

Maine Dairy Industry Association  
PO Box 5013 | 337 State Street  
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Annie Watson, President  
Dale Cole, Vice President  
Jason Tessier, Secretary  
Heath Miller, Treasurer  
Bill Bullard, At Large

**TESTIMONY BEFORE THE JOINT STANDING COMMITTEE ON  
APPROPRIATIONS AND FINANCIAL AFFAIRS**

*in STRONG SUPPORT of*

*Incorporating Agricultural and Forestry Sector Investments Directly into the State Budget*

**February 27, 2026**

Senator Rotundo, Representative Gattine, and members of the Joint Standing Committee on Appropriations and Financial Affairs. My name is Annie Watson. I am a dairy farmer from Whitefield, and along with Heath Miller, I represent the Maine Dairy Industry Association (MDIA).

MDIA represents the 131 cow-dairy farms in the state shipping milk, located across 15 of Maine's 16 counties. Our members range from five to 2,000 cows, spanning both conventional and organic operations. All but two of these farms are owned and managed by Maine families, some stewarding the same land for generations, others beginning their family's farm journey for the first time. It is on behalf of these farms that I urge this committee to take the bolder, more impactful step: fund these critical agricultural investments directly through the budget.

We appreciate the intent behind LD 2094, but a bond issue is simply not the strongest vehicle for supporting Maine's agricultural and forestry sectors. The State Budget is. Direct budget appropriations deliver faster, more certain, and more cost-effective support than bond financing—without the added burden of debt service costs that ultimately reduce the dollars available to farmers.

### **1) The urgency is real—and budget funding responds faster**

Maine dairy farms operate on thin margins and cannot afford to wait. The capital needs are not theoretical:

- Tractors and skid steers: \$75,000–\$150,000
- Feed mixers and forage equipment: \$50,000–\$250,000
- Manure handling and storage upgrades: often six figures
- Milk cooling infrastructure replacements: \$100,000+
- Facility repairs, electrical work, drainage, and ventilation: tens to hundreds of thousands of dollars

A bond must be approved by voters, sold to investors, and administered over years—delaying relief. Direct budget appropriations can be deployed immediately, through existing programs, to farms that need support right now. In an environment of rising interest rates and tight farm margins, speed matters enormously.

### **2) Budget funding avoids debt service costs that diminish impact**

Every dollar borrowed through a bond must be repaid with interest. That means that for every \$100 in bond proceeds directed to farm support, Maine taxpayers ultimately pay back \$110, \$115, or more. By funding these investments directly through the State Budget, every appropriated dollar reaches farmers whole, with no debt overhead eating into the program's effectiveness. Over a multi-year program, the savings from avoiding bond interest can be substantial, and those savings can be reinvested into additional farm support.

### **3) The return on investment is strong and well-documented**

Whether funded by bond or by direct appropriation, the ROI of supporting Maine agriculture is clear. State dollars leverage private investment:

- \$50,000–\$100,000 in program support enables projects in the \$250,000–\$500,000 range once farm equity and commercial financing are layered in

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- Every state dollar activates additional private dollars that would not otherwise be invested

I can speak to this personally. My husband and I purchased our farm in 2013. In 2021, a low-interest loan through the Dairy Improvement Fund helped us secure additional commercial financing to fully retrofit our milking system. That investment changed the trajectory of our business—improving efficiency, creating a better work environment for our employees and our animals, and allowing us to grow our herd. Budget-based programs with reliable annual funding can deliver this kind of impact consistently, year after year, without the uncertainty of a one-time bond cycle.

#### **4) Farm investment drives Maine’s rural economy**

The economic return extends far beyond the farm gate. When dairy farms invest, dollars circulate through:

- Maine equipment dealers and service technicians
- Electricians, plumbers, carpenters, and excavation contractors
- Welders, fabricators, trucking and hauling businesses
- Feed mills, supply stores, and local vendors

A single dairy project can inject tens of thousands of dollars into local economic activity in a short period. Sustained, budget-backed investment programs create more predictable economic activity than the episodic nature of bond cycles, allowing rural businesses to plan and grow alongside the farms they serve.

#### **5) The cost of inaction far exceeds the cost of direct investment**

Deferred maintenance becomes emergency failure. Farms that cannot modernize become less competitive. When dairy farms close, Maine loses production capacity that is rarely replaced—and the ripple effects are severe:

- Lost farm jobs and fewer supporting businesses
- Reduced demand for local services and suppliers
- Shrinking agricultural infrastructure
- Increased pressure to sell working farmland out of production

Incorporating these funding initiatives into the State Budget is not a handout—it is a high-return, strategic investment that protects Maine’s long-term food production capacity, strengthens rural communities, and delivers real, measurable economic returns without burdening taxpayers with debt service costs.

**I respectfully and strongly urge this committee to incorporate the agricultural and forestry funding initiatives currently proposed under LD 2094 directly into the State Budget. This is the fastest, most efficient, and most fiscally responsible path to protecting Maine’s dairy farms and rural economy.**

Thank you for your time and consideration.

Respectfully submitted,

**Annie Watson**

Maine Dairy Industry Association (MDIA)