed under the DACF Bureau of Agriculture, Food, and Rural Resources, DACF proposes the following language to be included, which aligns with what was put forth in the Governor's biennial budget:

7 MRSA §164, sub-§5 is enacted to read: Funding. A separate nonlapsing, interest-bearing account, administered by the department within the Bureau of Agriculture, Food and Rural Resources, is established in the department to support public-private partnerships to carry out the purposes of the program. The account consists of money appropriated or allocated to it by the Legislature or received from any private or public source.

This account language aligns with the Natural and Working Lands Work Group proposal to establish a well-funded, sufficiently staffed, stand-alone state program or mechanism (in addition to the Land for Maine's Future) to prioritize the efficient flow of farmland conservation resources in collaboration with non-profit and federal partners, and that this program include both traditional easement acquisition as well as seamless support for alternative methods of protecting farmland (Buy/Protect/Support/Sell, community land trust/non-profit acquisitions, etc.).

Disaster Aid for Farmers

DACF recently submitted a request to the United States Department of Agriculture (USDA) for a portion of \$220 million in disaster relief funds allocated by Congress in December 2024 through a dedicated block grant for New England states, plus Alaska and Hawaii, to offset some portion of losses by agriculture, forest landowners, and timber producers impacted by extreme weather events in 2023 and 2024.

Maine estimated that a minimum of \$90 million is needed to offset the widespread weather event losses experienced by Maine's farmers, woodland owners, and forestry operations in 2023 and 2024, including infrastructure damage and product loss. Maine's estimated losses represent a significant percentage of the \$220 million allocated for this purpose by the Congressional Continuing Resolution for distribution among the six New England states, plus Hawaii and Alaska. Given the losses experienced by other eligible states, DACF believes that federal funding alone will not meet Maine's needs pertaining to the eligible time-period, nor losses incurred after that.

Part C of this legislation, which directs DACF to study barriers to financial assistance programs, has already been incorporated into LD 606. LD 606 is a Resolve that requires DACF to study their financial assistance programs for farmers and food producers through two listening sessions, with the goal of identifying barriers to accessing these programs. **Therefore, Part C is unnecessary.**

We thank Representative Pluecker for putting this bill forward and for allowing the department and stakeholders to have this important discussion today. We'd be happy to answer any questions now or at the work session.