

Maine Dairy Industry Association
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TESTIMONY BEFORE THE JOINT STANDING COMMITTEE ON APPROPRIATIONS AND FINANCIAL AFFAIRS

in support of

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 Gatine, and esteemed members of the Committee:

My name is Annie Watson. I am an organic dairy farmer from Whitefield, and I serve as the President of the Maine Dairy Industry Association. I am sorry to not be there in person to offer this testimony. MDIA represents the 137 cow-dairy farms in the state shipping milk. Our farms are located in 15 of Maine's 16 counties. MDIA represents all of Maine's dairies, no matter the size or style of operation. Our producers range in size from five to 2,000 cows. We have 90 farms producing milk using conventional systems of production, and 47 using organic systems. All but two of these farms are owned and managed by Maine families. Some are multi-generational families who have stewarded Maine's farmland for hundreds of years, while many are first generation farmers, just starting on their own family's farm journey. It is on behalf of these farms that I am here today to express our strong support for LD 1739.

Maine's dairy industry is a vital part of our agricultural economy, playing a key role in supporting rural communities and ensuring local food security. LD 1739 is a timely and strategic investment in the future of Maine agriculture. For our dairy farmers, this measure would provide essential support to help farms become more sustainable, especially as we navigate persistent challenges like volatile milk prices, increasing operational costs, and ongoing market uncertainty.

1. Agricultural Infrastructure Bond

The bond issue proposed in LD 1739 would provide critical funding to modernize and maintain our agricultural infrastructure. On many dairy farms across Maine, barns and milking facilities are aging. Replacing or renovating these buildings is often financially out of reach, even though the need is urgent. Access to funds through a state-backed bond could help farms improve energy efficiency, animal welfare, and overall productivity—benefits that ripple throughout our rural economy.

2. Property Tax Exemption for Agricultural Buildings

Creating a property tax exemption for agricultural buildings is a practical and fair step. Unlike other commercial sectors, the structures on our farms are essential to production but do not generate income on their own. Being taxed year after year on buildings that already cost so much to maintain adds a significant burden. This exemption would help keep farms in business—and keep farmland from being lost to development.

3. Financial Assistance Access and Common Application

Finally, tasking the Department of Agriculture, Conservation and Forestry with examining barriers to its financial assistance programs—and considering a unified application—is a long-overdue step. Simplifying and improving access to these programs would make it easier for more farmers, particularly young and first-generation farmers, to benefit from the support available. The ACF Committee has already acknowledged this need through LD 606, and we believe this initiative is most effectively advanced through that ongoing process. We appreciate the Committee's recognition and commitment to addressing this important issue.

LD 1739 is not just a policy bill—it's a lifeline for Maine agriculture. It acknowledges the real financial pressures farmers face and proposes smart, targeted solutions to support our industry's long-term viability.

I urge you to vote "Ought to Pass" on LD 1739 and help ensure that Maine farmers—dairy and beyond—have the tools they need to grow, adapt, and thrive.

Thank you for your time and consideration.