



# Maine Forest Products Council

*The voice of Maine's forest economy*

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## Testimony in Support of LD 1733

### **“An Act to Provide Reduced Investment Rates for Logging and Fishing Operations”**

May 15, 2025

Krysta West, Deputy Director

Senator Curry, Representative Gere and distinguished members of the Joint Standing Committee on Housing and Economic Development. My name is Krysta West, I am from Readfield and am submitting testimony on behalf of the Maine Forest Products Council in support of LD 1733, “An Act to Provide Reduced Interest Rates for Logging and Fishing Operations, as it offers critical financial relief to Maine’s logging sector, a cornerstone of our economy and way of life.”

For 65 years, the Maine Forest Products Council has served as the voice of Maine’s forest economy, representing more than 300 members from all facets of the forest products industry. Our members include pulp and paper mills, sawmills, secondary wood processors, foresters, loggers, truckers, commercial landowners and more.

As a trade organization representing all interests of the forest industry, from the stump to the mill, our members are acutely aware that the success of the entire industry relies on a healthy and robust logging and trucking workforce. We also know that a global pandemic, unusual weather and extreme weather events, an aging workforce, loss of critical markets and increased operational costs have strained this sector of our industry.

Every few years the Maine Forest Products Council polls its membership to get a sense of how things stand in the industry. This poll provides valuable cross-sector insight reflective of the industry as a whole. Last September,  $\frac{3}{4}$  of respondents indicated that business income was below the level that it was at in 2022. To provide context, when we asked in 2022 how incomes compared to 2020, 54% were up and 46% were at the same level. Nobody indicated business income reductions. This reflects global market forces such as high interest and mortgage rates and low pulp demand that are (hopefully) temporary, but beyond our control. When asked about the biggest challenges, one of the top answers from our membership in both 2024 and 2022 was logging and hauling capacity.

It is no secret that the cost of doing just about everything has increased in recent years. That is particularly true for our loggers and haulers. Our logging workforce is also aging with 59% being 45 years of age or older. This is an especially concerning demographic considering how central the logging workforce is to every other sector of our \$8.1 billion heritage industry.

The high capital investment requirements for equipment purchases are a barrier to entry into the logging workforce, especially for those who are young or first-generation loggers. To retain the current logging

workforce, and to make it possible for the next generation to join the ranks, logging and hauling must be profitable.

Logging is a capital-intensive profession that requires regular equipment upgrades to achieve maximum efficiency. LD 1733 would help reduce the burden of these investments by establishing the Improvements to Logging and Fishing Enterprises Loan Program, administered by the Finance Authority of Maine, to provide low-interest loans that may not exceed 2% to logging (and fishing) enterprises. This program would extend opportunities that exist for agricultural enterprises to other important heritage industries.

The bipartisan support for this bill, demonstrated by its sponsors, is a testament to the importance of the forest products industry to our state's economy. We urge the committee to vote 'Ought to Pass' on LD 1733. Thank you for your consideration.