

Maine Dairy Industry Association
PO Box 5013 | 337 State Street
Augusta, ME 04430



Annie Watson, President
Dale Cole, Vice President
Jason Tessier, Secretary
Heath Miller, Treasurer
Bill Bullard, At Large

**TESTIMONY BEFORE THE JOINT STANDING COMMITTEE ON
AGRICULTURE, CONSERVATION AND FORESTRY**

in STRONG SUPPORT of

LD299 An Act to Build a Viable Future for Maine Agriculture

March 5, 2026

Senator Talbot Ross, Representative Pluecker, and Honorable Members of the Joint Standing Committee on Agriculture, Conservation and Forestry:

My name is Annie Watson, and I am testifying on behalf of the Maine Dairy Industry Association (MDIA) in strong support of LD 299, An Act to Build a Viable Future for Maine Agriculture. The Maine Dairy Industry Association represents the men and women who operate Maine's remaining dairy farms — businesses that anchor rural economies, steward working landscapes, and produce food for Maine families. We urge the Committee to advance this bill.

Maine's dairy sector is the backbone of the state's agricultural economy. In 2022, Maine dairy cattle and milk production accounted for \$146.8 million in direct sales and generated a statewide economic impact of \$230 million. Dairy farms do not exist in isolation — they support welders, electricians, feed suppliers, veterinarians, lumber mills, and countless other rural businesses. The economic ripple effects of losing a dairy farm are felt far and wide.

And yet, Maine's dairy sector has experienced a devastating decline. Thirty years ago, Maine had 602 operating dairy farms. Today, only 131 remain. That loss represents more than numbers on a page — it represents generational farm families who could not survive the

combination of volatile federal milk prices, skyrocketing input costs, aging infrastructure, and inadequate support.

Maine's dairy task force — the sixth convened since 2003 — has warned that we may be approaching a tipping point at which milk production falls too low to sustain the industry at all. Such a collapse would not only devastate the agricultural sector; it would undermine Maine's long-term capacity for food self-reliance. We have the land, water, knowledge, and climate to grow our dairy economy, but only if we invest generously and wisely — starting now.

In recognition of these challenges, Governor Mills signed LD 1274, Resolve to Establish the Task Force to Support Commercial Dairy Farms in the State, in March 2024. The Task Force — chaired by Agriculture Commissioner Amanda Beal and including a number of other stakeholders and dairy farmers — met from June through December 2024 and submitted its final report to the Legislature in January 2025. The findings are clear and urgent.

The Department of Agriculture, Conservation and Forestry (DACF) estimates that demand for agricultural infrastructure investment in Maine exceeds \$160 million — a figure based directly on the department's experience administering the \$20 million Agriculture Infrastructure Investment Program, which was oversubscribed from the outset. Dairy farms require capital-intensive investments to remain viable:

- Milking equipment and barn modernization
- Feed storage and handling systems
- Manure management and nutrient systems
- Energy efficiency improvements and irrigation
- On-farm value-added processing capacity

Without targeted infrastructure investment, farms cannot reduce costs, access new markets, or transition to the next generation of ownership. Improved infrastructure for the dairy sector — including processing capacity for value-added products located in proximity to dairy farms — could help dairy producers grow their businesses and lower costs. The Task Force called for public investment in the form of tax incentives, low-interest capital, grants,

Maine Dairy Industry Association
PO Box 5013 | 337 State Street
Augusta, ME 04430



Annie Watson, President
Dale Cole, Vice President
Jason Tessier, Secretary
Heath Miller, Treasurer
Bill Bullard, At Large

and other financial tools for farm infrastructure improvements and expansion, as well as for processors who serve Maine's dairy farms. LD 299 is one realistic funding vehicle for that much needed investment.

LD 299 does not stand alone. It pairs directly and powerfully with LD 2094, An Act to Authorize a General Fund Bond Issue to Support Maine's Agricultural and Forestry Sectors, a \$40 million bond proposal before the Committee on Appropriations and Financial Affairs. Together, these two bills represent exactly the kind of layered, durable investment strategy that Maine's agricultural sector needs — and that Maine's dairy farms have been waiting for.

Where LD 2094 provides the capital — the one-time, large-scale investment in physical infrastructure and financial tools — LD 299 establishes the programmatic and policy framework that ensures that investment can be deployed strategically and sustained over time. LD 299 builds the foundation; LD 2094 builds the barn. The two bills are mutually reinforcing: infrastructure investment is most effective when it is guided by a coherent, long-term commitment to agricultural investment, and long-term policy commitments are most credible when backed by capital.

For Maine's dairy farms specifically, the bond's proposed investment in the Dairy Improvement Fund — aligned directly with the Maine Dairy Task Force recommendations — means that farms could access low-interest financing for the equipment upgrades, processing improvements, and modernization projects that are the difference between a farm that survives and one that closes. LD 299 ensures that the structures and priorities needed to direct this funding wisely are in place. Passing both bills in the same session would signal to Maine's farming community, and to the rural economies that depend on them, that the Legislature is serious about a sustained commitment to agriculture — not just a single appropriation, but a durable partnership.

LD 299 creates the policy foundation needed to make meaningful agricultural investment possible. Maine's dairy farms are strongly integrated into local economies across the state. The economic ripple effects of farm loss extend to every corner of our rural communities. Dairy farms maintain the hayfields, pastures, and open spaces that define Maine's working landscape and support the biodiversity that underpins our broader agricultural economy. A stable and thriving dairy sector is necessary for Maine to become more self-reliant in food production.

We are critically dependent on food from away. We have what we need to change that — but only if the state commits to the infrastructure and programming investments that make farming viable. The path forward is clear.

The Maine Dairy Industry Association strongly urges this Committee to support LD 299. Passing this legislation sends a clear signal that Maine is committed to the future of its farms — not just as a romantic piece of our heritage, but as a living, working economic engine that feeds our families, employs our neighbors, and sustains our rural communities.

Maine's dairy farmers have been resilient in the face of extraordinary challenges. They deserve a state government that is equally committed to investing in their success. We thank the Committee for its attention and leadership on these issues, and we stand ready to support any additional information the Committee may require.

Respectfully submitted,

Annie Watson

Maine Dairy Industry Association (MDIA)