



The New England Forestry Foundation (NEFF) would like to provide testimony in favor of LD 2094, An Act to Authorize a General Fund Bond Issue to Support Maine's Agricultural and Forestry Sectors.

Mainers expect a wide range of values from our forests – beauty, recreational and hunting access, wood products, jobs, tax revenue, climate mitigation, wildlife habitat, clean water, etc. In order to provide such diverse and often competing values, landowners must be able to conduct sophisticated forest management, and that means being able to sell the full spectrum of wood products that such forestry produces. They not only need access to high-value markets for prime sawtimber, but also for the low-grade material that emerges from thinning or improvement harvests.

These low-grade markets have been a particular challenge in recent years, especially with the closure of multiple paper mills and the resulting slump in demand for pulpwood. For example, the recent temporary stoppage of the Woodland pulp complex has severely impacted landowners and logging contractors across eastern Maine. Closure of specialty plants like Pride Manufacturing in Burnham, which purchased birch boltwood, further degrades the ability of landowners to make good forestry pay, and the ability of logging contractors to make a decent living from their labor.

In a challenging, globalized market the best strategy is for Maine's forest industry to keep evolving: modernizing production of traditional goods while catching the next wave of wood product innovation, be it wood insulation, biofuels, biochar, mass timber, etc. That constant evolution requires constant access to finance for logging and wood processing businesses and specifically finance with a heightened tolerance for risk.

Given the huge socio-economic significance of the forestry sector in Maine, it is appropriate and timely for the state to develop an evergreen financing mechanism to support investment in new technologies. All Mainers have a stake in the success of the forestry sector, and so NEFF supports putting a bond before them to capitalize the Maine Agriculture, Food and Forest Products Investment Fund. We have no doubt that such public finance will help catalyze private investment, expanding the impact of each public dollar invested.

NEFF supports LD 2094, and should a resulting bond come before Maine voters, our organization will advocate for its passage.

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